Annual Securities Report
for the fiscal year ended March 31, 2022

MITSUI & CO., LTD.

Certain References and Information

This report is prepared for overseas investors and compiled based on contents of the Annual Securities Report ("Yukashoken Hokokusho") of Mitsui & Co., Ltd. filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on June 22, 2022.

As used in this report, "Mitsui" and the "Company" are used to refer to Mitsui & Co., Ltd. (Mitsui Bussan Kabushiki Kaisha), and "we," "us," "our" and the "companies" are used to indicate Mitsui & Co., Ltd. and its subsidiaries, unless otherwise indicated. "Share" means one share of Mitsui's common stock, "ADS" means an American Depositary Share representing 20 shares, and "ADR" means an American Depositary Receipt evidencing one or more ADSs. Also, "dollar" or "$" means the lawful currency of the United States of America, and "yen" or "¥" means the lawful currency of Japan.

All financial statements and information contained in this report have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board except where otherwise noted.

A Cautionary Note on Forward-Looking Statements

This report includes forward-looking statements based on our current expectations, assumptions, estimates and projections about our business, our industry and capital markets around the world. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate," "forecast," "plan" or similar words. The forward-looking statements in this report are subject to various risks, uncertainties and assumptions. These statements discuss future expectations, identify strategies, contain projections of results of operations or our financial position, or state other forward-looking information. Known and unknown risks, uncertainties and other factors could cause our actual operating results to differ materially from those contained or implied in any forward-looking statement. Our expectations expressed in these forward-looking statements may not turn out to be correct, and our actual results could materially differ from and be worse than our expectations.

Important risks and factors that could cause our actual results to differ materially from our expectations are discussed in "2. Operating and Financial Review and Prospects, 2. Risk Factors" or elsewhere in this report and include, without limitation:

- changes in economic conditions that may lead to unforeseen developments in markets for products handled by us;
- fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions;
- adverse political developments in the various jurisdictions where we operate, which among things, may create delays or postponements of transactions and projects;
- changes in laws, regulations or policies in any of the countries where we conduct our operations; and
- significant changes in the competitive environment.

We do not assume, and specifically disclaim, any obligation to update any forward-looking statements which speak only as of the date made.

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1. Overview of Mitsui and Its Subsidiaries

1. Selected Financial Data

Fiscal year		103rd	102nd	101st	100th	99th
Year ended		March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Consolidated financial data						
Revenue	(Millions of Yen)	11,757,559	8,010,235	8,484,130	8,958,967	4,892,149
Gross profit	(Millions of Yen)	1,141,371	811,465	839,423	838,467	790,705
Profit for the year attributable to owners of the parent	(Millions of Yen)	914,722	335,458	391,513	414,215	418,479
Comprehensive income for the year attributable to owners of the parent	(Millions of Yen)	1,370,647	964,652	(259,448)	429,917	416,113
Total equity attributable to owners of the parent	(Millions of Yen)	5,605,205	4,570,420	3,817,677	4,263,166	3,974,715
Total assets	(Millions of Yen)	14,923,290	12,515,845	11,806,292	11,945,779	11,306,660
Equity attributable to owners of the parent per share	(Yen)	3,501.21	2,739.28	2,235.83	2,452.81	2,287.10
Basic earnings per share attributable to owners of the parent	(Yen)	561.61	199.28	226.13	238.33	237.67
Diluted earnings per share attributable to owners of the parent	(Yen)	561.38	199.18	225.98	238.15	237.50
Equity attributable to owners of the parent ratio	(%)	37.56	36.52	32.34	35.69	35.15
Return on Equity (ROE)	(%)	17.98	8.00	9.69	10.06	10.86
Price Earnings Ratio (PER)	(Times)	5.93	11.55	6.65	7.21	7.67
Cash flows from operating activities	(Millions of Yen)	806,896	772,696	526,376	410,670	553,645
Cash flows from investing activities	(Millions of Yen)	(181,191)	(322,474)	(185,230)	(719,036)	(248,211)
Cash flows from financing activities	(Millions of Yen)	(614,325)	(486,963)	(204,561)	127,376	(652,292)
Cash and cash equivalents at end of year	(Millions of Yen)	1,127,868	1,063,150	1,058,733	956,107	1,131,380
Number of employees (excluding average number of part-time employees)	(Number of persons)	44,336	44,509	45,624	43,993	42,304
		(8,869)	(9,721)	(10,760)	(10,354)	(11,984)
Total Shareholder Return	(%)	232.4	162.3	107.5	115.9	117.4
(Comparative index: TOPIX)	(%)	(128.7)	(129.2)	(92.8)	(105.2)	(113.5)
Highest price of Mitsui's shares	(Yen)	3,414	2,415	1,999	2,120	2,042
Lowest price of Mitsui's shares	(Yen)	2,198	1,396	1,378	1,553	1,476

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

2. Effective from the 102nd fiscal year, revisions have been made to the presentation of revenue for certain transactions, and the figures for the 100th year and the 101st year have been restated.
3. The Total Shareholder Return are the ratio as calculated by dividing the sum of the stock price at the end of each fiscal year and the cumulative dividends per share during the previous four fiscal years, by the stock price at the end of the previous fifth fiscal year.
4. The highest and lowest share prices are those quoted on the Tokyo Stock Exchange (first section). The Company moved from the first section of the Tokyo Stock Exchange to the Prime Market on April 4, 2022 as result of revision to market classification of the Tokyo Stock Exchange.

2. History

Mitsui Bussan Kabushiki Kaisha ("Mitsui & Co., Ltd." in English) was originally incorporated on July 25, 1947, as Daiichi Bussan Kabushiki Kaisha with a common stock of ¥195,000, with the main purpose of importing, exporting and selling a wide variety of products.

Since our establishment, our business results have developed strongly, and we have grown in scale as the result of capital increases or stock dividends, the issuance of foreign currency-denominated and domestic convertible bonds, as well as integration with other new companies. On February 16, 1959, we changed our name to our present name of Mitsui Bussan Kabushiki Kaisha (Mitsui & Co., Ltd.), and took the form of a general trading company in both name and practice. From then until the present day, we have continued to expand our business through mergers and acquisitions of other businesses and companies.

The significant developments for the companies that occurred during this time, including name changes, mergers, establishment of major affiliated companies, listings on securities exchanges, and other, are as follows:

Jul. 1947	Daiichi Bussan Kabushiki Kaisha established with common stock of ¥195,000
May 1949	Listed on the Tokyo Stock Exchange
Nov. 1954	Listed on Sapporo Securities Exchange, Nagoya Stock Exchange and Osaka Securities Exchange
Apr. 1956	Established Daiichi Bussan Kabushiki Kaisha Australia (currently Mitsui &Co. (Australia), Ltd.)
Feb. 1959	Changed the name to Mitsui Bussan Kabushiki Kaisha (Mitsui & Co., Ltd.)
Feb. 1959	Listed on Fukuoka Stock Exchange
Jan. 1963	Participated in the development of the Moura Coal Mine in Australia (currently the Dawson Coal Mine)
May 1963	Issued American Depositary Receipts (ADR) in the U.S. (registered on NASDAQ in the U.S. in February 1971)
Feb. 1965	Decided to participate in Robe River iron mine in Australia
Apr. 1966	Established Mitsui & Co. (U.S.A.), Inc.
Oct. 1966	Concluded long-term purchase agreement of iron ore from Mount Newman in Australia
Mar. 1971	Split off lease business and established Mitsui Leasing, Ltd. (currently JA Mitsui Leasing, Ltd.)
Sept. 1971	Signed basic agreement on development of Liquefied Natural Gas (LNG) in Das Island, Abu Dhabi
Oct. 1971	Signed basic agreement on Iran Petrochemical Project
May 1976	Established AIM SERVICES CO., LTD. with ARA (currently ARAMARK Corporation)
Nov. 1976	Moved head office to Otemachi, Chiyoda-ku, Tokyo
Jul. 1985	Participated in North West Shelf LNG project in Western Australia
Apr. 1988	Established Mitsui & Co. UK PLC (currently Mitsui & Co. Europe PLC)
Dec. 1990	Concluded Iran Petrochemical Project due to winding up of Iran Chemical Development Co. Ltd.
Oct. 1991	Introduced Chief Operating Officer system
Feb. 1994	Established P.T. Paiton Energy, an electric power company in Indonesia
Jun. 1994	Signed development contracts (production sharing contract) for the Sakhalin II petroleum and natural gas projects
Apr. 2002	Introduced Managing Officer system
Mar. 2003	Participated in ownership interest in International Methanol Company of Saudi Arabia
Jun. 2003	First appointment of external director
Sept. 2003	Purchased ownership interest in Valepar S.A., the holding company of Vale S.A., the Brazilian diversified resource company
Apr. 2004	Abolished Domestic Branches and Offices Segment and included them in each business unit by product
Apr. 2006	Introduced overseas regional business unit system
Jun. 2007	Acquired Steel Technologies, Inc., a U.S. steel processing service center
Feb. 2010	Decided to participate in the Marcellus Shale Gas production development project in the U.S.
Apr. 2011	Delisted from NASDAQ (deregistered from the U.S. Securities and Exchange Commission in July 2011)
Aug. 2012	Established a strategic alliance with Codelco and participated in a joint venture to jointly hold shares of Anglo American Sur S.A.
Nov. 2014	Moved head office to Marunouchi, Chiyoda-ku, Tokyo due to reconstruction of the head office building
Aug. 2017	Incorporated Valepar S.A., the holding company, by Vale S.A., the Brazilian diversified resource company
Mar. 2019	Became IHH Healthcare Berhad's largest shareholder through an additional investment
May 2020	Relocated head office to Otemachi, Chiyoda-ku, Tokyo with the completion of the new head office building
Apr. 2022	Transited from 1st Section of the Tokyo Stock Exchange to the Prime Market

3. Business Overview

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

The Company assigns headquarters business units by business in the head office. Each headquarters business unit drafts overall strategies that unify the regional business units and blocs internally and externally for each business area in respect of which they are in charge and develops business activities for the entire world with affiliated companies. As a driver of the regional strategy, the regional business units and blocs are responsible for the regions they are in charge of, and cooperate with the headquarters business units while carrying out broad and diversified business along with affiliated companies under each umbrella.
These headquarters business units, regional business units and blocs are organized into seven business segments based on the nature of the business areas while taking into account managerial decisions relating to the allocation of resources, assessment of their operating performance, and the products or services they handle.

For the disclosure pursuant to IFRS 8 "Operating Segments," these headquarters business units and regional business units are organized into seven business segments based on the business domains taking into account managerial decisions relating to allocation of resources, assessment of such operating performance, and the products or services they handle.

We have 509 affiliated companies for consolidation, which consist of 201 overseas subsidiaries, 78 domestic subsidiaries, 182 overseas equity accounted investees and 48 domestic equity accounted investees.

Segment	Products or Services	Major Subsidiaries	Major Equity Accounted Investees
Mineral & Metal Resources	Iron ore, Coal, Copper, Nickel, Aluminum, Ferrous raw materials, Recycling solutions, and others	MITSUI BUSSAN METALS CO., LTD., Mitsui-Itochu Iron Pty. Ltd., Mitsui Iron Ore Development Pty. Ltd., Mitsui Iron Ore Corporation Pty. Ltd., Mitsui & Co. Iron Ore Exploration & Mining Pty. Ltd., Mitsui Resources Pty. Ltd., BUSSAN SUMISHO CARBON ENERGY CO., LTD., Oriente Copper Netherlands B.V., Japan Collahuasi Resources B.V., Mitsui & Co. Mineral Resources Development (Asia) Corp.	Inner Mongolia Erdos Electrical Power & Metallurgical Group Limited By Shares, BHP Mitsui Coal Pty Ltd, NIPPON AMAZON ALUMINIUM CO., LTD.
Energy	Oil, Natural gas, LNG, Petroleum products, Uranium, Environmental and next-generation energy, and others	Mitsui Oil Exploration Co., Ltd., Mitsui E&P Middle East B.V., Mitsui E&P Australia Pty Limited, Mitsui E&P UK Limited, Mitsui E&P USA LLC, MEP Texas Holdings LLC, Mitsui E&P Italia A S.r.l., AWE Pty Ltd., MOEX North America LLC, Mitsui & Co. Energy Trading Singapore Pte. Ltd., Mitsui & Co. LNG Investment USA LLC, Mitsui & Co. Energy Marketing and Services (USA), Inc., Mitsui Sakhalin Holdings B.V., MyPower Corp.	ENEOS GLOBE Corporation, JAPAN ARCTIC LNG B.V., Japan Australia LNG (MIMI) Pty. Ltd., Mitsui E&P Mozambique Area 1 Limited

Segment	Products or Services	Major Subsidiaries	Major Equity Accounted Investees
Machinery & Infrastructure	Electric power, Marine energy, Gas distribution, Water treatment and supply, Logistics and social infrastructure, Automotive, Construction, Transportation, Ships, Aircraft, and others	Portek International Private Limited, Mit-Power Capitals (Thailand) Limited, Mitsui & Co. Middle East and Africa Projects Investment & Development Limited, MITSUI GAS E ENERGIA DO BRASIL LTDA., Ecogen Brasil Solucoes Energeticas S.A., MIZHA ENERGIA PARTICIPACOES S.A., ATLATEC, S.A. de C.V., KARUGAMO ENERGY MANAGEMENT PTY. LIMITED, Mitsui & Co. Plant Systems, Ltd., Tokyo International Air Cargo Terminal Ltd., Mitsui Water Holdings (Thailand) Ltd., GUMI BRASIL PARTICIPACOES S.A., Toyota Chile S.A., Mitsui Automotriz S.A., PT. Bussan Auto Finance, MITSUI AUTO FINANCE CHILE LTDA., Mitsui Auto Finance Peru S.A., HINO MOTORS SALES MEXICO, S.A. DE C.V., Komatsu-Mitsui Maquinarias Peru S.A., Road Machinery, LLC, KOMEK MACHINERY LLC, KOMEK MACHINERY Kazakhstan LLP, Veloce Logistica SA, MBK USA Commercial Vehicles Inc., MITSUI & CO. MACHINE TECH LTD., Ellison Technologies Inc., lnversiones Mitta SpA, OMC SHIPPING PTE. LTD., ORIENT MARINE CO., LTD., M&T AVIATION FINANCE (IRELAND) LIMITED, M&T AVIATION LIMITED, Mitsui Rail Capital Holdings, Inc., Mitsui Rail Capital Europe B.V., Mitsui Bussan Aerospace Co., Ltd.	P.T. PAITON ENERGY, 3B POWER SDN. BHD., SEA TERMINAL MANAGEMENT & SERVICE PTE. LTD., SAFI ENERGY COMPANY, MAP Inland Holding Company Limited, MAP Coastal Holding Company Limited, DHOFAR GENERATING COMPANY SAOG, Caitan SpA, IPM Eagle LLP, MT Falcon Holdings Company, S.A.P.I. de C.V., India Yamaha Motor Private Limited, TOYOTA MANILA BAY CORPORATION, HINO MOTORS SALES (THAILAND) LTD., TAIYOKENKI RENTAL CO.,LTD, KOMATSU MARKETING SUPPORT AUSTRALIA PTY LTD, VLI S.A., Penske Automotive Group, Inc., WILLIS MITSUI & CO ENGINE SUPPORT LIMITED
Chemicals	Petrochemical raw material and products, Inorganic raw material and products, Synthetic resin material and products, Agricultural material, Feed additives, Tank terminal, living and environmental materials, and others	Mitsui Bussan Chemicals Co., Ltd., Japan-Arabia Methanol Company Ltd., MMTX Inc., Shark Bay Salt Pty. Ltd., Intercontinental Terminals Company LLC, MITSUI & CO. PLASTICS LTD., Mitsui Plastics Trading (Shanghai) Co.,LTD, Diana Elastomers, Inc., Mitsui Bussan Packaging Co.,Ltd., Mitsui Bussan Woodchip Oceania Pty. Ltd., MITSUI PLASTICS INC., Mitsui AgriScience International SA/NV, Certis U.S.A. L.L.C., Bharat Certis Limited, DAIICHI TANKER CO., LTD., Mitsui Bussan Agro Business Co., Ltd., B Food Science Co.,LTD., Mitsui Agro Business S.A., Novus International, Inc., Consorcio Agroindustrias del Norte, S.A.P.I de C.V.	Kansai Helios Coatings GmbH, Honshu Chemical Industry Co., Ltd., HEXAGON COMPOSITES ASA, LABIX Company Limited, SMB KENZAI CO.,LTD., OURO FINO QUIMICA S.A., MVM Resources International B.V., ITC RUBIS TERMINAL ANTWERP NV, PT Kingsford Holdings
Iron & Steel Products	Steel products for infrastructure projects, Automotive components, Steel products used in energy industry, and others	Mitsui & Co. Steel Ltd., EURO-MIT STAAL B.V., Regency Steel Asia Pte Ltd.	GRI Renewable Industries, S.L., NIPPON STEEL TRADING CORPORATION, Shanghai Bao-Mit Steel Distribution Co., Ltd., Gestamp North America, Inc., Gestamp Holding Mexico, S.L., Gestamp Brasil Industria De Autopecas S.A., Gestamp Holding Argentina, S.L., GESTAMP 2020, S.L., NuMit LLC, GEG (Holdings) Limited, SIAM YAMATO STEEL COMPANY LIMITED

Segment	Products or Services	Major Subsidiaries	Major Equity Accounted Investees
Lifestyle	Foods, Fashion, Healthcare, Outsourcing services, and others	XINGU AGRI AG, United Grain Corporation of Oregon, TOHO BUSSAN KAISHA, LTD., PRIFOODS CO.,LTD, KASET PHOL SUGAR LIMITED, Mitsui Norin Co., Ltd., Mit-Salmon Chile SpA, Retail System Service Co., Ltd., Bussan Logistics Solutions Co., Ltd., VENDOR SERVICE CO., LTD., MITSUI FOODS CO., LTD., Mitsui & Co. Retail Holdings, Ltd., S.V.D. Co., Ltd., MITSUI BUSSAN LOGISTICS INC., WILSEY FOODS, INC., MAX MARA JAPAN CO., LTD., SANLI HOLDINGS CO., LTD., Mitsui & Co. Foresight Ltd., UHS Partners, Inc., MBK HEALTHCARE MANAGEMENT PTE. LTD.	FEED ONE CO., LTD., Mitsui DM Sugar Holdings Co., Ltd., BIGI HOLDINGS CO., LTD., MN Inter-Fashion Ltd., IHH Healthcare Berhad, AIM SERVICES CO., LTD., ARAMARK Uniform Services Japan Corporation
Innovation & Corporate Development	Asset management, Leasing, Insurance, Buyout investment, Venture investment, Commodity derivatives, Logistics center, Information system, Real estate, and others	MITSUI KNOWLEDGE INDUSTRY CO.,LTD., Mitsui Bussan Secure Directions, Inc., World Hi-Vision Channel,Inc., M&Y Asia Telecom Holdings Pte. Ltd., Mitsui & Co. Insurance Holdings Ltd., Mitsui & Co. Alternative Investments Ltd., Mitsui & Co. Asset Management Holdings LTD., SABRE INVESTMENTS, LLC, MITSUI & CO. REAL ESTATE LTD., MBK Real Estate Asia Pte. Ltd., MBK Real Estate Holdings Inc., Mitsui & Co., Principal Investments Ltd., MITSUI & CO. Global Investment, Inc., Mitsui Bussan Commodities Ltd, Mitsui & Co. Global Logistics, Ltd.	Relia Inc., QVC JAPAN INC., NAAPTOL ONLINE SHOPPING PRIVATE LIMITED, JA Mitsui Leasing, Ltd.

* Mitsui Coal Holdings Pty. Ltd. has changed its corporate name to Mitsui Resources Pty. Ltd. since January 1, 2022.

* BHP Mitsui Coal Pty Ltd has changed its corporate name to Stanmore SMC Pty Ltd. since May 11, 2022.

* Mitsui & Co. Infrastructure Solutions, S.A. de C.V. was launched on April 1, 2022, as a result of business integration between Atlatec, S.A. de C.V. and Mitsui & Co. Power Development and Management Americas, S.de R.L.de C.V.

* MN Inter-Fashion Ltd. was established on January 1, 2022 through the merger of Nippon Steel Trading Corporation's textile business and Mitsui Bussan I-Fashion Ltd.

4. Affiliated Companies

(1) Parent Company

Mitsui does not have parent company.

(2) Major Subsidiaries

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Mineral & Metal Resources	MITSUI BUSSAN METALS CO., LTD.	Sales and trading of non-ferrous scrap, alloy and products	Japan	100.0
	Mitsui-Itochu Iron Pty. Ltd.	Mining and sales of Australian iron ore	Australia	70.0
	Mitsui Iron Ore Development Pty. Ltd.	Mining and sales of Australian iron ore	Australia	100.0
	Mitsui Iron Ore Corporation Pty. Ltd.	Mining and sales of Australian iron ore	Australia	100.0
	Mitsui & Co. Iron Ore Exploration & Mining Pty. Ltd.	Mining and sales of Australian iron ore	Australia	100.0
	Mitsui Resources Pty. Ltd.	Investments in Australian coal business	Australia	100.0
	BUSSAN SUMISHO CARBON ENERGY CO., LTD.	Import and sales of coal, biomass fuel, etc. for Japanese General Industries	Japan	51.0
	Oriente Copper Netherlands B.V.	Investment in and loan to copper business in Chile through Inversiones Mineras Becrux SpA	The Netherlands	100.0
	Japan Collahuasi Resources B.V.	Investments in a copper mine in Chile	The Netherlands	100.0
	Mitsui & Co. Mineral Resources Development (Asia) Corp.	Investments in nickel and cobalt smelting business in the Philippines	The Philippines	100.0
Energy	Mitsui Oil Exploration Co., Ltd.	Exploration, development and production of oil, natural gas and geothermal energy resources	Japan	100.0
	Mitsui E&P Middle East B.V.	Exploration, development and production of oil and natural gas	The Netherlands	100.0
	Mitsui E&P Australia Pty Limited	Exploration, development and production of oil and natural gas	Australia	100.0
	Mitsui E&P UK Limited	Exploration, development and production of oil and natural gas in Europe & Africa	United Kingdom	100.0
	Mitsui E&P USA LLC	Exploration, development and production of oil and gas	U.S.A.	100.0
	MEP Texas Holdings LLC	Investment in Oil and Gas Business in Americas	U.S.A.	100.0
	Mitsui E&P Italia A S.r.l.	Exploration, development and production of oil and natural gas based in Italy	Italy	100.0
	AWE Pty Ltd.	Exploration, development and production of oil and natural gas in Oceania	Australia	100.0
	MOEX North America LLC	Exploration, development and production of oil and natural gas	U.S.A.	100.0
	Mitsui & Co. Energy Trading Singapore Pte. Ltd.	Global trading / marketing of oil, petroleum products and LNG	Singapore	100.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Energy	Mitsui & Co. LNG Investment USA LLC	Investment in natural gas liquefaction business in the U.S.A. and sales of LNG	U.S.A.	100.0
	Mitsui & Co. Energy Marketing and Services (USA), Inc.	Trading of Natural Gas, Power and Oil	U.S.A.	100.0
	Mitsui Sakhalin Holdings B.V.	Investments in Sakhalin Energy Investment Company Ltd.	The Netherlands	100.0
	MyPower Corp.	Investment and portfolio management of New Downstream business in the United States	U.S.A.	100.0
Machinery & Infrastructure	Portek International Private Limited	Development and operation of container terminal	Singapore	100.0
	Mit-Power Capitals (Thailand) Limited	Investment in cogeneration and power generation service business in Thailand	Thailand	100.0
	Mitsui & Co. Middle East and Africa Projects Investment & Development Limited	Infrastructure project development and asset management in Middle East and Africa	United Arab Emirates	100.0
	MITSUI GAS E ENERGIA DO BRASIL LTDA.	Investments in gas distribution companies	Brazil	100.0
	Ecogen Brasil Solucoes Energeticas S.A.	Utility equipment rental, operation and maintenance in Brazil	Brazil	100.0
	MIZHA ENERGIA PARTICIPACOES S.A.	Investment in power producing business in Brazil	Brazil	100.0
	ATLATEC, S.A. de C.V.	Water engineering company	Mexico	96.4
	KARUGAMO ENERGY MANAGEMENT PTY. LIMITED	Investments in power generation business	Australia	100.0
	Mitsui & Co. Plant Systems, Ltd.	Sales of various plants, electric power facilities and transportation equipment	Japan	100.0
	Tokyo International Air Cargo Terminal Ltd.	Operation of air cargo terminal at Tokyo International Airport	Japan	100.0
	Mitsui Water Holdings (Thailand) Ltd.	Investment in water supply business	Thailand	100.0
	GUMI BRASIL PARTICIPACOES S.A.	Investment vehicle of Guarana Urban Mobility Inc in Brazil	Brazil	100.0
	Toyota Chile S.A.	Import and sales of automobiles and auto parts in Chile	Chile	100.0
	Mitsui Automotriz S.A.	Retail sales of automobiles and auto parts	Peru	100.0
	PT. Bussan Auto Finance	Motorcycle retail finance	Indonesia	65.0
	MITSUI AUTO FINANCE CHILE LTDA.	Automobile retail finance	Chile	100.0
	Mitsui Auto Finance Peru S.A.	Automobile retail finance	Peru	100.0
	HINO MOTORS SALES MEXICO, S.A. DE C.V.	Sales of truck, bus of HINO brand	Mexico	65.0
	Komatsu-Mitsui Maquinarias Peru S.A.	Sales of construction and mining equipment	Peru	60.0
	Road Machinery, LLC	Sales of construction and mining equipment	U.S.A.	100.0
	KOMEK MACHINERY LLC	Distributor of KOMATSU in Russia	Russia	95.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Machinery & Infrastructure	KOMEK MACHINERY Kazakhstan LLP	Distributor of KOMATSU in Kazakhstan	Kazakhstan	95.0
	Veloce Logistica SA	Automotive parts logistics	Brazil	100.0
	MBK USA Commercial Vehicles Inc.	Investment in full-service truck leasing, rental and logistics business	U.S.A.	100.0
	MITSUI & CO. MACHINE TECH LTD.	Sales of machine tools and peripheral equipment	Japan	100.0
	Ellison Technologies Inc.	Sales of machine tools	U.S.A.	100.0
	lnversiones Mitta SpA	Chilean automobile lease and rental business	Chile	60.0
	OMC SHIPPING PTE. LTD.	Shipping business	Singapore	100.0
	ORIENT MARINE CO., LTD.	Shipping business	Japan	100.0
	M&T AVIATION FINANCE (IRELAND) LIMITED	Aircraft leasing	Ireland	100.0
	M&T AVIATION LIMITED	Aircraft trading	Ireland	100.0
	Mitsui Rail Capital Holdings, Inc.	Railcar leasing and management in North America	U.S.A.	100.0
	Mitsui Rail Capital Europe B.V.	Locomotive leasing and management in Europe	The Netherlands	100.0
	Mitsui Bussan Aerospace Co., Ltd.	Import and sales of helicopters and defense and aerospace products	Japan	100.0
Chemicals	Mitsui Bussan Chemicals Co., Ltd.	Domestic and foreign trade of solvents, coating chemicals, etc.	Japan	100.0
	Japan-Arabia Methanol Company Ltd.	Investments in methanol producing business in Saudi Arabia and sales of products	Japan	55.0
	MMTX Inc.	Methanol business in the U.S.	U.S.A.	100.0
	Shark Bay Salt Pty. Ltd.	Production of salt	Australia	100.0
	Intercontinental Terminals Company LLC	Chemical tank leasing	U.S.A.	100.0
	MITSUI & CO. PLASTICS LTD.	Trading and sales of plastics and chemicals	Japan	100.0
	Mitsui Plastics Trading (Shanghai) Co.,LTD	Sales and marketing of plastics and chemicals	China	100.0
	Diana Elastomers, Inc.	Investment in synthetic rubbers producing and marketing business	U.S.A.	100.0
	Mitsui Bussan Packaging Co.,Ltd.	Domestic sales and import/export related to paper, pulp and packaging	Japan	100.0
	Mitsui Bussan Woodchip Oceania Pty. Ltd.	Plantation, processing and sales of woodchip	Australia	100.0
	MITSUI PLASTICS INC.	Sales and marketing of plastics and chemicals	U.S.A.	100.0
	Mitsui AgriScience International SA/NV	Investments in crop protection businesses in Europe	Belgium	100.0
	Certis U.S.A. L.L.C.	Manufacture and sales of biological crop protection products	U.S.A.	100.0
	Bharat Certis Limited	Investment in crop protection business in India	Japan	82.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Chemicals	DAIICHI TANKER CO., LTD.	Operation of chemical tankers	Japan	100.0
	Mitsui Bussan Agro Business Co., Ltd.	Development and sales of fertilizers and agricultural products	Japan	100.0
	B Food Science Co.,LTD.	Manufacturing and sales of functional food, pharmaceutical, and chemical product materials.	Japan	100.0
	Mitsui Agro Business S.A.	Investment in fertilizer producing business and sales of products in South America	Chile	100.0
	Novus International, Inc.	Manufacturing and sales of feed additives	U.S.A.	80.0
	Consorcio Agroindustrias del Norte, S.A.P.I de C.V.	Sales of fertilizer and other agricultural inputs, provision of farming guidance services	Mexico	80.0
Iron & Steel Products	Mitsui & Co. Steel Ltd.	Domestic sales, export, import of steel products	Japan	100.0
	EURO-MIT STAAL B.V.	Steel processing	The Netherlands	100.0
	Regency Steel Asia Pte Ltd.	Wholesale and retail of steel products	Singapore	100.0
Lifestyle	XINGU AGRI AG	Production and merchandising of agriproducts	Switzerland	100.0
	United Grain Corporation of Oregon	Grain merchandising	U.S.A.	100.0
	TOHO BUSSAN KAISHA, LTD.	Import and sales of agricultural and marine products	Japan	100.0
	PRIFOODS CO.,LTD	Production, processing and sales of broilers	Japan	46.5
	KASET PHOL SUGAR LIMITED	Production and sales of sugar	Thailand	64.7
	Mitsui Norin Co., Ltd.	Manufacture and sales of food products	Japan	100.0
	Mit-Salmon Chile SpA	Investment in salmon farming, processing and sales company	Chile	100.0
	Retail System Service Co., Ltd.	Sales of foods, groceries and services for retailers	Japan	100.0
	Bussan Logistics Solutions Co., Ltd.	Operation and management of logistics centers	Japan	100.0
	VENDOR SERVICE CO., LTD.	Sales and distribution of food and packaging materials	Japan	100.0
	MITSUI FOODS CO., LTD.	Wholesale of foods and beverages	Japan	100.0
	Mitsui & Co. Retail Holdings, Ltd.	Management of wholesaler distribution companies	Japan	100.0
	S.V.D. Co., Ltd.	Sales of foods, groceries, for retailers	Japan	50.5
	MITSUI BUSSAN LOGISTICS INC.	Sales of foods and groceries for retailers in U.S.	U.S.A.	100.0
	WILSEY FOODS, INC.	Investments in processed oil food company	U.S.A.	90.0
	MAX MARA JAPAN CO., LTD.	Exclusive Distribution in Japan for Ladies' ready-to-wears produced by MAX MARA Italy	Japan	65.5

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Lifestyle	SANLI HOLDINGS CO., LTD.	Holding shares issued by foreign corporations and selling pharmaceutical, other raw materials	Japan	80.0
	Mitsui & Co. Foresight Ltd.	Property management	Japan	100.0
	UHS Partners, Inc.	Investment in healthcare staffing business	U.S.A.	100.0
	MBK HEALTHCARE MANAGEMENT PTE. LTD.	Healthcare related business	Singapore	100.0
Innovation & Corporate Development	MITSUI KNOWLEDGE INDUSTRY CO.,LTD.	ICT services, consulting, system and network integration	Japan	100.0
	Mitsui Bussan Secure Directions, Inc.	Cyber security business	Japan	100.0
	World Hi-Vision Channel, Inc.	Operating a broadcasting satellite channel	Japan	100.0
	M&Y Asia Telecom Holdings Pte. Ltd.	Investments in mobile network operator business in Cambodia	Singapore	75.0
	Mitsui & Co. Insurance Holdings Ltd.	Development of insurance RM businesses	Japan	100.0
	Mitsui & Co. Alternative Investments Ltd.	Securities and investment management firm specializing in the alternative investments	Japan	100.0
	Mitsui & Co. Asset Management Holdings LTD.	Real estate asset management	Japan	100.0
	SABRE INVESTMENTS, LLC	Vehicle for the investment in a real asset owner and operator in US.	U.S.A.	100.0
	MITSUI & CO. REAL ESTATE LTD.	Real estate sales, leasing and brokerage	Japan	100.0
	MBK Real Estate Asia Pte. Ltd.	Real estate development, sales, leasing and brokerage	Singapore	100.0
	MBK Real Estate Holdings Inc.	Real estate-related business	U.S.A.	100.0
	Mitsui & Co., Principal Investments Ltd.	Investment in private equity	Japan	100.0
	MITSUI & CO. Global Investment, Inc.	Operation of Venture Capital Fund	U.S.A.	100.0
	Mitsui Bussan Commodities Ltd	Trading of energy and metals derivatives	United Kingdom	100.0
	Mitsui & Co. Global Logistics, Ltd.	Domestic warehousing businesses and international integrated transportation services	Japan	100.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
All Other	MITSUI & CO.(U.S.A.), INC.	Trading	U.S.A.	100.0
	MITSUI & CO. (CANADA) LTD.	Trading	Canada	100.0
	MITSUI & CO. (BRASIL) S.A.	Trading	Brazil	100.0
	MITSUI de MEXICO, S. de R.L. de C.V.	Trading	Mexico	100.0
	MITSUI & CO. (ASIA PACIFIC) PTE. LTD.	Trading	Singapore	100.0
	MITSUI & CO., (THAILAND) LTD.	Trading	Thailand	100.0
	MITSIAM INTERNATIONAL LTD.	Trading	Thailand	75.1
	MITSUI & CO. (AUSTRALIA) LTD.	Trading	Australia	100.0
	MITSUI & CO. EUROPE PLC	Trading	United Kingdom	100.0
	MITSUI & CO. DEUTSCHLAND GMBH	Trading	Germany	100.0
	MITSUI & CO. BENELUX S.A./N.V.	Trading	Belgium	100.0
	MITSUI & CO. ITALIA S.P.A.	Trading	Italy	100.0
	MITSUI & CO. (MIDDLE EAST) LTD.	Trading	United Arab Emirates	100.0
	MITSUI & CO. (HONG KONG) LTD.	Trading	China	100.0
	MITSUI & CO. (CHINA) LTD.	Trading	China	100.0
	MITSUI & CO. (SHANGHAI) LTD.	Trading	China	100.0
	MITSUI & CO. (TAIWAN) LTD.	Trading	Taiwan	100.0
	MITSUI & CO. KOREA LTD.	Trading	Korea	100.0
	MITSUI & CO. BUSINESS PARTNERS LTD.	Provision of HR & GA services to Mitsui and its subsidiaries	Japan	100.0
	Mitsui & Co. Trade Services Ltd.	Provision of logistics-related services to Mitsui and its subsidiaries	Japan	100.0
	Mitsui & Co. Financial Management, Ltd.	Provision of accounting and treasury-related services to Mitsui	Japan	100.0

* Mitsui & Co. Mineral Resources Development (Latin America) Ltd. and Tokyo International Air Cargo Terminal Ltd. were in a financial condition with liabilities in excess of assets. The amount of negative net worth as of March 31, 2022 were ¥131,537 million and ¥13,913 million, respectively.

* Mitsui Coal Holdings Pty. Ltd. has changed its corporate name to Mitsui Resources Pty. Ltd. since January 1, 2022.

* Mitsui & Co. Infrastructure Solutions, S.A. de C.V. was launched on April 1, 2022, as a result of business integration between Atlatec, S.A. de C.V. and Mitsui & Co. Power Development and Management Americas, S.de R.L.de C.V.

(3) Major Equity Accounted Investees

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Mineral & Metal Resources	*Inner Mongolia Erdos Electrical Power & Metallurgical Group Limited By Shares	Coal mining, power generation, ferrous alloy and chemical production and water pumping	China	20.2
	BHP Mitsui Coal Pty Ltd	Mining and sales of Australian coal	Australia	16.8
	NIPPON AMAZON ALUMINIUM CO., LTD.	Investments in aluminum smelting business in Brazil	Japan	20.9
Energy	*ENEOS GLOBE Corporation	LPG imports and marketing, fuel cell and photovoltaic systems marketing	Japan	30.0
	*JAPAN ARCTIC LNG B.V.	Exploration, development and sales of oil and natural gas	The Netherlands	50.0
	*Japan Australia LNG (MIMI) Pty. Ltd.	Exploration, development and sales of oil and natural gas	Australia	50.0
	*Mitsui E&P Mozambique Area 1 Limited	Exploration, development and production of oil and natural gas in Mozambique	United Kingdom	50.9
Machinery & Infrastructure	P.T. PAITON ENERGY	Power generation in Indonesia	Indonesia	45.5
	*3B POWER SDN. BHD.	Power generation in Malaysia	Malaysia	50.0
	SEA TERMINAL MANAGEMENT & SERVICE PTE. LTD.	Equipment inspection and technical consultancy services	Singapore	40.0
	*SAFI ENERGY COMPANY	Energy company of SAFI Project in Morocco	Morocco	33.3
	*MAP Inland Holding Company Limited	Investment in power generation business in Oman	United Arab Emirates	52.7
	*MAP Coastal Holding Company Limited	Investment in power generation business in Oman	United Arab Emirates	52.7
	DHOFAR GENERATING COMPANY SAOG	Oman gas-fired IPP	Sultanate of Oman	27.0
	*Caitan SpA	Chile desalination and conveyance service business	Chile	50.0
	*IPM Eagle LLP	Investments in power generation business	United Kingdom	30.0
	MT Falcon Holdings Company, S.A.P.I. de C.V.	Investment in power generation business in Mexico	Mexico	40.0
	India Yamaha Motor Private Limited	Manufacture and sales of motorcycles	India	15.0
	*TOYOTA MANILA BAY CORPORATION	Retail sales of Toyota cars	The Philippines	40.0
	*HINO MOTORS SALES (THAILAND) LTD.	Wholesale of Hino vehicles and parts in Thailand	Thailand	43.0
	TAIYOKENKI RENTAL CO.,LTD	Rental of construction machinery	Japan	25.9
	KOMATSU MARKETING SUPPORT AUSTRALIA PTY LTD	Sales of construction and mining equipment	Australia	38.0
	VLI S.A.	Integrated freight transportation business in Brazil	Brazil	20.0
	Penske Automotive Group, Inc.	Diversified international transportation services	U.S.A.	17.3
	*WILLIS MITSUI & CO ENGINE SUPPORT LIMITED	Aircraft engine leasing	Ireland	50.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Chemicals	Kansai Helios Coatings GmbH	Manufacture and sales of coatings, plastic resins, adhesives and other chemicals products	Austria	20.0
	Honshu Chemical Industry Co., Ltd.	Manufacture and sale of materials for high-performance resins and various chemicals	Japan	49.0
	HEXAGON COMPOSITES ASA	Manufacturer of fiber reinforced cylinders	Norway	22.8
	LABIX Company Limited	Manufacture and sales of Linear Alkyl Benzene	Thailand	25.0
	*SMB KENZAI CO.,LTD.	Sales of building materials ,contract of construction work and import of various building materials	Japan	36.3
	*OURO FINO QUIMICA S.A.	Manufacture and sales of crop protection in Brazil	Brazil	22.1
	MVM Resources International B.V.	Investment in a phosphate rock mining project in Peru	The Netherlands	25.0
	*ITC RUBIS TERMINAL ANTWERP NV	Chemical tank leasing	Belgium	50.0
	*PT Kingsford Holdings	Investment to PT Champion Pacific Indonesia	Indonesia	40.0
Iron & Steel Products	*GRI Renewable Industries, S.L.	Manufacture of wind turbine towers and flanges	Spain	25.0
	NIPPON STEEL TRADING CORPORATION	Sales, export and import of steel products	Japan	20.0
	*Shanghai Bao-Mit Steel Distribution Co., Ltd.	Processing and sales of steel products	China	35.0
	*Gestamp North America, Inc.	Manufacture of automotive components	U.S.A.	30.0
	*Gestamp Holding Mexico, S.L.	Manufacture of automotive components	Spain	30.0
	*Gestamp Brasil Industria De Autopecas S.A.	Manufacture of automotive components	Brazil	17.9
	*Gestamp Holding Argentina, S.L.	Manufacture of automotive components	Spain	30.0
	GESTAMP 2020, S.L.	Investment in Manufacture of automotive components	Spain	25.0
	*NuMit LLC	Investment in steel processing company	U.S.A.	50.0
	GEG (Holdings) Limited	Fabrication, upgrading, inspection and maintenance of welded structures	United Kingdom	25.5
	SIAM YAMATO STEEL COMPANY LIMITED	Manufacture and sales of steel products	Thailand	20.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Lifestyle	FEED ONE CO., LTD.	Production, marketing and sales of compound feed	Japan	26.0
	Mitsui DM Sugar Holdings Co., Ltd.	Manufacturing and sales of refined sugar, sugar products and food ingredients	Japan	26.7
	BIGI HOLDINGS CO., LTD.	Clothing manufacturing and sales business	Japan	33.4
	*MN Inter-Fashion Ltd.	Planning and management for production and procurement of apparel and textile	Japan	50.0
	IHH Healthcare Berhad	Provider of healthcare services	Malaysia	32.8
	*AIM SERVICES CO., LTD.	Contract food services	Japan	50.0
	*ARAMARK Uniform Services Japan Corporation	Rental and sales of uniforms	Japan	39.2
Innovation & Corporate Development	Relia Inc.	Comprehensive telemarketing and direct marketing operations	Japan	36.6
	QVC JAPAN INC.	Direct marketing business which is mainly composed of TV shopping	Japan	40.0
	NAAPTOL ONLINE SHOPPING PRIVATE LIMITED	TV Shopping business in India	India	27.9
	JA Mitsui Leasing, Ltd.	Leasing and financing business	Japan	31.4

* The companies with an asterisk, accounted for using the equity method, are joint ventures in accordance with IFRS 11 "Joint Arrangements." For more information, see Note 2, "BASIS OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

* JAPAN ARCTIC LNG B.V. was in a financial condition with liabilities in excess of assets. The amount of negative net worth as of March 31, 2022 was ¥13,046 million.

* BHP Mitsui Coal Pty Ltd has changed its corporate name to Stanmore SMC Pty Ltd. since May 11, 2022.

* MN Inter-Fashion Ltd. was established on January 1, 2022 through the merger of Nippon Steel Trading Corporation's textile business and Mitsui Bussan I-Fashion Ltd.

(4) Other Affiliated Companies

Not applicable.

5. Employees

(1) Mitsui & Co., Ltd. and Subsidiaries

As of March 31, 2022

Operating Segment	Number of Employees	
Mineral & Metal Resources	620	(49)
Energy	992	(115)
Machinery & Infrastructure	16,279	(1,085)
Chemicals	6,745	(516)
Iron & Steel Products	1,254	(176)
Lifestyle	8,586	(5,610)
Innovation & Corporate Development	6,599	(972)
All Other	3,261	(346)
Total	44,336	(8,869)

(Note) The figures in parentheses in the number of employees column indicate the annual average number of contract employees.

(2) Mitsui & Co., Ltd.

As of March 31, 2022

Number of Employees	Average Age	Average Years of Service	Average Yearly Salary (Thousands of Yen)
5,494	42.1	18 years 2 months	15,491

Number of female managers	Proportion of managerial positions
267	8.0%

Number of male employees taking childcare leave	Male childcare leave utilization rate
102	54.3%

Operating Segment	Number of Employees
Mineral & Metal Resources	273
Energy	448
Machinery & Infrastructure	790
Chemicals	756
Iron & Steel Products	261
Lifestyle	840
Innovation & Corporate Development	474
All Other	1,652
Total	5,494

(Notes)
1. The number of employees includes 1,275 seconded employees. However, 415 contract workers (including 118 workers seconded to Mitsui from outside Mitsui) and 148 employees hired in overseas offices are not included.
2. The average yearly salary includes bonuses and overtime pay.
3. For the detail of the proportion of female managers and the male childcare leave utilization rate, see "2. Operating and Financial Review and Prospects, 1. Management Policies, Operating Environment, and Management Issues, (4) Human Resources Strategy (Diversity & Inclusion)."

(3) Trade Union

No material items to report.

2. Operating and Financial Review and Prospects

All references to "Note" throughout "2. Operating and Financial Review and Prospects" relate to the Notes to Consolidated Financial Statements contained elsewhere in this report.

1. Management Policies, Operating Environment, and Management Issues

This Management Policies, Operating Environment, and Management Issues section contains forward-looking statements about Mitsui and its consolidated subsidiaries. These forward-looking statements involve assumptions, risks, uncertainties and other factors, including, but not limited to, those described in "2. Risk Factors." Such risks, uncertainties and other factors may cause our actual results to be materially different from any future results expressed or implied by these forward-looking statements.

(1) Progress of Medium-term Management Plan

In the fiscal year ended March 31, 2022, which was the second year of Mitsui's Medium-term Management Plan, "Transform and Grow", announced in May 2020, we have been making steady progress in terms of further strengthening our earnings base, ensuring stable supply of mineral and metal resources and energy, and implementing our growth strategy, despite major changes in the business environment resulting from the impact of the COVID-19 pandemic, looming geopolitical risk, etc. The principal areas of progress were as follows:

1) Strengthening of Earnings Base

Despite the continued impact of COVID-19, the upheaval to the geopolitical situation, and resulting supply chain disruptions, we have successfully been able to strengthen the Company's earnings by leveraging our global trading functions and customer base, to expand sales channels, and by diversifying supply sources for materials and services that support wider society such as LNG, chemicals, steel products, and food. Further, we have been able to improve our base earnings by realizing thorough cost reductions, improvement of operations and a strengthening of the Company's competitiveness through structural reform in our mobility, hospital, chemicals, and iron & steel products businesses, as well as profit contributions from the commencement of operations across multiple projects, primarily in Machinery and Infrastructure. The successful turnaround of several businesses has also helped to improve our earnings base. In response to the increasing complexity of the business environment, and based on the medium- to long-term outlook, we have also undertaken a reorganization of our business and investment portfolios by carrying out on-going feasibility checks of our existing businesses, shifting away from thermal power generation to renewable energy, selling our oil and gas field interests in the UK and Australia, merging Mitsui Bussan I-Fashion with the Nippon Steel Trading Corporation's textiles business, and making Mitsui Oil Exploration Co., Ltd., a 100% subsidiary.
These efforts towards bolstering and expanding our base earnings potential, as well as the above-mentioned reorganization of our business portfolio and restructuring of the business itself, have resulted in an increase to our earnings base.

2) Stable Supply of Mineral and Metal Resources and Energy

The stable supply of mineral and metal resources and energy—resources that are indispensable for people's wellbeing and the socioeconomic development of society as a whole—is a key issue facing the Company as we set out to realize our Mission to "Build brighter futures, everywhere". Despite disruptions to supply chains and upheavals in the market resulting from changes in the geopolitical situation, we have been able to ensure a stable supply of mineral and metal resources and energy by leveraging all functions of the Company, including our trading and logistics capabilities.
We have continued stable operations through managing restrictions on the workplace environment in response to COVID-19, and trying to ensure the stable supply of mineral and metal resources. We have also been working on measures to maintain a stable supply in the medium- to long-term through an expansion of our reserves, realized by developing post-existing deposits and by acquiring mining areas adjacent to our current operations. Further, with the world continuing its move toward decarbonization, and as we push forward with next-generation energy initiatives, we have been looking to the medium to long term in the planning of our LNG business, utilizing the global trading capabilities we have honed over many years to achieve a stable and continuous LNG supply.

3) Evolve Financial Strategy and Portfolio Management

As a result of our strong iron ore mining operations and contributions from our trading business, primarily from chemical and steel products, we grew Core Operating Cash Flow for the fiscal year ended March 31, 2022, to ¥1,159 billion, which in combination with asset recycling of ¥257 billion led to total cash inflows of ¥1,416 billion. Cash outflows from financing were ¥511 billion. Maintaining a strong focus on cash generation capacity and capital efficiency, we implemented of a ¥20 annual dividend increase to ¥105 per share, which combined with share buybacks will equate to total returns to shareholders of ¥345 billion.

4) Steady Implementation of Growth Strategy and Strategic Focus

Our progress on the three initiatives of the Medium-term Management Plan is as follows:

(a) Energy Solutions

In the energy area, we have made progress on various frontlines, including low-carbon initiatives in existing businesses and entering into agreements and discussions with multiple partners as part of efforts to promote our clean ammonia production business. In the power business, we have participated in multiple large-scale renewable energy projects in the UK, Latin America, and Asia and pushed forward with efforts to strengthen our power value chain, including the establishment of the e-dash cloud service for visualizing and reducing CO2 emissions in Japan. We also strengthened our capital alliance with France-based battery systems manufacturer Forsee Power as part of efforts to advance the formation of businesses that will help reduce greenhouse gases in society through such means as promoting mobility electrification. In addition, we have been participating in an Australian forestry carbon credit business and advancing our carbon recycling initiatives, while leveraging the knowledge gained from our decades of experience in the plantation and pulp wood sectors.

Strategy and progress in FY Mar/2021-Mar/2022

Energy

Implementation of low-carbon initiatives in LNG business and promotion of hydrogen/ammonia businesses utilizing existing platforms

- ◆ Promotion of clean ammnonia production businesses
  - Discussions underway for FEED*1 (US CF Industries, Abu Dhabi ADNOC)
  - Start of survey for commercialization utilizing own gas fields/CCS*2 (Australia)
- ◆ Supply of carbon-neutral LNG

Power business

Accumulation of assets aiming for renewable energy portion exceeding 30%, establish businesses along with power value chain

- ◆ Participation in Mainstream
- ◆ Participation in large-scale renewable energy project in India
- ◆ Establishment of e-dash cloud service for visualization and reduction of CO2 emissions

Batteries / Mobility

Establish value chain realizing zero emissions in mobility

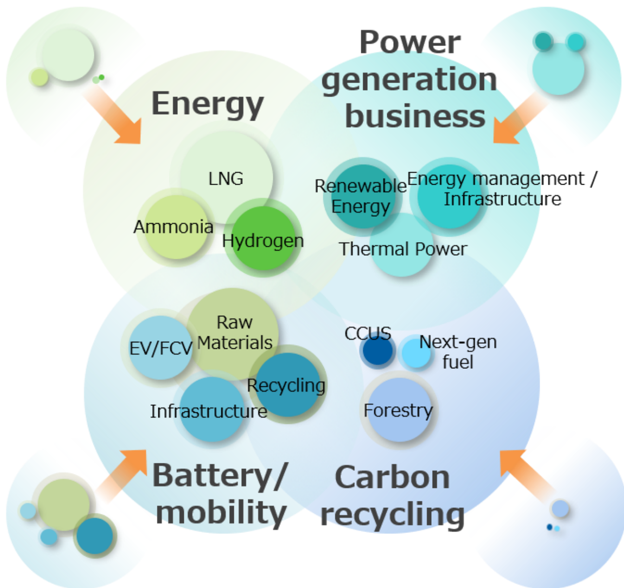
- ◆ Conclusion of collaboration agreement with France-based Forsee Power while strengthening capital alliance
- ◆ Investment in US hydrogen station business
- ◆ Investment in NZ green hydrogen station business

Carbon recycle

Decarbonization initiatives at upstream development/ diversification of next-generation fuel businesses

- ◆ Participation in Australian forestry carbon credit business
- ◆ Survey for commercialization of Direct Air Capture technology (UK)
- ◆ Participation in LanzaJet oil-alternative jet fuel
- ◆ Increase of methanol production using CO2 with US-based Fairway

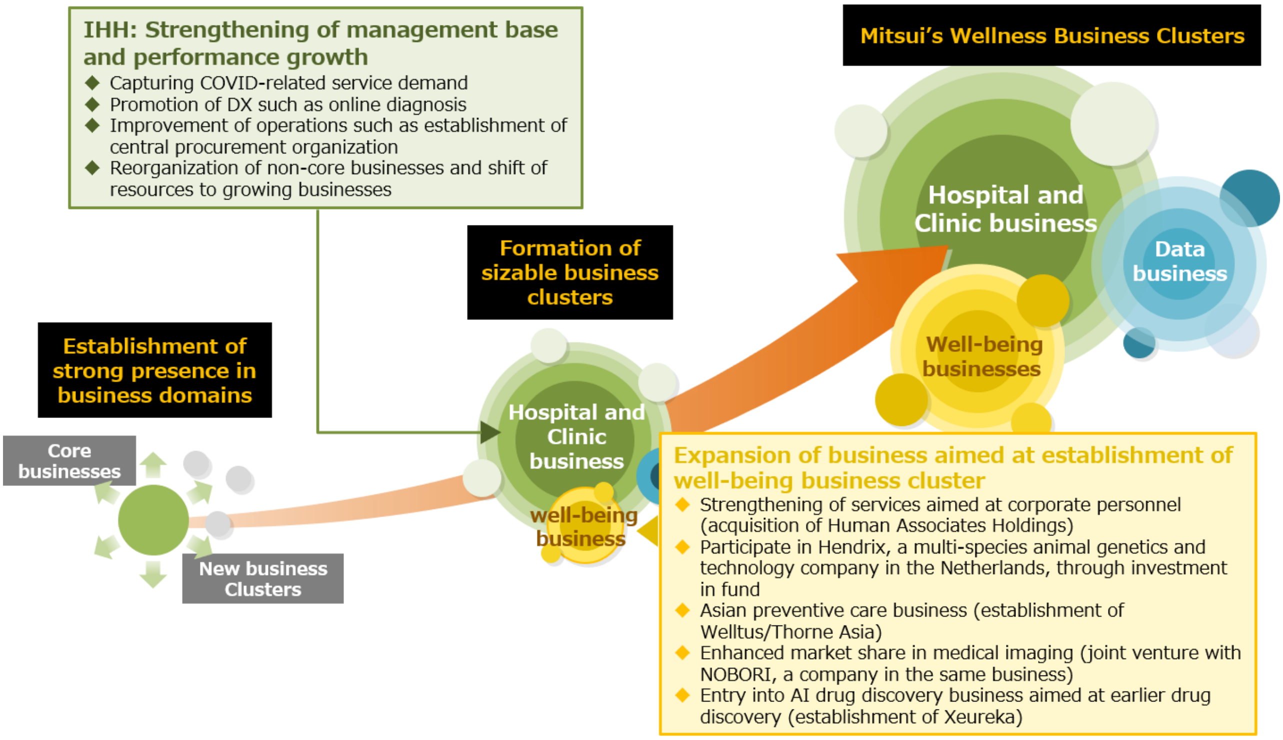
*1. Front End Engineering Design
*2. Carbon dioxide Capture and Storage



(b) Healthcare/Nutrition

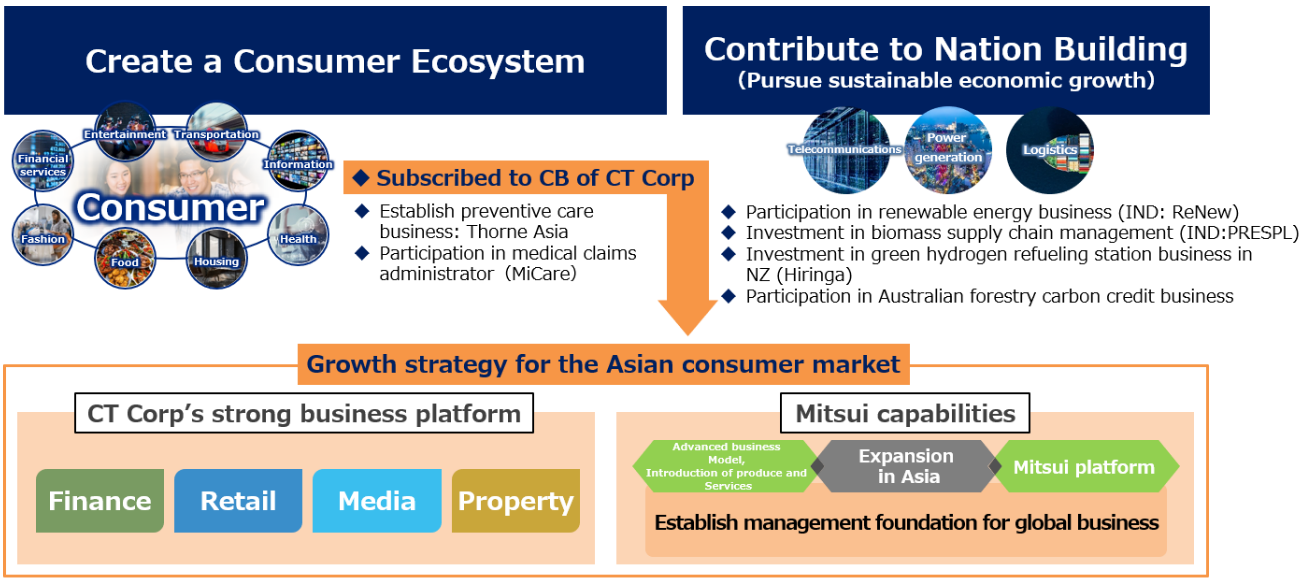
In the IHH Healthcare business, in which Mitsui invested, we have established a framework for responding to a world both with COVID-19 and post-COVID-19 situation. This framework includes revisions to our hospital business portfolio, an improvement of operations—including cost reductions realized through a centralized purchasing system—and the provision of telemedicine services as part of efforts to offer non-contact type treatment to patients. We have also been providing DX solutions utilizing healthcare data and have been transitioning from regular "treatment" of patients toward "pre-symptomatic/preventative treatment", as well as expanding into the animal healthcare and multi-species animal genetics and technology fields, making progress in forming business groups that support the health of people and animals across the globe. Initiatives have included acquiring

HUMAN ASSOCIATES HOLDINGS, with the aim of strengthening services for corporate HR and health insurance associations, establishing a preventative care business in Asia with Thorne, in which we are an investor, and participating in Hendrix, a multi-species animal genetics and technology company, through investment in fund.



(c) Market Asia

In order to capture the growth of the "growing and changing consumer market in Asia", we have been promoting new initiatives in healthcare/nutrition, infrastructure and other areas. Despite the continued impact of COVID-19, our affiliated companies have achieved steady growth in business performance, mainly in iron & steel products and chemicals, which are strong areas, as well as in our logistics business. In the first quarter of the fiscal year ended March 31, 2022, we subscribed to convertible bonds issued by the holding company of CT Corp, an Indonesia-based local conglomerate operating in consumer-related businesses including financial services, retail, media, property, hospitality, entertainment, and lifestyle. We will focus our initiatives with CT Corp on establishing a "Consumer Ecosystem" in Market Asia and promoting collaborative projects that utilize the Company's business network and functions. We will also accelerate efforts to increase CT Corp's corporate value.



*1. include ¥ 33.0bn from redemption of corporate bonds (underwritten in 2018)

5) **Human Recourses Strategy**

The diverse human resources working at our domestic and overseas offices and affiliates are a source of competitive strength, and we aim to achieve sustainable growth by facilitating the "Challenge and Innovation" spirit of these individuals to create added value. In the fiscal year ended March 31, 2022, we introduced a new career challenge system to support the rapid development of next-generation leaders, as well as a career path system for highly specialized personnel. In addition, to accelerate active participation by a diverse range of personnel, we are continuously working on programs to develop female leaders and broader leadership development initiatives around the world. We have continued to promote remote work, as well as flexible and individualized working hours, to support the adoption of new ways of working, and will continue to promote initiatives that recognize our employees' diverse values and lead to the creation of new value.

Development of competent individuals for their professional growth	◆ Expand the pool of talent with business management capabilities and expertise for leading increasingly large and complex businesses ◆ Appropriate evaluation of efforts and results of employees in diverse businesses and stages	✓ Career challenge initiative to empower future generations (junior and mid-level employees) ✓ Expert band initiative (Career paths for highly specialized human resources) ✓ Pay for Performance
Diversity & Inclusion	◆ Further penetration of D&I aimed at demonstration of problem-solving ability ◆ Develop an environment in which our diverse professionals can play dynamic roles in the global arena	✓ Enhancement of global mobility ✓ Promoting the active participation of employees hired in the regions and female talents
Talent management to support the right persons to the right positions	◆ Appropriate allocation of human resources linked to business portfolio strategy ◆ Position matching based on the skills and intentions of employees ◆ Talent management across global group	✓ Bulletin board initiative (a place for autonomous career design and activities transcending organizations) ✓ Global HR management

6) **Sustainability Management; Evolution of ESG**

During the period of the Medium-term Management Plan, Mitsui is continuing to promote the implementation of sustainability management, focusing on the three issues of climate change, the circular economy, and business and human rights.

For climate change, we have been promoting activities aimed at achieving our targets, with initiatives that include forming a road map to halve our greenhouse gas (GHG) impact by 2030, agreeing to sell some of our thermal power generation businesses, and implementing CCS (Carbon dioxide Capture and Storage) /CCUS (Carbon dioxide Capture Utilization and Storage) feasibility studies for our existing businesses. In addition to ensuring the stable supply of energy, we have been promoting the development of clean and sustainable energy and power resources that will help to reduce GHG emissions throughout society.
To deepen our level of sustainability management through diverse business activities, we have formulated specific action plans for each of our business units for the five materialities set out by the Company, and we are working on putting these into practice.
Please refer to (5) Sustainability Management for details on our sustainability management initiatives.

With respect to strengthening corporate governance, we have improved the effectiveness of the Board of Directors by revising standards and methods for board resolutions, reports, and other such materials, thereby securing more time for careful deliberation on important topics such as business strategy, business portfolio, sustainability, and occupational health and safety. We have also deliberated on the optimal institutional design of the Company with reference to the viewpoints of External Members of our Governance Committee. The Company has implemented all principles comprising the Corporate Governance Code as revised in 2021. For details on our corporate governance framework, please refer to "4. Corporate Governance" on 4. Corporate Information.

(2) Operating Environment

1) **General**

Note: The following describes the understanding of the economic environments as of May 2022.
Descriptions included herein may differ from our current understanding.

In the year ended March 31, 2022, the global economy rebounded overall, although the pace of economic recovery has slowed down due to the impact of the COVID-19 pandemic and supply constraints, such as the shortage of semiconductor and distribution bottlenecks, as well as the detrimental effect of the Russia-Ukraine situation.

In the U.S., although the pace of growth has been hampered by the prolonged supply constraints and other issues, personal consumption has been stimulated by the re-opening of the economy and generous cash payments introduced by the government, and much of the economy has followed a firm recovery track. Looking ahead, economic recovery is expected to continue, considering the subsiding impact of the COVID-19 pandemic, easing supply constraints, and a robust employment and personal income environment, while there are some areas of concern, such as rising inflation and increasingly tighter monetary policy. In Europe, high growth was achieved in the first half of the fiscal year as restrictions on economic activity were relaxed. However, against the backdrop of the Russia-Ukraine situation, the deterioration of supply constraints, such as those on energy, further rising of consumer goods prices, and weakening of consumer confidence have restrained recovery and lowered the growth rate. The suppressive effect on the economy caused by the Russia-Ukraine situation will remain significant for the time being, and the recovery that will accompany the reopening of the economy is expected to be delayed. In Japan, consumption, which had been recovering following the lifting of the fourth state of emergency in autumn of 2021, stalled once again due to the impact of the spread of the Omicron variant, occurring at the beginning of 2022, and production of automobiles and other products was also constrained, resulting in a more or less flat economy. Looking ahead, the impact of the COVID-19 pandemic is expected to gradually subside, which is expected to stimulate consumption and lead to economic recovery. In China, the economic recovery has slowed down for reasons such as weakening production and consumption activities resulting from the zero-COVID policy that has involved strong efforts, ongoing since the summer of 2021, to locally contain the spread of infections, in addition to government measures to control real estate investment and other factors. Looking forward, although continuation of the zero-COVID policy would be a hindrance to economic recovery, China's economy is expected to continue moderate recovery, underpinned by increased investment in infrastructure and monetary easing policies. In Brazil and Russia, rising inflation and increases in policy interest rates have been hampering economic recovery, and Russia, in particular, is expected to undergo rapid contraction of economic activity due to economic sanctions imposed on it by the international community.

Going forward, while there are some areas of concern, such as a further worsening and protraction of global supply constraints due to the Russia-Ukraine situation, rising inflation, tightening monetary policy in the U.S., and weakening growth in the emerging economies due to delayed recovery from the COVID-19 pandemic, it is expected that the global economy will continue to maintain positive growth overall as the impact of the spread of COVID-19 infections subsides and economic activities are revitalized.

2) Mineral & Metal Resources

Despite some concerns such as re-spread of COVID-19 in China, mineral & metal resource prices have remained high due to increased demand resulted from steady economic recovery in major countries, as well as the effects of geopolitical risk and high inflation at global level. Steel and non-ferrous metals are core industrial materials and demand for these materials is likely to grow over the long term as the global economy grows and progress is made toward a low-carbon/decarbonized society. Nevertheless, demand is expected to tighten over the long term due to supply shortages resulting from rising development and production costs, depletion of quality minerals from existing mines, and limited availability of high-quality undeveloped projects. Further, stable supplies of cost-competitive raw materials will continue to be required. In addition, as the need to alleviate the environmental burden accelerates, we are seeing rising demand in areas such as resource recycling, green materials, and the reduction of greenhouse gas emissions across the entire value chain.

3) Energy

Although it is important to carefully monitor supply and demand trends such as drop in energy demand triggered by the spread of COVID-19, changes in consumer behavior patterns, cooperative production cuts among major oil-producing countries and geopolitical risk in the medium- to long-term, energy demand is expected to increase along with population and economic growth around the world. While there is irreversible need to respond to climate change, there is a variety of viewpoints regarding future energy composition due to factors such as introduction of new policies to tackle climate change etc. Under these circumstances, there is an ever-increasing need to balance the stable supply and procurement of energy while also responding to climate change at a high level, thus initiatives are required worldwide to support energy transition for realizing a low-carbon/decarbonized society.

In respect of the medium- to long-term outlook for crude oil, we anticipate that oil prices will follow a gentle uptrend mainly due to the effect of slow-down in development by restrained new upstream investment and transferring development activities to higher cost fields. At the same time, we need to carefully monitor potential decrease in oil demand caused by factors such as changes in consumer behavior, rapid growth in sales of EVs, and tightening of environmental regulations.

The LNG market is expected to grow steadily due to market expansion in emerging importing countries and its relatively lower emission of air pollutant and greenhouse gas. Within this environment, the impact of COVID-19 and other factors have caused delays in new project development plans and final investment decisions across the board, thus the balance of supply and demand is expected to remain tight until around 2025-2026.
As the business of responding to climate change transforms into a new growth area as evidenced by factors like various countries promoting the introduction of green energy as a measure to boost recovery from COVID-19, further spread of renewable energy, transition to cleaner fuel, electrification of mobility, and spread of hydrogen fuel cell vehicles, we are anticipating the expansion and acceleration of initiatives in the energy solutions field, centered on integrated energy services and next-generation fuels.

4) Machinery & Infrastructure

Power demand continues to gradually recover and the increase in demand especially for renewable energy is being accelerated by a trend toward decarbonization. Moreover, high growth is expected in the future for energy as electric power, which has become decentralized and more service-oriented in the New Downstream areas, which encompass multiple fields, and clean energy (hydrogen, fuel ammonia, CCS) have the potential to become high-growth sectors in the future.
In the resources infrastructure sector, although there are regional differences as environmental awareness rises, demand is growing in emerging Asian countries for LNG and gas due to market expansion in importing countries and its relatively lower emission of air pollutant and greenhouse gas. In the medium- to long-term, alternative fuels such as hydrogen and ammonia are expected to be considered.
In the logistics field, a recovery has already started. Expected medium- to long-term growth in internal demand and consumption, driven by the expansion of the middle class, particularly in emerging countries, will support stable demand for logistics infrastructure.
In the mobility, supply chain problems such as semi-conductor supply shortages worsened last year, resulting in continued vehicle supply shortages, which are expected to normalize in the future. Demand for new vehicles is expected to recover by 2023 to pre-COVID-19 level, while demand for the used vehicle market is expected to surge due to the shortage of new vehicles, and this situation is expected to continue for the foreseeable future. Demand for construction and industrial machinery is also on the road to recovery, but there is a noticeable trend towards longer production delivery times.
In addition, demand for mass transit and public transport is expected to decline, while demand for personal mobility is likely to increase, and technological innovations such as 'digitalization' and 'automation' are expected to become more active than ever in order to improve productivity and as countermeasure for labour shortages. In addition, demand for energy conservation, new fuel sources, electrification, etc. is expected to grow further in response to stricter environmental regulations and growing ESG awareness.
In the shipping, the bulk carrier market generally remained above the previous year's level, and the market for bulk carriers is expected to remain relatively stable in the foreseeable future, as the supply pressure on new shipbuilding is expected to remain limited in 2022. In addition, growing environmental awareness has stimulated discussions on new fuel-capable vessels and electrically powered vessels, which are gradually being put into practical use.
The rail and air sectors are gradually recovering after bottoming out in 2020. The European freight rail traffic having recovered to pre-COVID-19 levels at the end of last year, and demand for locomotive and medium- to short-haul routes is expected to recover to the same levels as pre-COVID-19 in the second half of this year to 2023. In the space, business opportunities in space and the increased utilization of satellite data for ground-based industries are expected to expand.

5) Chemicals

The Chemicals business performed strongly during the fiscal year ended March 31, 2022, mainly due to the good price of various commodities as a result of strong demand recovery from COVID-19. Although we need to keep a close watch on changes in the environment surrounding our business, considering further disruption to supply chains due to Russia- Ukraine situation, as well as rising energy and raw material prices, we anticipate continuous rise in market expectations for a stable supply of materials through our global network.
In addition, addressing sustainability including climate change, is becoming an even more important social issue, and there are increasing demands for concrete initiatives to establish a circular economy and realize carbon management.

In the basic materials, we expect that there would be further changes in market structure including trade flows, as countries and companies move towards carbon neutrality. One direction is that demand for chemicals is continuously expected to grow while demand for fossil fuel-derived fuels is expected to come to a halt, and the 'Oil to Chemical' trend, where refineries shift to chemical production, is expected to further accelerate. Further, the need for recycling and clean ammonia, etc., will be of even higher importance and expected to increase.

In the performance materials, we expect to see accelerated investment and initiatives in environmentally friendly businesses to achieve a recycling- and low-carbon society, as well as increased demand for supply chain restructuring in response to geopolitical changes. It also focuses on the growing and diversifying needs for improved health and quality of life.

In the business areas of agricultural chemicals and wellness and nutrition science, we foresee continuous market expansion because of significant increase in both, the need for more food production due to world-wide growth in population and the global economy, and the demand for high value-added food due to the increase in middle income earners and an improved awareness towards health. Attention is also focused on changes in lifestyles, with the advanced digitalization and COVID-19 infection. The food and agriculture businesses are expected to remain strong as an essential business, despite the impact of the situation in Russia and Ukraine, which has caused some raw material and fuel costs to rise.

6) Iron & Steel Products

Although crude steel production in China slowed down due to production restrictions aimed at curbing greenhouse gas emissions, strong demand growth due to the global economic recovery led to a 4% year-on-year increase in global crude steel production to approximately 2 billion tons in 2021 and a significant improvement in steel products market conditions. However, the impact of changes in the current business environment on demand for steel products, such as the decline in automobile production due to shortages of semiconductors and components, and supply chain disruptions following Russia-Ukraine situation, must be closely monitored. In addition, industry restructuring may further occur in the steel distribution sector because of the ongoing reorganization of the steel industry, particularly in Japan.

In the medium to long term, the domestic steel market is expected to shrink due to population decline and other factors, while overseas steel demand is expected to increase, driven by Asia, and various business opportunities can be expected in the future as moves towards local production for local consumption and a decarbonized society gather pace.

7) Lifestyle

With respect to food, demand is expected to increase on a sustainable basis due to worldwide population growth. In emerging countries, consumption of protein and discretionary foods are continuously expected to grow due to population and income growth. In developed countries, consumption with an emphasis on spiritual enrichment is expected to accelerate, and consumer demand for functional foodstuffs and food safety arising from growing health consciousness is expected to become more diversified and sophisticated. There is also a heightened awareness of the danger to food security and stable supply due to declining production and changes in suitable production areas due to climate change, as well as logistics disruption and supply chain disruption caused by COVID-19 infections and natural disasters.

In the retail, the domestic market is expected to take time to recover from the slow-down in consumption caused by the expansion of COVID-19 infection in an environment of falling birthrates, an ageing and declining population, while overseas markets particularly in Asia and North America, are expected to grow. In addition, the EC market in the lifestyle domain, including fashion and food, is expanding rapidly worldwide in response to changes in consumer behavior triggered by the spread of COVID-19 and the acceleration of digital transformation. Along with the diversification of consumer values and consumption behavior, the increasing global awareness of ESG has led to an increasing emphasis on values such as 'Health, Environment and Sustainability', particularly among Generations Y and Z, who will drive the future consumer market, and the quality and value required of products and services are changing significantly.

In the Wellness, healthcare expenditure continues to increase in line with changes in the disease structure due to population growth in emerging Asian countries, the ageing of mature countries and the increase in chronic diseases associated with economic development. In addition, the increase in the middle-income class and spread of COVID-19 have triggered the need for improved awareness toward health, and behavioral patterns and values are changing significantly from treatment to prevention of illness, and the spread of 'Wellness', which aims for a healthy state both physically and mentally. In the future, there could be a shift to maximize outcomes and optimize costs with the aim of providing healthcare to patients, as a result of transformation through the use of digital technologies such as healthcare data and AI, and the expansion of services in the field of wellness, including pre-symptomatic and preventive care, are expected to accelerate.

8) Innovation & Corporate Development

In the business area of ICT, the digitalization of society has produced a wide variety of data through the use of IoT, AI and cloud services and the transformation of consumer services. We are increasingly required to convert these data into worthy services. Furthermore, since the spread of COVID-19 has changed lifestyles and working styles significantly, new "contactless" services are emerging alongside a need for more advanced measures to counter growing cybersecurity risks.

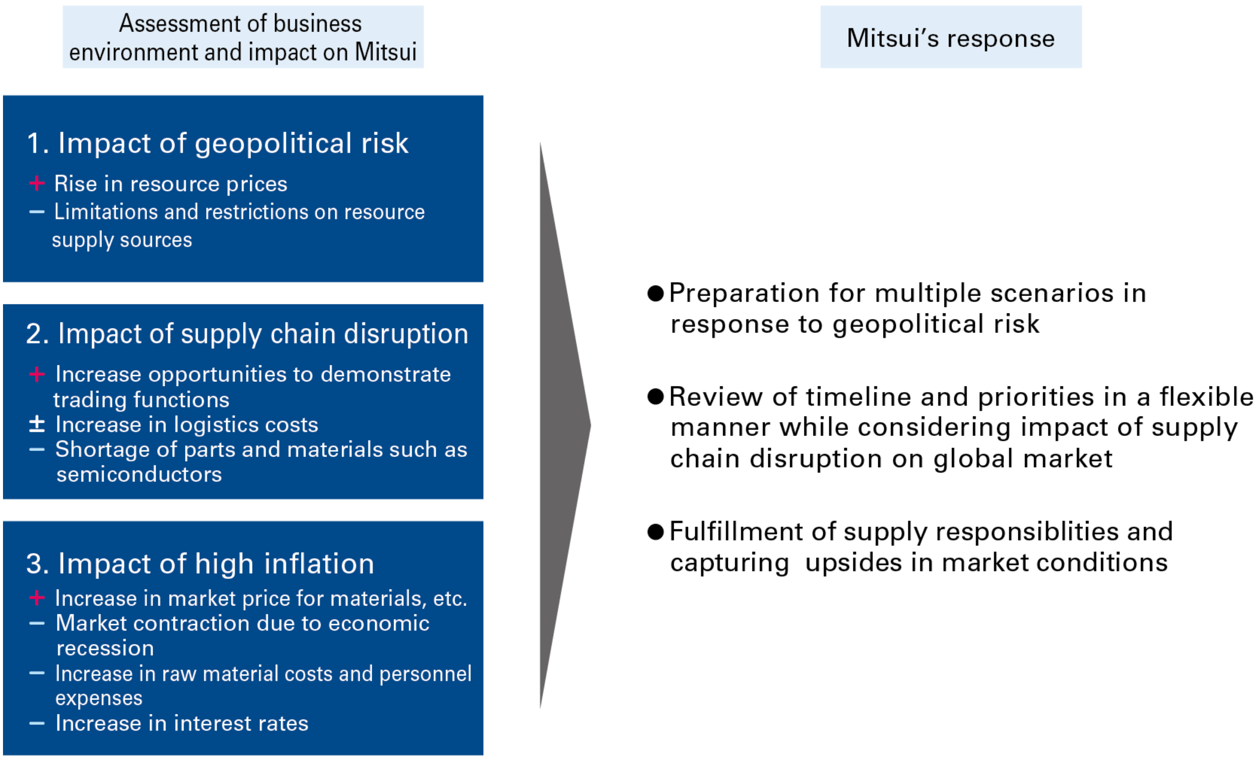
In the business area of Corporate Development, the investment landscape is continuously evolving due to changes in the investment environment such as rising financing costs associated with high inflation, current geopolitics, and heightened awareness of harmony with the environment. Also, it is getting more important to make investment decisions that appropriately address changes in stock markets, commodity markets, etc. Further, the accelerating shift in consumer activity toward e-commerce is expected to expand the need for order fulfillment functions.

(3) FY Mar/2023 Business Plan

For the fiscal year ending March 31, 2023, the final year of our Medium-term Management Plan, we plan to generate Core Operating Cash Flow of ¥950 billion and profit for the year (attributable to the owners of the parent) of ¥800 billion. Both figures exceed the targets for the final year of the Medium-term Management Plan 2023. We will also continue to aim for delivery of strong earning potential through the promotion of the key initiatives comprising our "Transform and Grow" strategy.

1) Impact on Business Environment and Business Planning

Increasing uncertainty in the global economy and major changes in the business environment, including growing geopolitical risk, supply chain disruptions, and rising inflation, have had both positive and negative impacts on the Company. We are addressing the current situation and preparing for potential eventualities by enhancing our risk management and scenario planning. We will also review and adapt our timelines and priorities as necessary, working steadily to meet our supply and delivery responsibilities.

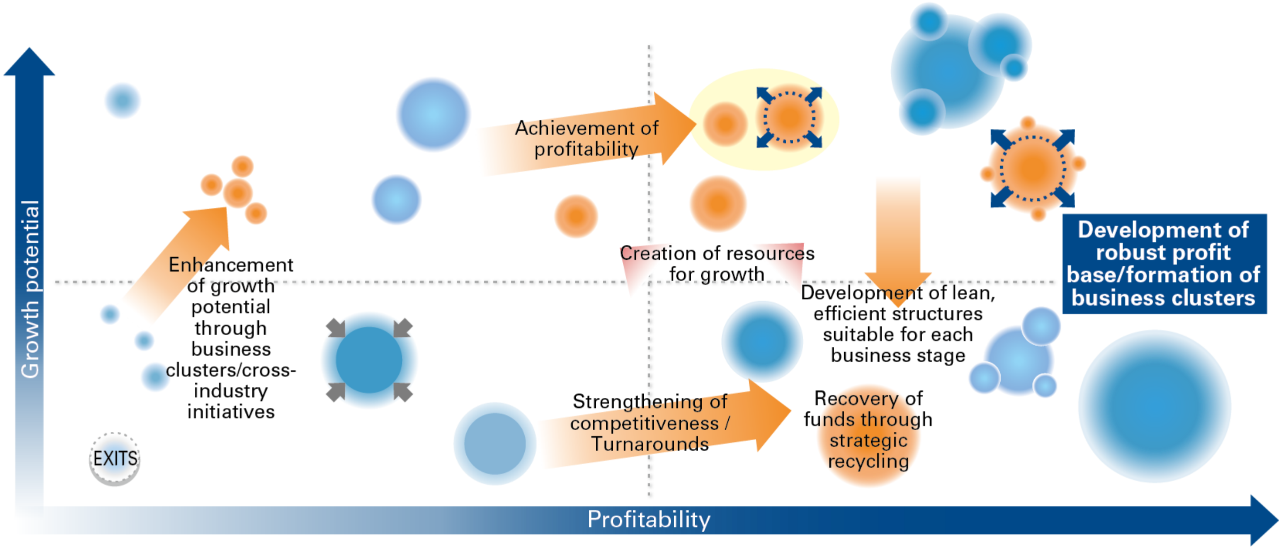


2) Key Initiatives for Fiscal Year Ending March 31, 2023

(a) Sustainable Growth of Earnings Base

During the period of the Medium-term Management Plan, we introduced an internal ROIC (Return on Invested Capital) index, and through further utilization of this index, along with visualizing processes to realize the growth and earnings potential of our business portfolio, we will pursue disciplined and balanced resource allocation, strengthen the competitiveness of our various businesses, and continue to optimize our business portfolio.

Development/restructuring of business portfolios based on four-quadrants



The recent improvement in earnings reflects initiatives to improve our trading functions—such as by diversifying sales channels and supply sources based on customer needs—and lower our break-even point through on-going improvements to management. Looking ahead, we will continue these kinds of initiatives as we look to accelerate the formation of a robust business portfolio.

(b) Steady Implementation of Growth Strategy and Strategic Focus
We will continue to promote initiatives in Energy Solutions, Healthcare/Nutrition, and Market Asia—markets identified in our Medium-term Management Plan as areas of Strategic Focus. Based on our line-up of high-quality pipeline projects, we will work to implement growth investments not only in our Strategic Focus areas but also through bolt-on investments to capture earnings opportunities in areas adjacent to our core businesses.

(c) "D"s and "I"s for Further Growth
In the current highly uncertain business environment, we must develop initiatives to respond to changes in the environment, identify and ride new waves of opportunity, and take pre-emptive measures. Reflecting this, we have developed the following key messages beginning with "D"s and "I"s as our motto, which every one of us must be aware of in order to achieve sustainable growth of the Company.

"D"s	"I"s
Diversity Diversity of people and perspective	**Inclusion** Inclusion, in all we do
DX Digital transformation, everywhere	**Innovation** Innovation, all around
Differentiation Differentiated proprietary network, extended globally	**Imagination** Imagination, at the edge of uncertainty
De-carbonization Diversified and multi-faceted business clusters, transitioning toward De-carbonized society	**Initiative** Initiatives, toward value-chain disruptions and new versions of globalization

(d) Update on Cash Flow Allocation (Cumulative Three Years of Medium-term Management Plan)
Based on the results for the past two years and our plan for the fiscal year ending March 31, 2023, we have updated the cumulative three-year cash flow allocation of the Medium-term Management Plan.

Cash-in is expected to increase, mainly reflecting an increase in Core Operating Cash Flow, and this will be applied to growth investments along with ongoing implementation of additional shareholder returns.

For the period of the Medium-term Management Plan, we have already made a management allocation of ¥340 billion for share buybacks including a share buyback of ¥100 billion announced on May 2, 2022, and we expect to allocate an additional ¥100 billion for dividend increases (comprising the difference between the ¥400 billion anticipated when the Medium-term Management Plan was announced and the ¥500 billion from our updated outlook for the total dividends for cumulative three-years of Medium-term Management Plan) and at least ¥400 billion for growth investments.

We will continue to allocate funds flexibly and strategically for growth investments and additional returns in consideration of investment opportunities and the overall business environment.

Update on cash flow allocation (FY Mar/2021 – FY Mar/2023)

(Unit: ¥billion)

		Announced April 2021	Forecast as of May 2022
Cash-In	Core Operating Cash Flow	2,000.0	2,750.0
	Asset Recycling	650.0～750.0	750.0
Cash-Out	Post FID investment, maintenance CAPEX	1,500.0	1,500.0
	Growth investments (Strategic Focus/new)		
	Share buybacks ＋additional dividend	750.0～850.0 Management allocation	1,500.0
	Dividend (minimum)	440.0	500.0

Growth investments 400.0～

Share buybacks 340.0～

(e) Profit Distribution Policy

For further information regarding shareholder return policy, see "4. Corporate Information, 3. Shareholder Return Policy."

(4) Human Resources Strategy (Diversity & Inclusion)

1) Basic Policy

Employees with diverse backgrounds are active globally in the Mitsui & Co. Group.

We aim to bring new value to our business by having each employee respect each other, regardless of where they are hired or their gender, with their abilities at the fullest while empowering each other.

(a) Building an organization that empowers to 'Thrive on diversity'

Organizational culture and workstyle that values differences amongst individuals transforming them into strengths helping individuals thrive.

(b) Promoting Workplace Diversity

Professional individuals from diverse backgrounds are active regardless of where they are hired or their gender.

Particularly in Japan, we are accelerating the promotion of women in workplace. In overseas offices, we are accelerating the development of employees hired locally.

(c) Our dedication as 'challengers and innovators'

Positioning diversity as the source of our sustainable competitiveness that leads us to innovation and new business creation.

2) Diversity Management Promotion System

In promoting diversity management, Mitsui & Co. has established the Diversity Committee as an advisory committee to the Corporate Management Committee. The committee consists of the Chief Human Resources Officer (CHRO) as its Chair, the General Manager of the Human Resources & General Affairs Division, the General Manager of the Corporate Planning & Strategy Division, and members appointed by the Chair. In the year ended March 31, 2022, the Chair appoints five members (Business Unit COOs, three are women including foreign Executive Vice President) to serve in the committee for a total of eight members with diverse backgrounds.

In the year ended March 31, 2022, the Diversity Committee held three sessions with 100% attendance rate.

The committee monitored the key indicators and action plans to support the development of female talent in the organization and employees hired at overseas subsidiaries and offices. The committee also reviewed the results of the Mitsui Engagement Survey (an engagement survey for the Company and its Group Company employees, referred to as "MES") and discussed company-wide measures to achieve an "organization that leverages diversity". For an overview of the MES, please refer to "7) Employee Engagement". The minutes of each committee meeting are disclosed to employees via intranet.

Diversity Committee (Overview) for the Fiscal Year Ended March 31, 2022

	Dates	Main Topics
1st meeting	June 16, 2021	Review annual action plan, monitor the progress of Key indicators, discuss the development of female talent in Mitsui (sponsorship by members of the Corporate Management Committee)
2nd meeting	November 19, 2021	Discuss measures to develop and promote diverse talents (recruitment in overseas offices and female talent at head office), implementation of the revised Childcare and Caregiver Leave Act, and the summary of the D&I Week 2021
3rd meeting	February 8, 2022	Presentation and discussion by committee members about promotion of D&I initiatives, monitored progress of annual action plan and indicators, review Mitsui Engagement Survey results

3) Promoting Success for Women

Diversity is essential to reinforce our aspiration to be "Challengers and Innovators" by promoting business through innovation. Female talents are active in variety of business areas, while it is necessary to further accelerate the development of female talent in our head office in Japan. For this reason, we have set a target of achieving 10% in the proportion for female managers by the fiscal year ending March 2025. In order to empower women in managerial positions and above, we are strengthening the development of line manager candidates through the Women Leadership Initiative program since 2020. In addition, we implemented a Sponsorship Program since 2021 where Corporate Management Committee members have been part of the program as sponsors, providing a yearlong mentorship, consisting of career advice as well as developmental support. This program includes the opportunity of a stretch assignment in support of participant's career progression opportunities. 172 employees joined Mitsui in the year ended March 31, 2022 (non-consolidated), of which 58 were women (33.7%).

Number and proportion of Mitsui's (non-consolidated) female managers

	March 2020	March 2021	March 2022	Target (March 2025)
No. of female managers	234	250	267	-
Proportion of managerial positions	7.0%	7.5%	8.0%	10.0%

Number of Mitsui's employees (non-consolidated) hired during the year ended March 31, 2022

	Male	Female	Ratio of female employees
New graduate hires	71	43	37.7%
Career hires	42	13	23.6%
Reemployment post cross-border assignment of the spouse	0	2	100%
Career hire of former employees	1	0	-
	114	58	33.7%

4）Mitsui's Male Childcare Leave

The number of make employees that took childcare leave or related leave was 54.3% for the fiscal year ended March 31, 2022 in

Mitsui & Co (an increase of 8.7% from the previous year)

Number and proportion of Mitsui's (non-consolidated) male childcare leave

	March 2021	March 2022
Number of male employees taking childcare leave	82	102
Male childcare leave utilization rate	45.6%	54.3%

5) Success of Employees at Overseas Offices

To develop businesses in each country and region, we are focusing on promoting the success of employees at local levels (overseas subsidiaries, branches, and offices). Since 2018, we have been implementing Change Leader Program (CLPs) to foster leaders who can actively promote change.Employees selected from around the world engage in dialogue with the executives and participate in intensive discussions on topics, such as leadership. In 2020, we held an on-line Change Leader Business Meetup in response to COVID-19. Candidates for next-generation leaders from Japan and other countries worldwide participated in the meeting. Participants discussed topics related to strategic focus areas as described in the Medium-Term Management Plan 2023 and proposed new business ideas. We will continue to provide a variety of work experience opportunities in Japan and other locations to accelerate the appointment of the right people for right position in our group. In addition, Mitsui & Co. HRD Institute provides planning and management of education and training not only for the Mitsui's overseas offices, but also for employees who work for our group companies around the world.

6) Providing Diverse Career Options

During the medium-term management plan period, we revised part of our HR system at the Headquarter believing that the growth of "individual" and the growth of the Company are positively correlated. This can be achieved through promoting the strength of diverse professional talent, and the outcome and contributions of these efforts will be properly evaluated, and everyone will open their career path boldly while feeling the sense of growth.

These include:
(a) business management incentive plans and strengthened succession plan for key management positions in group companies;
(b) career challenge system that allows eligible talents to try roles and duties at higher positions regardless of promotion requirements or age; and
(c) a stock-based remuneration plan for employees.

In the fiscal year ending March 2023, we plan to introduce Expert band system, in addition to the existing line manager system, to provide alternative career paths for highly specialized talents. Also, in the HR Strategy Meeting, the CEO, the CHRO, the General Manager of Human Resources & General Affairs Division and the respective Business Unit COOs and Corporate Unit General Managers discuss the succession plans of key positions on individual basis. The meeting is held annually and includes the confirmation of the development policy and possible next assignment for candidates with diverse backgrounds such as women or employees hired overseas and others.

7) Employee Engagement

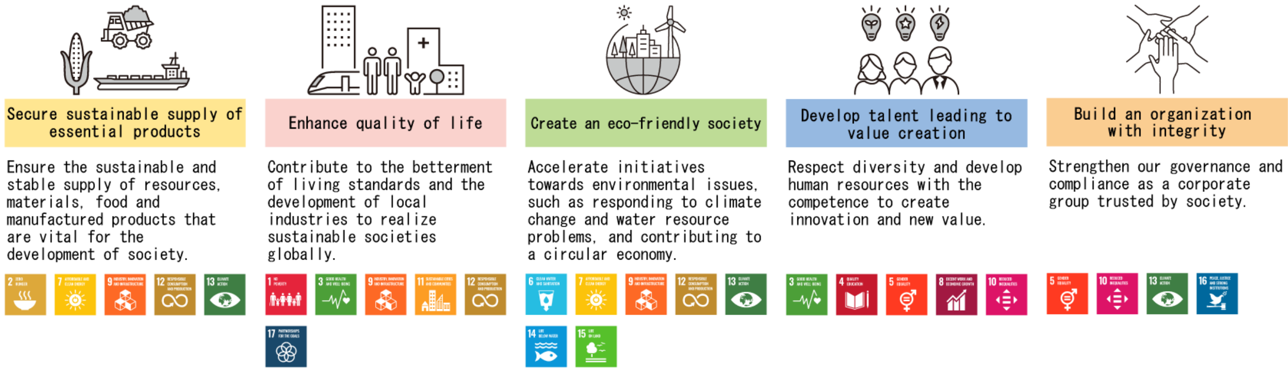
Since 2018, we have been implementing Mitsui Engagement Survey (MES) to measure the engagement rate of employees. We then leverage its results to enhance the motivation of each employee, which in turn empowers organizational strength. In 2021, headquarter, overseas offices and 22 key group companies both in Japan and overseas participated, and a total of about 13,000 employees participated the survey. The survey measures two metrics, "Employee Engagement" and "Employee Enablement," which are utilized to develop a better organization at the workplace. Results are reported to Corporate Management Committee and the Board of Directors as an important management data to act on the company value "thrive on diversity" and is used to formulate HR strategies. For MES 2021, our Employee Engagement was 71% (increase of +1% from MES2020) and Employee Enablement was 69% (no change).

(5) Sustainability Management

1) Mitsui & Co.'s Materiality

Mitsui & Co. prioritizes and focuses on sustainability in its corporate management. We have identified Mitsui's five material issues ("Materiality") as mentioned below for the sustainable growth of both society and the Company, with the aim of meeting the expectations and trust of a variety of stakeholders and pursuing our corporate mission, "Build brighter futures, everywhere."

We have linked our Materiality with the United Nations' 17 Sustainable Development Goals (SDGs) with the aim of contributing toward them through our activities and initiatives. We have established Materiality Action Plans which set out the specific policies, targets, initiatives and progress of each Materiality for each organization, and we manage and disclose progress based on these plans.



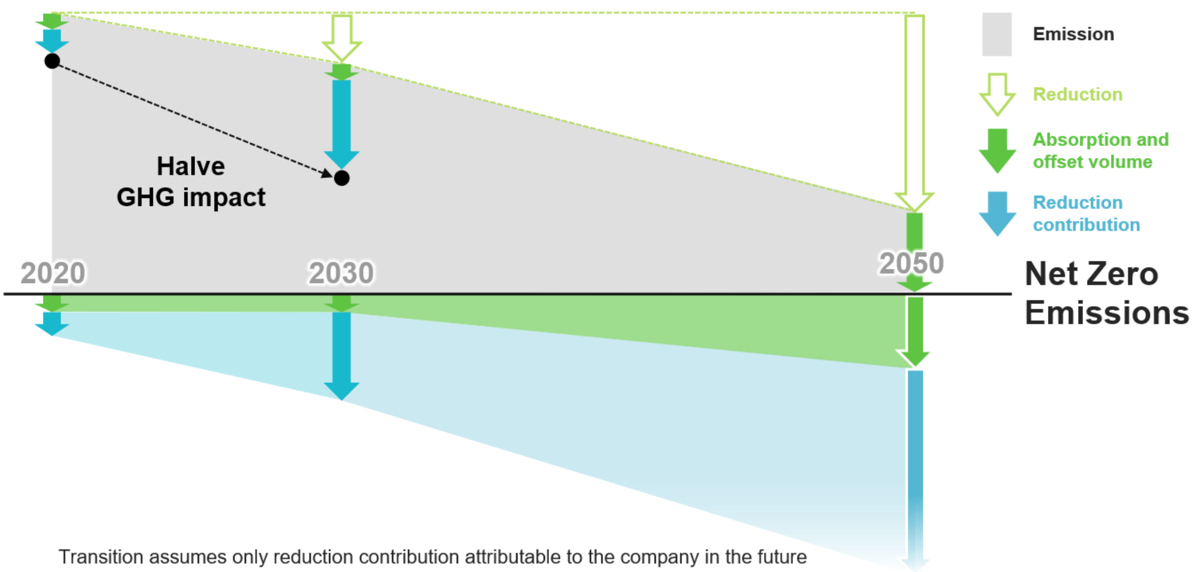
2) Responding to Climate Change

We have also positioned climate change as one of the key themes for sustainability management in our Medium-term Management Plan 2023 and set the goal of achieving net-zero emissions as our Vision for 2050. On our path to achieving this goal, we are also aiming to reduce GHG (greenhouse gas) impact by 2030 to half of what it was in the fiscal year ended March 2020.

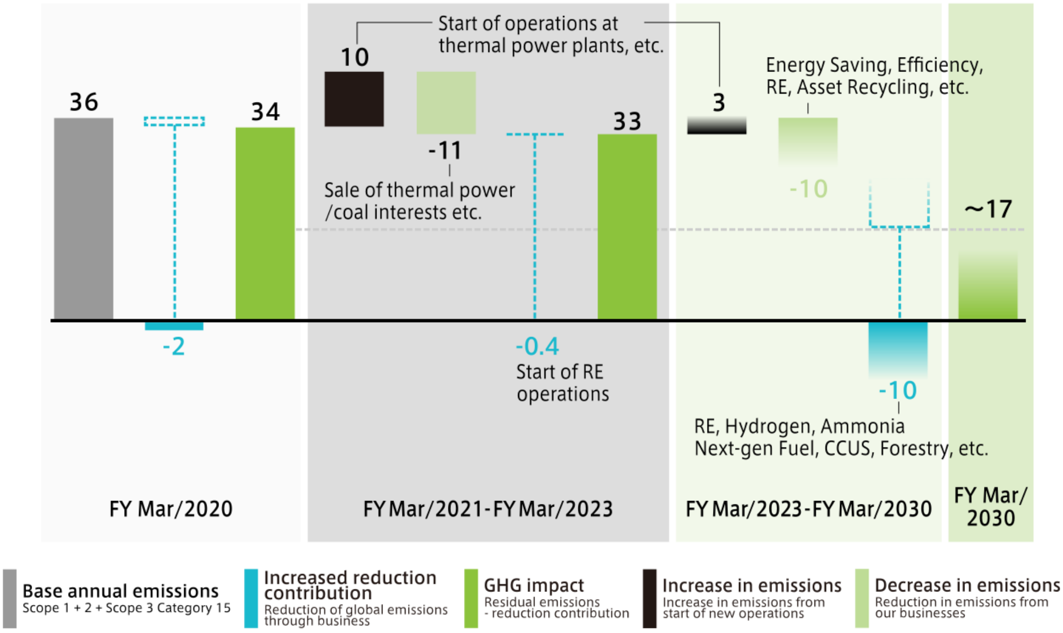
GHG impact refers to the amount of our Company's GHG emissions minus the GHG emission reduction contribution amount we achieve through our business activities. We not only focus on reducing our own emissions, but also on contributing to the transition to a decarbonized society through our business activities.

We are accelerating our efforts towards emissions reduction and increased reduction contribution, with the aim of halving our GHG impact from 34 million tons in fiscal year ended March 2020 to 17 million tons by the fiscal year ending March 2030. Net zero emissions in 2050 means reducing our emissions to effectively zero by subtracting only the amount of absorption and offset from our emissions.

(Path to achieving GHG reduction targets)



(Path to halving GHG impact by 2030)



(Changes in GHG emission amounts*) Unit: Kt-CO2e

	FYE Mar/2019	FYE Mar/2020	FYE Mar/2021
Scope 1 + 2	3,776	3,868	4,336
Scope 3 (Investments)	-	32,000	35,000

* Independent Practitioner's Assurance has been obtained in the Sustainability Report for Scopes 1 and 2, and some Scope 3 GHG emissions for fiscal year ended March 2021. For more information on the scope of the assurance, please see "Environmental performance Data" in Mitsui & Co.'s Sustainability Report 2021 (https://www.mitsui.com/jp/en/sustainability/sustainabilityreport/2021/pdf/en_sustainability_2021.pdf#page=131).
Data for fiscal year ended March 31, 2022 is scheduled to be disclosed in August 2022.

3) Information Disclosure Based on Recommendations of TCFD

In December 2018, Mitsui declared its support for the Task Force on Climate-related Financial Disclosures (TCFD). We will respond to climate change by continuing to seek ways to actively disclose information in accordance with TCFD's recommendations. As a responsible company operating globally, we support the global targets represented by the Paris Agreement, as well as Japan's medium- to long-term targets for reducing GHG emissions. By working towards achieving our reduction targets that contribute to these global goals and targets, we will continue to make efforts to mitigate risk related to climate change.

For more information, please see "Information Disclosure Based on Recommendations of TCFD" on Mitsui's sustainability webpage (https://www.mitsui.com/jp/en/sustainability/environment/climate_change/index.html#tcfd) in addition to the below.

Item	Summary of our policy and initiatives
Governance	- Responding to climate change is one of our most important management challenges. Basic policy and important matters concerning climate change are deliberated upon by the Sustainability Committee, an organization under the control of the Corporate Management Committee, and then regulatory discussed and reported on by the Corporate Management Committee and Board of Directors. - We have established a Sustainability Advisory Board (formerly the Environmental and Societal Advisory Committee), a group comprising external experts, and utilize information and advice provided by its members in deliberations by the Sustainability Committee.
Strategy	- We are conducting scenario analysis in short-, mid-, and long-term timeframes up to the year 2050. We conduct scenario analysis of transition risks and opportunities with reference to the scenarios set out in the World Energy Outlook (WEO) published by the IEA (International Energy Agency). - In consideration of scale of business operations and climate change impact (GHG emission amount or reduction contribution amount), we have selected the following as high priority areas for scenario analysis: upstream oil and gas business and LNG business, metallurgical coal business, iron ore business, offshore oil and gas production facilities business, gas distribution business, LNG shipping business, renewable energy business, next-generation energy business, and forest resources business. - We conduct scenario analysis during the business planning process, including the formulation of the consolidated financial result forecast for FY Mar/2023. Results of the analysis are also reflected in the business portfolio strategy. - In addition, with reference to the RCP (Representative Concentration Pathway) used by the IPCC (Intergovernmental Panel on Climate Change), Mitsui has conducted analysis of investment assets above a certain value by surveying the impact of physical risks based on natural disasters that have occurred over the last five years.
Risk Management	- Mitsui has established an integrated risk management system that centrally manages company-wide risks. Under the integrated risk management system, the Corporate Staff Divisions, which act as the secretariat, manage risks from a company-wide perspective. We position risks from climate change (physical and transition) to be third in importance only to risks related to business investments and country risks and are taking measures to address them. For more information, please see "2. Risk Factors, 2. Operating and Financial Review and Prospects."
Indicators and Targets	- We have established and continue to monitor the various environmental indicators and targets listed below: (1) Scope 1 and 2, and Scope 3 Category 15 (Investments) for the Company and its consolidated subsidiaries (including un-incorporated joint ventures): Formulating Mitsui's goal of achieving net-zero emissions as our Vision for 2050 and aiming to reduce GHG impact by 2030 to half of what it was in the fiscal year ended March 2020, as the path to achieve the above goal. (2) Scope 1 and 2 GHG emissions of the Company and its consolidated subsidiaries (except for Un-incorporated Joint Venture): Halving GHG emissions by 2030compared to the fiscal year ended March 2020. (3) Ratio of renewable energy in power generation business: increasing to over 30% by 2030.

4) Initiatives related to the Human Rights and Supply Chain

As Mitsui & Co. conducts business globally in many countries and regions around the world, we regard respect for human rights following international standards as the foundation of our sustainability management and have designated business and human rights as an important theme of sustainability management in our Medium-term Management Plan 2023.

To tackle human rights issues that can occur in the supply chain, we now carry out human rights due diligence as a PDCA cycle comprising four processes – identification, awareness, survey, and disclosure/improvement. In doing so, we aim to prevent and solve human rights issues or environmental impacts that are directly linked to our business. In May 2022, we created and released a supply chain management handbook with the aim of raising awareness of company policy and initiatives in this area.

When participating in a new business, expanding a business, or withdrawing from a business, we use ESG due diligence checklists to assess the ESG-related impact. For human rights, we carry out internal screening based on these checklists, covering aspects such as occupational health and safety, and the impact of business development on the human rights of local residents and other stakeholders.

Implementation of Supply Chain Due Diligence

(6) Forecasts for the Year Ending March 31, 2023

1) Forecasts for the Year Ending March 31, 2023

[Assumption]	Forecast	Result
Exchange rate (JPY/USD)	120.00	113.04
Crude oil (JCC)	$98/bbl	$77/bbl
Consolidated oil price	$88/bbl	$68/bbl

(Billions of Yen)	March 31, 2023 Forecast	March 31, 2022 Result	Increase / (Decrease)	Description
Gross Profit	1,150.0	1,141.4	+8.6	
Selling, General and Administrative Expenses	(660.0)	(596.3)	(63.7)	New consolidation of affiliates
Gain (Loss) on Investments, Fixed Assets and Other	50.0	19.0	+31.0	Asset recycling
Interest Expenses	(75.0)	(27.3)	(47.7)	Higher interest rate
Dividend Income	135.0	196.5	(61.5)	Lower commodity prices
Profit (Loss) of Equity Method Investments	430.0	431.3	(1.3)	
Profit before Income Taxes	1,030.0	1,164.5	(134.5)	
Income Taxes	(200.0)	(226.8)	+26.8	
Non-Controlling Interests	(30.0)	(23.0)	(7.0)	
Profit for the Year Attributable to Owners of the Parent	800.0	914.7	(114.7)	

Depreciation and Amortization	250.0	296.4	(46.4)	

Core Operating Cash Flow	950.0	1,158.7	(208.7)	

・ We assume foreign exchange rates for the year ending March 31, 2023 will be ¥120/US$, ¥88/AU$ and ¥25/BRL, while average foreign exchange rates for the year ended March 31, 2022 were ¥113.04/US$, ¥83.33/AU$ and ¥21.44/BRL. Also, we assume the annual average consolidated oil price applicable to our financial results for the year ending March 31, 2023 will be US$88/barrel, up US$20/barrel from the previous year, based on the assumption that the crude oil price (JCC) will average US $98/barrel throughout the year ending March 31, 2023.

The forecast for profit for the year attributable to owners of the parent by operating segment compared to the previous year is as follows:

(Billions of Yen)	Year ending March 31, 2023	Year ended March 31, 2022	Increase / (Decrease)	Description
Mineral & Metal Resources	330.0	497.6	(167.6)	Iron ore price, dividends
Energy	160.0	114.0	+46.0	Oil and gas prices
Machinery & Infrastructure	160.0	120.8	+39.2	Absence of losses in previous year, Commencement of operations
Chemicals	70.0	68.9	+1.1	
Iron & Steel Products	20.0	26.9	(6.9)	Steel price
Lifestyle	50.0	61.5	(11.5)	Swing back effect of previous year
Innovation & Corporate Development	40.0	57.6	(17.6)	FVTPL profit, commodity derivative trading
Others / Adjustments and Eliminations	(30.0)	(32.6)	+2.6	
Consolidated Total	800.0	914.7	(114.7)	

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

(Billions of Yen)	Year ending March 31, 2023	Year ended March 31, 2022	Increase / (Decrease)	Description
Mineral & Metal Resources	370.0	552.8	(182.8)	Iron ore price, dividends
Energy	270.0	280.2	(10.2)	Dividends
Machinery & Infrastructure	130.0	144.0	(14.0)	Dividends
Chemicals	90.0	93.8	(3.8)	
Iron & Steel Products	10.0	12.4	(2.4)	
Lifestyle	40.0	35.2	+4.8	
Innovation & Corporate Development	30.0	46.6	(16.6)	FVTPL profit, commodity derivative trading
Others / Adjustments and Eliminations	10.0	(6.3)	+16.3	
Consolidated Total	950.0	1,158.7	(208.7)	

2) Key commodity prices and other parameters for the year ending March 31, 2023

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2023. The effects of movements on each commodity price and foreign exchange rates on profit for the year attributable to owners of the parent are included in the table.

Impact on profit for the year attributable to owners of the parent for the Year ending March 31, 2023				March 2023 Assumption	March 2022 Result
Commodity	Crude Oil/JCC		-	98	77
	Consolidated Oil Price (*1)		¥2.2bn (US$1/bbl)	88	68
	U.S. Natural Gas (*2)		¥1.0bn (US$0.1/mmBtu)	4.89	3.72 (*3)
	Iron Ore (*4)		¥2.2bn (US$1/ton)	(*5)	153 (*6)
	Coal	Coking	¥0.5bn (US$1/ton)	(*5)	272 (*7)
		Thermal	¥0.1bn (US$1/ton)	(*5)	110 (*7)
	Copper (*8)		¥0.7bn (US$100/ton)	9,150	9,315 (*9)
Forex (*10)	USD		¥4.6bn (¥1/USD)	120.00	113.04
	AUD		¥2.5bn (¥1/AUD)	88.00	83.33
	BRL		¥0.3bn (¥1/BRL)	25.00	21.44

(*1) As the crude oil price affects our consolidated results with a 0-6 month time lag, the effect of the crude oil prices on consolidated results is estimated as the Consolidated Oil Price, which reflects this lag. For the year ending March 2023, we have assumed that there is a 4-6 month lag for approx. 35%, a 1-3 month lag for approx. 60%, and no lag for approx. 5%. The above sensitivities show annual impact of changes in the consolidated oil price.

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

(*3) U.S. gas figures for the year ended March 2022 are the Henry Hub Natural Gas Futures average daily prompt-month closing prices traded on NYMEX during January to December 2021.

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

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

(*6) Iron ore results figures for the year ended March 2022 are the daily average (reference price) spot indicated price (Fe 62% CFR North China) recorded in several industry trade magazines from April 2021 to March 2022.

(*7) Coal results figures for the year ended March 2022 are the quarterly average prices of representative coal brands in Japan (US$/MT).

(*8) As the copper price affects our consolidated results with a 3-month time lag, the above sensitivities show the annual impact of US$100/ton change in averages of the LME monthly average cash settlement prices for the period March to December 2022.

(*9) Copper results figures for the year ended March 2022 are the averages of the LME monthly average cash settlement prices for the period January to December 2021.

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

Note: Impact of Foreign Currency Exchange Fluctuation on Operating Results

The total sums for profit for the year attributable to owners of the parent for the years ended March 31, 2022 and 2021 reported by overseas subsidiaries and equity accounted investees were ¥750.5 billion and ¥338.4 billion, respectively. These companies principally use the U.S. dollar, the Australian dollar and the Brazilian real as functional currencies in their reporting.

We conducted a simplified estimation for the effect of foreign currency exchange fluctuations on profit for the year attributable to owners of the parent for the year ending March 31, 2023.

(a) We aggregated a total projected profit for the year attributable to owners of the parent in the business plans of these companies covering the year ending March 31, 2023, according to their functional currencies. Firstly, we aggregated Australian dollar- and Brazilian real-denominated projected profit for the year attributable to owners of the parent of those companies using two currencies as functional currencies. Secondly, we aggregated the rest of the projected profit for the year attributable to owners of the parent from overseas subsidiaries and equity accounted investees as a US dollar-equivalent amount. We conducted a sensitivity analysis on foreign currency fluctuation for sum of the above aggregated profit and the dividend received from major foreign investees by three categories.
Based on the analysis, yen appreciation of ¥1 against US$1 would have the net effect of reducing profit for the year attributable to owners of the parent by approximately ¥4.6 billion. Likewise, appreciation of ¥1 against AUD1 and BRL1 would have the net effect of reducing profit for the year attributable to owners of the parent by approximately ¥2.5 billion and ¥0.3 billion, respectively.

(b) Profit for the year attributable to owners of the parent from those mineral resources and energy producing companies are affected by the currency fluctuation between the US dollar as a contractual currency of sales contracts and the Australian dollar as a functional currency. Attention should be paid to this, in addition to the impact that is discussed in (a) above.

(c) Furthermore, some subsidiaries and equity accounted investees, including the mineral resources- and energy-related production companies, carry out hedging on the exchange rates between their functional currencies and the US dollar, which is the contract currency for sales contracts. There are also cases that they carry out exchange rate hedging for yen equivalence valuation of profit for the year attributable to owners of the parent that is denominated in foreign currencies. It is necessary to take the impact of these factors into consideration separately from the sensitivity resulting from the yen equivalence valuation of profit for the year attributable to owners of the parent in each of the three currencies mentioned in (a) above.

2. Risk Factors

For a wide variety of quantitative and qualitative risks which we face, each of the Corporate Staff Divisions cooperate by establishing various internal rules for risk management within their respective risk management areas, as well as conducting prior investigations and after-the-fact monitoring. We establish an integrated risk management system that has centralized control over the company-wide risks, which is centered around the Corporate Management Committee and the Portfolio Management Committee as an organization under the Corporate Management Committee. We identify important risks in light of the frequency of occurrence, expected damage scale, and company-wide risk tolerance and take corresponding measures. The major risks as of March 31, 2022 are as follows;

(1) Business Investment Risks

We are engaged in investment activities in various businesses by acquiring equity and shares. However, we are exposed to various risks related to business investments, such as the possible inability to recover our investments, exit losses, or being unable to earn the planned profits. Furthermore, we participate in various businesses directly or indirectly through joint ventures or by making strategic investments in other companies and business enterprises. The outcome of these joint ventures and strategic investments is unpredictable because:

- operational success is critically dependent on factors that are beyond our control such as the financial condition and performance of the partner companies or the strategic investees; or
- with respect to certain equity accounted investees, we may be unable to exercise adequate control over the management, operations and assets of the companies in which we invested or may be unable to make major decisions without the consent of other shareholders or participants due to lack of common business goals and strategic objectives with our alliance partners.

Any occurrence of these events could have a significant adverse effect on our operating results and financial condition.

We participate as a non-operator in many of exploration, development and production activities of mineral resources and oil and gas projects, which are becoming more significant to our operating results and financial condition. Under these circumstances, we carefully consider the business potential and profitability of projects based on the information and data provided by operators, however, the business operations including decision-making for development and production may be affected by operators' policy. An operator's failure in managing those projects may adversely affect our operating results and financial condition significantly.

For these risks, new investment decisions are made based on analysis of qualitative factors as well as the required profitability ratio and other quantitative standards, and we perform efficient asset replacement through our periodic monitoring each purpose of all investments and our determining turnaround plans or exit policies for unprofitable businesses and businesses falling below withdrawal standard cutoffs. In addition to the risk amount carried by assets on our consolidated statements of financial position, we assess and periodically monitor the amount of off-balance-sheet risk, such as market risk and guarantees, using a set standard and periodically stress test on our risk adjusted assets (*) for various scenarios, verifying the impact on the risk assets to shareholders' equity ratio.

(*) Risk adjusted assets refer to the maximum loss exposure and is calculated by multiplying assets including trade and other receivables, other investments, fixed assets and off-balance-sheet items such as guarantees by risk weights, which we have determined individually based on the potential risk of loss.

(2) Country Risks

Various types of businesses worldwide sometimes expose us to risks that could cause our receivables, investment, loans and other claimable assets extended to our customers and other parties in a foreign country to become uncollectable and/or the value of our inventories, fixed assets and other assets in the country to deteriorate due to government actions or changes in the political, economic or social conditions in the respective foreign country. Furthermore, some of our business activities may be exposed to concentration risk in particular industries located in specific regions or countries. For example:

- In Brazil, Chile and Russia, we have investments and loans in the exploration, development, production and liquefaction of mineral resources and energy.
- In Malaysia, we have investments and loans in the healthcare business covering a large part of Asia.
- In Mozambique, we have investments and loans in the development, production, and liquefaction of energy.
- In Indonesia, we have investments and loans in a consumer-related services business, a motorcycle retail finance business, and an infrastructure project.

Therefore, for country risks, we implement appropriate risk hedging measures according to the content of the project, such as usage of financing from Export Credit Agencies.

Additionally, we periodically grasp risk exposures such as receivables, investments, loans, and guarantees by every country that we hold positions as well as monitor for the country risk situation for each country except, in principle, for developed countries and implement risk-control policy at least once a year or whenever deemed necessary. Furthermore, regular monitoring on our overall portfolio confirms the appropriateness of asset size in accordance with each country as well as each business area.

Concerning Ukraine situation, we are complying with related international sanctions imposed on Russia and we are closely following the developments. The balance of investments, loans and guarantees to Russia as of March 31, 2022 is ¥426.0 billion, which is approximately 4% of our global position of investments, loans and guarantees. It may be affected by uncertain future development in Russia and Ukraine. For further information about the impact for the current year, see Note 29, "IMPACT OF THE UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS".

(3) Risks Regarding Climate Changes

Initiatives to reduce greenhouse gases, which are said to be the root cause of climate change and global warming, are undertaken globally, such as adoption and ratification of "Paris Agreement" at the 21st Conference of Parties (COP21) in United Nations U.N. Framework Convention on Climate Change.

As to physical risks that are likely to occur in the short term, among extreme weather conditions which have been increasing recently due to climate change, water drought and intense storms, especially hurricanes and cyclones, which are in the Atlantic and South Pacific oceans, respectively, may have an adverse effect on operations. In case production sites and infrastructure used for shipments such as roads, railways and ports, are seriously damaged, operations and shipments could stop for indeterminate periods until restoration work is completed. Therefore, our business operations are exposed to non-operation risk in the entire supply chain, such as the inability to receive the supply of raw materials, in the case that not only seriously affect our investment but also our customers. For these risks, we implement measures, such as insurance coverage, establishing a crisis management policy, and strengthening equipment, however, physical risks cannot be completely avoided and may have a significant adverse effect on our future operating results and financial condition.
Transition risks that are likely to occur in the medium-to-long term includes:

- Policy and Legal Risks: Changes in the energy and power source mix due to government policies in each country and introduction of government-imposed greenhouse gas emission restrictions including imposition of carbon tax, and emission credit could have a significant adverse effect on our operating results and financial condition of our businesses that use fossil fuel and emit a large amount of greenhouse gasses.
- Technology Risks: Introduction of new technologies that respond to climate change may cause changes in the supply and demand of existing products and services and the obsolescence of existing production equipment and facilities.
- Fund Procurement Risks: Low-carbon policies of financial institutions and insurance companies may cause risks that affect the procurement of funds.

We bear in mind the various climate change scenarios offered by the International Energy Agency, etc., and analyze the impact of such scenarios on our businesses. Over the long term, maintaining the existing portfolio could have a significant adverse effect on our operating results and financial condition through deterioration of our interests. Therefore, to establish a more robust business platform through identification the future impact of climate change and incorporation associated growth opportunities, we set a goal of achieving net-zero emissions by 2050, with a 2030 milestone of reducing GHG impact by 50% compared to 2020.

Moreover, we introduced an internal carbon pricing system in order to increase resilience, and to accelerate the development of projects that contribute to reducing GHG emissions. For new business projects, we have added impact analysis of the 2.0℃ scenario into the project screening factors, as well as the validity of countermeasures in the event these risks are realized. We also apply the internal carbon pricing system for assessing risks in existing projects.

For further information about our initiatives related to climate change, see "1. Management Policies, Operating Environment, and Management Issues, (5) Sustainability Management".

(4) Commodity Market Risks

We are engaged in trades in and, as the case may be, production of a variety of commodities in the global commodities market including mineral resources and energy products. Among others, operating results from our mineral resources and energy producing activities account for significant portion in our overall operating results. These commodity markets can be volatile in a short period or seasonally fluctuate by various factors such as imbalance of supply and demand, economic fluctuation, inventory adjustment, and exchange rate fluctuations. These factors are beyond our control.

Commodity price fluctuations directly affect revenues from the equity share of production at our subsidiaries and equity accounted investees. For the year ending March 31, 2023, we estimate that the impact of a change of US$1 per barrel in the crude oil prices and US$1 per ton in the iron ore prices on profit for the year attributable to owners of the parent would approximately be ¥2.2 billion in both cases. For further information about the impact of commodity price fluctuations on our operating results, see "1. Management Policies, Operating Environment, and Management Issues, (6) Forecasts for the Year Ending March 31, 2023" and "3. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Discussion and Analysis of Operating Results for the Years Ended March 31, 2022 and 2021."

We have formulated market risk management policies including commodity market risk and have established management systems at several levels. In particular, regarding commodity market risk, Chief Operating Officers have the primary responsibility of establishing risk management policies that prescribe the setting of limits on positions and losses, as well as prescribing management systems at each business unit. They also have the responsibility of obtaining the approval of our executive officers in charge of risk management, and carrying out management and reporting in accordance with such approval. In addition, risk management sections, which are independent from trading sections, monitor, analyze and evaluate market risks and periodically report to the executive officers in charge.
Furthermore, we use derivative instruments, such as swap contracts, as hedging instruments partially for hedge accounting to fix the expected future cash flows from forecasted transactions in marketable commodities.

For further information about risk management, see Note 8, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS (6) Risk-related matters" and "(7) Derivative instruments and hedging accounting."

The unexpected market fluctuations may adversely affect our business, operating results and financial condition significantly, as follows:
- At businesses such as mineral resources and/or energy development projects, in which large amounts of investment has been made, it may happen that the invested amount is not recoverable through sales of the produced products due to a fall in price or we may have difficulty in divesting our proprietary equity at a reasonable price.
- A decline in the value of our investments in LNG projects and other investments which are recognized to designate as at fair value through other comprehensive income ("FVTOCI"), could adversely affect our comprehensive income.

(5) Foreign Currency Risks

We are exposed to the exchange risk of assets and liabilities represented in foreign currencies. Exchange rate fluctuations may reduce the value of investments in overseas subsidiaries and associated companies as well as that of FVTOCI, and adversely affect our accumulated other comprehensive income and financial condition significantly.

For the year ending March 31, 2023, we estimate that the impact on profit for the year attributable to owners of the parent of a change of ¥1 per US$ and ¥1 per AU$ in the USD/JPY and AUD/JPY would approximately be ¥4.6 billion and ¥2.5 billion, respectively. For further information about the impact of foreign exchange rate price fluctuations on our operating results, see "1. Management Policies, Operating Environment, and Management Issues, (6) Forecasts for the Year Ending March 31, 2023" and "3. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Discussion and Analysis of Operating Results for the Years Ended March 31, 2022 and 2021."

We have formulated market risk management policies including foreign currency exchanging risk and have established management systems at several levels. In particular, regarding foreign currency exchange risks, Chief Operating Officers have the primary responsibility of establishing risk management policies that prescribe the setting of limits on positions and losses, as well as prescribing management systems at each business unit. They also have the responsibility of obtaining the approval of our executive officers in charge of risk management, and carrying out management and reporting in accordance with such approval. In addition, risk management sections, which are independent from trading sections, monitor, analyze and evaluate foreign currency risk and periodically report to the executive officers in charge.

Furthermore, we use derivative instruments, such as foreign exchange forward contracts and currency swap agreements, as hedging instruments partially for hedge accounting to fix the expected future cash flows from foreign-currency-denominated receivables and payables resulting from selling and purchasing activities in currencies other than the local currency. We also use foreign-currency-denominated debt in order to mainly hedge the foreign currency exposure in the net investment in foreign operations.

For further information about risk management, see Note 8, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS (6) Risk-related matters" and "(7) Derivative instruments and hedging accounting."

(6) Stock Price Risks of Listed Stock We Hold

We also invest marketable equity financial assets, which are exposed to risk of stock price fluctuations, for the purpose of creating business opportunities, or building, maintaining, or strengthening business and collaborative relationship. As of March 31, 2022, our marketable equity financial assets recognized to designate as FVTOCI were carried at a fair value of ¥1,335.5 billion, representing 8.9% of our total assets. While we periodically review our investment portfolio, a decline in the equity securities market could adversely affect the value of our investment portfolio and financial condition significantly due to the decline of other comprehensive income.

We have formulated market risk management policies including stock price risk and have established management systems at several levels. In particular, we manage the stock price risk by analyzing factors of market capitalization fluctuations.
For further information about risk management, see Note 8, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS (6) Risk-related matters."

(7) Credit Risks

We are exposed to large-scale counterparty credit risks, including the following:

- While many of our customers purchase products and services from us on credit, we may also provide financing programs or debt guarantees for customers associated with sales contracts. At March 31, 2022, the balance of current trade and other receivables (less loss allowance － current) was ¥2,303.1 billion, representing 15.4% of our total assets. The balance of loss allowance － current was ¥21.9 billion.
- We engage in significant project financing activities as a lender or guarantor whereby we assume repayment risk.

We manage credit risks through the management of commitment lines of credit approved by an appropriate person with authority and through monitoring past-due status of credit. In addition, we require collateral and/or other forms of security from counterparties as necessary. For further information about risk management, see Note 8, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS (6) Risk-related matters."
Even if the measures for credit risk are implemented, it is not possible for our credit risk management policy to completely eliminate risks relating to the deterioration of the financial positions of our counterparties. Furthermore, factors such as insolvencies among our customers caused by liquidity crises, sudden falls in real estate market or stock market prices, or increases in company bankruptcies may make it difficult for us to collect receivables and adversely affect our future operating results and financial condition significantly.

(8) Risks Regarding Fund Procurement

Turmoil in financial markets, a downgrade in our credit ratings or significant changes in the lending or investment policies of our lenders or institutional investors could result in constraints on our fund procurement and an increase in funding costs, and could have an adverse effect on our financial position and liquidity.

We obtain long-term funds (those with maturities of around 10 years), and at the same time, we minimize our refinance risk by deconcentrating the amount of long-term debt to be repaid each fiscal year. We also hold sufficient cash and cash equivalents in order to maintain liquidity to flexibly meet capital requirements and to minimize the harmful effect of a deteriorated financial market on future debt-service requirements.

For information on our funding sources and credit ratings, see "3. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (5) Liquidity and Capital Resources."

(9) Operational Risks

In each business areas, namely, 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 hub network which is centering on the Company, and its ability to gather information, the Company and its consolidated subsidiaries engage in a wide range of initiatives that include development of natural resources and infrastructure projects, business investment in relation to the environment, new technologies, next-generation power and wellness, and value creation that leverages digital tools. These businesses are exposed to various operational risks such as fires, explosions, accidents, export and import restrictions, and natural disasters. The event of these accidents and disasters could significantly and adversely affect our operating results and financial condition.

Once an environmental accident occurs, as the owner of mineral resource and energy interests, regardless of the degree of our contribution to such accidents or acts of negligence, we may be imposed to bear fines or payments for compensation from environmental authorities or other concerned parties, which may adversely affect our operating results and financial condition significantly, even in situations where we are not involved in any actual operations as a non-operator. These fines and/or compensation payments may include clean-up costs, compensation for environmental damages, compensation for health hazard and/or property damage to those affected by the accident, compensation for absence from work and/or for loss of earnings.

We consider risk measures for risk mitigation and damage prevention and have insurance for accidents, disasters, etc. to the extent possible and appropriate, however they may not be able to cover all the damage.

(10) Risks Regarding Employee's Compliance with Laws, Regulations, and Internal Policies

Due to our size, as well as the operational and geographic breadth of our activities, our day-to-day operations are necessarily de-centralized. As a result, we cannot fully ensure that our employees comply with all applicable laws and regulations as well as our internal policies. For example, our employees may engage in unauthorized activities and exceed the allotted risk exposure for various investments and loans or extend an unauthorized amount of credit to a client and position limits, which, in either case, may result in unknown losses or unmanageable risks. Moreover, our employees could engage in various unauthorized activities prohibited under the laws of Japan or other jurisdictions to which we are subject, including export regulations, anticorruption laws, antitrust laws and tax regulations.

We undertake various efforts such as strengthening the compliance framework on a global group basis, sending out the messages from management to employees continuously and repeatedly, establishing channels for reporting compliance-related matters within or outside of the administrative chain of command, fostering a "speak up" culture, handling any cases of compliance violations strictly. For further information, see "4. Corporate Information 4. Corporate Governance (1) Overview of corporate governance 3) Status of Internal Control System iv) Compliance Structure."

However, such efforts are not possible to prevent misconduct by our employees completely. Depending on its nature, employees' misconduct could have a significant adverse effect on our business activities, reputation, operating results and financial condition.

(11) Risks Regarding Information Systems and Information Securities

As the operation of our global communication network progresses and with the recent worldwide cyber-attacks on the increase, it is important to properly operate the IT system, grasp the information value and handle it properly. We enhance the safety and security of information systems by internal control through development of related regulations to secure properly confidentiality, integrity, and availability on information and information systems for us and our consolidated subsidiaries. We reduce risks on data breaches by improved guidelines for better risk management, conduct internal training regularly, and tackle external threats with various measures, including the security monitoring of our IT networks.

However, we cannot eliminate all the possibilities of distraction or leakages of confidential business information triggered by unexpected serious IT system troubles, and unforeseeable threats against our IT system infrastructure or communications networks. Such situations could seriously reduce our operational efficiency or jeopardize our ability to maintain or expand our business activities, which may have a significant adverse effect on our business, operating results and financial condition.

(12) Risks Relating to Natural Disasters Terrorism, Violent Groups, and Infectious Disease

Earthquake, heavy rain or flood, terrorism, infectious disease, power shortage, etc. in the countries or regions where we develop business activities could adversely affect our businesses significantly.

Concerning the COVID-19 pandemic situation, several factors such as a slowdown of economic recovery due to the continuing zero-COVID policy in China, and a weakening growth in the emerging economies due to delayed recovery from the COVID-19 pandemic may have a significant adverse impact on our operating results and financial condition.

We have implemented measures such as creating a Business Continuity Plan (BCP), developing a disaster contingency manual, introducing a safety confirmation system for employees, reinforcing earthquake resistance and conducting emergency drills. However, despite these measures, there is no assurance that all damage and impact can be completely avoided, and they may adversely affect our operating results and financial condition significantly.

In addition to the major risks as of March 31, 2022, we recognize the following risk factors which may have an adverse effect on our operating results, financial condition, and cash-flow. However, these do not cover all risk factors.

・General Risks That Are Not Unique to Our Own Risk

- Risks of Changes in Global Macroeconomic Factors

Our global business activities are affected by economic conditions both globally and regionally. Among other locations, we are particularly vulnerable to downward economic trends in Europe, Japan, China, the United States and emerging countries. An economic downturn may cause a reduction in the flow of goods and materials, a decline in consumer spending and capital investment, and subsequently a decline in demand from our customers for our products and services, which may have an adverse impact on our business, operating results and financial condition.

- Risks Associated with Laws and Regulations

Our business operations are subject to extensive laws and regulations in Japan and other countries throughout the world. Our operations are subject to laws and regulations governing, among other things, commodities, consumer protection, business and investment approvals, environmental protection, currency exchange control, import and export (including restrictions from the viewpoint of national and international security), taxation, and antitrust. For instance, many of our infrastructure projects in developing countries are subject to less developed legal systems. As a result, our costs may increase due to factors such as the lack of a comprehensive set of laws and regulations, an unpredictable judicial system based on inconsistent application and interpretation of laws and regulations, and changing practices of regulatory and administrative bodies. For example, we are subject to sudden and unpredictable changes to: tariffs for products and services that we provide; technical specifications with respect to environmental regulations; income tax and duty rates; and foreign currency exchange controls with respect to repatriation of investments and dividends.

We are subject to complex sets of environmental regulations in Australia, Brazil, Chile, Russia, and the Middle East. These laws and regulations may require us to perform site clean-ups; require us to curtail or cease certain operations; impose fines and payments for significant environmental damage; require us to install costly pollution control equipment; and require us to modify our operations.

Further, while we are involved in the exploration, development and production activities through various contractual arrangements for concessions, the contracts may not be honored or extended when they expire. Moreover, the regulatory bodies of these areas may unilaterally intervene or even alter the contractual terms of our oil and gas as well as mineral resource producing operations involving production rates, pricing formulas, royalties, environmental protection cost, land tenure or otherwise. If these regulatory bodies unilaterally alter such contractual terms, or if the cost of complying with revised or newly established laws and regulations increases, our business, operating results and financial condition could be adversely affected. Development of projects may face schedule delays than originally planned, due to difficulties in technical conditions, procurement of materials, financial conditions and government regulations including environmental aspect.

- **Risks Due to Competition**

The products and services we provide are generally under competition. Other Japanese general trading companies as well as other competitors, which engage in similar business activities in various fields, may have stronger business associations and relationships with our customers, suppliers and business partners in both domestic and global markets; or stronger global network and regional expertise, diversified global customer bases, greater financial engineering skills and market insights.

Unless we can successfully continue to meet the changing needs of our customers by providing them with innovative and integrated services in a cost effective manner, we may lose our market share or relationships with our existing customers, and we may have an adverse effect on our operating results and financial condition.

- **Risk Regarding Limitation of Human Resources for Business**

In new businesses, we are investing into human resources that are capable of planning and evaluating business, executing projects and managing and supervising workforce. However, in certain business areas, we may have a shortage of required human resources, which could cause a loss of opportunities to start new businesses, which in turn may adversely affect our future business, operating results and financial condition.

・**Recognized Risks, but the Impact Is Not Significant**

- **Interest Rate Risks**

We are exposed to risks associated with interest rate fluctuations, which may affect our overall operational costs and the value of our financial assets and liabilities, particularly our debt obligations from the capital markets and borrowings from financial institutions. An increase in interest rates, especially in Japan and the United States, may adversely affect our operating results. For information on the status of our funding, see "3. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (5) Liquidity and Capital Resources" and Note 8, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS."

- **Risks Regarding Pension Cost and Defined Benefit Obligations**

Declines in the market value of domestic and foreign government bonds, other debt securities and marketable equity securities would reduce the value of our pension plan assets. A decline in the value of our pension plan assets or an increase in our unfunded defined benefit obligation could adversely affect our operating results and financial condition due to the decline of other comprehensive income and retained earnings.

For information on our defined benefit cost, see "3. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (6) Critical Accounting Policies and Estimates" and Note 18, "EMPLOYEE BENEFITS."

・**The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the carrying value of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. For further information, see "3. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (6) Critical Accounting Policies and Estimates."**

・**Risks inherent to Japan**

- **Possibility of difference between the actual dividend amount and the forecasts announced prior to the record date**

The customary dividend payout practice of publicly listed companies in Japan may significantly differ from the practice widely followed in other markets. Our dividend payout practice is no exception.

We ordinarily announce a certain dividend payout policy at the beginning of each fiscal year and also provide guidance for annual dividends based on the forecast of our financial results including profit for the year. Interim dividends are paid to shareholders on record as on September 30 of each fiscal year after reviewing our financial results during the first six months of each fiscal year as well as our forecast of our financial results during the last six months of the same fiscal year. The decision of declaration and payment is solely a matter of discretion of our Board of Directors, and such a decision may be made after the September 30 record date, and thus may differ from our guidance provided prior to such record date.

The amount and payment of the year-end dividend are determined by our Board of Directors based on the actual financial results including profit for the year. If we propose to declare the year-end dividend, the approval of shareholders at the annual general meeting held in June of each year is also required. Our Board of Directors decides and submits a proposal for the year-end dividend declaration a few weeks before the annual general meeting. If the shareholders' approval is given, dividend payments are made to shareholders on record.

The shareholders on record may sell shares after the March 31 record date with the anticipation of receiving a certain dividend payment. However, the declaration of year-end dividends is approved by our shareholders only in June, usually based upon a proposal submitted by our Board of Directors. As such, we may have announced dividend-related forecasts prior to the record date; but, in making a decision on the year-end dividend declaration, neither our shareholders nor our Board of Directors is legally bound by such forecast. Moreover, if our profit for the year turns out to be lower than we originally forecast, we may not submit any year-end dividend proposal to the annual general meeting of shareholders.

- **Possibility of restriction to sell our common stock because of daily price range limitations under Japanese stock exchange rules**

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upper and lower price range limitations for each stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits on these exchanges. Consequently, an investor wishing to sell at a price above or below the relevant daily limit on these exchanges may not be able to effect a sale at such price on a particular trading day, or at all.

- **Necessity of depositary to exercise the rights of shareholders**

The rights of shareholders under Japanese law to take actions, including exercising voting rights, receiving dividends and distributions, bringing derivative actions, examining our accounting books and records and exercising appraisal rights are available only to holders recorded on our register of shareholders. Because the depositary, through its custodian agents, is the recorded holder of the shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited shares. The depositary will make efforts to vote the shares underlying your ADSs as instructed by you and will pay to you the dividends and distributions collected from us. However, as ADS holders, you will not be able to bring a derivative action, examine our accounting books and records or exercise appraisal rights except through and with the consent of the depositary.

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

Please take note that our management's discussion and analysis of financial position, operating results and cash flow contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ significantly from those anticipated in these forward-looking statements as a result of the items mentioned in "2. Risk Factors" or other factors.
For further information regarding the progress of our plan, see "2. Operating and Financial Review and Prospects, 1. Management Policies, Operating Environment, and Management Issues, (1) Progress of Medium-term Management Plan."

(1) Overview of Business Results

1) Operating Results

See "(4) Discussion and Analysis of Operating Results for the Years Ended March 31, 2022 and 2021, 2) Operating Results by Operating Segment."

2) Cash Flows

See "(5) Liquidity and Capital Resources, 6) Cash Flows."

(2) Purchases, Sales Contracts and Trading Transactions

1) Purchases

In all operating segments, as the difference between the amount of purchases and the amount of total trading transactions is minimal compared to the amount of total trading transactions, this item is omitted.

2) Sales Contracts

In all operating segments, as the difference between the amount of contracts and the amount of total trading transactions is minimal, this item is omitted.

3) Trading Transactions

See "(4) Discussion and Analysis of Operating Results for the Years Ended March 31, 2022 and 2021," and Consolidated financial statements Note 6, "SEGMENT INFORMATION."

(3) Key Performance Measures under Management's Discussion

Although our operating results and financial position are affected by various factors including the items stated in "2. Risk Factors," management believes that as of the end of the fiscal year under review, the following indicators can be usefully employed to discuss trends in our performance and financial condition.

1) Gross Profit, Share of Profit (Loss) of Investments Accounted for Using the Equity Method and Profit for the Year Attributable to Owners of the Parent

We undertake world-wide business activities, involving diversified risk-return profiles, ranging from intermediary services as agent to development and production activities of mineral resources and energy. In this context, changes in the amounts of gross profit, share of profit (loss) of investments accounted for using the equity method and profit for the year attributable to owners of the parent by operating segment reflect the overall progress of our operating results and our businesses.

2) Trends in the Price of and Supply-Demand for Mineral Resources and Energy

Due to the significance to our operating results of the portion that comes from our mineral resources and energy-related businesses, the condition of the market and the production amount for mineral resources and energy has become a significant variable in operating results.
For further information regarding trends and prospects in this field, see the sections relating to the Mineral & Metal Resources Segment and the Energy Segment in "1. Management Policies, Operating Environment, and Management Issues, (2) Operating Environment" and "(4) Discussion and Analysis of Operating Results for the Years Ended March 31, 2022 and 2021, 2) Mineral & Metal Resources and 3) Energy."

3) Cash Flows, Capital Efficiency, and Financial Leverage

In the Medium-term Management Plan (announced in May 2020), we have been utilizing Core Operating Cash Flow as a key performance indicator to measure cash flow generation capabilities and show source of cash reallocation.

Mitsui decides the policies on levels of shareholders' equity (*1), return on equity (ROE), and also debt and equity balances, and examines the status of execution in terms of stability for capital efficiency as well as financing. Mitsui also examines the scale of shareholders' equity in terms of risk buffer to maximum exposure to potential losses due to a deterioration of the respective business and is monitoring and managing group-wide financial leverage seeking to secure an efficient return on equity as well as maintaining and improving credit ratings and financial stability in order to refinance our interest-bearing debt. For further information regarding our capital management, see Note 8, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS, (6) Risk-related matters." For further information regarding our financial policy, see "(5) Liquidity and Capital Resources."

(*1) Shareholders' equity is total equity attributable to owners of the parent in the Consolidated Statements of Financial Position.

(4) Discussion and Analysis of Operating Results for the Years Ended March 31, 2022 and 2021

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Year	Previous Year	Change
Revenue		11,757.6	8,010.2	+3,747.4
Gross Profit		1,141.4	811.5	+329.9
Selling, General and Administrative Expenses		(596.3)	(606.4)	+10.1
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	8.7	7.9	+0.8
	Impairment Reversal (Loss) of Fixed Assets—Net	(19.1)	(52.9)	+33.8
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	14.5	4.6	+9.9
	Other Income (Expense)—Net	14.9	(13.9)	+28.8
Finance Income (Costs)	Interest Income	20.0	19.9	+0.1
	Dividend Income	196.5	103.7	+92.8
	Interest Expense	(47.3)	(51.9)	+4.6
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		431.3	227.9	+203.4
Income Taxes		(226.8)	(99.8)	(127.0)
Profit for the Year		937.7	350.4	+587.3
Profit for the Year Attributable to Owners of the Parent		914.7	335.5	+579.2

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

Revenue

In accordance with IFRS, upon the identification of the performance obligations of the contract, a consideration of whether an entity is a principal or an agent is made, and if the nature of its promise is a performance obligation to provide the specified goods or services as a principal, the revenue is recognized in the gross amount, and if the nature of its promise is a performance obligation to arrange for the provision of goods or services by another party, then the revenues received as an agent is recognized in the amount of any fee or commission to which it expects to be entitled or as a net amount. For more information, see Note 2, "BASIS OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

・Revenue for the year ended March 31, 2022 ("current year") was ¥11,757.6 billion, an increase of ¥3,747.4 billion from the year ended March 31, 2021 ("previous year"). The increase was mainly in the Energy Segment, the Chemicals Segment and the Mineral & Metal Resources Segment.

Gross Profit

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

Selling, general and administrative expenses

The table below provides a breakdown of selling, general and administrative expenses used for our internal review.

	Billions of Yen		
	Current Year	**Previous Year**	**Change**
Personnel	¥ (333.6)	¥ (296.9)	¥ (36.7)
Welfare	(11.8)	(9.2)	(2.6)
Travel	(10.6)	(7.0)	(3.6)
Entertainment	(3.2)	(1.7)	(1.5)
Communication	(48.6)	(46.4)	(2.2)
Rent	(9.0)	(8.7)	(0.3)
Depreciation	(35.0)	(36.7)	+1.7
Fees and Taxes	(12.9)	(12.4)	(0.5)
Loss Allowance	(20.2)	(80.6)	+60.4
Others	(111.4)	(106.8)	(4.6)
Total	¥ (596.3)	¥ (606.4)	¥ +10.1

The table below provides selling, general and administrative expenses broken down by operating segment.

	Billions of Yen		
	Current Year	Previous Year	Change
Mineral & Metal Resources …………………	¥ (30.2)	¥ (72.3)	¥ +42.1
Energy ……………………………………….	(53.1)	(47.2)	(5.9)
Machinery & Infrastructure …………………	(127.7)	(132.9)	+5.2
Chemicals ……………………………………	(112.8)	(95.5)	(17.3)
Iron & Steel Products ………………………..	(23.6)	(22.0)	(1.6)
Lifestyle ……………………………………..	(130.7)	(129.4)	(1.3)
Innovation & Corporate Development ………	(67.8)	(63.7)	(4.1)
All Other and Adjustments and Eliminations	(50.4)	(43.4)	(7.0)
Consolidated Total …………………………..	¥ (596.3)	¥ (606.4)	¥ +10.1

Other Income (Expenses)

Gain (loss) on securities and other investments—net

- For the current year, a gain on securities was recorded mainly in the Lifestyle Segment, while an impairment loss was recorded in the Machinery & Infrastructure Segment.
- For the previous year, a gain on securities was recorded in the Machinery & Infrastructure Segment, while impairment losses were recorded in the Mineral & Metal Resources Segment and the Machinery & Infrastructure Segment.

Impairment reversal (loss) of fixed assets—net

- For the current year, mainly the Energy Segment recorded impairment losses on fixed asset.
- For the previous year, impairment losses on fixed assets were recorded mainly in the Energy Segment and the Machinery & Infrastructure Segment, while an impairment reversal was recorded in the Innovation & Corporate Development Segment.

Other income (expense)—net

- For the current year, the Energy Segment recorded a provision, while the Mineral & Metal Resources Segment recorded foreign exchange related profits and losses and a gain in relation to asset retirement obligation, the Lifestyle Segment recorded a valuation profit of a put option, the Chemicals Segment recorded insurance proceeds in the business in North America.
- For the previous year, the Mineral & Metal Resources Segment and the Machinery & Infrastructure Segment recorded losses related to loans, the Mineral & Metal Resources Segment recorded foreign exchange related profits and losses, the Energy Segment recorded a loss in relation to asset retirement obligation, while the Chemicals Segment recorded insurance proceeds in the business in North America.

Finance Income (Costs)

Dividend Income

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

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

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

Income Taxes

・Income taxes for the current year were ¥226.8 billion, an increase of ¥127.0 billion from ¥99.8 billion for the previous year.
・The effective tax rate for the current year was 19.5%, a decrease of 2.7 points from 22.2% for the previous year.
・The effective tax rate was decreased mainly due to an absence of an impairment loss not recognizable for deferred tax in the Mineral & Metal Resources Segment for the previous year.

Profit for the Year Attributable to Owners of the Parent

・As a result, profit for the year attributable to owners of the parent was ¥914.7 billion, an increase of ¥579.2 billion from the previous year.
・Evaluation of assets and liabilities for the Russian LNG business, please refer "3) Evaluation of assets and liabilities for the Russian LNG business"

2) Operating Results by Operating Segment

The fluctuation analysis for the results by operating segment is below.
The order in which reporting segments are presented has been changed in the segment information from the current year, and this change also applies for the previous year.

Mineral & Metal Resources Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the Year Attributable to Owners of the Parent	497.6	179.9	+317.7
Gross Profit	392.5	251.2	+141.3
Profit (Loss) of Equity Method Investments	145.3	70.4	+74.9
Dividend Income	124.3	59.8	+64.5
Selling, General and Administrative Expenses	(30.2)	(72.3)	+42.1
Others	(134.3)	(129.2)	(5.1)

・ Gross Profit increased mainly due to the following factors:
- Iron ore mining operations in Australia recorded an increase of ¥66.6 billion mainly due to higher sales price.
- Coal mining operations in Australia recorded an increase of ¥65.2 billion mainly due to higher sales price.

・ Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
- Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile, recorded an increase of ¥19.6 billion mainly due to higher sales price.
- Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd recorded an increase of ¥17.6 billion mainly in the ferroalloys and chemicals businesses due to higher market prices caused by strong demand and electricity restriction in China.
- Inversiones Mineras Becrux SpA, which invests in Anglo American Sur S.A., a copper mining company in Chile, recorded an increase of ¥10.8 billion mainly due to higher sales price.
- Iron ore mining operations in Australia recorded an increase of ¥8.9 billion mainly due to higher sales price.
- Coal mining operations in Australia recorded an increase of profit mainly due to higher sales price.
- For the previous year, an impairment loss of ¥3.8 billion was recorded for the Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.

・ Dividend income increased mainly due to higher dividends from Vale S.A. and iron ore mining operations in Australia.
・ Selling, General and Administrative Expenses decreased mainly due to the following factors:

- For the previous year, an impairment loss of ¥35.9 billion for doubtful debts was recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.
- For the previous year, an impairment loss of ¥8.3 billion for doubtful debt was recorded, based on the conclusion of share transfer agreement for the SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine.

・ In addition to the above, the following factors also affected results:
- For the current year, a reversal of deferred tax liability of ¥6.2 billion was recorded in relation to the reorganization of Japan Collahuasi Resources B.V., which invests in Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile.
- For the current year, a reversal of deferred tax liability for the retained earnings was recorded following the dividend income from Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd.
- For the current year, iron ore mining operations in Australia recorded an increase of ¥4.8 billion due to foreign exchange related profits and losses.
- For the current year, coal mining operations in Australia recorded an increase of ¥4.1 billion due to foreign exchange related profits and losses.
- For the current year, a reversal of deferred tax liability for the retained earnings was recorded at the iron ore mining operation in Australia.
- For the current year, iron ore mining operations in Australia recorded a gain of ¥3.1 billion due to a revision of asset retirement obligation.
- For the current year, a gain of ¥3.1 billion was recorded due to a recognition of deferred tax assets following the higher dividend income from Anglo American Sur S.A.
- For the previous year, impairment losses of ¥19.2 billion were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.

Sensitivity for Fluctuations in Iron Ore Prices and Our Equity Share of Productions

For the year ending March 31, 2023, a change of US$1 per ton in the iron ore price is estimated to have an effect of ¥2.2 billion on profit for the year attributable to owners of the parent as a result of changes in revenues of our iron ore mining operations.

For the year ended March 31, 2022, the equity share of production amounted to 56.9 million tons of iron ore (including 18.2 million tons of Vale S.A. which is non-consolidated related company). The above-mentioned effect of a change of US$1 per ton is calculated based on the assumptions of an estimated increase or decrease in shipments in the year ending March 31, 2023, in line with our holdings through our iron ore mining operations after the year ended March 31, 2022, and a specific range of foreign exchange rates for the U.S. dollar and other related currencies. As the value of natural resource producing countries' currencies, such as the Australian dollar, generally trends to be highly correlated to the market prices of those countries' products, the change in the currencies may impact the local currency denominated revenues of our overseas subsidiaries and equity accounted investees.

Energy Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the Year Attributable to Owners of the Parent	114.0	27.2	+86.8
Gross Profit	145.4	62.9	+82.5
Profit (Loss) of Equity Method Investments	32.3	18.8	+13.5
Dividend Income	53.6	25.1	+28.5
Selling, General and Administrative Expenses	(53.1)	(47.2)	(5.9)
Others	(64.2)	(32.4)	(31.8)

・ Gross Profit increased mainly due to the following factors:
- Business division at the Headquarters recorded an increase mainly due to more profit related to LNG trading business.
- Mitsui E&P USA LLC recorded an increase of ¥17.1 billion mainly due to a higher gas price.
- Mitsui E&P Australia Pty Ltd recorded an increase of ¥16.0 billion mainly due to a higher oil price.

- MOEX North America LLC recorded an increase of ¥5.8 billion mainly due to a higher oil price.
- MEP Texas Holdings LLC recorded an increase of ¥4.9 billion mainly due to higher oil and gas prices.
- Mitsui E&P Italia A S.r.l recorded an increase of ¥4.5 billion mainly due to a higher oil price.
- Mitsui E&P Middle East B.V. recorded an increase of ¥3.8 billion due to higher oil price.
- Mittwell Energy Resources Pty Ltd recorded an increase of ¥3.6 billion due to the increase in sales volume.
- Mitsui Oil Exploration Co., Ltd. recorded a decrease of ¥15.9 billion mainly due to decline in production, in spite of higher oil and gas prices.

・ Profit (Loss) of Equity Method Investment increased mainly due to the following factors:
- Japan Australia LNG (MIMI) Pty. Ltd recorded an increase mainly due to higher oil and gas prices.
- Mitsui & Co. LNG Investment USA, Inc. recorded an increase of ¥4.9 billion due to the commencement of commercial operation in all three trains at the Cameron LNG Project.
- Japan Arctic LNG recorded a decrease of ¥3.4 billion mainly due to valuation loss resulted from changes in oil price, foreign exchange rate and others, as well as provision of valuation allowance for loans caused by downgrade of the Russian government credit rating etc.

・ Dividends from six LNG projects (Sakhalin II, Abu Dhabi, Qatargas 1, Oman, Qatargas 3 and Equatorial Guinea(*)) were ¥52.9 billion in total, an increase of ¥28.5 billion from the previous year.

(*) Equatorial Guinea was sold during the 3rd quarter of current year.

・ Selling, General and Administrative Expenses increased mainly due to the following factor:
- Provision of loss valuation of ¥4.1 billion was recorded in relation to loan for Japan Arctic LNG mainly due to a downgrade of Russian government credit rating etc.

・ In addition to the above, the following factors also affected results.
- For the previous year, a profit of ¥39.0 billion was recorded due to a recognition of deferred tax assets in accordance with a reorganization in relation to MBK Energy Holdings USA.
- Provision of loss valuation allowance of ¥12.2 billion was recorded in relation to Arctic LNG 2 project mainly due to a downgrade of the Russian government credit rating etc.
- MOEX North America LLC recorded a decrease of ¥4.8 billion mainly due to derivative related profit and loss.
- Business division at the Headquarters recorded a foreign exchange related loss of hedging purpose in LNG trading business.
- For the previous year, Mitsui E&P Italia A S.r.l recorded an impairment loss of ¥23.4 billion for its Tempa Rossa project.
- For the previous year, Mitsui E&P Australia recorded an impairment loss of ¥17.3 billion mainly for its Meridian production project as well as Toro/Ragnar and Libra exploration projects.
- For the current year, Mitsui Oil Exploration Co., Ltd. recorded a profit of corporate income tax of ¥14.7 billion in relation to a reversal of tax allowance for exploration activities, as well as an impairment loss of ¥7.3 billion for Block M-3 exploration project and profit of ¥2.7 billion in relation to a reversal of tax reserve for overseas investment loss.

Sensitivity for Fluctuations in Oil and Gas Prices and Our Equity Share of Productions

For the year ending March 31, 2023, a change of US$1 per barrel in crude oil prices is estimated to have an effect of ¥2.2 billion on profit for the year attributable to owners of the parent as a result of changes in revenues of our upstream oil and gas businesses.

Similar to the discussion regarding mineral and metal resources, actual results of operations are also influenced by production, costs, trends in foreign exchange rates and other factors surrounding above mentioned upstream oil and gas businesses.

Our equity share of production amount of oil and gas for the year ended March 31, 2021 was 246 million barrels (gas is converted to barrels of oil at the ratio of 5,800 cubic feet of natural gas to 1 barrel of crude oil, includes equity share of interests of consolidated subsidiaries, equity accounted investees and non-consolidated interests), and the equity share of production for the year ended March 31, 2022 was 243 million barrels (same as above conversion).

Machinery & Infrastructure Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the Year Attributable to Owners of the Parent	120.8	45.9	+74.9
Gross Profit	142.9	107.7	+35.2
Profit (Loss) of Equity Method Investments	146.0	95.3	+50.7
Dividend Income	4.1	3.9	+0.2
Selling, General and Administrative Expenses	(127.7)	(132.9)	+5.2
Others	(44.5)	(28.1)	(16.4)

・ Gross Profit increased mainly due to the following factors:
- PT. Bussan Auto Finance recorded an increase of ¥7.0 billion mainly due to interest income following accumulation of operating assets based on the recovery of markets.
- Toyota Chile S.A. recorded an increase of ¥4.5 billion due to steady sales results and high profit margins based on tight vehicle supply.

・ Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
- MBK USA Commercial Vehicles Inc. recorded an increase of ¥25.1 billion due to good performance in the truck leasing and rental business.
- Penske Automotive Group, Inc. recorded an increase of ¥13.3 billion due to steady sales results.
- For the previous year, an impairment loss of ¥0.9 billion was recorded for the Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.
- Investments in IPP businesses recorded a decrease of ¥7.1 billion mainly due to reversal of deferred tax assets and mark-to-market valuation loss of power derivatives in Australia, and foreign exchange losses on yen-denominated lease assets and borrowings in Indonesia.
- For the current year, a loss was recorded at a vessel owning company due to the sluggish tanker market.
- For the previous year, a portion of impairment loss of ¥4.7 billion for equity investments was recorded in relation to passenger rail franchise business in the UK, while a gain of ¥1.9 billion was recorded on reversal of the loss for the current year.

・ Selling, General and Administrative Expenses decreased mainly due to the following factors:
- For the previous year, an impairment loss of ¥9.0 billion for doubtful debt was recorded, reflecting the revisions to various assumptions regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique.
- For the previous year, a loss allowance for doubtful debt of ¥4.9 billion was recorded in the passenger rail franchise business in the UK, while a gain of ¥2.1 billion was recorded on reversal of the loss allowance for the current year.

・ In addition to the above, the following factors also affected results:
- For the previous year, a gain on sale of the IPP business in North America was recorded.
- For the current year, an impairment loss of ¥9.7 billion was recorded, based on the conclusion of sale and purchase agreement for the shares of MT Falcon Holdings S.A.P.I.de C.V.
- For the previous year, ¥9.3 billion impairment loss was recorded in the rolling stock leasing business.
- For the previous year, impairment losses of ¥4.8 billion were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.
- Investments in drillship business recorded an increase of ¥4.8 billion due to the reversal of loss allowance in the previous year.
- For the previous year, a provision for loss on guarantee of ¥1.5 billion was recorded in the passenger rail franchise business in the UK, while a gain of ¥0.2 billion was recorded on reversal of the loss allowance for the current year.

Chemicals Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the Year Attributable to Owners of the Parent	68.9	43.5	+25.4
Gross Profit	183.0	124.9	+58.1
Profit (Loss) of Equity Method Investments	20.7	11.3	+9.4
Dividend Income	3.3	3.0	+0.3
Selling, General and Administrative Expenses	(112.8)	(95.5)	(17.3)
Others	(25.3)	(0.2)	(25.1)

・ Gross Profit increased mainly due to the following factors:
- European agrochemical company, Belchim Crop Protection NV/SA recorded an increase due to consolidation of the company in the current year.
- An increase of ¥5.7 billion was recorded in MMTX, Inc. mainly due to a higher methanol price.
- Mitsui Agro Business S.A. recorded an increase mainly due to a higher fertilizer price.
- Chemicals trading business at the Headquarters recorded an increase mainly due to good performance of fertilizer and its raw materials.
- An increase of ¥3.0 billion was recorded in Novus International, Inc. mainly due to price sales and cost reductions.

・ Profit (Loss) of Equity Method Investments increased mainly due to the following factor:
- Japan-Arabia Methanol Company Ltd. recorded an increase of ¥4.7 billion mainly due a to higher methanol price.

・ Selling, General and Administrative Expense increased mainly due to the following factor:
- European agrochemical company, Belchim Crop Protection NV/SA recorded an expense increase due to consolidation of the company in the current year.

・In addition to above, the following factor also affected results:
- For the current and previous year, insurance proceeds were recorded in the business in North America.

Iron & Steel Products Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the Year Attributable to Owners of the Parent	26.9	2.1	+24.8
Gross Profit	35.5	21.2	+14.3
Profit (Loss) of Equity Method Investments	26.0	4.3	+21.7
Dividend Income	1.7	1.4	+0.3
Selling, General and Administrative Expenses	(23.6)	(22.0)	(1.6)
Others	(12.7)	(2.8)	(9.9)

・ Gross Profit increased mainly due to the following factor:
- Mitsui & Co. Steel Ltd. recorded an increase of ¥4.8 billion mainly due to increases in the unit price of steel products and handling volumes.

・Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
- Numit LLC, which invests in Steel Technologies LLC, recorded an increase of ¥8.7 billion mainly due to the improvement of operating time by the recovery of automotive production in the U.S. and an increase in the unit price of steel products.
- Gestamp companies recorded an increase of ¥5.6 billion as a result of the cost reduction due to structural transformation.

Lifestyle Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the Year Attributable to Owners of the Parent	61.5	12.7	+48.8
Gross Profit	143.0	133.8	+9.2
Profit (Loss) of Equity Method Investments	41.1	13.4	+27.7
Dividend Income	5.6	5.6	0
Selling, General and Administrative Expenses	(130.7)	(129.4)	(1.3)
Others	2.5	(10.7)	+13.2

・ Gross Profit increased mainly due to the following factors:
- UHS PARTNERS, INC. recorded an increase of ¥5.6 billion due to good performance in the healthcare staffing business.
- An increase of ¥5.4 billion was recorded mainly due to good performance in grain trading at a business division at the Headquarters.
- XINGU AGRI AG, an agricultural production business in Brazil, recorded an increase of ¥3.5 billion mainly due to an increase in soybean and cotton harvests, and higher prices.

・ Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
- IHH Healthcare Berhad recorded an increase of ¥12.8 billion due to the effect of the COVID-19 pandemic in the previous year as well as the absence of an impairment loss of goodwill over a subsidiary in India, and increased demand for COVID-19 related services, an operation improvement for the current year and a recognition of deferred tax assets in its subsidiary in Turkey.
- Mit-Salmon Chile SpA recorded an increase of ¥4.1 billion due to recovery of the sales price and increase in sales volume in the salmon farming, processing and sales business in Chile.
- WILSEY FOODS INC. recorded an increase of ¥3.9 billion due to the good performance of Ventura Foods LLC, a U.S. manufacturer of processed oil food, reflecting a higher soybean oil price and recovery from the impact of the COVID-19 pandemic.

・ In addition to the above, the following factors also affected results:
- For the current year, a valuation gain of ¥10.7 billion was recorded following a merger of Mitsui Bussan I-Fashion Ltd. with the textiles business of Nippon Steel Trading corporation.
- For the current year, a gain of ¥8.9 billion was recorded as a total amount of the gain on partial sales of the shares in PHC Holdings Corporation and a valuation gain due to the deconsolidation of PHC Holdings Corporation from Mitsui's equity accounted investee.
- For the current year, a valuation gain of ¥6.2 billion was recorded for a put option in relation to investment to JSC R-Pharm.
- For the current year, ¥9.1 billion of foreign exchange related loss for hedging purposes was recorded in a coffee trading business at a business division at the Headquarters.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the Year Attributable to Owners of the Parent	57.6	50.2	+7.4
Gross Profit	97.7	107.0	(9.3)
Profit (Loss) of Equity Method Investments	19.7	13.9	+5.8
Dividend Income	2.8	3.8	(1.0)
Selling, General and Administrative Expenses	(67.8)	(63.7)	(4.1)
Others	5.2	(10.8)	+16.0

・ Gross Profit decreased mainly due to the following factors:
- For the previous year, a gain of ¥13.1 billion in the valuation of fair value was recorded at a holding company as a result of sales of its entire shareholding in OSIsoft LLC.
- For the previous year, ¥3.5 billion gain for the valuation and sales of shares was recorded associated with the IPO of QD

Laser, Inc., while for the current year, a loss of ¥1.1 billion in the valuation of fair value was recorded.

- For the previous year, ¥5.6 billion gain was recorded due to a fair value valuation and a gain on shares in Hutchison China MediTech Ltd., while for the current year, ¥1.1 billion gain was recorded as a result of sales of the entire shareholding thereof.
- For the previous year, a gain of ¥3.3 billion in the valuation of fair value was recorded associated with the IPO of shares held through G2VP, LLC., while for the current year, a loss of ¥0.5 billion in the valuation of fair value was recorded.
- A business division at the Headquarters recorded an increase of ¥3.5 billion mainly due to an increase of occupancy rates of an integrated development project in the 2, Otemachi 1-Chome District.

・In addition to the above, the following factors also affected results:

- For the current year, MBK Real Estate LLC recorded a gain on sale of a multi-family housing property.
- For the current year, ¥5.1 billion gain on sale of land was recorded.
- For the previous year, ¥4.3 billion gain of an impairment reversal on land was recorded.

3) Evaluation of assets and liabilities for the Russian LNG business

In Russia, we mainly participate in the LNG business in the Energy Segment, as well as in pharmaceuticals and automobile businesses. For the current year, LNG business recorded a decrease of ¥80.6 billion (pre-tax) in the investments through Other Comprehensive Income and a loss of ¥20.9 billion in the Profit for the Year Attributable to Owners of the Parent due to a reassessment of its discount rate following a downgrade of Russian government credit rating etc. The balance of investments, loans and guarantees as of March 31, 2022 was ¥404.7 billion (investments and loans: ¥222.5 billion, and guarantees: ¥182.2 billion) and the provision on guarantees was ¥18.1 billion. For further detail, please refer to "5. Consolidated Financial Statements Notes 29 IMPACT OF THE UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS".

(5) Liquidity and Capital Resources

Use of Non-GAAP Financial Measures

Net Debt-to-Equity Ratio

We refer to "Net Debt-to-Equity Ratio" ("Net DER") in this "Liquidity and Capital Resources" and elsewhere in this report. 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 subtracting lease debt 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

Our management considers that Net DER is a useful measure for investors to review the balance between interest-bearing debt and total equity attributable to owners of the parent for the purpose of improving our capacity to meet debt repayment and leverage to improve return on equity in our capital structure.

"Net interest-bearing debt" and "Net DER" are presented in the table below.

	As of March 31, 2022	As of March 31, 2021
	(Billions of Yen)	(Billions of Yen)
Short-term debt	281.8	300.5
Long-term debt	4,595.6	4,446.3
Total debt	4,877.4	4,746.8
Less lease debt	(368.2)	(345.3)
Interest-bearing debt	4,509.2	4,401.5
Less cash and cash equivalents and time deposits	(1,170.3)	(1,101.7)
Net interest-bearing debt	3,338.9	3,299.8
Total equity attributable to owners of the parent	5,605.2	4,570.4
Net DER (times)	0.60	0.72

Free Cash Flow after Shareholder Returns

Our Management believes "free cash flow after shareholder return" is useful measure to maintain and improve our financial base. See 4) "Investments and Loans, Financial Policies."

1) Funding and Treasury Policies

Our basic funding policy as set forth by our management is to secure liquidity required for our smooth operations and to maintain the strength and soundness of our balance sheet. Thus, our principal strategy is to obtain long-term funds (those with maturities of around 10 years) from financial institutions, including domestic life-insurance companies and banks, and through the issuance of corporate bonds. At the same time, we minimize our refinance risk by deconcentrating the amount of long-term debt to be repaid each fiscal year. In cases of projects where large amounts of financing are required, we utilize financing programs provided by government financing agencies and/or project financing.

In principle, wholly owned subsidiaries procure funds not from financial institutions, but by utilizing the internal Cash Management Service, in which they can procure financing from financing subsidiaries and overseas offices of the Company. Through this service, centralization of fund raising, the efficient use of fund and securement of liquidity are promoted. As a result, approximately four fifths of total interest-bearing debt on a consolidated basis as of March 31, 2022 was raised by Mitsui and the above-mentioned financing subsidiaries.

We also hold sufficient cash and cash equivalents in order to maintain liquidity to flexibly meet capital requirements and to minimize the harmful effects of a deteriorated financial market on future debt-service requirements. While there is no particular target amount of cash and cash equivalents to be held, considering the current financial market conditions, cash and cash equivalents are invested mainly in highly liquid and highly rated short-term financial instruments, or deposited.

2) Funding Sources

In accordance with our basic funding policy above, we choose the most favorable funding sources from various forms of direct and indirect financing by suitable means considering the financial condition at that point of time.

We procure necessary funds, mainly long-term, based on our longstanding and wide-ranging relations with financial institutions in Japan and overseas. In addition, we borrow from government financing agencies such as Japan Bank for International Cooperation, and also utilize project financing.

In addition to these funding sources, Mitsui maintains various means of procuring direct financing, such as a ¥200 billion debt shelf-registration, a ¥2,400 billion commercial paper program in Japan, and Euro medium-term note ("MTN") program of US$5 billion, and utilizes the method among these that is favorable depending on the financial situation. Outstanding domestic bonds under shelf-registration and notes under the MTN program as of March 31, 2022 were ¥220 billion and ¥40.5 billion, respectively. For raising short-term funds overseas, Mitsui & Co. (U.S.A.), Inc. has a US$1.5 billion U.S. domestic commercial paper program and Mitsui & Co. Financial Services (Europe) Ltd. also has a US$1.5 billion Euro commercial paper program, and these programs are utilized where appropriate. However, we maintain the principal strategy of carrying out long-term and stable fund procurement, and we do not rely on fund procurement means such as commercial paper or short-term loans. As a result, the proportion of current maturities of interest-bearing debt to total interest-bearing debt on a consolidated basis was 14.2% as of March 31, 2022.

Mitsui and certain subsidiaries set lines of credit by paying commitment fees to financial institutions.

A vast majority of interest-bearing debt is denominated in Japanese yen and U.S. dollars. Considering the type of interest and currency of the asset-side, we employ certain derivative financial instruments, which include interest rate swaps, currency swaps and foreign currency exchange forward contracts to convert the interest or currency of our liabilities. We believe that the proportion of interest-bearing debt with fixed interest rate after taking into account interest rate swaps is appropriate considering the condition of our current financial position. See Note 8, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS" for further description of our derivative financial instruments. Additionally, regarding liquidity analysis related to derivative instruments, see Note 15, "DISCLOSURES ABOUT FINANCIAL AND OTHER TRADE LIABILITIES."

Credit Ratings

To facilitate smooth fund raising from capital markets, Mitsui has obtained ratings from Rating and Investment Information, Inc. ("R&I"), Moody's Japan K.K. ("Moody's") and S&P Global Ratings Japan Inc. ("S&P"). The ratings as of June 2, 2022 were as follows:

	R&I	Moody's	S&P
Long-term Debt	AA(Stable)	A3(Stable) (*)	A(Stable)
Short-term Debt	a-1+	P-2	A-1

(*) For Mitsui & Co.'s USD bonds

Mitsui intends to maintain sound financial foundations and will strive to maintain and improve its credit rating.

Credit ratings are assessments by the rating agencies of the credit risks associated with us and are based on information provided by us and other sources that the rating agencies consider reliable. Credit ratings do not constitute a recommendation to buy, sell or hold securities and are subject to change or withdrawal by each of the rating agencies at any time. Each rating agency has different criteria in evaluating the risk associated with a company.

3) Liquidity Management

Cash and cash equivalents were ¥1,127.9 billion as of March 31, 2022. Approximately half of cash and cash equivalents are denominated in Japanese yen and our management recognizes that cash and cash equivalents as of March 31, 2022 satisfy the liquidity requirements for the repayment of current maturities of Interest-bearing debt (¥640.8 billion).

In the year ended March 31, 2022, the global economy rebounded overall, although the pace of economic recovery has slowed down due to the impact of the COVID-19 pandemic and supply constraints, such as the shortage of semiconductor and distribution bottlenecks, as well as the detrimental effect of the Russia-Ukraine situation. Under such circumstances, we steadily procured necessary funds in accordance with our basic funding policy by utilizing our good long-term relationship with financial institutions, various measures implemented by public financing agencies, and debt shelf-registration.

As a result, our interest-bearing debt outstanding as of March 31, 2022, totaled ¥4,509.2 billion, an increase of ¥107.7 billion from the previous fiscal year-end. Subordinated syndicated loans accounted for ¥555.0 billion of the interest-bearing debt. Rating agencies treat 50% of this balance, or ¥277.5 billion, as equity. The maturity profile of our outstanding Short-term and Long-term Interest-bearing debt as of March 31, 2022 was as follows. For the details of the short-term and long-term debt and interest rate structure of our outstanding debt as of March 31, 2022, see Note 15, "DISCLOSURES ABOUT FINANCIAL AND OTHER TRADE LIABILITIES."

Year ending March 31:	2023	2024	2025	2026	2027	Thereafter	Total
Billions of Yen	640.8	491.5	541.4	406.2	247.7	2,181.6	4,509.2

Total equity attributable to owners of the parent as of March 31, 2022 was ¥5,605.2 billion, an increase of ¥1,034.8 billion from March 31, 2021. Also, net interest-bearing debt was ¥3,338.9 billion, an increase of ¥39.1 billion, and as a result, the Net DER decreased to 0.60 times as of March 31, 2022 from 0.72 times as of March 31, 2021.

The ratio of current assets to current liabilities, which was 155.7% as of March 31, 2021, was 150.1% as of March 31, 2022.

Judging by the numbers above and current market conditions, the financial strength of our balance sheet is maintained, and at this stage we are not aware of any significant financial difficulties that would affect our operations including investments and loans in accordance with our Medium-term Management Plan.

Although we provide payment guarantees to third parties and related parties, these guarantees do not include those that have substantial impacts on our liquidity. For details on guarantees issued by us and future obligations, see Note 25, "CONTINGENT LIABILITIES."

With the exception of non-recourse financing for individual projects, it is our policy not to conclude agreements for important financial transactions with financial institutions that contain additional debt restriction clauses that may cause acceleration of our obligations, including debt incurrence restrictions, negative pledges, restrictions on dividend payments and various financial ratio limits, and there are no material financial covenants in the agreements undertaken.

Our management believes that our liquidity will not be affected by dividends from our foreign consolidated subsidiaries and equity accounted investees. Assuming that such companies have sufficient distributable net assets or retained earnings as provided under the local laws of the relevant jurisdictions, there are no material, contractual or legal restrictions on the ability of our consolidated subsidiaries and equity accounted investees to transfer funds to us in the form of dividends and other distributions. There are no material economic restrictions on payments of dividends and other distributions by them other than general withholding or other taxes calculated at the rates determined by the local tax laws of the relevant jurisdictions.

We plan to contribute ¥6.6 billion to our defined-benefit pension plans for the year ending March 31, 2023.

4) Investments and Loans, Financial Policies

Core Operating Cash Flow for the fiscal year ended March 31, 2022 was approximately ¥1,159.0 billion. Combined with approximately ¥257.0 billion obtained from progress in asset recycling, this produced cash-in of approximately ¥1,416.0 billion.

Investment and Loans (*) totaled approximately ¥511.0 billion, influenced by factors such as LNG project under development and oil and gas production business. With the addition of approximately ¥345.0 billion in shareholder returns, free cash flow (**) after shareholder returns was approximately positive ¥560.0 billion. Looking ahead, we will continue to allocate funds flexibly and strategically for growth investments and additional returns in consideration of investment opportunities and the overall business environment, while pursuing strong cash-generation capability and improving capital efficiency. See "6) Cash Flows," for further description of cash flows for the year ended March 31, 2022.

(*) Investments and loans based on investing cash flows excluding an increase or decrease of time deposits and financing cash flows accompanied by the transactions with non-controlling interest shareholders

(**) Free cash flow excluding the effect of changes in working capital and time deposits

(Unit: ¥billion)

		FY Mar/2021	FY Mar/2022	Accumulated results of MTMP	Main projects
Cash-In	Core Operating Cash Flow	658.0	1,159.0	1,817.0	-
	Asset recycling*1	143.0	257.0	400.0	[Mineral & Metal Resources] Loan collection in the copper business [Lifestyle/Chemicals] Sale of contract manufacturing business of MicroBiopharm Japan [Innovation & Corporate Development] Sale of multi-family housing property by MBK Real Estate in the U.S.
Cash-Out	Investment and Loans*1	-445.0	-511.0	-956.0	[Energy] LNG project under development, oil and gas production business, additional acquisition of MOECO shares*4 [Lifestyle/Innovation & Corporate Development] Subscription to convertible bonds issued by the holding company of CT Corp*5 [Mineral & Metal Resources] Iron ore and coal operations in Australia [Machinery & Infrastructure/Energy] Power generation business [Chemicals] Belchim, European agrochemical company, Honshu Chemical Industry, and Air Water America, industrial gas company [Innovation & Corporate Development] Real estate business of Mitsui & Co. Real Estate Ltd.
	Share Buybacks	-64.0*2	-175.0*3	-239.0	-
	Dividend	-143.0	-170.0	-313.0	-

*1. Excludes changes in time deposits
*2. Acquired treasury stock worth ¥39.0bn between Apr and Jun 2020, and ¥25.0bn between Feb and Mar 2021. Additionally, ¥6.9bn in stock purchases for employee stock-based compensation
*3. Acquired treasury stock worth ¥75.0bn between Apr and Jun 2021, and ¥50.0bn between Aug and Oct 2021, and ¥50.0bn between Dec 2021 and Mar 2022.
*4. Classified as "financial CF" in cash flow statement
*5. A subscription of convertible bonds issued by PT CT Corpora, the holding company for CT Corp, for ¥67.0bn (Net amount of ¥100.0bn for subscription of convertible bonds and ¥33.0bn from redemption of corporate bonds)

For the details of the cumulative total of cash flow allocations for the three years of the current Medium-term Management Plan, revised upon taking into account financial results for the fiscal year ended March 31, 2022, and our outlook, see "1. Management Policies, Operating Environment, and Management Issues, (3) FY Mar/2023 Business Plan, 2) key Initiatives for Fiscal Year Ending March 31, 2023 (d) Update on Cash Flow Allocation (Cumulative Three Years of Medium-term Management Plan)". For the details of refinancing, see "1) Funding and Treasury Policies" and "2) Funding Sources."

5) Assets, Liabilities and Shareholders' Equity

(Billions of Yen)		March 31, 2022	March 31, 2021	Change
Total Assets		14,923.3	12,515.8	+2,407.5
	Current Assets	5,716.7	4,207.5	+1,509.2
	Non-current Assets	9,206.6	8,308.4	+898.2
Current Liabilities		3,808.6	2,701.7	+1,106.9
Non-current Liabilities		5,319.2	4,991.2	+328.0
Total Equity Attributable to Owners of the Parent		5,605.2	4,570.4	+1,034.8

Assets

Current Assets:

・Cash and cash equivalents increased by ¥64.7 billion.

・Trade and other receivables increased by ¥491.1 billion, mainly due to the following factors:

- An increase in trade receivables by ¥503.4 billion, mainly due to higher market prices and increases in trading volume in the Energy Segment, the Chemicals Segment, the Mineral & Metal Resources Segment, the Lifestyle Segment and the Iron & Steel Products Segment, as well as due to consolidation of European agrochemical company, Belchim Crop Protection NV/SA in the Chemicals Segment; and
- A decrease in the current portion of long-term receivables by ¥39.3 billion, mainly due to loan collection of ¥57.6 billion in the copper business.

・Other financial assets increased by ¥567.9 billion, mainly due to market fluctuation and increase in trading volume in the Innovation & Corporate Development Segment, and higher market prices in the Lifestyle Segment and the Energy Segment.

・Inventories increased by ¥334.5 billion, mainly due to higher market price and increases in trading volume in the Lifestyle Segment, higher market price in the Energy Segment, increases in trading volume in the Innovation & Corporate Development Segment, and consolidation of European agrochemical company, Belchim Crop Protection NV/SA, in the Chemicals Segment.

・Advance payments to suppliers increased by ¥39.7 billion, mainly due to an increase in trading volume in the Machinery & Infrastructure Segment.

Non-current Assets:

・Investments accounted for using the equity method increased by ¥343.4 billion, mainly due to the following factors:

- An increase of ¥296.4 billion resulting from foreign exchange rate fluctuations;
- An increase of ¥431.3 billion corresponding to the profit of equity method investments for the current year, despite a decline of ¥354.2 billion due to dividends from equity accounted investees;
- An increase in investment balance at MN Inter-Fashion Ltd. due to change to an equity method investee as a result of the merger of Mitsui Bussan I-Fashion Ltd.;
- An increase of ¥34.9 billion due to an investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project;
- A decrease of ¥11.5 billion due to deconsolidation of an equity method investee in the fashion & textile business;
- Japan Arctic LNG recorded a decrease mainly due to ¥36.4 billion downward valuation of the equity interest in Arctic LNG 2 Project in Russia due to downgrade of Russian government credit rating etc.; and
- A decline of ¥71.9 billion due to partial shares sale of PHC Holdings Corporation and reclassification to Other investments.

The following table shows the details of Investments accounted for using the equity method as of March 31, 2022 and 2021 by operating segment.

	Billions of Yen		
	As of March 31,		**Change**
	2022	**2021**	
Mineral & Metal Resources	454.9	438.0	+16.9
Energy	430.4	383.5	+46.9
Machinery & Infrastructure	1,122.9	944.4	+178.5
Chemicals	213.7	179.3	+34.4
Iron & Steel Products	287.6	251.0	+36.6
Lifestyle	642.3	624.1	+18.2
Innovation & Corporate Development	237.7	214.0	+23.7
All Other and Adjustments and Eliminations	(2.1)	9.7	(11.8)
Consolidated Total	**3,387.4**	**3,044.0**	**+343.4**

・Other investments increased by ¥391.8 billion, mainly due to the following factors:

- An increase of ¥71.1 billion due to reclassification of PHC Holdings Corporation from Investments accounted for using the equity method, as result of partial shares sale;
- As a result of subscription to convertible bonds of PT CT Corpora, the holding company for CT Corp, for ¥67.0 billion;
- Fair value on financial assets measured at FVTOCI increased by ¥158.1 billion (including decrease of ¥44.1 billion due to valuation of the equity interest in the Sakhalin II project held through Mitsui Sakhalin Holdings B.V.), and those measured at FVTPL increased by ¥27.5 billion; and
- An increase due to participation in Hendrix Genetics B.V. through investment in fund.

・Trade and other receivables increased by ¥14.0 billion, mainly due to an increase in the loan at PT. Bussan Auto Finance.

・Other financial assets increased by ¥26.0 billion, mainly due to increases in trading volume in the Machinery & Infrastructure Segment.

・Property, plant and equipment increased by ¥15.8 billion, mainly due to the following factors:

- An increase of ¥46.9 billion (including foreign exchange translation profit of ¥34.3 billion) at iron ore mining operations in Australia;
- An increase of ¥28.0 billion due to consolidation of Inversiones Mitta SpA, which is the parent company of the fleet management operating company in Chile;
- An increase of ¥16.2 billion (including foreign exchange translation profit of ¥8.6 billion) at coal mining operations in Australia;
- An increase of ¥15.6 billion mainly due to establishment of a logistics center by MITSUI FOODS CO., LTD.;
- An increase in the chemical related businesses in North America due to the impact of foreign exchange translation and asset acquisition;
- An increase of ¥10.0 billion mainly due to the impact of foreign exchange translation and asset acquisition by MBK Real Estate LLC in the USA;
- A decline of ¥14.0 billion due to sale of the contract manufacturing businesses of MicroBiopharm Japan Co., Ltd.;
- A decline of ¥ 24.2 billion due to asset sales by MyPower Corp, a company engaged in the power generating business;
- A decline of ¥28.8 billion due to reclassification of agricultural land owned by XINGU AGRI AG to Investment property, upon conclusion of lease contracts; and
- A decline of ¥55.6 billion (including foreign exchange translation profit of ¥41.9 billion) at the oil and gas projects.

The following table shows the details of property, plant and equipment as of March 31, 2022 and 2021 by operating segment.

	Billions of Yen		
	As of March 31,		**Change**
	2022	**2021**	
Mineral & Metal Resources	516.6	453.4	+63.2
Energy	661.8	740.8	(79.0)
Machinery & Infrastructure	269.5	237.9	+31.6
Chemicals	230.2	209.4	+20.8
Iron & Steel Products	9.2	8.9	+0.3
Lifestyle	177.5	200.7	(23.2)
Innovation & Corporate Development	138.1	135.9	+2.2
All Other and Adjustments and Eliminations	188.0	188.1	(0.1)
Consolidated Total	**2,190.9**	**2,175.1**	**+15.8**

For the details for the categories of property, plant and equipment leased to others as of March 31, 2022 and 2021, see Note 9, "LEASES."

・Investment property increased by ¥43.8 billion, mainly due to the following factors:
- An increase by ¥28.8 billion due to reclassification of agricultural land owned by XINGU AGRI AG from Property, plant and equipment, upon conclusion of lease contracts; and
- An increase by ¥11.0 billion due to completion of construction at Hibiya Fort Tower, redeveloped by Mitsui & Co. Real Estate Ltd.

・Intangible assets increased by ¥64.4 billion, mainly due to consolidation of Belchim Crop Protection NV/SA, a European agrochemical company and Inversiones Mitta SpA, which is the parent company of the fleet management operating company in Chile, and the impact of foreign exchange translation in the Machinery & Infrastructure Segment.

Liabilities

Current Liabilities:

・Short-term debt decreased by ¥18.7 billion mainly due to debt repayment in the Energy Segment, while there was an increase due to consolidation of European agrochemical company, Belchim Crop Protection NV/SA.

・Trade and other payables increased by ¥425.8 billion, corresponding to the increase in trade and other receivables.

・Other financial liabilities increased by ¥631.9 billion, corresponding to the increase in Other financial assets.

・Advances from customers increased by ¥78.3 billion, mainly due to corresponding increase in advance payments to suppliers and increase of trading volume in the Lifestyle Segment.

・Provisions increased by ¥11.7 billion, mainly due to a valuation loss allowance recorded in the Energy Segment.

Non-current Liabilities:

・Long-term debt, less the current portion, increased by ¥190.1 billion.

・Other financial liabilities increased by ¥30.5 billion mainly due to the following factors:
- An increase by ¥19.1 billion mainly due to corresponding increase in derivative assets; and
- An increase by ¥18.1 billion due to increase in provision on guarantees for Arctic LNG 2 Project.

・Deferred tax liabilities increased by ¥103.2 billion, mainly due to the following factors:
- An increase in the profit of equity method investments in the Machinery & Infrastructure Segment; and
- A decline by ¥18.2 billion mainly due to reversal of tax reserve for exploration activities and for losses from overseas investments in Mitsui Oil Exploration Co., Ltd.

Total Equity Attributable to Owners of the Parent

・Retained earnings increased by ¥618.2 billion.

・Other components of equity increased by ¥453.6 billion, mainly due to the following factors:
- Foreign currency translation adjustments increased by ¥396.8 billion, mainly reflecting the appreciation in the U.S. dollar, Australian dollar, and Brazilian Real against Japanese yen; and
- Financial assets measured at FVTOCI increased by ¥97.9 billion.

・Treasury stock which is a subtraction item in shareholders' equity increased by ¥17.6 billion, mainly due to the shares buy-back for ¥174.9 billion, despite cancellation of the stock for ¥156.7 billion.

6) Cash Flows

(Billions of Yen)	Current Year	Previous Year	Change
Cash flows from operating activities	806.9	772.7	+34.2
Cash flows from investing activities	(181.2)	(322.5)	+141.3
Free cash flow	625.7	450.2	+175.5
Cash flows from financing activities	(614.3)	(487.0)	(127.3)
Effect of exchange rate changes on cash and cash equivalents etc.	53.3	41.2	+12.1
Change in cash and cash equivalents	64.7	4.4	+60.3

Cash Flows from Operating Activities

(Billions of Yen)		Current Year	Previous Year	Change
Cash flows from operating activities	a	806.9	772.7	+34.2
Cash flows from change in working capital	b	(407.4)	56.2	(463.6)
Repayments of lease liabilities	c	(55.6)	(58.4)	+2.8
Core Operating Cash Flow	a-b+c	1,158.7	658.1	+500.6

・Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current year was ¥407.4 billion of net cash outflow. Repayments of lease liabilities for the current year was ¥55.6 billion of cash outflow. Core Operating Cash Flow, which equaled cash flows from operating activities without both cash flows from changes in working capital and repayments of lease liabilities, for the current year amounted to ¥1,158.7 billion.

- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current year totaled ¥554.8 billion, an increase of ¥247.0 billion from ¥307.8 billion for the previous year; and
- Depreciation and amortization for the current year was ¥296.4 billion, an increase of ¥22.8 billion from ¥273.6 billion for the previous year.

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

(Billions of Yen)	Current Year	Previous Year	Change
Mineral & Metal Resources	552.8	308.1	+244.7
Energy	280.2	123.2	+157.0
Machinery & Infrastructure	144.0	78.7	+65.3
Chemicals	93.8	62.5	+31.3
Iron & Steel Products	12.4	2.0	+10.4
Lifestyle	35.2	19.8	+15.4
Innovation & Corporate Development	46.6	55.1	(8.5)
All Other and Adjustments and Eliminations	(6.3)	8.7	(15.0)
Consolidated Total	**1,158.7**	**658.1**	**+500.6**

Cash Flows from Investing Activities

・Net cash outflows that corresponded to investments in equity accounted investees (net of sales of investments in equity accounted investees) were ¥27.1 billion, mainly due to the following factor:

- An investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project, for ¥34.9 billion.

・Net cash outflows that corresponded to other investments (net of sales and maturities of other investments) were ¥43.8 billion, mainly due to the following factors:

- A subscription to convertible bonds of PT CT Corpora, the holding company for CT Corp, for ¥67.0 billion (net amount of ¥100.0 billion for subscription to convertible bonds and ¥33.0 billion from redemption of corporate bonds);
- Sales resulted into cash inflow in the power generating businesses, mainly in MyPower, for ¥17.8 billion; and
- A sale of the contract manufacturing businesses of MicroBiopharm Japan Co., Ltd.

・Net cash inflows that corresponded to an increase in loan receivables (net of collections of loan receivables) were ¥50.0 billion, mainly due to loan collection of ¥57.6 billion in the copper business.

・Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥156.6 billion, mainly due to the following factors:

- An expenditure for iron ore mining operations in Australia for ¥40.9 billion;
- An expenditure for the oil and gas projects for ¥35.3 billion;
- An expenditure for coal mining operations in Australia for ¥21.4 billion;
- An expenditure for power generating businesses for ¥12.2 billion; and
- An expenditure for chemical related businesses in North America.

・Net cash outflows that corresponded to purchases of investment property (net of sales of those assets) were ¥4.5 billion, mainly due to the following factors:
- An expenditure for construction at Hibiya Fort Tower, redeveloped by Mitsui & Co. Real Estate Ltd., for ¥13.0 billion; and
- An expenditure for ¥12.3 billion by MBK Real Estate LLC, while there was also sale of multi-family housing properties in the USA by MBK Real Estate LLC for ¥21.9 billion.

The following table shows net cash provided by (used in) investing activities by operating segment.

	Billions of Yen	
	Current Year	**Previous Year**
Mineral & Metal Resources	23.9	(50.0)
Energy	(74.0)	(125.6)
Machinery & Infrastructure	(16.5)	(11.1)
Chemicals	(21.7)	1.2
Iron & Steel Products	0.5	5.8
Lifestyle	(24.3)	(1.5)
Innovation & Corporate Development	(53.9)	(67.4)
All Other and Adjustments and Eliminations	(15.2)	(73.9)
Consolidated Total	**(181.2)**	**(322.5)**

Cash Flows from Financing Activities

・Net cash outflow from net change in short-term debt was ¥82.5 billion, net cash outflows from net change in long-term debt was ¥55.0 billion, and cash outflow from repayments of lease liabilities was ¥55.6 billion.

・The cash outflow from the purchases of treasury stock was ¥174.9 billion.

・The cash outflow from payments of cash dividends was ¥148.2 billion.

・The cash outflow from transactions with non-controlling interest shareholders was ¥98.1 billion, mainly due to an additional acquisition of shares in Mitsui Oil Exploration Co., Ltd.

See "2) Funding Sources" for funding during the year ended March 31, 2022.

(6) Critical Accounting Policies and Estimates

Accounting policies and estimates are considered to be critical if they are important to our financial condition and results of operations and involve estimates that require management's subjective or significant judgment about the effect of matters that are inherently uncertain. Critical accounting policies are referred to V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES in Note 2 "BASIS OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES"

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the carrying values of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.
It is expected that the impact of the spread of COVID-19 infections subsides and economic activities are revitalized, however, the pace of economic recovery varies among products, businesses, and locations. Therefore, the estimates are determined based on each situation. In addition, the Ukraine situation and the resulting sanctions against Russia may have a global impact, which may affect various business fields in which we operate, however, the extent of the impact varies among products, businesses, and locations. Therefore, the estimates are determined based on each situation.

The following items require significant management judgments and estimates.

Impairment losses and reversal of impairment losses of Non-financial Assets and Investments in Equity Accounted Investee

Impairment losses of tangible fixed assets and intangible assets other than goodwill and intangible assets with infinite estimated useful lives, for the years ended March 31, 2022 and 2021, were ¥18.0 billion and ¥45.4 billion, respectively. Reversal of impairment losses of the assets for the year ended March 31, 2022 was immaterial, while the losses for the year ended March 31,2021 was ¥4.3 billion. The carrying amounts of these assets, net of accumulated depreciation and impairment losses, as of March 31, 2022 and 2021, were ¥2,678.5 billion and ¥2,580.2 billion, respectively.

The amount of impairment losses of investments in equity accounted investees for the years ended March 31, 2022 and 2021, were ¥11.9 billion and ¥4.5 billion, respectively. There was no reversal of impairment losses of the assets for the year ended March 31, 2022 and 2021. The carrying amounts of investments in equity accounted investees as of March 31, 2022 and 2021, were ¥3,387.4 billion and ¥3,044.0 billion, respectively.

Impairment losses and reversal of impairment losses of non-financial assets and investments in equity accounted investees may have a material impact on our profit for the year.

Impairment losses were mainly due to the declining profitability resulting from deterioration of business environment and the reorganization of business structure of our consolidated subsidiaries and the fall in the market value of investments in equity accounted investees.

Non-financial assets and investments in equity accounted investees are assessed to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of the non-financial assets or asset groups and the investment are estimated. Where the carrying amount exceeds its recoverable amount, the difference is recognized as impairment loss.

The recoverable amount is the higher of fair value less costs of disposal and value in use.

Fair value is assessed as the price in an orderly transaction between market participants, such as the market price of marketable investments in equity accounted investees and the price on the appraisal report by the independent third party.

Cash flow projections used in calculations of value in use are based on the business plan authorized by our management or, if this is not available, on the operating plan reflecting the most recent condition of the non-financial asset. In these plans, for example, we assume:

- that the level of most recent selling prices and rents of real estate in the surrounding areas will remain unchanged for a reasonable period in the future;

- that the estimate of the sales prices of the products from facilities and equipment for the certain future period is based on the average price of the equivalent length of period in the past or on the analysts' reports;

- that for the development equipment and mining rights involved in resource businesses such as coal and oil, the most updated reserve will be produced in accordance with a production plan by using the non-financial assets, and that such materials to be produced will be sold on the assumption of prices based on futures prices as of the time of the review for impairment, prices estimated by third parties, or sales prices under long-term sales contracts.

- that the estimate of the revenues from an operation derived from customer relationship for the certain future period is based on the degree of contribution to revenues in the past, on the past ratio of cancellation of contracts, and on analysts' market forecasts.

A profit margin which is deemed to be the market average and the risks inherent in the cash-generating unit is used as discount rate to calculate value in use.

Factors to be considered when estimating future cash flows and determining discount rates vary for each non-financial asset because of the difference in nature of the assets and in operating circumstances, such as location, owner, operator, profitability and other factors.

An assessment is made at each reporting date as to whether there is any indication of impairment that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed as income in consolidated statements of income only if there has been a change in the assumptions used to determine the recoverable amount of the asset since the last impairment loss was recognized.

Impairment of Goodwill

Impairment losses on goodwill for the year ended March 31, 2022 and 2021 were ¥0.8 billion and ¥11.8 billion, respectively. The carrying amounts as of March 31, 2022 and 2021 were ¥71.9 billion and ¥50.0 billion, respectively.

Goodwill is allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies arising from the combination, and it is tested for impairment annually regardless of any indication of impairment, and when there is an indication that the cash-generating unit may be impaired.

Impairment testing is performed by comparing the carrying amount of the cash-generating unit or groups of cash-generating units, including the goodwill, with the recoverable amount. If the carrying amount exceeds the recoverable amount, the excess amount is recognized as the impairment loss. The recoverable amount is estimated by the same method as impairment testing of non-financial assets.

Non-marketable equity financial assets measured at fair value

Non-marketable equity securities measured at fair value are generally elected to be designated as FVTOCI. The carrying amounts of non-marketable securities which are the fair value as of the year ended March 31, 2022 and 2021 were ¥732.4 billion and ¥709.2 billion, respectively.
The Company performs internal valuation analyses using the discounted cash flow method, the market comparison approach and other appropriate valuation techniques, or utilizes external valuation performed by independent external experts when management believes the amounts are material.
See (3) Assets and liabilities measured at fair value on a recurring basis in Note 24 "FAIR VALUE MEASUREMENT" for the estimate of crude oil price which is one of the significant unobservable inputs used in measuring the fair value of non-marketable equity securities.
Similar to impairment of non-financial assets and investments in equity accounted investee, cash flow projections used in the fair value calculations are based on business plans authorized by investee's management. Estimates and assumptions for fair value calculations could significantly impact other comprehensive income.

Tax Asset Valuation

Decrease in deferred tax assets due to the changes in assessment for their recoverability has had a significant impact on our profit and other comprehensive income for the year.

Our management determines the recoverability of deferred tax assets based on all available evidence including tax deductibility on future years and forecast of future taxable incomes of Mitsui and its subsidiaries. Deferred tax assets are recognized to the extent that they are recoverable, and the amount of recoverable deferred tax assets may fluctuate due to the change in estimates of future taxable incomes or statutory tax rates.

Reserve estimates for oil and gas producing and mining activities

Reserves are estimates of the amount of product that can be economically and legally extracted from interests in our properties. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. As the economic assumptions used to estimate reserves change from period to period and additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect our financial results and financial position in a number of ways, including the following:

- Asset carrying values may be impaired due to changes in estimated future cash flows.

- Depreciation and amortization charged in the income statement may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change.

- Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

Defined benefit costs and obligations

Employee defined benefit costs and obligations are dependent on various assumptions such as discount rate, which are based on current statistical data, and other factors. In accordance with IFRS, the difference between actual results and the assumptions is recognized immediately in other components of equity and are transferred to retained earnings on recognition, and therefore, generally affects comprehensive income and retained earnings. Management believes that the assumptions used are appropriate; however, differences in actual experience or changes in assumptions may affect our future defined benefit costs and obligations.

We determine the discount rates each year as of the measurement date, based on a review of interest rates associated with high-quality fixed-income corporate bonds. The discount rates determined on each measurement date are used to calculate the defined benefit obligations as of that date, and are also used to calculate the net periodic pension costs for the upcoming plan year.

See Note 18, "EMPLOYEE BENEFITS," for further discussion about the estimates and assumptions on the defined benefit costs and obligations.

Impact of climate change

The businesses of the Company and its consolidated subsidiaries that are affected by climate change and of which related assets and liabilities are material is the business in the Energy Segment.
The significant accounting estimates and judgments at the end of the current fiscal year are as follows.
The Energy Segment consists mainly of upstream oil and gas businesses and LNG businesses. If the demand for upstream oil and gas and LNG declines due to further restrictions and tighter regulations as the global trend toward low-carbon and decarbonization intensifies, it may lead to impairment of property, plant, and equipment of existing projects and a decrease in the fair value of other investments. These valuations are primarily affected by the price of crude oil, and the assumptions are estimated by considering the recent market price and the medium-to long-term outlook published by several third-party organizations. Of the third-party organizations, the Company focuses on STEPS(Stated Policies Scenario) among scenarios

published by the IEA, but we also refer to other scenarios.

The main assets and liabilities in the Energy Segment recorded in the consolidated statements of financial position as of the end of the current fiscal year are as follows.(*)

Property, plant and equipment	¥661,809 million
Investments accounted for using the equity method	¥434,334 million
Other investments	¥348,270 million
Provisions(Non-current)	¥175,600 million

(*) Above amounts do not consider adjustments relating to cross-holding of assets among operating segments.
Such adjustments are considered for the amounts in Note 6 "SEGMENT INFORMATION".

4. Material Contracts

There are no contracts for which disclosure is required.

5. Research & Development

There are no R&D activities for which disclosure is required.

3. Equipment and Facilities

1. Overview of Capital Expenditures

For a breakdown of the amounts of capital expenditures for property and equipment in the year ended March 31, 2022, see "3. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (5) Liquidity and Capital Resources, 5) Assets, Liabilities and Shareholders' Equity and 6) Cash Flows." Also see Note 6, "SEGMENT INFORMATION."

Expenditures for property, plant, equipment and investment property for the year ended March 31, 2022 mainly included expenditure for the iron ore mining operations in Australia of ¥40.9 billion and for the coal mining operations in Australia of ¥21.4 billion in the Mineral & Metal Resources Segment, expenditures for the oil and gas projects of ¥35.3 billion in the Energy Segment, expenditure for the redevelopment project by Mitsui & Co. Real Estate Ltd. of ¥13.0 billion and for the rental housing business by MBK Real Estate LLC in the US of ¥12.3 billion in the Innovation & Corporate Development Segment, and total expenditures for the power generating businesses of ¥12.2 billion in the Energy Segment and Machinery & Infrastructure Segment.

2. Major Equipment and Facilities

(1) Mitsui & Co., Ltd.

Operating Segment	Office Name	Type of Equipment and Facilities	Location	Number of Employees (Persons)	Land, Land Improvements and Timberlands		Buildings	Equipment and Fixtures	Other (Millions of Yen)	Use of Property
					Acreage (m²)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Energy		Long-term charter(lease)	Chiyoda-ku, Tokyo	-	-	-	-	2	153,535	
Innovation & Corporate Development		Multi-purpose office complex	Chiyoda-ku, Tokyo	-	-	-	-	-	102,893	
Other	Head Office	Office building	Chiyoda-ku, Tokyo	3,229	6,500	31,327	63,735	257	6,650	
	Kansai Office	Office building	Kita-ku, Osaka-shi, Osaka	72	3,038	2,161	5,965	-	1	Partially leased
		Human Resource Development Center	Atami-shi, Shizuoka	-	15,655	2,045	756	-	4	
		Global Human Resource Development Center	Tsuzuki-ku, Yokohama-shi, Kanagawa	-	15,000	2,417	742	-	-	

(Notes) 1. For those companies who own more than one type of equipment or facility, only the information of the most notable one is presented.
2. For the number of employees, the total number in each company or office is presented.
3. For the carrying amount of Mitsui & Co., Ltd., the amount of the equipment and facilities is presented. For the carrying amount of domestic and overseas subsidiaries, the total amount in each company is presented.
4. For movables such as ships and aircraft, the location of each company's head office is presented.
5. The amounts of rights-of-use assets under IFRS 16 "Leases" are included in the amounts above.

(2) Domestic Subsidiaries

Operating Segment	Company Name	Office Name and Type of Equipment and Facilities	Location	Number of Employees (Persons)	Land, Land Improvements and Timberlands		Buildings	Equipment and Fixtures	Other (Millions of Yen)	Use of Property
					Acreage (㎡)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Energy	Mitsui Oil Exploration Co., Ltd.	Crude oil / gas manufacturing facility and others	Thailand, Gulf of Thailand and others	139	108,753	7	1,166	9,658	10,856	Including mineral rights
Lifestyle	MITSUI FOODS CO., LTD.	Tokyo Metropolitan West Distribution Center	Midori-ku, Sagamihara-shi, Kanagawa	1,059	28,146	13,152	34,136	3,653	3,075	Including investment property
	PRIFOODS CO., LTD.	Hosoya Factory and others	Misawa-shi, Aomori and others	1,747	3,829,240	3,471	10,327	9,068	530	
Innovation & Corporate Development	MITSUI & CO. REAL ESTATE LTD.	Hibiya Fort Tower	Minato-ku, Tokyo	43	-	-	27	175	63,955	Including investment property
	Mitsui & Co. Global Logistics, Ltd..	Higashihama Logistic Center and others	Ichikawa-shi, Chiba	686	60,364	15,172	11,000	1,224	8,700	Including investment property

(Note) Notes are the same as Notes 1. to 5. in (1) Mitsui & Co., Ltd.

(3) Overseas Subsidiaries

Operating Segment	Company Name	Office Name and Type of Equipment and Facilities	Location	Number of Employees (Persons)	Land, Land Improvements and Timberlands		Buildings	Equipment and Fixtures	Other (Millions of Yen)	Use of Property
					Acreage (㎡)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Mineral & Metal Resources	Mitsui Iron Ore Development Pty. Ltd.	Mining equipment for iron ore	Pilbara, Western Australia, Australia	9	-	430	125,286	61,505	17,809	
	Mitsui Iron Ore Corporation Pty. Ltd.	Mining equipment for iron ore	Pilbara, Western Australia, Australia	10	-	-	14,486	51,748	4,557	Including mineral rights
	Mitsui-Itochu Iron Pty. Ltd.	Mining equipment for iron ore	Pilbara, Western Australia, Australia	-	-	-	25,547	92,300	19,070	
	Mitsui Resources Pty. Ltd.	Mining equipment for coal	Emerald, Queensland, Australia and others	17	-	-	5,738	68,532	28,330	Including mineral rights

Operating Segment	Company Name	Office Name and Type of Equipment and Facilities	Location	Number of Employees (Persons)	Land, Land Improvements and Timberlands		Buildings	Equipment and Fixtures	Other (Millions of Yen)	Use of Property
					Acreage (㎡)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Energy	Mitsui E&P Italia A S.r.l.	Crude oil / gas manufacturing facility and others	Basilicata, Italy	5	67,500	685	-	85,826	66,465	Including mineral rights
	Mitsui E&P Australia Pty Limited	Crude oil / gas manufacturing facility and others	Offshore Western Australia, Australia and others	65	-	23	-	51,519	22,678	Including mineral rights
	Mitsui E&P USA LLC	Gas manufacturing plant and others	Pennsylvania, U.S.A.	31	-	-	-	75,445	7,952	Including mineral rights
	Mitsui E&P Middle East B.V.	Crude oil / gas manufacturing facility and others	Oman and others	24	-	-	9	27,278	1,878	Including mineral rights
	MEP Texas Holdings LLC	Crude oil / gas manufacturing facility and others	Texas, U.S.A.	-	-	-	-	21,712	859	Including mineral rights
	AWE Pty Ltd.	Crude oil / gas manufacturing facility and others	Western Australia, Australia and others	-	46,690,500	935	-	7,405	55,048	Including mineral rights
	MOEX North America LLC	Crude oil / gas manufacturing facility and others	Kaikias Field, Gulf of Mexico, U.S.A.	-	-	-	-	9,011	11,253	Including mineral rights
	MyPower Corp.	Solar power plant and others	California, U.S.A.	87	-	-	-	6,178	18,392	
Machinery & Infrastructure	Mitsui Rail Capital Europe B.V.	Rolling stock	Amsterdam, Netherlands	122	-	-	413	79,793	1,601	Including property leased to others
	M&T AVIATION LIMITED	Aircraft	Dublin, Ireland	4	-	-	-	1	50,205	Including property leased to others
	OMC SHIPPING PTE. LTD.	Ships	Singapore	-	-	-	57	3	34,238	Including property leased to others
	Inversiones Mitta SpA	Automotive	Chile	910	-	-	3,781	24,116	59	Including property leased to others

Operating Segment	Company Name	Office Name and Type of Equipment and Facilities	Location	Number of Employees (Persons)	Land, Land Improvements and Timberlands		Buildings	Equipment and Fixtures	Other (Millions of Yen)	Use of Property
					Acreage (㎡)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Chemicals	Inter-continental Terminals CompanyLLC	Chemical tank terminal	Deer Park, Texas, U.S.A.	427	1,800,851	3,973	111,241	600	6,920	Including property leased to others
	MMTX Inc.	Methanol production facility	Houston, Texas, U.S.A.	6	-	-	1,270	32,384	1,126	
	Shark Bay Salt Pty. Ltd	Salt manufacturing facility	Shark Bay, Western Australia, Australia and others	156	-	629	16,737	6,210	1,052	
Lifestyle	XINGU AGRI AG	Tabuleiro farm	Bahia, Brazil	47	-	1,347	49	137	50,896	Including investment property
	KASET PHOL SUGAR LIMITED	Sugar production equipment	Udon Thani Province, Thailand	427	-	589	8,692	18,439	12,043	
Innovation & Corporate Development	MBK Real Estate Holdings Inc.	Senior living and multi-family properties	Bellevue, Washington, U.S.A. and others	2,300	-	14,328	70,515	424	43,797	Including property leased to others and investment property

(Note) Notes are the same as Notes 1. to 5. in (1) Mitsui & Co., Ltd.

3. Plans for New Additions or Disposals

As indicated in "1. Overview of Capital Expenditures," major capital expenditures include expenditure for the Mineral & Metal Resources Segment and the Energy Segment, and we will continue to focus on areas under these segments into the future.

4. Corporate Information

1. Status on the Mitsui's Shares

(1) Total Number of Shares and Other Related Information

1) Total Number of Shares

Class	Total number of shares authorized to be issued
Common stock	2,500,000,000
Total	2,500,000,000

2) Number of Shares Issued

Class	Number of shares outstanding (as of March 31, 2022)	Number of shares outstanding as of issuance date of this report (June 22, 2022)	Names of stock exchanges on which Mitsui is listed or names of authorized financial instruments firms association	Description
Common stock	1,642,355,644	1,642,355,644	Tokyo Stock Exchange (listed on the first section as of March 31, 2022 and on the Prime Market as of June 22, 2022) Nagoya Stock Exchange listed on the first section as of March 31, 2022 and on the Premier Market as of June 22, 2022) Sapporo, Fukuoka	The number of shares constituting a unit is 100.
Total	1,642,355,644	1,642,355,644	-	-

(2) Status of the Share Subscription Rights

1) Stock Option Plans

Share Subscription Rights issued based on the Companies Act of Japan are as follows:

i) Stock Option based on the resolution of the Board of Directors on July 4, 2014
(Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2022	As of May 31, 2022
Date of resolution	July 4, 2014	
Class and number of person for subscription rights to shares	9 Directors (excluding External Directors) 24 Executive Officers who are not serving concurrently as Mitsui's Directors (excluding Executive Officers residing outside Japan)	
Number of subscription rights to shares	348	348
Class of shares to be issued upon exercise of subscription rights to shares	Common stock The number of shares constituting a unit is 100.	Same as on the left
Number of shares to be issued upon exercise of subscription rights to shares	34,800 (Note 1)	34,800 (Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	¥1	Same as on the left
Exercise period of subscription rights to shares	From July 28, 2017 to July 27, 2044	Same as on the left
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	Price of issuing shares: ¥1 The amount to be capitalized shall be half of the upper limit of an increase in capital stock, etc., as calculated in accordance with the Corporate Accounting Regulations of Japan, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1.	Same as on the left
Conditions for exercise of subscription rights to shares	(Notes 2, 3)	Same as on the left
Matters regarding acquisition of subscription rights to shares through transfer	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors	Same as on the left
Matters regarding the grant of subscription rights to shares upon organizational restructuring	(Note 4)	Same as on the left

(Notes) 1. The class of shares to be issued upon exercise of subscription rights to shares shall be common shares of Mitsui, and the number of shares to be issued upon exercise of one subscription right to shares (hereinafter referred to as the "number of shares granted") will be 100 shares.
After the day of allotment, however, if Mitsui undertakes a share split (including gratis allotment of common shares of Mitsui. The same shall apply to the description of the share split hereinafter.), or a share consolidation with respect to common shares of Mitsui, an adjustment to the number of shares granted will be made according to the following formula, and any fractional portion of less than one share resulting from the foregoing adjustment shall be disregarded:

Number of shares granted after adjustment
= Number of shares granted before adjustment × Ratio of share split or share consolidation

2. Exercise of right by an heir
In the case that inheritance from a holder of subscription rights to shares commenced for reasons such as the death of the holder, only one of the heirs-at-law of the holder of subscription rights to shares (hereinafter referred to as the "heir-at-law") may exercise the offered subscription rights to shares. It is not permitted to inherit subscription rights to shares again in the case that the heir-at-law dies.

3. Conditions for exercise of subscription rights to shares
   (1) A holder of subscription rights to shares may no longer exercise the subscription rights to shares after a period of 10 years has elapsed from the day following the day on which the holder of subscription rights to shares loses his/her position as Director, and/or Executive Officer, and/or Audit & Supervisory Board Member of Mitsui.
   (2) A holder of subscription rights to shares may exercise all of the subscription rights to shares only when, as the stock price conditions, Mitsui's stock price growth rate for the period of three years from the allotment date is equal to or exceeds the TOPIX (Tokyo Stock Price Index) growth rate. When Mitsui's stock price growth rate does not exceed the TOPIX growth rate, reflecting that degree, the holder of subscription rights to shares may exercise only part of such subscription rights to shares allotted (please refer to the below for details).
   (3) Notwithstanding the exercise period of subscription rights to shares prescribed above, if a proposal for approval of a merger agreement under which Mitsui is to be dissolved, or a proposal for approval of a share exchange agreement or a share transfer plan, under which Mitsui will become a wholly-owned subsidiary is approved at an ordinary general meeting of shareholders of Mitsui, holders of subscription rights to shares may exercise offered subscription rights to shares within 15 days from the following day of the day on which such proposal for approval is approved, except where subscription rights to shares of a restructured company are to be issued to the holders of subscription rights to shares in accordance with Note 4 below.
   (4) In the event that Mitsui recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of a holder of subscription rights to shares during the period in which he/she serves as Mitsui's Director, and/or Executive Officer, and/or Audit & Supervisory Board Member, Mitsui may limit, subject to a resolution by the Board of Directors of Mitsui, the number of subscription rights to shares that may be exercised by such holder of subscription rights to shares. In this event, such holder of subscription rights to shares may not exercise the subscription rights to shares more than the said limit.

4. If Mitsui is to engage in a merger (limited to cases where Mitsui is to be dissolved as a result of the merger), an absorption-type company split or an incorporation-type company split (both limited to cases where Mitsui is to be a split company), or a share exchange or a share transfer (both limited to cases where Mitsui is to be a wholly-owned subsidiary) (all of which are collectively referred to as a "restructuring transaction"), subscription rights to shares in the entity specified under Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act of Japan (such entity hereinafter referred to as the "restructured company") shall be issued, in accordance with the following conditions, to holders of subscription rights to shares who hold subscription rights to shares remaining in effect immediately prior to the effective date of the restructuring transaction (hereinafter respectively referring to the effective date of an absorption-type merger in case of an absorption-type merger, the date of formation of a new company incorporated by the merger in case of a consolidation-type merger, the effective date of an absorption-type company split in case of an absorption-type company split, the date of formation of a new company in case of an incorporation-type company split, the effective date of a share exchange in the case of a share exchange, and the date of formation of a wholly-owning parent company in case of a share transfer) (such rights hereinafter referred to as "remaining subscription rights to shares"). In this event, the remaining subscription rights to shares shall become extinct, and the restructured company shall newly issue subscription rights to shares. However, such rights may be granted only if provisions for issuing the subscription rights to shares of the restructured company in accordance with the following conditions are included in an absorption-merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan.
   (1) The number of subscription rights to shares of the restructured company to be issued
   The same number of subscription rights to shares as the number of remaining subscription rights to shares owned by respective holders of subscription rights to shares shall be issued.
   (2) The class of shares of the restructured company to be issued upon exercise of the subscription rights to shares
   The class of shares of the restructured company to be issued upon exercise of the subscription rights to shares shall be common shares of the restructured company.
   (3) The number of shares of the restructured company to be issued upon exercise of subscription rights to shares
   The number of shares of the restructured company to be issued upon exercise of subscription rights to shares shall be determined in accordance with the provisions in Note 1 above, taking into consideration the conditions and other factors concerning the restructuring transactions.
   (4) The amount of assets to be contributed upon exercise of subscription rights to shares

The amount of assets to be contributed upon exercise of each subscription right to shares to be issued shall be the amount obtained by multiplying the amount to be paid in after restructuring as prescribed below by the number of shares of the restructured company to be issued upon exercise of each subscription right to shares that will be determined in accordance with (3) above. The amount to be paid in after restructuring shall be ¥1 per share of the restructured company to be issued upon exercise of each subscription right to shares to be issued.

(5) Exercise period of subscription rights to shares
The exercise period of subscription rights to shares shall begin on the date of commencement of the exercise period or the effective date of the restructuring transaction, whichever is later, and end on the closing date of the exercise of such subscription rights to shares.

(6) Matters concerning capital stock and capital reserve to be increased in the event of issuance of shares upon exercise of subscription rights to shares
It shall be determined in accordance with the memorandum for offering.

(7) Restriction on acquisition of subscription rights to shares through transfer
Acquisition of subscription rights to shares through transfer requires the approval of the restructured company.

(8) Terms and conditions of acquisition of subscription rights to shares
It shall be determined in accordance with the memorandum for offering.

(9) Other conditions for exercise of subscription rights to shares
It shall be determined in accordance with the memorandum for offering.

Details of stock price conditions

1. When Mitsui's stock price growth rate*1 is equal to or exceeds the TOPIX (Tokyo Stock Price Index) growth rate*2:
All of the subscription rights to shares granted may be exercised.

2. When Mitsui's stock price growth rate does not exceed the TOPIX growth rate:
Only part of the subscription rights to shares granted*3 may be exercised.

*1 Mitsui's stock price growth rate shall be calculated by the formula below based on Mitsui's stock price growth rate for the period of three years from the allotment date to the first date of the exercise period.

A: The average closing price for Mitsui's common stock on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls

B: The total amount of dividends per common share of Mitsui for the period from the allotment date to the first date of the exercise period of the subscription rights to shares

C: The average closing price for Mitsui's common stock on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls

Mitsui's stock price growth rate = (A + B) / C

*2 The TOPIX growth rate shall be calculated by the formula below based on the TOPIX growth rate for the period of three years from the allotment date to the first date of the exercise period.

D: The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls

E: The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls

TOPIX growth rate = D / E

*3 **Number of exercisable subscription rights to shares = Number of subscription rights to shares granted × (Mitsui's stock price growth rate / TOPIX growth rate)**

ii) **Stock Option based on the resolution of the Board of Directors on July 8, 2015**
(Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2022	As of May 31, 2022
Date of resolution	July 8, 2015	
Class and number of person for subscription rights to shares	9 Directors (excluding External Directors) 24 Executive Officers who are not serving concurrently as Mitsui's Directors (excluding Executive Officers residing outside Japan)	
Number of subscription rights to shares	337	337
Class of shares to be issued upon exercise of subscription rights to shares	Common stock The number of shares constituting a unit is 100.	Same as on the left
Number of shares to be issued upon exercise of subscription rights to shares	33,700 (Note 1)	33,700 (Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	¥1	Same as on the left
Exercise period of subscription rights to shares	From July 28, 2018 to July 27, 2045	Same as on the left
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	Price of issuing shares: ¥1 The amount to be capitalized shall be half of the upper limit of an increase in capital stock, etc., as calculated in accordance with the Corporate Accounting Regulations of Japan, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1.	Same as on the left
Conditions for the exercise of subscription rights to shares	(Notes 2, 3)	Same as on the left
Matters regarding acquisition of subscription rights to shares through transfer	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors	Same as on the left
Matters regarding the grant of subscription rights to shares upon organizational restructuring	(Note 4)	Same as on the left

(Note) Notes 1. to 4. are the same as Notes 1. to 4 in i) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (stock option scheme as stock-based compensation with stock price conditions).

iii) Stock Option based on the resolution of the Board of Directors on July 13, 2016
(Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2022	As of May 31, 2022
Date of resolution	July 13, 2016	
Class and number of person for subscription rights to shares	9 Directors (excluding External Directors) 28 Executive Officers who are not serving concurrently as Mitsui's Directors (excluding Executive Officers residing outside Japan, including retired Executive Officers to whom granting Stock options were withheld during their assignment outside Japan)	
Number of subscription rights to shares	794	794
Class of shares to be issued upon exercise of subscription rights to shares	Common stock The number of shares constituting a unit is 100.	Same as on the left
Number of shares to be issued upon exercise of subscription rights to shares	79,400 (Note 1)	79,400 (Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	¥1	Same as on the left
Exercise period of subscription rights to shares	From July 29, 2019 to July 28, 2046	Same as on the left
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	Price of issuing shares: ¥1 The amount to be capitalized shall be half of the upper limit of an increase in capital stock, etc., as calculated in accordance with the Corporate Accounting Regulations of Japan, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1.	Same as on the left
Conditions for the exercise of subscription rights to shares	(Notes 2, 3)	Same as on the left
Matters regarding acquisition of subscription rights to shares through transfer	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors	Same as on the left
Matters regarding the grant of subscription rights to shares upon organizational restructuring	(Note 4)	Same as on the left

(Note) Notes 1. to 4. are the same as Notes 1. to 4 in i) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (stock option scheme as stock-based compensation with stock price conditions).

iv) Stock Option based on the resolution of the Board of Directors on July 5, 2017
(Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2022	As of May 31, 2022
Date of resolution	July 5, 2017	
Class and number of person for subscription rights to shares	9 Directors (excluding External Directors) 29 Executive Officers who are not serving concurrently as Mitsui's Directors (excluding Executive Officers residing outside Japan, including retired Executive Officers to whom granting Stock options were withheld during their assignment outside Japan)	
Number of subscription rights to shares	1,805	1,749
Class of shares to be issued upon exercise of subscription rights to shares	Common stock The number of shares constituting a unit is 100.	Same as on the left
Number of shares to be issued upon exercise of subscription rights to shares	180,500 (Note 1)	174,900 (Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	¥1	Same as on the left
Exercise period of subscription rights to shares	From July 20, 2020 to July 19, 2047	Same as on the left
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	Price of issuing shares: ¥1 The amount to be capitalized shall be half of the upper limit of an increase in capital stock, etc., as calculated in accordance with the Corporate Accounting Regulations of Japan, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1.	Same as on the left
Conditions for the exercise of subscription rights to shares	(Notes 2, 3)	Same as on the left
Matters regarding acquisition of subscription rights to shares through transfer	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors	Same as on the left
Matters regarding the grant of subscription rights to shares upon organizational restructuring	(Note 4)	Same as on the left

(Note) Notes 1. to 4. are the same as Notes 1. to 4 in i) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (stock option scheme as stock-based compensation with stock price conditions).

v) Stock Option based on the resolution of the Board of Directors on July 4, 2018
(Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2022	As of May 31, 2022
Date of resolution	July 4, 2018	
Class and number of person for subscription rights to shares	9 Directors (excluding External Directors) 29 Executive Officers who are not serving concurrently as Mitsui's Directors (excluding Executive Officers residing outside Japan, including retired Executive Officers to whom granting Stock options were withheld during their assignment outside Japan)	
Number of subscription rights to shares	1,821	1,741
Class of shares to be issued upon exercise of subscription rights to shares	Common stock The number of shares constituting a unit is 100.	Same as on the left
Number of shares to be issued upon exercise of subscription rights to shares	182,100 (Note 1)	174,100 (Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	¥1	Same as on the left
Exercise period of subscription rights to shares	From July 25, 2021 to July 24, 2048	Same as on the left
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	Price of issuing shares: ¥1 The amount to be capitalized shall be half of the upper limit of an increase in capital stock, etc., as calculated in accordance with the Corporate Accounting Regulations of Japan, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1.	Same as on the left
Conditions for the exercise of subscription rights to shares	(Notes 2, 3)	Same as on the left
Matters regarding acquisition of subscription rights to shares through transfer	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors	Same as on the left
Matters regarding the grant of subscription rights to shares upon organizational restructuring	(Note 4)	Same as on the left

(Note) Notes 1. to 4. are the same as Notes 1. to 4 in i) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (stock option scheme as stock-based compensation with stock price conditions).

vi) Stock Option based on the resolution of the Board of Directors on July 3, 2019
(Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2022	As of May 31, 2022
Date of resolution	July 3, 2019	
Class and number of person for subscription rights to shares	2 retired Managing Officers to whom granting Stock options were withheld during their assignment outside Japan	
Number of subscription rights to shares	284	284
Class of shares to be issued upon exercise of subscription rights to shares	Common stock The number of shares constituting a unit is 100.	Same as on the left
Number of shares to be issued upon exercise of subscription rights to shares	28,400 (Note 1)	28,400 (Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	¥1	Same as on the left
Exercise period of subscription rights to shares	From July 24, 2022 to July 23, 2049	Same as on the left
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	Price of issuing shares: ¥1 The amount to be capitalized shall be half of the upper limit of an increase in capital stock, etc., as calculated in accordance with the Corporate Accounting Regulations of Japan, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1.	Same as on the left
Conditions for the exercise of subscription rights to shares	(Notes 2, 3)	Same as on the left
Matters regarding acquisition of subscription rights to shares through transfer	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors	Same as on the left
Matters regarding the grant of subscription rights to shares upon organizational restructuring	(Note 4)	Same as on the left

(Note) Notes 1. to 4. are the same as Notes 1. to 4 in i) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (stock option scheme as stock-based compensation with stock price conditions).

vii) Stock Option based on the resolution of the Board of Directors on July 10, 2020
(Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2022	As of May 31, 2022
Date of resolution	July 10, 2020	
Class and number of person for subscription rights to shares	4 retired Managing Officers to whom granting Stock options were withheld during their assignment outside Japan	
Number of subscription rights to shares	298	298
Class of shares to be issued upon exercise of subscription rights to shares	Common stock The number of shares constituting a unit is 100.	Same as on the left
Number of shares to be issued upon exercise of subscription rights to shares	29,800 (Note 1)	29,800 (Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	¥1	Same as on the left
Exercise period of subscription rights to shares	From July 29, 2023 to July 28, 2050	Same as on the left
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	Price of issuing shares: ¥1 The amount to be capitalized shall be half of the upper limit of an increase in capital stock, etc., as calculated in accordance with the Corporate Accounting Regulations of Japan, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1.	Same as on the left
Conditions for the exercise of subscription rights to shares	(Notes 2, 3)	Same as on the left
Matters regarding acquisition of subscription rights to shares through transfer	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors	Same as on the left
Matters regarding the grant of subscription rights to shares upon organizational restructuring	(Note 4)	Same as on the left

(Note) Notes 1. to 4. are the same as Notes 1. to 4 in i) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (stock option scheme as stock-based compensation with stock price conditions).

viii) Stock Option based on the resolution of the Board of Directors on May 13, 2021
(Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2022	As of May 31, 2022
Date of resolution	May 13, 2021	
Class and number of person for subscription rights to shares	2 Executive Officers who are not serving concurrently as Mitsui's Directors (to whom granting Stock options were withheld during their assignment outside Japan, including a retired Executive Officer)	
Number of subscription rights to shares	134	134
Class of shares to be issued upon exercise of subscription rights to shares	Common stock The number of shares constituting a unit is 100.	Same as on the left
Number of shares to be issued upon exercise of subscription rights to shares	13,400 (Note 1)	(Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	¥1	Same as on the left
Exercise period of subscription rights to shares	From May 31, 2024 to May 30, 2051	Same as on the left
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	Price of issuing shares: ¥1 The amount to be capitalized shall be half of the upper limit of an increase in capital stock, etc., as calculated in accordance with the Corporate Accounting Regulations of Japan, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1.	Same as on the left
Conditions for the exercise of subscription rights to shares	(Notes 2, 3)	Same as on the left
Matters regarding acquisition of subscription rights to shares through transfer	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors	Same as on the left
Matters regarding the grant of subscription rights to shares upon organizational restructuring	(Note 4)	Same as on the left

(Note) Notes 1. to 4. are the same as Notes 1. to 4 in i) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (stock option scheme as stock-based compensation with stock price conditions).

2) Rights Plan

Not applicable.

3) Other Information about Share Subscription Rights

Not applicable.

(3) Exercise Status of Bonds with Share Subscription Rights Containing a Clause for Exercise Price Adjustment

Not applicable.

(4) Trends in the Number of Shares Issued, Amount of Common Stock, and Others

Period	Changes in the number of shares issued (Thousands)	Balance of the number of shares issued (Thousands)	Changes in common stock (Millions of Yen)	Balance of common stock (Millions of Yen)	Changes in additional paid-in capital (Millions of Yen)	Balance of additional paid-in capital (Millions of Yen)
From April 1, 2017 to March 31, 2018	-	1,796,514	-	341,481	-	367,758
From April 1, 2018 to March 31, 2019 (Note 1)	(54,168)	1,742,345	-	341,481	-	367,758
From April 1, 2019 to March 31, 2020 (Note 2)	339	1,742,684	293	341,775	293	368,052
From April 1, 2020 to March 31, 2021 (Notes 3, 4)	(25,580)	1,717,104	304	342,080	304	368,356
From April 1, 2021 to March 31, 2022 (Notes 5, 6, 7)	(74,749)	1,642,355	303	342,383	303	368,660

(Notes) 1. The number of shares issued was decreased by 54,168,500 dated April 20, 2018 due to the cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on February 2, 2018.

2. The number of shares issued was increased by 339,279 and the balance of common stock and balance of additional paid-in capital were increased by ¥293 million each dated August 2, 2019 due to issuance of new shares under the remuneration system of share performance-linked restricted stock for Directors and Managing Officers based on the resolution of the meeting of the Board of Directors held on July 3, 2019.
   Issue price: ¥1,731
   Amount incorporated into common stock: ¥865.5
3. The number of shares issued was decreased by 25,964,700 dated April 20, 2020 due to the cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on October 30, 2019.
4. The number of shares issued was increased by 384,602 and the balance of common stock and balance of additional paid-in capital were increased by ¥304 million each dated August 7, 2020 due to issuance of new shares under the remuneration system of share performance-linked restricted stock for Directors and Managing Officers based on the resolution of the meeting of the Board of Directors held on July 10, 2020.
   Issue price: ¥1,585
   Amount incorporated into common stock: ¥792.5
5. The number of shares issued was decreased by 30,000,000 dated April 1, 2021 due to the cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on February 24, 2021.
6. The number of shares issued was increased by 250,836 and the balance of common stock and balance of additional paid-in capital were increased by ¥303 million each dated July 30, 2021 due to issuance of new shares under the remuneration system of share performance-linked restricted stock for Directors and Managing Officers based on the resolution of the meeting of the Board of Directors held on July 9, 2021.
   Issue price: ¥2,421
   Amount incorporated into common stock: ¥1,210.5
7. The number of shares issued was decreased by 45,000,000 dated August 16, 2021 due to the cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on August 3, 2021.

(5) Status of Shareholders

As of March 31, 2022

Classification	Status of Units (1 unit = 100 shares)								Shares under one unit (Number of shares)
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders		Individuals and other	Total	
					Foreign shareholders other than individuals	Individuals			
Number of shareholders (persons)	-	242	57	2,280	950	476	267,976	271,981	-
Number of shares held (units)	-	6,193,887	784,278	721,334	5,067,404	5,597	3,639,297	16,411,797	1,175,944
Ratio (%)	-	37.74	4.77	4.39	30.87	0.03	22.17	100.00	-

(Notes) 1. Regarding treasury stock of 37,539,482 shares, 375,394 units (37,539,400 shares) are included in "Individuals and other," and 82 shares are included in "Shares under one unit."

2. Regarding 1,715 shares registered in the name of Japan Securities Depositary Center, Inc., 17 units (1,700 shares) are included in "Other corporations," and 15 shares are included in "Shares under one unit."

(6) Status of Major Shareholders

As of March 31, 2022

Name of shareholders	Location	Number of shares held (Thousands)	Percentage of common stock issued (%)
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	274,650	17.11
Custody Bank of Japan, Ltd. (trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	91,707	5.71
EUROCLEAR BANK S.A./N.V. (Standing agent: MUFG Bank, Ltd.)	1 BOULEVARD DU ROI ALBERT II, B-1210 BRUSSELS, BELGIUM (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo)	89,084	5.55
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	35,070	2.18
STATE STREET BANK WEST CLIENT －TREATY 505234 (Standing agent: Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	25,821	1.60
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	25,667	1.59
JPMorgan Securities Japan Co., Ltd.	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	20,670	1.28
Barclays Securities Japan Limited	10-1, Roppongi 6-chome, Minato-ku, Tokyo	20,408	1.27
JP MORGAN CHASE BANK 385781 (Standing agent: Mizuho Bank, Ltd.)	25 BANK STREET CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (15-1, Konan 2-chome, Minato-ku, Tokyo)	20,218	1.25
Mitsui Sumitomo Insurance Company, Limited	9, Kanda-Surugadai 3-chome, Chiyoda-ku, Tokyo	17,000	1.05
Total	-	620,295	38.59

(Notes) 1. In addition to the shares listed above, the Company holds treasury stock of 37,539 thousand shares. The Percentage of common stock issued is calculated excluding treasury stock.
2. The number of shares is rounded down to the nearest thousand.
3. Percentage of common stock issued is rounded down to two decimal places.
4. The status of major shareholders shown above does not include the following reports on possession of large volume and change reports pertaining to reports on possession of large volume that were filed with the Director-General of the Kanto Local Finance Bureau in the past three fiscal years, as it is not possible for us to confirm the actual status of the shareholding ratio as of March 31, 2022. Reports by large volume shareholders include portions held by joint holders.

Name of shareholders	Ownership as of	Number of shares owned	Holding ratio (%)
Sumitomo Mitsui Trust Bank, Ltd.	June 14, 2019	87,206,500	5.01
Mizuho Bank, Ltd.	September 30, 2019	89,773,218	5.15
Mitsubishi UFJ Financial Group, Inc.	December 23, 2019	104,359,600	5.99
BlackRock Japan Co., Ltd.	March 31, 2020	91,052,140	5.22
National Indemnity Company	August 24, 2020	86,453,900	5.03
Sumitomo Mitsui Trust Bank, Ltd.	December 15, 2020	103,181,200	6.01
Nomura Securities Co., Ltd.	January 15, 2021	87,081,683	5.07
Mizuho Bank, Ltd.	March 15, 2021	69,144,118	4.03

(7) Status of Voting Rights

1) Shares Issued

As of March 31, 2022

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (Treasury stock, etc.)	-	-	-
Shares with restricted voting rights (Others)	-	-	-
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 37,539,400	-	-
	(Cross-holding stock) Common stock 120,700	-	-
Shares with full voting rights (Others)	Common stock 1,603,519,600	16,035,196	-
Shares under one unit	Common stock 1,175,944	-	Shares under one unit (100 shares)
Total shares issued	1,642,355,644	-	-
Total voting rights held by all shareholders	-	16,035,196	-

(Notes) 1. Other than the numbers provided in the column "Shares with full voting rights (Treasury stock, etc.)," there are 3,852,902 shares held by Mitsui's Employee Stock Ownership Plan trust that are considered as treasury stock in Mitsui's consolidated financial statement, and such shares are included in the column "Shares with full voting rights (Others)". In the column "Number of voting rights (Units)," 38,529 units of voting rights related to the shares with full voting rights held by Mitsui's Employee Stock Ownership Plan trust are included.

2. In the column "Shares with full voting rights (Others)," "1,603,519,600 shares in common stock" and "16,035,196 units of voting rights" include 17 units (1,700 shares) and 17 units of voting rights within those shares, all of which are registered in the name of Japan Securities Depositary Center, Inc.

3. In the column "Shares under one unit," "1,175,944 shares in common stock" include 82 shares of treasury stock (under one unit) held by Mitsui, 50 shares of cross-holding stock (under one unit) held by FEED ONE., LTD. and 15 shares (under one unit) that are registered in the name of Japan Securities Depositary Center, Inc.

2) Treasury Stock, etc.

As of March 31, 2022

Name of shareholders	Addresses of shareholders	Number of shares held under own name	Number of shares held under the name of others	Total	Percentage of interest (%)
Mitsui & Co., Ltd. (Treasury stock)	2-1, Otemachi, 1-chome, Chiyoda-ku, Tokyo	37,539,400	-	37,539,400	2.28
Feedone Co., Ltd. (Cross-holding stock)	23-2, Tsuruyacho, 2-chome, Kanagawa-ku, Yokohama-shi, Kanagawa	120,700	-	120,700	0.01
Total	-	37,660,100	-	37,660,100	2.29

(Note) In addition to the abovementioned, there are 82 shares of treasury stock (under one unit), 50 shares of cross-holding stock (under one unit) and 3,852,902 shares held by Mitsui's Employee Stock Ownership Plan trust that are considered as treasury stock in Mitsui's consolidated financial statement.

(8) Share Ownership Plan for Directors (and Other Officers) and Employees

1) Overview of the Share-Based Compensation Plan for Employees

According to the resolution of the Board of Directors on July 31, 2020, Mitsui has introduced a share-based compensation plan for its employees based on an Employee Stock Ownership Plan trust (the "ESOP Trust") (the "Plan") so that its diverse employees continue to work together with its management for "Transform and Grow", the theme of the Medium-term Management Plan 2023 announced in May 2020, and further strengthen its commitment to enhancing its corporate value over the medium-to-long term. The ESOP Trust will be formed by the cash contributed by Mitsui. The shares of Mitsui acquired by the ESOP Trust will be granted to Mitsui's employees, including non-managerial staff, who meet requirements as beneficiaries, based on the number of the points earned by each employee. The number of the points granted to the employees every fiscal year is linked to the qualifications/grade and personnel evaluations of each employee, reinforcing Mitsui's performance-and-achievement based policy. The Plan will allow the employees to directly benefit from the stock price increase, and thus it is expected to lead to the transformation of each employee's mindset and behavior toward enhancing its corporate value over the medium-to-long term and to the improvement of its engagement.

2) Total Amount of Shares Expected to be Acquired by the Employees

¥ 6.9 billion

3) Scope of the Beneficiaries of the Plan

Employees who meet requirements as beneficiaries

2. Acquisition of Treasury Stock and Other Related Status

[Class of shares] Acquisition of shares of common stock falling under Article 155, Items 3, 7 and 13 of the Companies Act of Japan

(1) Acquisition of Treasury Stock Based on a Resolution Approved at the Ordinary General Meeting of Shareholders

Not applicable.

(2) Acquisition of Treasury Stock Based on a Resolution Approved by the Board of Directors

Acquisition falling under Article 155, Item 3 of the Companies Act of Japan

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (February 24, 2021) (Acquisition period: February 25, 2021 to April 27, 2021)	30,000,000	50,000,000,000
Treasury stock acquired before the current fiscal year	10,891,400	25,367,719,277
Treasury stock acquired during the current fiscal year	10,776,800	24,632,241,699
Number of shares and total amount of outstanding shares of resolution	8,331,800	39,024
Ratio of non-exercised portion at the end of the current fiscal year (%)	27.77	0.00
Treasury stock acquired during the current period for acquisition	-	-
Ratio of non-exercised portion as of issuance date of this report (%)	27.77	0.00

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (April 30, 2021) (Acquisition period: May 6, 2021 to June 23, 2021)	30,000,000	50,000,000,000
Treasury stock acquired before the current fiscal year	-	-
Treasury stock acquired during the current fiscal year	20,171,400	49,999,788,297
Number of shares and total amount of outstanding shares of resolution	9,828,600	211,703
Ratio of non-exercised portion at the end of the current fiscal year (%)	32.76	0.00
Treasury stock acquired during the current period for acquisition	-	-
Ratio of non-exercised portion as of issuance date of this report (%)	32.76	0.00

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (August 3, 2021) (Acquisition period: August 4, 2021 to October 29, 2021)	30,000,000	50,000,000,000
Treasury stock acquired before the current fiscal year	-	-
Treasury stock acquired during the current fiscal year	19,912,600	49,999,866,960
Number of shares and total amount of outstanding shares of resolution	10,087,400	133,040
Ratio of non-exercised portion at the end of the current fiscal year (%)	33.62	0.00
Treasury stock acquired during the current period for acquisition (Note)	-	-
Ratio of non-exercised portion as of issuance date of this report (%)	33.62	0.00

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (December 16, 2021) (Acquisition period: December 17, 2021 to March 24, 2022)	30,000,000	50,000,000,000
Treasury stock acquired before the current fiscal year	-	-
Treasury stock acquired during the current fiscal year	17,147,700	49,999,865,183
Number of shares and total amount of outstanding shares of resolution	12,852,300	134,817
Ratio of non-exercised portion at the end of the current fiscal year (%)	42.84	0.00
Treasury stock acquired during the current period for acquisition (Note)	-	-
Ratio of non-exercised portion as of issuance date of this report (%)	42.84	0.00

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (May 2, 2022) (Acquisition period: May 6, 2022 to September 22, 2022)	50,000,000	100,000,000,000
Treasury stock acquired before the current fiscal year	-	-
Treasury stock acquired during the current fiscal year	-	-
Number of shares and total amount of outstanding shares of resolution	-	-
Ratio of non-exercised portion at the end of the current fiscal year (%)	100	100
Treasury stock acquired during the current period for acquisition (Note)	8,664,900	27,232,587,273
Ratio of non-exercised portion as of issuance date of this report (%)	82.67	72.76

(Note) "Treasury stock acquired during the current period for acquisition" does not include shares acquired during the period from June 1, 2022, to the issuance date of this report.

(3) Acquisition of Treasury Stock Not Based on a Resolution Approved at the Ordinary General Meeting of Shareholders or a Resolution Approved by the Board of Directors

Acquisition falling under Article 155, Item 7 of the Companies Act of Japan

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury stock acquired during the current fiscal year	8,314	21,542,663
Treasury stock acquired during the current period for acquisition (Note)	937	2,963,619

(Note) "Treasury stock acquired during the current period for acquisition" does not include shares constituting less than one full unit purchased during the period from June 1, 2022, to the issuance date of this report.

Acquisition falling under Article 155, Item 13 of the Companies Act of Japan

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury stock acquired during the current fiscal year	37,262	-
Treasury stock acquired during the current period for acquisition (Note)	503	-

(Notes) 1. This is an acquisition without compensation of the part of the ordinary shares which were allocated to Managing Officers under the remuneration system of share performance-linked restricted stock.
2. "Treasury stock acquired during the current period for acquisition" does not include shares acquired without compensation during the period from June 1, 2022, to the issuance date of this report.

(4) Current Status of the Disposition and Holding of Acquired Treasury Stock

Classification	Current fiscal year		Current period for acquisition	
	Number of shares (Shares)	Total disposition amount (Yen)	Number of shares (Shares)	Total disposition amount (Yen)
Acquired treasury stock for which subscribers were solicited	-	-	-	-
Acquired treasury stock that was disposed of	75,000,000	156,589,302,424		
Acquired treasury stock for which transfer of shares was conducted in association with merger/stock exchange/share delivery/corporate separation	-	-	-	-
Others (Sold due to demand for sale of shares constituting less than one full unit etc.) (Note 1)	216,953	158,532,514	13,634	12,259,900
Number of shares of treasury stock held (Note 2)	37,539,482	-	46,192,188	-

(Notes) 1. The items listed in the "Others" row for the Current fiscal year column are classified into (i) Exercise of the stock options (Number of shares: 216,500 / Total disposition amount: ¥157,370,900) and (ii) Sold due to demand for sale of shares constituting less than one full unit (Number of shares: 453 / Total disposition amount: ¥1,161,614), and the items listed in the "Others" row for the Current period for acquisition column are classified into (i) Exercise of the stock options (Number of shares: 13,600 / Total disposition amount: ¥12,152,800) and (ii) Sold due to demand for sale of shares constituting less than one full unit (Number of shares: 34 / Total disposition amount: ¥107,100). Treasury stock disposed of during the current period for acquisition does not include shares constituting less than one full unit sold during the period from June 1, 2022, to the issuance date of this report.
2. Number of shares of treasury stock held during the current period for acquisition does not include shares constituting less than one full unit purchased or sold during the period from June 1, 2022, to the issuance date of this report.

3. Shareholder Return Policy

Our profit distribution policy is as follows:

・In order to increase corporate value and maximize shareholder value, we seek to maintain an optimal balance between (a) meeting investment demand in our core and growth areas through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends.

・In addition to the above, share buy-backs aimed at improving capital efficiency should be decided in a prompt and flexible manner as needed concerning buy-back timing and amount by taking into consideration the business environment, such as future investment activity trends, free cash flow and interest-bearing debt levels, and return on equity.

Our basic policy is to pay dividends from retained earnings twice a year as interim dividend and year-end dividend. The Articles of Incorporation stipulate that Mitsui may pay interim dividends, by a resolution of the Board of Directors, where September 30th of each year is set as the record date. Meanwhile, our year-end dividend shall be resolved by General Meeting of Shareholders.
It was resolved that the year-end dividend for the year ended March 31, 2022 was ¥60 per share. The annual dividend for the year ended March 31, 2022 was ¥105, including the interim dividend of ¥45 per share.

For the fiscal year ending March 31, 2023, we plan to pay an annual dividend of ¥120 per share (an increase of ¥15 from the previous fiscal year), taking into consideration of Core Operating Cash Flow and profit for the year attributable to owners of the parent as well as stability and continuity of the amount of dividend. We set this amount as the minimum dividend under the current Medium-term management plan.
We will continue to flexibly and strategically allocate funds for investment in growth and additional shareholder returns (additional dividends and share buybacks) according to the business performance during the Medium-term Management Plan period.

Dividends for the year ended March 31, 2022 were as follows:

(a) The interim dividend which the Board of Directors resolved on November 2, 2021
Total dividend amount of ¥73,297 million; ¥45 per share

(b) The year-end dividend which Ordinary General Meeting of Shareholders resolved on June 22, 2022
Total dividend amount of ¥96,289 million; ¥60 per share

4. Corporate Governance

(1) Overview of corporate governance

1) Basic Corporate Governance Policy

In structuring the corporate governance framework, Mitsui places emphasis on "improved transparency and accountability" and the "clarification of the division of roles between management oversight and execution."
For the "improved transparency and accountability," Mitsui ensures sound supervision and monitoring of management with the viewpoint of External Directors and External Audit & Supervisory Board Members (hereinafter referred to as the "External Members"). Mitsui has also established an internal control system for disclosure so that all executives and employees fulfill their accountability to stakeholders under the principle of fair disclosure. For the "clarification of the division of roles between management oversight and execution," Mitsui delegates execution of business to Managing Officers substantially while the Board of Directors retains a supervisory role over Managing Officers' business activities. Chief Operating Officers of 16 business units within headquarters and 2 regional business units serve concurrently as Managing Officers and engage in business operation for the consolidated group in a responsive and flexible manner.
While increasing the effectiveness of supervisory functions by having Audit & Supervisory Board Members, Mitsui implements corporate governance by maintaining an Audit & Supervisory Board system because it believes that having Internal Directors who are familiar with our business practices and operations is essential to the business of a general trading company. By adopting a Committee System in which External Directors and External Audit & Supervisory Board Members participate, Mitsui achieves highly effective corporate governance to secure "improved transparency and accountability" and "clarification of the division of roles between management oversight and execution." In order to realize effective corporate governance for shareholders and other stakeholders, Mitsui has established, and maintains, the following structures:

i) The Board of Directors is the highest authority for execution of business and supervision, and in order to secure this function, Mitsui has set at an appropriate number of Directors where effective discussion is possible. As advisory committees to the Board of Directors, Mitsui also has in place the Governance Committee, the Nomination Committee and the Remuneration Committee, in which External Directors and/or External Audit & Supervisory Board Members participate as members.

ii) The Audit & Supervisory Board Members supervise the Directors' execution of duties as an independent institution with the mandate of the shareholders. For this purpose, Audit & Supervisory Board Members carry out multi-faceted, effective audit activities such as attending important internal meetings, verifying reports and investigating our business, and take necessary measures in a timely manner.

Regarding Mitsui's basic views and policies on Corporate Governance, we published "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles" on Mitsui's website as follows
(https://www.mitsui.com/jp/en/company/outline/governance/system/pdf/corp_gov.pdf)

Mitsui complies with all Principles of the revised Corporate Governance Code published in June 2021. Please see the "Corporate Governance Report" which we presented to the Tokyo Stock Exchange and other stock exchanges.

2) Corporate Governance Structure of Mitsui

i) Status of the Board of Directors

- Upon the introduction of the Managing Officer System in April 2002, the number of Directors was reduced from 38 to 11 in June 2002. In June 2003, the first External Director was appointed, and since the Ordinary General Meeting of Shareholders held in June 2015, five External Directors have been appointed. As of the date of the issuance of this report, 14 Directors (including 3 female External Directors, and the percentage of female Directors is 21.4%) are appointed, 8 of whom also serve as Managing Officers.

- The number of Directors shall be set at an appropriate number where effective discussion is possible. The tenure of Directors is one year, and Directors can be reappointed.

- The Chair is a Director and is authorized to call for a meeting of the Board of Directors and to serve as the Chair of the meeting. The role as the Chair chiefly involves carrying out supervision of management. The Chair does not concurrently serve as a Managing Officer and is not involved in the execution of day-to-day business operations.

- In accordance with the Rules of the Board of Directors Regarding Resolutions and Matters to be Reported, the Board of Directors passes resolutions of fundamental policies on management of Mitsui, matters of important business operation, matters mandated by a resolution of the General Meeting of Shareholders and issues prescribed in laws and regulations and in the Articles of Incorporation. The Board of Directors also receives reports on issues prescribed in laws and regulations and the status of important business operations.

- A regular meeting of the Board of Directors is held once every month, and extraordinary meetings are held from time to time, whenever necessary. During the year ended March 31, 2022, 15 meetings were held.

- Further, the meeting composed of all External Members (hereinafter referred to as the "External Members Meeting") is held for the purpose of exchanging information and opinions regarding important matters in management among External Members, or among External Members, Internal Directors, Fulltime Audit & Supervisory Board Members, Independent Auditors and/or Managing Officers. The External Members Meeting was held 13 times in the year ended March 31, 2022, where information and opinions were exchanged regarding matters such as Market Reaction of the Financial Results for the fiscal year ended March 31, 2021, Business Overviews of the several Business Units, Activities of the Portfolio Management Committee, and Mitsui Engagement Survey in the fiscal year ended March 31, 2021 (the results of the engagement survey targeted the employees of the Company and Mitsui & Co. group), etc.

- Mitsui has established the three committees shown below as advisory bodies to the Board of Directors. Mitsui has reviewed the composition of members in order to strengthen the corporate governance structure of Mitsui in June 2015. As a result, External Members compose a majority of the Governance Committee, and an External Director serves as the committee chair of the Nomination Committee as well as the Remuneration Committee. Further, from June 2018, External Members compose a majority of the Nomination Committee. From June 2019, External Members compose a majority of the Remuneration Committee and as of the date of the issuance of this report, an External Audit & Supervisory Board Member serves as the committee chair.

- The Board of Directors is composed of the following 14 members as of the date of issuance of this report:

Name	Full-time/ External	Attendance at Board of Directors meetings in FYE March 2022 (total of 15 meetings)	Membership of Board of Directors advisory committees
Tatsuo Yasunaga	Full-time	15 times	Governance Committee, Nomination Committee
Kenichi Hori	Full-time	15 times	Governance Committee, Nomination Committee
Yoshio Kometani	Full-time	15 times	
Motoaki Uno	Full-time	11 times (*1)	
Yoshiaki Takemasu	Full-time	11 times (*1)	Remuneration Committee
Kazumasa Nakai (*2)	Full-time	-	
Tetsuya Shigeta (*2)	Full-time	-	Remuneration Committee
Makoto Sato (*2)	Full-time	-	Governance Committee
Toru Matsui (*2)	Full-time	-	
Izumi Kobayashi	External	15 times	Nomination Committee, Remuneration Committee
Jenifer Rogers	External	15 times	Governance Committee
Samuel Walsh	External	15 times	Governance Committee
Takeshi Uchiyamada	External	15 times	Nomination Committee
Masako Egawa	External	15 times	Governance Committee, Remuneration Committee

(*1) Mr. Motoaki Uno and Mr. Yoshiaki Takemasu participated in all 11 Board of Directors meetings held during the fiscal year ended March 31, 2022, after they were elected as Director in June 2021.

(*2) Mr. Kazumasa Nakai, Mr. Tetsuya Shigeta, Mr. Makoto Sato and Mr. Toru Matsui were newly elected at the Ordinary General Meeting of Shareholders held on June 22, 2022.

- Mitsui has established the three committees below as advisory bodies to the Board of Directors. The compositions of members as of the date of issuance of this report are as follows:
  - Governance Committee
    - Composition: Committee Chair Chair of the Board of Directors (Tatsuo Yasunaga)
      Members President and Chief Executive Officer (Kenichi Hori), Chief Strategy Officer (Makoto Sato), three External Directors (Jenifer Rogers, Samuel Walsh, Masako Egawa), one External Audit & Supervisory Board Member (Yuko Tamai)
    - Expected Role: To enhance management transparency and fairness and achieve sustained improvement in the Company's corporate governance by continually monitoring corporate governance and considering governance enhancement measures.
    - Function: To consider basic policies and measures concerning the governance of the Company, to consider the composition, size, and agenda of the Board of Directors, with the aim of achieving further improvement in corporate governance, and to consider the role of the Board of Directors' advisory committees, including recommendations on deliberations and discussions in meetings of the Nomination and Remuneration Committees.
  - Nomination Committee
    - Composition: Committee Chair External Director (Izumi Kobayashi)
      Members Chair of the Board of Directors (Tatsuo Yasunaga), President and Chief Executive Officer (Kenichi Hori), one External Director (Takeshi Uchiyamada), one External Audit & Supervisory Board Member (Hiroshi Ozu)
      Chief Human Resources Officer (Yoshiaki Takemasu) shall serve as Director-General.
    - Expected Role: To enhance the transparency and objectivity of processes relating to the nomination of Directors and Managing Officers through the involvement of External Members, and to ensure the fairness of Directors and Managing Officers nominations.
    - Function: To study the selection and dismissal standards and processes for nominating Directors and Managing Officers, establish succession planning for President and Chief Executive Officer and other top executives, and evaluate Director nomination proposals and to deliberate on the dismissal of Directors and Managing Officers.
  - Remuneration Committee
    - Composition: Committee Chair External Audit & Supervisory Board Member (Kimitaka Mori)
      Members Chief Financial Officer (Tetsuya Shigeta), Chief Human Resources Officer (Yoshiaki Takemasu), two External Directors (Izumi Kobayashi, Masako Egawa)
    - Expected Role: To enhance the transparency and objectivity of decision-making processes relating to remuneration for Directors and Managing Officers through the involvement of External Members, and to ensure the fairness of remuneration for Directors and Managing Officers through ongoing monitoring.
    - Function: To study the system and decision-making process relating to remuneration and bonuses for Directors and Managing Officers, and to evaluate proposals of remuneration and bonuses for Directors and proposals for evaluation and bonuses for Managing Officers.

- Each year the Board of Directors analyzes and evaluates its effectiveness as a whole, taking into consideration the relevant matters, including the self-evaluations of each Director, and discloses a summary of the results. A summary of this evaluation for the year ended March 31, 2022 is as described in 4.4.(1).4).i).(a).

<u>ii) Status of the Audit & Supervisory Board</u>

Regarding the status of the Audit & Supervisory Board, please refer to "(3) Information about audits 1) Status of the Audit conducted by Audit & Supervisory Board".

<u>iii) Overview of the agreement to limit the liabilities of the Directors and Audit & Supervisory Board Members and D&O insurance</u>

- Mitsui has entered into agreements with each of the External Directors and External Audit & Supervisory Board members pursuant to Article 427, Paragraph 1 of the Companies Act of Japan, to limit their liability to the minimum amount of liability as stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.

- Mitsui has executed a directors and officers liability insurance (D&O insurance) policy under Article 430-3, Paragraph 1 of the Companies Act of Japan, covering all of the Directors as the insureds, with insurance companies. This insurance policy covers compensation for damages and litigation expenses, etc. borne by the insured due to claims for damage compensation arising from actions (including inaction) carried out by the insured in relation to the execution of their duties, and the full insurance premium amount for the insured is borne by Mitsui.

iv) Framework for internal control and execution of business activities

- Ultimate responsibility for execution of business operations lies with the President and Chief Executive Officer. The President and Chief Executive Officer delegates authority to the Chief Operating Officers of the business units and regional business units, who, in turn, report to the President and Chief Executive Officer. The Corporate Management Committee is organized for deliberating the basic policies and important matters relating to the overall management. The Committee consists of the Chair of the Board of Directors, President and Chief Executive Officer (the committee chair), the Directors in charge of Corporate Staff Units, and Representative Directors or Managing Officers nominated by the President and Chief Executive Officer. The Corporate Management Committee is held weekly in principle. Matters referred to the Corporate Management Committee meeting are determined by the President and Chief Executive Officer, taking into consideration discussions among the Committee members.

- The Internal Auditing Division, the division positioned directly under the President and Chief Executive Officer, examines the status of development and implementation of the internal control of Mitsui. With the delisting from NASDAQ in April 2011 and the termination of SEC registration in July 2011, Mitsui has implemented the internal control framework based on Japanese regulation from the year ended March 31, 2012. Even after the transition, Mitsui maintains its internal control system by positioning the internal control as the structure by which the management controls the executive body, aiming for: (1) "Improvement of effectiveness and efficiency of operations," (2) "Compliance with accounting standards and securing reliability of financial reporting," (3) "Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy," and (4) "The safeguarding of company assets;" and consists of: "control environment," "risk assessment," "control activities," "information and communication," "monitoring," and "response to IT." These objectives and components are as stated in the basic framework designated in "Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting," issued by the advisory board to the Commissioner of the Financial Services Agency.

- Mitsui has established major committees pertaining to the execution of business and implementation of internal control as follows, and is taking measures to respond to a wide range of risks and forms of businesses, which continue to increase and diversify.

・Compliance Committee
As an organization under the Corporate Management Committee, this committee, with an attorney at law from outside Mitsui participating as an observer, develops, maintains, and improves the effectiveness of the compliance structure.

・Disclosure Committee
As an organization under the Corporate Management Committee, this committee develops principles and basic policy for statutory disclosure, timely disclosure and other important disclosure materials and disclosing acts as well as the internal structure, and discusses and determines the materiality and appropriateness of information to be disclosed.

・J-SOX Committee
As an organization under the Corporate Management Committee, this committee develops, maintains, and improves the effectiveness of the system for ensuring the reliability of our consolidated financial reporting.

・Portfolio Management Committee
As an advisory body to the Corporate Management Committee, this committee establishes the corporate portfolio strategy as well as investment and finance policies, monitors our corporate portfolios, and examines important individual proposals.

・Information Strategy Committee

As an advisory body to the Corporate Management Committee, this committee plans company-wide information and DX strategy and determines and monitors essential policies concerning establishment of a management platform and promotion of the structure of the information strategy.

・Sustainability Committee

As an organization under the Corporate Management Committee, this committee aims to promote the sustainability management at Mitsui related to Mitsui's sustainability and environmental, social, and governance (ESG) issues.

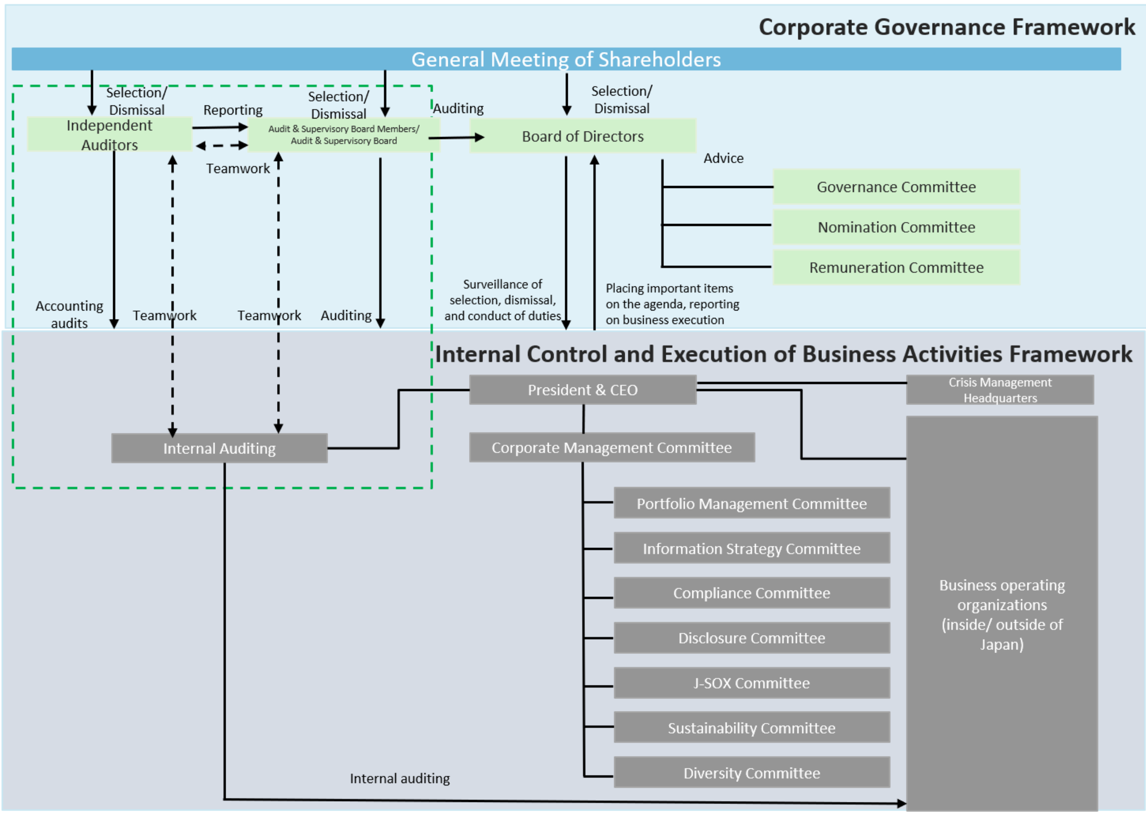
・Diversity Committee

As an advisory body to the Corporate Management Committee, this committee makes proposals regarding basic policy and the plan for diversity promotion, and formulates and implements targets set along with the plan.

・Crisis Management Headquarters

As an extraordinary and non-permanent organization under the direct rule of the President and Chief Executive Officer, the Crisis Management Headquarters exercises necessary decision making in place of normal in-house decision mechanisms relating to all conceivable matters requiring an extraordinary response. The President and Chief Executive Officer serves as head of this Headquarters.

Overview of our corporate governance and internal control framework is as follows:



3) Status of Internal Control System

In the construction of internal control processes, aiming to achieve the above mentioned objectives of the internal control process: "Improvement of effectiveness and efficiency of operations," "Compliance with accounting standards and securing reliability of financial reporting," "Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy," and "The safeguarding of company assets," the following systems are implemented.

i) Risk management system

Risks arising from business activities are monitored and managed by Chief Operating Officers of business units and regional business units within their authorization delegated from the management. Risks associated with our business include quantitative risks such as credit risk, market risk, business risk arising from subsidiaries' businesses, and country risk, as well as qualitative risks such as compliance risk and operational risk.
Measures taken by each business unit to manage quantitative risks include setting of position limits and loss-cut limits as well as monitoring of positions by divisions with relevant expertise. For the management of qualitative risks, the business units are obligated to observe related internal regulations. When a business unit or a regional business unit takes risks greater than the scope of authority granted to the Chief Operating Officers, it is necessary to obtain approval of the Corporate Management Committee or a Representative Director in charge, or a Senior Managing Officer in charge, depending on the importance of the case, in accordance with the standards of the internal approval system.

Furthermore, as stated in "2) Corporate Governance Structure of Mitsui," as committees responsible for business execution and the internal control system, organizations such as the Portfolio Management Committee, Compliance Committee, Disclosure Committee and J-SOX Committee, the Sustainability Committee, and the Crisis Management Headquarters establish and develop the risk management structures and handle significant risks. These committees consist of Managing Officers and the General Managers of Corporate Staff Units.
With respect to the risks in the fields they are in charge of, each division of the Corporate Staff Units is responsible for surveillance of the whole Company's positions, control within the prescribed range of their authority, and supporting the relevant Directors and Managing Officers.

ii) Internal control over financial reporting

As a result of the termination of the SEC registration, Mitsui has implemented the internal control framework as stipulated in the Financial Instruments and Exchange Act of Japan from the year ended March 2012. In addition to the Company-wide discipline, Mitsui has been conducting self-assessment by units subject to evaluation and testing by an independent division concerning the effectiveness of accounting and financial closing controls, IT controls, and business process level controls.
After comprehensively assessing the above, Mitsui management confirmed that internal control over financial reporting is effective for the year ended March 31, 2022.

iii) Internal controls regarding construction and management of information systems and information security

"Information Technology (IT) policy" is declared as a basic policy for IT utilization to promote further awareness raising of employees and enhancement of IT governance. The important principles for our global group information strategy are formulated in line with the corporate management policy through the discussions at the Information Strategy Committee established pursuant to the "Rules of Information Strategy Committee." Under the system centered around the Information Strategy Committee, we are enhancing the system of internal control including management of various possible risks such as information leakage and cyber-attacks through maintenance of the following rules, necessary in light of development and operation of information systems and information security.
"Rules on Information System Management": rules on the process of procurement, introduction and operation of information assets
"Rules on IT Security": code of conduct for the system supervisory divisions regarding IT security
"Rules on Information Management": basic policies in terms of information risk management system and information management

"Rules on Protection of Personal Information": rules for the handling of personal information required for business execution (Applied only in Japan)

"Rules on Cyber Security Countermeasures": rules for preventive measures against cyber-attacks and emergency countermeasures in the event of incident

iv) Compliance structure

In addition to the Compliance Committee (see "2) Corporate Governance Structure of Mitsui"), chaired by the Chief Compliance Officer, Mitsui implements a compliance management system supervised by line managers at business division and department level. Further, Compliance Supervising Officers are designated at domestic and overseas units, branch offices and others.

Mitsui has set forth the "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd." ("Guidelines") and equivalent business conduct guidelines are in place at its subsidiaries as well. Mitsui is striving to improve observance of the Guidelines through continuous monitoring and reviewing. Additionally, to further clarify our basic approach toward integrity and compliance on a global group basis, we have put together the "Mitsui & Co. Group Conduct Guidelines" to be shared by Mitsui & Co. Group companies. Please refer to the "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd." or "Mitsui & Co. Group Conduct Guidelines" released on the Mitsui's website.

Mitsui has a total of eight whistle-blowing routes in place, including those involving an external attorney at law and a third-party providing hotline services. Mitsui makes sure that its domestic affiliated companies are also able to use the whistle-blowing routes (external attorneys at law and a third-party providing hotline services) designated by Mitsui in order to (i) maintain a high standard of confidentiality and (ii) enable their employees to use these routes without uneasiness. Mitsui's overseas offices and overseas affiliated companies also have whistle-blowing systems that have been put in place after considering applicable local laws and regional characteristics. Furthermore, Mitsui prohibits treating a whistleblower disadvantageously for using the whistleblowing system under internal rules and regulations. Any instances of a compliance violation are handled strictly, including disciplinary actions in accordance with the Employment Regulations of Mitsui & Co., Ltd.

v) Systems to secure appropriateness of operations within the corporate group

In March 2006, Mitsui established the "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles" ("Principles"). In light of other laws and regulations and to the extent reasonable, Mitsui requires its subsidiaries to develop and operate internal controls based on these Principles, and for its equity accounted investees, Mitsui coordinates with other equity participants and encourages the equity accounted investees to develop and operate similar internal controls. For internal controls to secure reliability in financial reporting, see "internal control over financial reporting" above. In addition, from its officers and employees, Mitsui appoints supervising officers for its affiliated companies and has them engage in their duties based on the "Rules on Delegation of Authority for Supervising Officers for Affiliated Companies." Also, when Mitsui deploys Full-time audit & supervisory board members in major affiliated companies, Mitsui selects personnel from the Internal Auditing Division rather than from related Business Units to enhance the independence of auditing.

4) Enhancements of Corporate Governance in the year ended March 31, 2022

i) Implementation for strengthening corporate governance

Implementation for strengthening corporate governance during the year ended March 31, 2022 is as follows:

(a) Evaluation of effectiveness of the Board of Directors
The method used to evaluate the effectiveness of the Board of Directors in the year ended March 31, 2022, and the method and results of that evaluation are summarized below.

＜Evaluation method＞
(1) In January 2022, a survey ("the FYE 3/2022 Survey") of all 14 members of the Board of Directors and 5 members of the Audit & Supervisory Board was carried out. Topics covered included the composition and operations of the Board of Directors as well as the content of deliberations.
(2) On February 3, 2022 all External Directors and External Audit & Supervisory Board Members attended the External Members Meeting and shared their views on the effectiveness of the Board of Directors based on the reported results of the FYE 3/2022 Survey.
(3) The results of the FYE 3/2022 Survey and the External Members Meeting were discussed at a Governance committee meeting held on March 3, 2022.
(4) Based on the discussions at the Governance Committee meeting, the Corporate Management Committee discussed the draft evaluation of the effectiveness of the Board of Directors and the draft disclosure of the evaluation at a meeting held on March 28, 2022.
(5) Based on all the discussions listed above, at a meeting held on April 8, 2022, the Board of Directors confirmed the evaluation of the effectiveness of the Board of Directors in the year ended March 31, 2022.

＜Questionnaire items＞
Questions in the FYE 3/2022 Survey were divided into the following major categories. For each question, participants were asked to provide a score using a five-point scale. Space was also provided for free comments on each item. In addition, to allow progress toward the improvement of the effectiveness of the Board of Directors to be monitored, participants were asked to indicate the level of improvement compared with the previous fiscal year on a three-point scale.
I. Composition of the Board of Directors
II. Operations of the Board of Directors
III. Deliberations by the Board of Directors
IV. Roles and responsibilities of the Board of Directors
V. Advisory Committees
VI. Performance of duties by members of the Board of Directors and Audit & Supervisory Board
VII. Support for the Board of Directors and Audit & Supervisory Board
VIII. General

＜Effectiveness Improvement Initiatives in the year ended March 31, 2022＞
Based on the results of the evaluation of the effectiveness of the Board of Directors in the year ended March 31, 2021, the Board of Directors and Board of Directors Secretariat worked to address the following issues in the year ended March 31, 2022.

Ongoing consideration of the optimal overall number of directors, the ratio of external to internal members, the number of internal directors, and organizational design
Given the opinions put forward in the effectiveness evaluation for the year ended March 31, 2021 that there was a need for ongoing consideration of the optimal overall number of directors, the ratio of external to internal members, the number of internal directors, and organizational design, the Governance Committee discussed Mitsui & Co.'s business execution framework at a meeting on September 8, 2021, and Mitsui & Co.'s institutional design at a meeting on December 16, 2021. Participants in the FYE 3/2022 Survey commented that the current composition of Mitsui & Co.'s Board of Directors is working well given the diversity of Mitsui & Co.'s business activities, because of the scale and characteristics of Mitsui & Co.'s business activities, the Board needed to have a certain number of internal directors in order to deliberate and decide on matter to be resolved at the Board of Directors. On the other hand, others commented that the overall number is still rather high, and that we should continue to look at reducing the size of the Board.

＜Outline of Evaluation Results＞
The evaluation of the effectiveness of the Board of Directors in the year ended March 31, 2022 was confirmed on the basis of the FYE 3/2022 Survey, discussions at the External Members Meeting, and deliberations by the Governance Committee, Corporate Management Committee and Board of Directors.
・Concerning the issue "ongoing consideration of the optimal overall number of directors, the ratio of external to internal members, the number of internal directors, and organizational design", the Governance Committee discussed Mitsui & Co.'s business execution framework and institutional design at meetings in September and December 2021.
・Regarding "Composition of the Board of Directors", the diverse expertise and experience of each director is well intertwined. The diversity of external members is fully utilized.

・Regarding "Deliberations by the Board of Directors", items of agenda such as overall business strategy, business portfolio has been enhanced. In addition to sustainability, themes related to internal control such as cybersecurity have been expanded and deepened.
・Regarding "Operation of the Board of Directors", each and every topic is discussed carefully. The use of written resolutions has resulted in improvements in the number of agenda items and securing more time.
・Regarding "Advisory committees" and "Support for directors and Audit & Supervisory Board members", matters are discussed appropriately by the advisory committees as well. The Board Secretariat provides appropriate support for directors and Audit & Supervisory Board members.
・The fact that macroscopic themes were discussed at the free discussion sessions was positive. Themes necessary for future management strategy are taken up.
・It is very clear that Mitsui & Co. emphasizes governance.

Based on the preceding summary, the Board of Directors determined that an appropriate level of effectiveness was achieved in the year ended March 31, 2022. However, we will take further actions on the following issue in order to achieve further improvements in effectiveness.

＜Initiatives toward Further Improvements in Effectiveness＞

(1) Continuing consideration of high-level analysis of substantive effectiveness relating to the number of directors and the role and ratio of internal directors, based on the existing business executive structure and governance systems

The following views were expressed in the FYE 3/2022 Survey, during discussions in the External Members Meeting, and at Governance Committee meetings.

・The Board of Directors is functioning well with its present composition.
・Because of the scale and characteristics of Mitsui & Co.'s business activities, the Board needed to have a certain number of internal directors in order to deliberate and decide on matter to be resolved at the Board of Directors.
・The overall number is still rather high, and that we should continue to look at reducing the size of the Board.
・We should analyze the pros and cons of having a large number of internal directors and think a little more deeply about this approach.
・In addition to the roles that internal and external members are expected to play in relation to our governance structures, we also need to consider compatibility with the future direction toward which Mitsui & Co. aspires, and to create an essential design which is based on real requirements rather than external, pro forma standards.
・Regarding the issues such as the number of internal directors, we need to consider whether the current situation is optimal, and to adjust our approach as required while considering future needs.

In light of these views, while retaining Mitsui & Co.'s current executive and governance systems, we will continue to engage in high-level discussions and studies concerning the number of directors, the role and ratio of internal directors, and other matters toward sustainable growth.

(2) Continue with initiatives to improve the operation of the Board of Directors

In relation to the operation of the Board of Directors, we improved the selection of agenda items and operation of Board meetings, in order to allocate more time for the discussion of important matters. However, some members commented that there is a need for continuing efforts to achieve further improvements. Others expressed the view that it is necessary to continue to further improve providing information, selecting appropriate agenda, managing the operation, and support by the secretariat, recognizing that information and awareness gaps between the internal members and the external members are easy to widen naturally.

Based on these opinions, we will continue our initiatives to improve the operation of the Board of Directors, by improving agenda selection and operation of the Board meetings to enable the Board of Directors to focus more on deliberations about important matters, and by continuing to enhance the provision of information to external members.

The Board of Directors will continue its efforts to achieve sustainable improvement in Mitsui & Co.'s corporate value by taking measures to further enhance its effectiveness, including taking into consideration the aspects outlined above, and by providing effective supervision of management.

(b) Other initiatives

- The status of meetings held in the year ended March 31, 2022 by the three Committees that are advisory bodies to the Board of Directors is as follows:
  ・The Governance Committee was held five times in the year ended March 31, 2022, and carried out a discussion in relation to our response to revised Corporate Governance Code, institutional design based on our frameworks for business execution, review of standards on matters to be resolved/reported at the Board of Directors and the Evaluation of Effectiveness of the Board of Directors while taking into consideration the viewpoint of the External Members.
  ・The Nomination Committee was held five times in the year ended March 31, 2022, and discussed Consideration/Deliberation of selection of Director candidates based on Skill Matrix, and deliberation of plan of Internal Directors.
  ・The Remuneration Committee was held seven times in the year ended March 31, 2022, and carried out a discussion in relation to re-evaluation of the remuneration system and level towards the contribution of medium- to long-term corporate value under global competitive environment etc.

- The External Members Meetings:
  ・The External Members Meetings were held 13 times in the year ended March 31, 2022, where External Directors, External Audit & Supervisory Board Members, Internal Directors, Full-time Audit & Supervisory Board Members, Independent Auditors and Managing Officers exchanged information and opinions regarding matters such as the Market Reaction of the Financial Results for the fiscal year ended March 31, 2021, Business Overviews of the several Business Units, Activities of the Portfolio Management Committee, and Mitsui Engagement Survey in the fiscal year ended March 31, 2021 (the results of the engagement survey targeted the employees of the Company and Mitsui & Co. group), etc.

ii) Measures for strengthening internal controls

The efforts made by the committees regarding execution of business activities and internal controls in the year ended March 31, 2022 are as follows:

- At the meeting of the Compliance Committee four times per year, the Corporate Management Committee and the Board of Directors twice each year, compliance-related matters are reported, and active discussion are held to review Mitsui's responses to compliance issues and the compliance policies, for the purpose of maintaining and improving the effectiveness of the compliance structure. In order to improve the awareness and knowledge of compliance issues among its officers and employees and instill integrity, Mitsui shared a handbook to all the employees, and conducted various compliance training sessions. Further, in November 2021, Mitsui established the With Integrity Month with the theme of "With Integrity for All Mitsui," carried out various activities such as seminars, exchanges of opinions and information, and so on. The compliance awareness survey was also conducted at Mitsui and its major affiliated companies located in Japan, in order to assess the awareness level of the group and to improve our compliance structure. Mitsui has also assisted compliance of these affiliated companies by holding seminars, sharing the "Compliance Handbook for Mitsui Group companies" and also offering "Guidelines on the Establishment of Compliance Systems at Affiliated Companies" to contribute to the development and operation of an effective compliance system. Furthermore, in order to further strengthen the detective and control, Mitsui encourages the use of the whistle-blowing system through continuous messaging from the Chief Compliance Officer and other officers, displaying posters in office spaces, and releasing a video introducing the whistle-blowing system on the intranet. In addition, Mitsui has a special whistleblowing hotline for reporting and seeking advice for incidents that breach the laws of Japan or other countries regarding anti-trust (monopoly) laws or anti-corruption laws, or cases that give rise to the suspicion of such breaches. Whistleblowing reports from officers and employees of overseas offices and other subsidiaries in Japan and overseas received via this hotline are handled in an integrated manner by the Compliance Department belonging to Mitsui's head office Legal Division.

- The Disclosure Committee met four times. The Committee established a disclosure principles and basic policy for various disclosure materials and determined the adequacy of the contents of such materials.

- The J-SOX Committee met three times. The Committee understood the company-wide status of internal control over financial reporting for the year ended March 31, 2022 and studied company-wide measures to keep and improve the effectiveness of internal control.

- The Portfolio Management Committee met eight times. The Committee continued to provide appropriate risk management at the company-wide level by monitoring portfolios across the entire company, discussing portfolio strategies from the perspectives of asset efficiency and sustainability, verifying progress on company-wide cash flow allocations and reviewing action policies and strategies in the Strategic Focus areas identified in the Medium-term Management Plan.

- The Information Strategy Committee met nine times. The Committee monitored the progress of "DX Comprehensive Strategy" formulated in the year ended March 31, 2021, which consists of DX Business Strategy, Data Driven (DD) Management Strategy, and DX HR Strategy, and reviewed and discussed various initiatives such as structure expansion / inspection / training to respond to cyber-attack, Mitsui's intranet renewal, next-generation personnel system policy, outlines of amendments to the Act on the Protection of Personnel Information and our responses, and digital marketing initiative policy, etc.

- The Sustainability Committee met seven times. The Committee reviewed and discussed various initiatives such as formulation of the roadmap to 2030 emission targets and procurement policies for specific commodities in relation to supply chain management, and policy on operation, management and utilization of Mitsui's forest.

- In this fiscal year ended March 31, 2022, the Diversity Committee welcomed 5 members, including an Executive Vice President from an overseas office and Business Unit Chief Operating Officers (including 3 females and 1 non-Japanese) in addition to the Chair of the Committee, Human Resources & General Affairs Division G.M. and Corporate Planning Division G.M. The Committee was held three times during the year to monitor KPIs and action plans related to the development of female talent in Japan and talent hired outside the head office. It also confirmed results of the Mitsui Engagement Survey as an initiative to achieve and organization that "Thrives on diversity" and discussed D&I related initiatives for the organization.

5) Other regulations in Mitsui's Articles of Incorporation

i) Resolution requirements for appointment of Directors

Regarding resolutions for the appointment of Directors, our Articles of Incorporation set forth that attendance of shareholders who hold one-third or more of the voting rights of the shareholders who can exercise voting rights is necessary. The Articles of Incorporation also set forth that resolutions for the appointment of Directors may not be made with cumulative voting.

ii) Decision-making body for buying back Company's own shares

In order to enable the execution of a flexible and swift capital policy, the Articles of Incorporation set forth that Mitsui may acquire its own shares by means of a market transaction upon a resolution of the Board of Directors.

iii) Requirements for special resolutions of the General Meeting of Shareholders

For smooth management of the General Meeting of the Shareholders, the Articles of Incorporation set forth that a resolution of the General Meeting of Shareholders as specified by Article 309, Paragraph 2 of the Companies Act of Japan is valid if the shareholders who have at least one-third of the total voting rights attend the meeting and of which two-thirds of the votes support such resolution.

iv) Interim dividend

In order to enable profits to be returned to shareholders in a flexible and swift manner, the Articles of Incorporation set forth that Mitsui may pay interim dividends, upon a resolution by the Board of Directors, with September 30 set as the record date each year.

v) Limitation of liability of Directors and Audit & Supervisory Board Members

In order to enable Directors and Audit & Supervisory Board Members to fully carry out the role that is expected of them in the execution of their duties, the Articles of Incorporation set forth that, upon a resolution of the Board of Directors, the liability of Directors and Audit & Supervisory Board Members may be limited to the extent determined by the applicable laws and regulations.

(2) Information about Directors (and other officers)

1) List of Directors

15 male Directors and Audit & Supervisory Board Members and 4 female Directors and an Audit & Supervisory Board Member (percentage of female: 21.1%)

Directors

Name ***Tatsuo Yasunaga (1)***
Date of Birth December 13, 1960
Shareholdings as of March 31, 2022 300,708

Prior Positions	・1983/4	Joined Mitsui & Co., Ltd.
	・2013/4	Managing Officer, Chief Operating Officer of Integrated Transportation Systems Business Unit
	・2015/4	President and Chief Executive Officer
	・2015/6	Representative Director, President and Chief Executive Officer
	・2021/4	Representative Director, Chair of the Board of Directors (current position)

Name ***Kenichi Hori (1)***
Date of Birth January 2, 1962
Shareholdings as of March 31, 2022 88,860

Prior Positions	・1984/4	Joined Mitsui & Co., Ltd.
	・2014/4	Managing Officer, General Manager of Corporate Planning & Strategy Division
	・2016/4	Managing Officer, Chief Operating Officer of Nutrition & Agriculture Business Unit
	・2017/4	Executive Managing Officer, Chief Operating Officer of Nutrition & Agriculture Business Unit
	・2018/4	Executive Managing Officer
	・2018/6	Representative Director, Executive Managing Officer
	・2019/4	Representative Director, Senior Executive Managing Officer
	・2021/4	Representative Director, President and Chief Executive Officer (current position)

Name ***Yoshio Kometani (1)***
Date of Birth April 11, 1962
Shareholdings as of March 31, 2022 51,925

Prior Positions	・1985/4	Joined Mitsui & Co., Ltd.
	・2015/4	Managing Officer, Deputy Chief Operating Officer of Asia Pacific Business Unit
	・2016/4	Managing Officer, Chief Operating Officer of Infrastructure Projects Business Unit
	・2019/4	Executive Managing Officer
	・2019/6	Representative Director, Executive Managing Officer
	・2020/4	Representative Director, Senior Executive Managing Officer, Chief Digital Information Officer
	・2022/4	Representative Director, Executive Vice President, Chief Digital Information Officer (current position)

Name ***Motoaki Uno (1)***
Date of Birth August 18, 1960
Shareholdings as of March 31, 2022 54,893

Prior Positions	・1984/4	Joined Mitsui & Co., Ltd.
	・2016/4	Managing Officer, President & CEO of P.T. Mitsui Indonesia
	・2019/4	Executive Managing Officer, President & CEO of P.T. Mitsui Indonesia
	・2020/4	Executive Managing Officer, Chief Operating Officer of Asia Pacific Business Unit; CEO, Mitsui & Co. (Asia Pacific) Pte. Ltd.
	・2021/4	Senior Executive Managing Officer
	・2021/6	Representative Director, Senior Executive Managing Officer (current position)

Name ***Yoshiaki Takemasu (1)***
Date of Birth August 30, 1962
Shareholdings as of March 31, 2022 27,797

Prior Positions	・1985/4	Joined Mitsui & Co., Ltd.
	・2018/4	Managing Officer, General Manager of Human Resources & General Affairs Division
	・2021/4	Executive Managing Officer, Chief Human Resources Officer, Chief Compliance Officer
	・2021/6	Representative Director, Executive Managing Officer, Chief Human Resources Officer, Chief Compliance Officer
	・2022/4	Representative Director, Senior Executive Managing Officer, Chief Human Resources Officer, Chief Compliance Officer (current position)

Name ***Kazumasa Nakai (1)***
Date of Birth August 29, 1963
Shareholdings as of March 31, 2022 30,953

Prior Positions	・1987/4	Joined Mitsui & Co., Ltd.
	・2019/4	Managing Officer, Chief Operating Officer of Infrastructure Projects Business Unit
	・2022/4	Executive Managing Officer
	・2022/6	Representative Director, Executive Managing Officer (current position)

Name ***Tetsuya Shigeta (1)***
Date of Birth October 31, 1963
Shareholdings as of March 31, 2022 35,533

Prior Positions	・1987/4	Joined Mitsui & Co., Ltd.
	・2019/4	Managing Officer, General Manager of Global Controller Division
	・2022/4	Executive Managing Officer, Chief Financial Officer
	・2022/6	Representative Director, Executive Managing Officer, Chief Financial Officer (current position)

Name ***Makoto Sato (1)***
Date of Birth May 19, 1966
Shareholdings as of March 31, 2022 22,251

Prior Positions	・1990/4	Joined Mitsui & Co., Ltd.
	・2020/4	Managing Officer, General Manager of Investment Administrative Division
	・2022/4	Executive Managing Officer, Chief Strategy Officer
	・2022/6	Representative Director, Executive Managing Officer, Chief Strategy Officer (current position)

Name ***Toru Matsui (1)***
Date of Birth February 24, 1967
Shareholdings as of March 31, 2022 26,394

Prior Positions
- 1990/4 Joined Mitsui & Co., Ltd.
- 2020/4 Managing Officer, Chief Operating Officer of Energy Solutions Business Unit
- 2021/4 Managing Officer, Chief Operating Officer of Energy Business Unit I and Chief Operating Officer of Energy Solutions Business Unit
- 2022/4 Executive Managing Officer
- 2022/6 Representative Director, Executive Managing Officer

Name ***Izumi Kobayashi (1)***
Date of Birth January 18, 1959
Shareholdings as of March 31, 2022 5,640

Prior Positions
- 1981/4 Joined Mitsubishi Chemical Industries, Ltd. (currently Mitsubishi Chemical Corporation)
- 1985/6 Joined Merrill Lynch Futures Japan Inc.
- 2001/12 President, Merrill Lynch Japan Securities Co., Ltd.
- 2002/7 External Director, Osaka Securities Exchange Co., Ltd.
- 2008/11 Executive Vice President, Multilateral Investment Guarantee Agency, World Bank Group
- 2014/6 External Director, Mitsui & Co., Ltd. (current position)

Name ***Jenifer Rogers (1)***
Date of Birth June 22, 1963
Shareholdings as of March 31, 2022 7,799

Prior Positions
- 1989/9 Joined Haight Gardner Poor & Havens (currently Holland & Knight LLP)
- 1990/12 Registered as Attorney at Law admitted in New York
- 1991/2 Joined Industrial Bank of Japan Limited, New York Branch (currently Mizuho Bank)
- 1994/12 Joined Merrill Lynch Japan Securities Co., Ltd.
- 2000/11 Merrill Lynch Europe Plc
- 2006/7 Bank of America Merrill Lynch (Hong Kong)
- 2012/11 General Counsel Asia, Asurion Asia Pacific Limited (Hong Kong)
- 2014/11 General Counsel Asia, Asurion Japan Holdings G.K. (current position)
- 2015/6 External Director, Mitsui & Co., Ltd. (current position)
- 2018/6 External Director, Kawasaki Heavy Industries, Ltd. (current position)
- 2019/6 External Director, Nissan Motor Co., Ltd. (current position)
- 2021/1 President, American Chamber of Commerce in Japan
- 2022/5 External Director, Seven & i Holdings Co., Ltd. (current position)

Name ***Samuel Walsh (1)***
Date of Birth December 27, 1949
Shareholdings as of March 31, 2022 11,000

Prior Positions
- 1972/2 Joined General Motors Holden's Limited
- 1987/6 Joined Nissan Motor Australia
- 1991/9 Joined Rio Tinto Limited
- 2013/1 Chief Executive Officer, Rio Tinto Limited
- 2017/6 External Director, Mitsui & Co., Ltd. (current position)

Name ***Takeshi Uchiyamada (1)***
Date of Birth August 17, 1946
Shareholdings as of March 31, 2022 12,885

Prior Positions	・1969/4	Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)
	・1998/6	Member of the Board of Directors, Toyota Motor Corporation
	・2001/6	Managing Director, Toyota Motor Corporation
	・2003/6	Senior Managing Director, Toyota Motor Corporation
	・2005/6	Executive Vice President, Toyota Motor Corporation
	・2012/6	Vice Chairman of the Board of Directors, Toyota Motor Corporation
	・2013/6	Chairman of the Board of Directors, Toyota Motor Corporation (current position)
	・2019/6	External Director, Mitsui & Co., Ltd. (current position)

Name ***Masako Egawa (1)***
Date of Birth September 7, 1956
Shareholdings as of March 31, 2022 3,170

Prior Positions	・1980/4	Joined Tokyo Branch, Citibank, N.A.
	・1986/9	Joined New York Headquarters, Salomon Brothers Inc.
	・1988/6	Joined Tokyo Branch, Salomon Brothers Asia Securities (currently Citigroup Global Markets Japan Inc.)
	・1993/12	Joined Tokyo Branch, S.G. Warburg (currently UBS Securities Japan Co. Ltd.)
	・2001/11	Executive Director, Japan Research Center, Harvard Business School
	・2009/4	Executive Vice President, The University of Tokyo
	・2014/3	External Director, Asahi Glass Co., Ltd. (currently AGC Inc.)
	・2015/6	External Director, Tokio Marine Holdings, Inc. (current position)
	・2015/6	External Director, Mitsui Fudosan Co., Ltd.
	・2015/9	Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University
	・2019/7	Vice-Chairman, Chair of Self-regulation Board, The Japan Securities Dealers Association (current position)
	・2020/4	Specially Appointed Professor, Graduate School of Business Administration, Hitotsubashi University
	・2020/6	External Director, Mitsui & Co., Ltd. (current position)
	・2022/4	Chancellor, School Juridical Person Seikei Gakuen (current position)

Audit & Supervisory Board Members

Name	***Makoto Suzuki (2)***	
Date of Birth	April 13, 1958	
Shareholdings as of March 31, 2022		88,321

Prior Positions	・1981/4	Joined Mitsui & Co., Ltd.
	・2011/4	Managing Officer, Chief Representative of Mitsui & Co., Ltd. in South West Asia
	・2013/4	Executive Managing Officer, Chief Representative of Mitsui & Co., Ltd. in South West Asia
	・2015/4	Senior Executive Managing Officer, Chief Compliance Officer
	・2015/6	Representative Director, Senior Executive Managing Officer, Chief Compliance Officer
	・2017/4	Representative Director, Executive Vice President, Chief Compliance Officer
	・2019/4	Director
	・2019/6	Full-time Audit & Supervisory Board Member (current position)

Name	***Kimiro Shiotani (2)***	
Date of Birth	October 14, 1960	
Shareholdings as of March 31, 2022		13,336

Prior Positions	・1984/4	Joined Mitsui & Co., Ltd.
	・2015/4	Managing Officer, General Manager, Global Controller Division
	・2019/4	Managing Officer, Audit & Supervisory Board Member Division
	・2019/6	Full-time Audit & Supervisory Board Member (current position)

Name	***Hiroshi Ozu (2)***	
Date of Birth	July 21, 1949	
Shareholdings as of March 31, 2022		2,301

Prior Positions	・1974/4	Appointed as Public Prosecutor
	・2007/7	Vice Minister of Justice
	・2012/7	Attorney General
	・2014/9	Registered as Attorney at Law
	・2015/6	External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)

Name	***Kimitaka Mori (3)***	
Date of Birth	June 30, 1957	
Shareholdings as of March 31, 2022		6,792

Prior Positions	・1980/4	Joined Shinwa Accountants (currently KPMG AZSA LLC)
	・2000/6	Representative Partner
	・2004/6	Director of financial services
	・2006/6	Board Member
	・2011/7	Chairman, KPMG FS Japan
	・2013/7	Established Mori Certified Public Accountant Office
	・2013/7	Chairman and President, The Japanese Institute of Certified Public Accountants
	・2016/7	Senior Advisor, The Japanese Institute of Certified Public Accountants (current position)
	・2017/6	External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)

Name	***Yuko Tamai (4)***	
Date of Birth	November 28, 1965	
Shareholdings as of March 31, 2022		-

Prior Positions	・1994/4	Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
	・2000/9	Worked at Covington & Burling LLP, Washington, D.C.
	・2001/5	Returned to Nagashima Ohno & Tsunematsu
	・2003/1	Partner, Nagashima Ohno & Tsunematsu (current position)
	・2015/6	External Audit & Supervisory Board Member, Japan Bank for International Cooperation (current position) (scheduled to retire in June 2022)
	・2017/6	External Director, Mitsui Sugar Co., Ltd.
	・2017/8	Member of the Study Group for Japanese Companies' Cross-border M&A at the Ministry of Economy, Trade and Industry (METI)
	・2018/11	Member of the Fair M&A Study Group at METI
	・2019/4	Commissioner (part-time) of Certified Public Accountants and Auditing Oversight Board (current position)
	・2022/6	External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)

(1) Current term of office will expire at the close of the Ordinary General Meeting of Shareholders with respect to the last business year ending within one year from the election as Director in June 2022.
(2) Current term of office will expire at the close of the Ordinary General Meeting of Shareholders with respect to the last business year ending within four years from the election as Audit & Supervisory Board Member in June 2019.
(3) Current term of office will expire at the close of the Ordinary General Meeting of Shareholders with respect to the last business year ending within four years from the election as Audit & Supervisory Board Member in June 2021.
(4) Current term of office will expire at the close of the Ordinary General Meeting of Shareholders with respect to the last business year ending within four years from the election as Audit & Supervisory Board Member in June 2022.
(5) Ms. Izumi Kobayashi, Ms. Jenifer Rogers, Mr. Samuel Walsh, Mr. Takeshi Uchiyamada and Ms. Masako Egawa are External Directors.
Mr. Hiroshi Ozu, Mr. Kimitaka Mori and Ms.Yuko Tamai are External Audit & Supervisory Board Members.
Mr. Makoto Suzuki and Mr. Kimiro Shiotani are Full-time Audit & Supervisory Board Members.

Mitsui introduced the Managing Officer System in April 2002. Managing Officers as of June 22, 2022 are as follows: (* Serves concurrently as Director)

Managing Officers

Name	Title and Principal Positions
Kenichi Hori *	President and Chief Executive Officer; Head of Crisis Management Headquarters
Yoshio Kometani*	Executive Vice President; Chief Digital Information Officer; Integrated Digital Strategy Division; Energy Solutions Business Unit; Infrastructure Projects Business Unit; Mobility Business Unit I; Mobility Business Unit II; IT & Communication Business Unit; Chair of Portfolio Management Committee; Chair of Information Strategy Committee
Sayu Ueno	Executive Vice President; Chief Operating Officer of Americas Business Unit
Motoaki Uno*	Senior Executive Managing Officer; Iron & Steel Products Business Unit; Mineral & Metal Resources Business Unit; Corporate Development Business Unit; Asia Pacific Business Unit; Regional Blocs (East Asia Bloc, CIS Bloc, Mitsui & Co. Korea Ltd.)
Yoshiaki Takemasu*	Senior Executive Managing Officer; Chief Human Resources Officer; Chief Compliance Officer; Corporate Staff Units (Audit & Supervisory Board Member Division, Secretariat, Human Resources & General Affairs Division, Legal Division, Logistics Strategy Division, New Head Office Building Development Department); Business Continuity Plan Management; New Headquarter Project; Japan Bloc; Regional Blocs (Europe Bloc, Middle East and Africa Bloc); Chair of Compliance Committee; Chair of Diversity Committee; Head of Emergency Management Headquarters
Shinsuke Kitagawa	Senior Executive Managing Officer; President & CEO of Mitsui Global Strategic Studies Institute
Koji Nagatomi	Senior Executive Managing Officer; Chief Operating Officer of Asia Pacific Business Unit
Hiroshi Meguro	Senior Executive Managing Officer; Chief Regional Representative in CIS
Hirohiko Miyata	Senior Executive Managing Officer; Chief Representative of Europe Bloc
Takeo Kato	Executive Managing Officer; President of Mitsui & Co. (Thailand) Ltd
Yuki Kodera	Executive Managing Officer; President of Mitsui & Co. (Brasil) S.A.
Yoshiki Hirabayashi	Executive Managing Officer; General Manager of Human Resources & General Affairs Division
Motoyasu Nozaki	Executive Managing Officer; Chief Operating Officer of Energy Business Unit II
Masahiro Moriyasu	Executive Managing Officer; Chief Representative of East Asia Bloc
Kohei Takata	Executive Managing Officer; Deputy Chief Operating Officer of Asia Pacific Business Unit
Shinichi Kikuchihara	Executive Managing Officer; President & CEO of P.T. Mitsui Indonesia
Tetsuya Daikoku	Executive Managing Officer; Chief Operating Officer of Mobility Business Unit I
Kazumasa Nakai*	Executive Managing Officer; Nutrition & Agriculture Business Unit; Food Business Unit; Retail Business Unit; Wellness Business Unit
Tetsuya Shigeta*	Executive Managing Officer; Chief Financial Officer; Corporate Staff Units (CFO Planning & Administrative Division, Global Controller Division, Finance Division, Risk Management Division, Investor Relations Division, Financial Management & Advisory Division I, II, III, IV); Chair of Disclosure Committee; Chair of J-SOX Committee
Takashi Furutani	Executive Managing Officer; Chief Operating Officer of Basic Materials Business Unit
Makoto Sato*	Executive Managing Officer; Chief Strategy Officer; Corporate Staff Units (Corporate Planning & Strategy Division, Investment Administrative Division, Corporate Communications Division, Corporate Sustainability Division); Chair of Sustainability Committee
Toru Matsui*	Executive Managing Officer; Energy Business Unit I; Energy Business Unit II; Basic Materials Business Unit; Performance Materials Business Unit; Americas Business Unit
Yumi Yamaguchi	Managing Officer; Deputy Chief Strategy Officer; Deputy Chief Digital Information Officer
Shinichi Hori	Managing Officer; General Manager of Osaka Office
Masaharu Okubo	Managing Officer; Country Chairperson in India
Tatsuya Okamoto	Managing Officer; Chief Operating Officer of Mobility Business Unit II
Yuji Mano	Managing Officer; General Manager of Integrated Digital Strategy Division
Masato Sugahara	Managing Officer; Chair & CEO of Mitsui & Co. (Australia) Ltd

Name	Title and Principal Positions
Atsushi Kawase	Managing Officer; General Manager of Internal Auditing Division
Koichi Fujita	Managing Officer; Chief Operating Officer of Iron & Steel Products Business Unit
Yoshiyuki Enomoto	Managing Officer; General Manager of Financial Management & Advisory Division II
Yoichiro Endo	Managing Officer; Chief Operating Officer of Food Business Unit
Takeshi Akutsu	Managing Officer; Chief Operating Officer of Wellness Business Unit
Makoto Takasugi	Managing Officer; Director of PT CT Corpora (located in Jakarta)
Isao Kohiyama	Managing Officer; Chief Operating Officer of IT & Communication Business Unit
Tsutomu Osada	Managing Officer; Chief Operating Officer of Retail Business Unit
Yuichi Takano	Managing Officer; General Manager of Legal Division
Hiroshi Kakiuchi	Managing Officer; Chief Operating Officer of Performance Materials Business Unit
Kenichiro Yamaguchi	Managing Officer; General Manager of Investment Administrative Division
Tetsuya Fukuda	Managing Officer; Chief Operating Officer of Mineral & Metal Resources Business Unit
Tetsu Watanabe	Managing Officer; Chief Operating Officer of Nutrition & Agriculture Business Unit
Toru Iijima	Managing Officer; Chief Operating Officer of Energy Business Unit I; Chief Operating Officer of Energy Solutions Business Unit
Koichi Wakana	Managing Officer; Chief Operating Officer of Infrastructure Projects Business Unit
Makoto Tanaka	Managing Officer; General Manager of Finance Division
Masaya Inamuro	Managing Officer; General Manager of Corporate Planning & Strategy Division
Daisuke Ishida	Managing Officer; Chief Operating Officer of Corporate Development Business Unit

2) Status of External Members

i) Relationship with External Directors and reasons for their appointments; policy regarding their independence

- The prospective person's extensive business experience and knowledge are required to deliberate on such Board of Directors meeting proposals as investments and loans, and knowledge of his or her particular area of business is used.

- Mitsui puts great value on ensuring independence of the External Directors from Mitsui in the pursuit of their management oversight functions. Also, with a view to overseeing business operations in a way that reflects the standpoint of our diverse stakeholders, in selecting External Directors, Mitsui takes into consideration the fields from which candidates originate, along with their gender.

- Given that Mitsui is a general trading company with extensive business dealings, it has been decided to make appropriate efforts by the Board of Directors to handle likely conflicts of interest involving the prospective External Directors in individual transactions with external parties.

The five External Directors that were appointed at the Ordinary General Meeting of Shareholders held on June 22, 2022, their relationships with Mitsui, and the reasons for their appointment are as follows. Regarding shareholdings of External Directors, see "(2) Information about Directors (and other officers) 1) List of Directors."

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Director at Mitsui
Izumi Kobayashi (Since June 2014)	Mitsui paid membership fees and made donations to the Japan Association of Corporate Executives, where Ms. Kobayashi had served as Vice Chairperson until April 2019, but the yearly amount paid in each of the last three (3) fiscal years was below the standard amount for donations and aid funds (¥10 million) established by Mitsui's Criteria of Independence for External Members. From the above, Mitsui has determined that there is nothing that would affect the independence of Ms. Kobayashi as External Director. Other than the above, there is no special interest between Ms. Kobayashi and Mitsui. Therefore, Ms. Kobayashi is deemed to appropriately carry out her duties as the independent and neutral External Director.	Ms. Kobayashi has deep insight in organizational management and risk management for generating innovation, which she has accumulated through her experience working as the representative of private sector financial institutions and a multilateral development bank. She speaks out actively from diverse perspectives at the Board of Directors meetings, making a significant contribution to deepening the discussion. In the year ended March 31, 2022, she served as the Chair of the Nomination Committee, and exercised strong leadership in enhancing the transparency and effectiveness, including the CEO succession plan. In addition, as a member of the Remuneration Committee, she contributed to the discussions related to the redesign of executive remuneration and evaluation system. In view of these points, we appointed Ms. Kobayashi as External Director so that she may continue to advise and supervise the Company's management.
Jenifer Rogers (Since June 2015)	There is no special interest between Ms. Rogers and Mitsui. Therefore, Ms. Rogers is deemed to appropriately carry out her duties as the independent and neutral External Director.	Ms. Rogers has a global perspective and deep insight in risk management cultivated through her experience working for international financial institutions and her experience in legal work as an in-house counsel. She makes many useful comments concerning risk control at the Board of Directors meetings, making a significant contribution to enhancing the supervision function of the Board of Directors. In the year ended March 31, 2022, she served as a member of the Governance Committee, actively provided her opinions with the aim of creating a highly transparent governance system. In view of these points, we appointed Ms. Rogers as External Director so that she may continue to advise and supervise the Company's management.

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Director at Mitsui
Samuel Walsh (Since June 2017)	There is no special interest between Mr. Walsh and Mitsui. Therefore, Mr. Walsh is deemed to appropriately carry out his duties as the independent and neutral External Director.	Mr. Walsh has global expertise and excellent management skills cultivated through his long years working in upper management within the automobile industry and as chief executive officer of an international natural resources company. At the Board of Directors meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his abundant business management experience, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the year ended March 31, 2022, he served as a member of the Governance Committee, actively provided his opinions with the aim of creating a highly transparent governance system. He has diverse perspectives based on global corporate management experience and expertise and knowledge related to capital policy and business investment. We appointed Mr. Walsh as External Director so that he may continue to advise and supervise the Company's management.
Takeshi Uchiyamada (Since June 2019)	Mitsui and its consolidated subsidiaries sell metal products to Toyota Motor Corporation, at which Mr. Uchiyamada has served as Director; however, the yearly amount of sales in each of the last three (3) fiscal years is less than 0.2% of the annual consolidated transaction volume of Toyota Motor Corporation and Mitsui. In addition, Mitsui and its consolidated subsidiaries purchase automobiles and automobile components from Toyota Motor Corporation, but the yearly amount paid in each of the last three (3) fiscal years is less than 0.8% of the annual consolidated transaction volume of Toyota Motor Corporation and Mitsui. From the above, Mitsui has determined that there is nothing that would affect the independence of Mr. Uchiyamada as External Director. Other than the above, there is no special interest between Mr. Uchiyamada and Mitsui. Therefore, Mr. Uchiyamada is deemed to appropriately carry out his duties as the independent and neutral External Director.	Mr. Uchiyamada has long been involved in research on environmental and safety technologies at Toyota Motor Corporation that could realize a mobility society responding to the needs of the times, as well as in the development of products demanded by consumers, and has been exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. At the Board of Directors meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his management experience at a global company and his in-depth knowledge of society in general, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the year ended March 31, 2022, he served as a member of the Nomination Committee, and contributed to the discussions with the aim of enhancing the transparency and effectiveness of the procedures for the appointment of executives, including the CEO succession plan. In view of these points, we appointed Mr. Uchiyamada as External Director so that he may continue to advise and supervise the Company's management.

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Director at Mitsui
Masako Egawa (Since June 2020)	There is no special interest between Ms. Egawa and Mitsui. Therefore, Ms. Egawa is deemed to appropriately carry out her duties as the independent and neutral External Director.	Ms. Egawa has deep insight in finance and corporate management gained through her experience of management as a director of the University of Tokyo, her many years of experience working at global financial institutions, and her research on management and corporate governance at Japanese companies. Her broad range of public contributions includes the activities at the Japan-United States Educational Commission and councils of the Ministry of Finance. In the year ended March 31, 2022, she served as a member of the Governance Committee, actively provided her opinions with the aim of creating a highly transparent governance system. In addition, as a member of the Remuneration Committee, she contributed to the discussions related to the redesign of executive remuneration system and evaluation system. Although Ms. Egawa has no direct experience participating in corporate management, considering the above, we appointed Ms. Egawa as External Director so that she may advise and supervise the Company's management.

(*) As of the time of issuance of this report, concurrent positions in other organizations held by External Directors are mainly as follows:

Name	Concurrent positions in other organizations held by External Directors
Izumi Kobayashi	External Director, ANA HOLDINGS INC. External Director, Mizuho Financial Group, Inc. External Director, OMRON Corporation
Jenifer Rogers	General Counsel Asia, Asurion Japan Holdings G.K. External Director, Kawasaki Heavy Industries, Ltd. External Director, Nissan Motor Co., Ltd. External Director, Seven & i Holdings Co., Ltd.
Samuel Walsh	Chairman of the Board, Gold Corporation (Australia) the Perth Mint
Takeshi Uchiyamada	Chairman of the Board of Directors, Toyota Motor Corporation External Director, JTEKT CORPORATION JTEKT CORPORATION is an equity accounted associated companies of Toyota Motor Corporation.
Masako Egawa	External Director, Tokio Marine Holdings, Inc. Chancellor, School Juridical Person Seikei Gakuen

ii) Activities of External Directors in the year ended March 31, 2022

The activities of External Directors in the year ended March 31, 2022 were as follows:

Name	Major activities
Izumi Kobayashi	Ms. Kobayashi participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. She has deep insight in organizational management and risk management for generating innovation, which she has accumulated through her experience working as the representative of private sector financial institutions and a multilateral development bank. She speaks out actively from diverse perspectives at the Board of Directors meetings, making a significant contribution to deepening the discussion. In the year ended March 31, 2022, she served as the Chair of the Nomination Committee (attending all 5 such meetings) and exercised strong leadership in enhancing the transparency and effectiveness of the procedures for the CEO succession plan. In addition, as a member of the Remuneration Committee (attending all 7 such meetings), she contributed to the discussions related to the redesign of executive remuneration and evaluation system.
Jenifer Rogers	Ms. Rogers participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. She has a global perspective and deep insight in risk management cultivated through her experience working for international financial institutions and her experience in legal work as an in-house counsel. She makes many useful comments concerning risk control at the Board of Directors meetings, making a significant contribution to enhancing the supervision function of the Board of Directors. In the year ended March 31, 2022, she served as a member of the Governance Committee (attending all 5 such meetings), and actively provided her opinions with the aim of creating a highly transparent governance system.
Samuel Walsh	Mr. Walsh participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. He makes proposals and suggestions from a broad-minded standpoint based on his global expertise, excellent managerial skill, and abundant business management experience cultivated through his long years working in upper management within the automobile industry and as chief executive officer of an international natural resources company, making significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the year ended March 31, 2022, he served as a member of the Governance Committee (attending all 5 such meetings), and actively provided his opinions with the aim of creating a highly transparent governance system.
Takeshi Uchiyamada	Mr. Uchiyamada participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. He has long been involved in research and development on environmental and safety technologies at Toyota Motor Corporation that could realize a mobility society responding the needs of the times, as well as in the development of products demanded by consumers, and has been exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. At the Board of Directors meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his management experience at a global company and his in-depth knowledge for society in general, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the year ended March 31, 2022, he served as a member of the Nomination Committee (attending all 5 such meetings) and contributed to the discussions with the aim of enhancing the transparency and effectiveness of the procedures for the CEO succession plan.

Name	Major activities
Masako Egawa	Ms. Egawa participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. She has made significant contributions to active discussions at the meetings of the Board of Directors, and to improving effectiveness of such meetings, based on her deep insight in finance and corporate management gained through her experience of management as a director of the University of Tokyo, her many years of experience working at global financial institutions, and her research on management and corporate governance at Japanese companies. In the year ended March 31, 2022, she served as a member of the Governance Committee (attending all 5 such meetings) and actively provided her opinions with the aim of creating a highly transparent governance system. In addition, as a member of the Remuneration Committee (attending all 7 such meetings), she contributed to the discussions related to the redesign of executive remuneration and evaluation system.

iii) Relationship with External Audit & Supervisory Board Members and reasons for their appointments; policy regarding their independence

External Audit & Supervisory Board Members are appointed with the objective of further heightening the independence and neutrality of the auditing system, and it is particularly expected that External Audit & Supervisory Board Members objectively express their auditing opinions from the standpoint of neutrality, building on such factors as that independence. When selecting candidates for positions of External Audit & Supervisory Board Member, the Audit & Supervisory Board confirms that no issues with independence arise by taking into consideration not only the appointment standard provided for in "Appointment of Audit & Supervisory Board Members" above, but also such factors as relations with the Company, the management and important staff.
As to the three External Audit & Supervisory Board Members as of the issuance of this report, the reasons for their appointment are as follows. Regarding shareholdings of External Audit & Supervisory Board Members, see "(2) Information about Directors (and other officers) 1) List of Directors."

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Audit & Supervisory Board Member at Mitsui
Hiroshi Ozu (Since June 2015)	There is no personal, capital, business or other relationship between Mr. Ozu and Mitsui. Therefore, Mr. Ozu is deemed to appropriately carry out his duties as the independent and neutral External Audit & Supervisory Board Member.	Mr. Ozu is appointed as an External Audit & Supervisory Board Member in expectation of the expression of his objective audit opinions from an independent and neutral standpoint, with advanced insight into governance and risk management cultivated through the many years of experience and perspective in legal affairs he has gained, as a prosecutor and an attorney at law.
Kimitaka Mori (Since June 2017)	There is no personal, capital, business or other relationship between Mr. Mori and Mitsui. Therefore, Mr. Mori is deemed to appropriately carry out his duties as the independent and neutral External Audit & Supervisory Board Member.	Mr. Mori is appointed as an External Audit & Supervisory Board Member in expectations of the expression of his objective audit opinions from an independent and neutral standpoint, with advanced insight into corporate accounting, accounting audit activities and risk management cultivated through his many years of experience as a certified public accountant.

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Audit & Supervisory Board Member at Mitsui
Yuko Tamai (Since June 2022)	There is no personal, capital, business or other relationship between Ms. Tamai and Mitsui. Therefore, Ms. Tamai is deemed to appropriately carry out her duties as the independent and neutral External Audit & Supervisory Board Member.	Ms. Tamai is appointed as an External Audit & Supervisory Board Member in expectations of the expression of her objective audit opinions from an independent and neutral standpoint, with advanced insight into various types of corporate transactions, corporate governance and risk management cultivated through her many years of experience in legal affairs as a lawyer as well as extensive experiences as an external board member of other companies and a Commissioner (part-time) of Certified Public Accountants and Auditing Oversight Board.

(*) As of the time of issuance of this report, concurrent positions in other organizations held by Audit & Supervisory Board Members are mainly as follows:

Name	Concurrent positions held in other organizations
Hiroshi Ozu	Attorney at Law External Audit & Supervisory Board Member, Toyota Motor Corporation External Audit & Supervisory Board Member, Shiseido Company, Limited
Kimitaka Mori	Certified Public Accountant External Director, Japan Exchange Group, Inc. External Audit & Supervisory Board Member, East Japan Railway Company External Director, Sumitomo Life Insurance Company
Yuko Tamai	Attorney at Law Partner, Nagashima Ohno & Tsunematsu External Audit & Supervisory Board Member, Japan Bank for International Cooperation (scheduled to retire in June 2022)

iv) Activities of External Audit & Supervisory Board Members in the year ended March 31, 2022

The activities of External Audit & Supervisory Board Members in the year ended March 31, 2022 were as follows:

Name	Major activities
Haruka Matsuyama	Ms. Matsuyama participated in all 15 Board of Directors meetings, and all 18 Audit & Supervisory Board meetings held during the year ended March 31, 2022. She offered advice and expressed opinions based on her knowledge and experience gained as a judge and an attorney at law. In the year ended March 31, 2022, as a member of the Governance Committee (attending all 5 such meetings), she actively provided opinions that contribute to developing transparent and objective governance.
Hiroshi Ozu	Mr. Ozu participated in all 15 Board of Directors meetings, and all 18 Audit & Supervisory Board meetings held during the year ended March 31, 2022. He offered advice and expressed opinions based on his knowledge and experience gained as a public prosecutor and an attorney at law. In the year ended March 31, 2022, as a member of the Nomination Committee (attending all 5 such meetings), he contributed to the discussions with the aim of enhancing the transparency and effectiveness of the procedures for the CEO succession plan.
Kimitaka Mori	Mr. Mori participated in all 15 Board of Directors meetings, and all 18 Audit & Supervisory Board meetings held during the year ended March 31, 2022. He offered advice and expressed opinions based on his knowledge and experience gained as a certified public accountant. In the year ended March 31, 2022, as the Chair of the Remuneration Committee (attending all 7 such meetings), he exercised strong leadership in discussions related to the redesign of executive remuneration and evaluation system.

v) Criteria of independence for External Members

External Directors or External Audit & Supervisory Board Members of Mitsui who do not fall under any of the following items are to be judged to have independence.

1) Person who is currently or was in the past ten years an Executive Director, Executive Officer, Managing Officer, manager, employee, administrative officer, etc. (hereinafter referred to as "Executing Person") of Mitsui or Mitsui's consolidated subsidiaries.
2) Person or the Executing Person of a corporation holding either directly or indirectly 10% or more of total number of the voting rights of Mitsui
3) Person whose major business partner is Mitsui or Mitsui's consolidated subsidiaries (*1) or the Executing Person of the same
   *1 If the relevant business partner received from Mitsui or Mitsui's consolidated subsidiary the payment equivalent to 2% or more of its annual consolidated transaction volume in the most recent business year or the relevant business partner obtained from Mitsui or Mitsui's consolidated subsidiary the money loans equivalent to 2% or more of its consolidated total assets in the most recent business year, the relevant business partner is deemed to be the person whose major business partner is Mitsui or Mitsui's consolidated subsidiary.
4) Major business partner of Mitsui or Mitsui's consolidated subsidiary (*2) or the Executing Person of the same
   *2 If Mitsui or Mitsui's consolidated subsidiary received from the relevant business partner the payment equivalent to 2% or more of Mitsui's annual consolidated transaction volume in the most recent business year or the relevant business partner provided Mitsui or Mitsui's consolidated subsidiary with the money loans equivalent to 2% or more of Mitsui's consolidated total assets, the relevant business partner is deemed to be the major business partner of Mitsui or Mitsui's consolidated subsidiary.
5) Person who is in charge of auditing operation of Mitsui or Mitsui's consolidated subsidiary, as partners etc. of the auditing firm of the Independent Auditor of Mitsui or Mitsui's consolidated subsidiary
6) Person providing professional services such as consultant, lawyer and certified public accountant who received from Mitsui monetary payment or other property benefits ¥10 million or more in total other than officer remuneration in the most recent business year (if the one who received the relevant property is an organization such as corporation and association, it shall be referred to the person who belongs to an organization which received from Mitsui property benefits more than higher of either ¥10 million or 2% of the consolidated gross sales of such organization)
7) Person or the Executing Person of a corporation who received the annual total of ¥10 million or more of donations or aid funds from Mitsui or Mitsui's consolidated subsidiary in the most recent business year
8) Person who has fallen under any of 2) to 7) above in the past three years
9) Spouse or relative within the second degree of kinship (hereinafter referred to as "Close Relatives") of the person who is currently or has been recently the important Executing Person of Mitsui or Mitsui's consolidated subsidiary (including Director who is not the Executing Person in the case of External Audit & Supervisory Board Member)
10) Close Relatives of the person who currently falls or has fallen recently under any of 2) to 7) above (excluding the one who is not important)

vi) Support for External Members

For External Directors, before regular and extraordinary meetings of the Board of Directors, materials on the proposals are provided and advance explanations are given.
For External Audit & Supervisory Board Members, company information which contributes their auditing, including summaries of regular meetings between Full-time Audit & Supervisory Board Members and staff in the Audit & Supervisory Board Member Division, are timely provided by the Full-time Audit & Supervisory Board Members and the staff. Advance distribution of materials and advance explanations are conducted regarding regular and extraordinary meetings of the Audit & Supervisory Board and of the Board of Directors.
For External Members, Mitsui provides personal computers and tablets (hereinafter referred to as the "Officer PCs") and distributes materials for the meetings of the Board of Directors in a timely manner, thereby ensuring the time to review agendas. In the fiscal year ended March 31, 2022, since it has been difficult and inappropriate that all Directors and Audit & Supervisory Board Members gather physically due to the spread of COVID-19, Mitsui holds the meetings of the Board of Directors and the meetings of Audit & Supervisory Board Members as fully or partially remote meetings using web conference system, depending on the situation around COVID-19. Mitsui has set up the usage environment of such web conference system on the Officer PCs and provides supports to use them in order to ensure the environment that allows the External Directors and External Audit & Supervisory Board Members to discuss effectively in remote meetings.

Mitsui has set up a Board of Directors' database for use in storing information such as minutes and other materials from the past meetings of the Board of Directors, and maintains a platform that enables access to such database from the Officer PCs.

vii) Policy on training for Directors and Audit & Supervisory Board Members

Upon assumption, opportunities are given to Directors and Audit & Supervisory Board Members for gaining full understanding of the business, financial affairs, organization, etc. of Mitsui, the Companies Act of Japan and related laws and regulations, corporate governance and internal control to ensure that they may fulfil their duties including the respective roles expected of Directors or Audit & Supervisory Board Members which are mandated by the shareholders (fiduciary responsibility) and legal responsibility. Furthermore, these training opportunities for Directors and Audit & Supervisory Board Members are given for keeping them up to date as necessary.

3) Coordination between supervision by the External Directors or auditing by External Audit & Supervisory Board Members, the auditing by the Internal Auditing Division, Audit & Supervisory Board Members and the Independent Auditors, and relationship with divisions involved in internal control

- The External Members, through the Board of Directors, the Audit & Supervisory Board and the External Members Meetings respectively, mutually coordinate with internal audits, auditing by Audit & Supervisory Board Members and accounting audits as well as supervise and audit the internal control system. Specifically, they periodically receive reports on the following at the meeting of the Board of Directors and the Audit & Supervisory Board, respectively: results of the internal audits and internal audit plans, results of auditing by the Audit & Supervisory Board and audit implementation plans, summary of management letters by Independent Auditors, assessment results with regards to the internal control system in accordance with the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and other matters regarding the structure and management of internal controls. At the External Member Meetings, External Directors, Audit & Supervisory Board Members and Independent Auditors mutually exchange information and opinions regarding the policy of audits, and Audit & Supervisory Board Members hosted the free discussion meeting with External Directors.

- Fulltime Audit & Supervisory Board Members, at their discretion, hold a meeting to exchange opinions beforehand among the External Directors and Audit & Supervisory Board Members on certain important matters to be discussed at meetings of the Board of Directors in order to provide External Board Members with sufficient information for effective discussion at meetings of the Board of Directors.

(3) Information about audits

1) Status of the Audit conducted by Audit & Supervisory Board

Organization, personnel:

・As of the issuance of this report, the Audit & Supervisory Board consists of the following five members, including two Full-time Audit & Supervisory Board members and three External Audit & Supervisory Board members. Attendance at Board of Directors meeting and Audit & Supervisory Board meetings are as follows.

Name	Full-time/ external	Substantial knowledge of finance/accounting	Attendance at Board of Directors meetings in FYE March 2022 (total of 15 meetings)	Attendance at Audit & Supervisory Board meetings in FYE March 2022 (total of 18 meetings)	Membership of Board of Directors advisory committees
Makoto Suzuki	Full-time		15 times	18 times	
Kimiro Shiotani	Full-time	Yes (*2)	15 times	18 times	
Hiroshi Ozu	External		15 times	18 times	Nomination Committee
Kimitaka Mori	External	Yes (*2)	15 times	18 times	Remuneration Committee
Yuko Tamai (*1)	External		-	-	Governance Committee

*1 Ms. Yuko Tamai was elected at the General Meeting of Shareholders held on June 22, 2022. Her predecessor, Ms. Haruka Matsuyama, attended 15 Board of Directors meetings and 18 Audit & Supervisory Board meetings in FYE March 2022.

*2 Mr. Kimiro Shiotani joined Mitsui in 1984. Before being elected as Audit & Supervisory Board Member in 2019, he had worked in the field of accounting and was appointed as General Manager of Segment Controller Division, in 2012, and as Managing Officer, General Manager of Accounting Division in 2015. Mr. Kimitaka Mori had been working in the field of corporate accounting over the years as a certified public accountant, and holding important positions in that field such as the former Chairman and President of The Japanese Institute of Certified Public Accountants.

・We set up the Audit & Supervisory Board Member Division to assist in the performance of the duties of the Audit & Supervisory Board Members, and assign to the Division at least three full-time employees with the appropriate knowledge and abilities necessary for this work.

Activities of the Audit & Supervisory Board:

・In principle, the meeting of the Audit & Supervisory Board members is regularly held prior to each meeting of the Board of Directors, and whenever required.

・Pursuant to laws and regulations, the Articles of Incorporation and the provision of the Rules of the Audit & Supervisory Board, the Audit & Supervisory Board receives relevant reports, deliberates and/or makes resolutions as to important matters in auditing.

・The main items discussed and resolutions passed by the Audit & Supervisory Board in the fiscal year ended March 31, 2022 were as follows.

Matters discussed, resolutions	Specific content
Audit policies and plans, division of duties	Regarding the formulation of audit policies, priority is given to confirmation that the Mitsui & Co. Group Conduct Guidelines are being assimilated as the foundation for the development and administration of internal control systems, and that business activities are being pursued on the basis of the Guidelines. In addition, while changes in the external environment for business activities are taken into account, audit policies are formulated from multiple perspectives, including ESG and new workstyles. Issues identified by the Audit & Supervisory Board on the basis of audit results for the year are reported to the Board of Directors in interim and year-end audit reports. There is also an exchange of views on recommendations submitted to the Board of Directors. The content of these reports and discussions are disseminated within the company. To assist in managing activities by Audit & Supervisory Board members based on priorities, important affiliated companies are selected as "Affiliated Companies to be Monitored Designated by the Audit & Supervisory Board".
Assessment of Independent Auditors	For the assessment of the Independent Auditors, in addition to self-assessment by the independent auditors and inputs from the Global Controller Div. and Internal Auditing Div., the suitability and independence of the accounting audit firm are also checked. The Audit & Supervisory Board raises specific issues during the reappointment process for the Independent Auditors and receives progress reports through monthly meetings with the Independent Auditors and through other means.
Audit activities conducted by Full-time Audit & Supervisory Board Members	Information about the principal activities of the full-time Audit & Supervisory Board members (reports on attendance at meetings of the Corporate Management Committee, Portfolio Management Committee, etc., matters of note from discussions with business unit COOs and corporate GMs) is shared with the external Audit & Supervisory Board members.
Major issues and due process relating to matters to be discussed at the Board of Directors meetings	Views on important agenda items are exchanged mainly at Audit & Supervisory Board meetings, which are held ahead of Board of Directors meetings.
Decisions relating to the internal control system on global group basis	Decisions relating to the development of Mitsui & Co.'s consolidated internal control systems are checked through attendance at Board of Directors meetings and other forums. Actions in response to recommendations from the Audit & Supervisory Board to the Board of Directors concerning the development and administration of internal control systems are checked through exchanges of views with directors and through other means.
Communication with the Independent Auditors concerning Key Audit Matters (KAMs)	There were frequent discussions with the Independent Auditors concerning such matters as Mitsui & Co.'s consolidated exposure to business risks due to the Russia-Ukraine conflict, climate change risks, and the basis for forecasting future oil price trends in relation to the climate change risks.
Consent to the proposal of the election of the Audit & Supervisory Board Member	In relation to the replacement of a member of Audit & Supervisory Board, Audit & Supervisory Board members agreed on a resolution to appoint a successor after assessing candidates according to various criteria, such as awareness of the internal and external environments for Mitsui & Co. and its business activities, and possession of the expected skills.
Evaluation of the effectiveness of the Audit & Supervisory Board	An effectiveness evaluation of the Audit & Supervisory Board was conducted through individual interviews with all of its external members, an exchange of views on organization and personnel of Audit & Supervisory Board, status of the operation and discussion at Audit & Supervisory Board and its auditing activities, as well as via self-evaluation. The results indicate that an appropriate level of effectiveness is generally being achieved.

Main Activities of Audit & Supervisory Board Members:

・The main activities of Audit & Supervisory Board members were as follows.

- As in the previous fiscal year, the spread of COVID-19 placed limitations on site visits, etc., in the fiscal year ended March 31, 2022. Despite this situation, the Audit & Supervisory Board employed various initiatives to maintain audit quality, including the expansion of opportunities for meetings via online conferencing systems instead of site visits, and visits to offices and affiliated companies in Japan after the lifting of the state of emergency in Japan.

Activity	Full-time	External
Attendance at meetings of the Board of Directors	Yes	Yes
Attendance at meetings of Board of Directors advisory committees (Governance Committee, Nomination Committee, Remuneration Committee)		Yes
Attendance at external members meetings	(*1)	Yes
Attendance at important meetings (e.g., meetings of the Corporate Management Committee, Portfolio Management Committee, Sustainability Committee, Disclosure Committee, Compliance Committee, Information Strategy Committee, Business Unit COO meetings)	Yes	
Individual meetings with Internal Directors	Yes	Yes
Exchanges of views with External Directors	Yes	Yes
Individual dialogue with managing officers, information-sharing with business unit COOs and GMs of corporate divisions	Yes	
Obtaining reports and information from full-time members of subsidiaries' Audit & Supervisory Boards (reports on the audit activities of subsidiaries' Audit & Supervisory Boards, meetings with subsidiaries Audit & Supervisory Boards or individual members thereof)	Yes	Yes
Surveys of the development and administration of internal control systems (e.g., through attendance at the Internal Auditing Division's audit review meetings and J-SOX Committee meetings, and perusal of documents related to important resolutions)	Yes	
Surveys at the Head Office and important offices (visits to domestic and overseas offices, branches, overseas trading subsidiaries, Affiliated Companies to be Monitored Designated by the Audit & Supervisory Board)	Yes	Yes
Communication with Independent Auditors on their audit and review activities (monthly meetings with the Independent Auditors)	Yes	Yes
Collaboration with the Independent Auditors and Internal Auditing Div. (sharing of information about audit activities and discussion of audit-related matters at twice-yearly meetings of the Audit & Supervisory Board, the Independent Auditors, and the Internal Auditing Div.)	Yes	Yes

*1 Full-time Audit & Supervisory Board members attended external members meetings at which external Audit & Supervisory Board members and External Directors exchanged views and information with the Independent Auditors about independent auditing policies.

2) Status of the internal auditing

- Based on the order or approval of the President and Chief Executive Officer, for the purpose of contributing to the effective achievement of management goals, the Internal Auditing Division evaluates how internal control is present and functioning with an emphasis on the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations, as well as safeguarding of Company assets. The adequacy and effectiveness of each process in risk management, control (any action taken by the management toward the achievement of the established goals) and governance (processes and structures implemented by the management to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives) within each organizational unit shall also be evaluated, and suggestions and proposals shall be made for their improvement.

- In order to ensure the independence and objectivity of internal audits, we have the Internal Auditing Division directly under the rule of the President and Chief Executive Officer. The composition of the personnel in the division as of March 31, 2022, is as follows: of a total of 63 people, which includes one General Manager, 28 internal auditors (including 13 re-employed retired contract employees), 18 members in charge of audits, and 16 staff members; 57 people are stationed in the Internal Auditing Division in the Head Office and 6 people are stationed in Internal Auditing Offices overseas.

- In the regular audits which cover Mitsui, Overseas Offices, Overseas Trading Subsidiaries, and other subsidiaries, internal auditors carry out independent and objective evaluations, pursuant to the rules on internal audits, etc., with an emphasis on risk management, effectiveness of management and operations, compliance, and appropriate financial reporting. In addition, the following audits are implemented as internal audits: cross-organizational and cross-functional audits by target and item, such as issues involving multiple organizations and business processes or security trade control systems, and extraordinary examinations to get a whole picture of such events that caused or could cause irregular economic losses or that jeopardized or could jeopardize the corporate trust, in order to identify the responsibility and recommend measures to clarify the causes as well as to prevent recurrence. The Internal Auditing Division as an independent department compiles and checks the assessment of the entity-wide internal control regarding the credibility of financial reports, pursuant to the Financial Instruments and Exchange Act of Japan. The final results are reported to the J-SOX Committee.

- For each fiscal year, the internal auditing policy and the internal auditing plan go through the approval process by the President and Chief Executive Officer. Internal audits are implemented either with or without advance notice to the target organization. The internal auditors provide feedback on the results of the internal audit to the organization before preparing the internal audit report and carry out a full exchange of opinions on their suggestions. The audit results are reported to the President and Chief Executive Officer. The reports from the organization on the implementation status of improvements regarding the issues identified are requested and are reevaluated.

3) Auditing of financial statements

- Name of auditing firm
  - Deloitte Touche Tohmatsu LLC
  - In order to secure prompt financial closing and reliability, the auditing work of Mitsui and its consolidated subsidiaries is in principle entrusted solely to Deloitte Touche Tohmatsu. Mitsui's Independent Auditors implement auditing under the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan as well as auditing of the consolidated financial statements in English.

- The period successively involved in the audit
  - 49 years
  - Rotations of the partners were conducted properly. A partner does not serve our company for more than seven consecutive fiscal years.
  - In addition, a lead audit engagement partner does not serve our company for more than five consecutive fiscal years.

- The certified public accountants executing audits
  - Shuichi Morishige
  - Takashi Kitamura
  - Yoshio Oka

- The members of assistants involved in auditing work
  - The number of assistants involved in auditing work is 123 people as of March 31, 2022, and this number is comprised of 39 certified public accountants, 21 members of the Japanese Institute of Junior Accountants, and 63 others.

- Policy and reason on the Independent Auditor appointment

  The Company has the following policy on reappointment, dismissal of, decisions not to reappoint, and election of the Independent Auditor:

  (a) The tenure of the Independent Auditor is one year, and they may be reappointed.

  (b) As for dismissal, non-reappointment, and election of the Independent Auditor, the Audit & Supervisory Board resolves whether to refer the dismissal, non-reappointment, or election for discussion and resolution at the General Meeting of Shareholders. In relation to the reappointment and appointment for election of the Independent Auditor, the Audit & Supervisory Board assesses and confirms whether the Independent Auditor has maintained an independent stance and has established a structure for continuously implementing proper audit, and makes a resolution on such appointment or reappointment.

  (c) Other than for the Company's convenience, where the Independent Auditor has breached or contravened any laws or regulations, such as the Companies Act of Japan or the Certified Public Accountants Act, or has conducted itself in breach of public policy or breached its contract of engagement, the Audit & Supervisory Board shall deliberate whether or not it is appropriate to refer the dismissal or non-reappointment of the Independent Auditor to the General Meeting of Shareholders for discussion and resolution.

  (d) The Audit & Supervisory Board may dismiss the Independent Auditor with the approval of each Audit & Supervisory Board Member if the circumstances stipulated in each of the provisions of Article 340, Paragraph 1 of the Companies Act of Japan apply.

  (e) The Audit & Supervisory Board conducted the assessment of the accounting audit for the fiscal year ended March 31, 2022, in accordance with the items and process below, confirmed the appropriateness of the accounting audit, and made a resolution on the reappointment of the Independent Auditor for the fiscal year ending March 31, 2023.

- Assessment of Independent Auditor by the Audit & Supervisory Board

The Audit & Supervisory Board conducts assessment of the Independent Auditor with a focus on the following items:

- Appropriateness as an independent auditor;
- Audit activities of the audit team at the start of, during, and at the end of the period; and
- Audit fee setting process

Furthermore, the Audit & Supervisory Board conducts the assessment of the above three items through the following process:

- Confirmation of the self-assessment of the Independent Auditor, and interviews with managements, audit partners, chief manager, managers, and other related persons of the Independent Auditor; and
- Confirmation of the assessment of the Independent Auditor by the executing bodies (such as the Global Controller Div. and Internal Auditing Div.), and interviews with managers, persons in charge, and other related persons of the executing bodies

For making the resolution on the reappointment, the Audit & Supervisory Board had discussions on timely basis with the Independent Auditor with regard to a succession plan for a longer period of time, in relation to the positions at partner and manager levels, in order to meet the needs of readiness for advanced issues on accounting audit brought by our diversified and increasingly complex businesses. In addition, to achieve further in audit quality, the Audit & Supervisory Board has identified issues for the Independent Auditor and asked them to implement a PDCA cycle for accounting audits in the next fiscal year. Also, the assessment of the Independent Auditor is made based on the discussion and mutual understanding between the executing bodies and the Independent Auditor about their respective issues found in the course of accounting audit process in order to facilitate constructive dialogue between the executing bodies and the Independent Auditor and ensure the effectiveness of high quality auditing work.

4) Information about audits

i) Details of fees paid to the certified public accountant auditor

The table below shows the amount of fees paid to Deloitte Touche Tohmatsu LLC by Mitsui and its consolidated subsidiaries, for the years ended March 31, 2022 and 2021.

Classification	Year ended March 31, 2022		Year ended March 31, 2021	
	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	810	4	781	4
Consolidated subsidiaries	726	14	716	39
Total	1,536	18	1,497	43

(Note) Audit fees are fees for auditing pursuant to the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, and auditing the consolidated financial statements prepared in English. The audit fees include services performed as part of the audit, directly relating to the audit, and which are required by laws to be performed by the auditor, and can only be reasonably performed by the auditor.

The non-auditing work for which Mitsui and its consolidated subsidiaries pay a fee to Deloitte Touche Tohmatsu LLC includes tax-related services and so on.

ii) Details of fees paid to the member firms of Deloitte Touche Tohmatsu Limited, which belong to the same network to which Deloitte Touche Tohmatsu LLC belongs.

The table below shows the amount of fees paid to member firms of Deloitte Touche Tohmatsu Limited (excluding Deloitte Touche Tohmatsu LLC) by Mitsui and its consolidated subsidiaries, for the years ended March 31, 2022 and 2021.

Classification	Year ended March 31, 2022		Year ended March 31, 2021	
	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	7	127	7	144
Consolidated subsidiaries	2,284	200	2,053	310
Total	2,291	327	2,060	454

The non-auditing work for which Mitsui and its consolidated subsidiaries pay a fee to member firms of Deloitte Touche Tohmatsu Limited (excluding Deloitte Touche Tohmatsu LLC) includes tax-related services and so on.

iii) Policy for determining audit fees

In determining audit fees, factors such as the auditing plan and the status of execution of duties by the Independent Auditor in the previous fiscal year are taken into account. In order to maintain and improve audit quality and efficient execution of audit, we check the audit process and divide roles between the auditor and the executive department as well as organizing the issues of the individual projects, which promotes transparency of the auditing hours and optimizes the amount of audit fees.
In addition, comparison of budget and actual results, analysis of fluctuation factors, studying further efficiency of audit and confirmation of its progress are carried out quarterly, all of which are discussed with the Independent Auditor in a timely manner.
The adequacy of audit fees is confirmed in accordance with the above policy, and the final approval is made with the consent of the Audit & Supervisory Board.

iv) Reason for the Audit & Supervisory Board's consent to audit fees

The Audit & Supervisory Board also confirmed the audit fee setting process in the assessment of the Independent Auditor. And based on such confirmation, having obtained necessary materials and received reports from Directors, related departments, and Independent Auditor, and having reviewed the auditing plans, the status of execution of duties by the Independent Auditor, the grounds for calculation of remuneration estimates and other matters in the previous fiscal year, the Audit & Supervisory Board gives consent to remunerations for the Independent Auditor in accordance with Article 399, Paragraph 1 of the Companies Act of Japan.

5) Coordination among Audit & Supervisory Board Members, the Internal Auditing Division and the Independent Auditors, and relationship with divisions involved in internal control

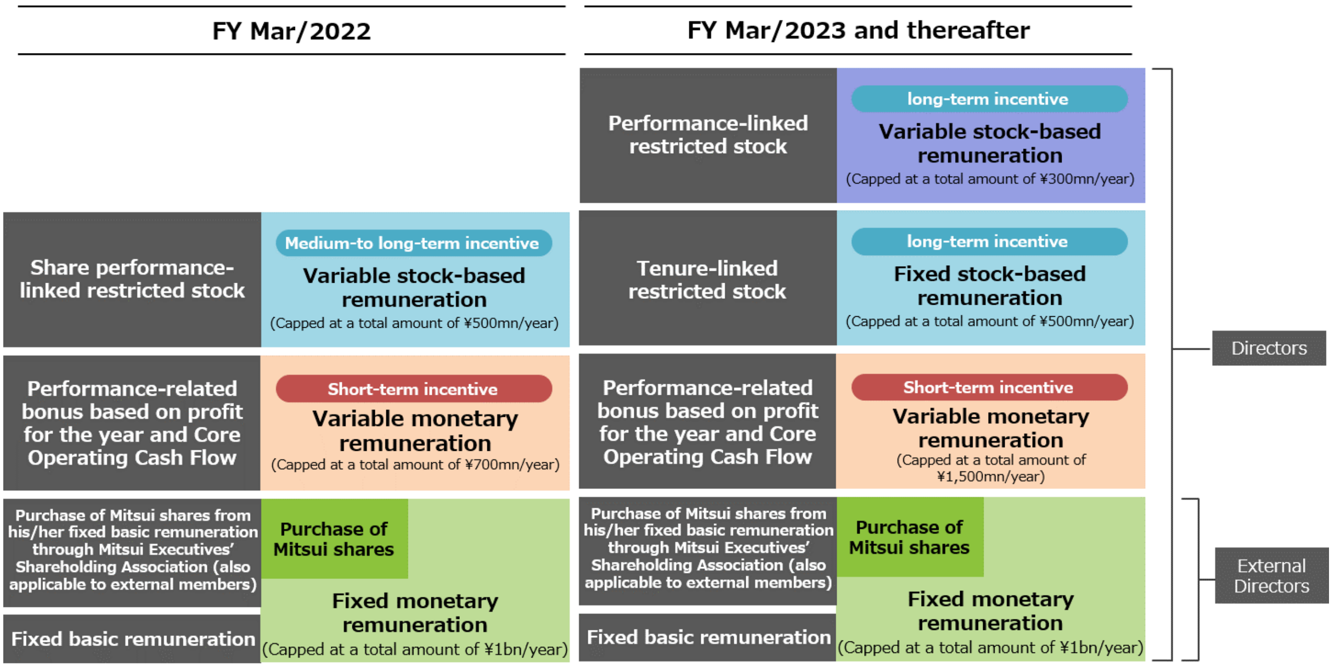
- The Audit & Supervisory Board holds regular meetings with the Internal Auditing division and the Independent Auditors. At the beginning of the fiscal year, the participants exchange information and opinions about their auditing policies and plans, the items of focus in audits, the status of audits and other matters, and have discussions on the execution of effective and efficient accounting audits and internal control audits.

- Fulltime Audit & Supervisory Board Members in principle attend all of the feedback sessions on regular internal audits by the Internal Auditing Division, in addition to the exchange of information with the Internal Auditing Division for implementing efficient audits. The General Manager of the Internal Auditing Division periodically reports on the plans and results of internal audits to the Audit & Supervisory Board. The Audit & Supervisory Board Members, as necessary, request reports on the internal control system, risk evaluation and other matters from the Internal Auditing Division and other divisions responsible for internal controls, and also ask for their cooperation on a wide range of matters in audits.

- At the end of the fiscal year, the Audit & Supervisory Board receive reports on the audit procedures and results of audits on accounting and internal controls respectively from the Independent Auditors, and exchange opinions on these. During the fiscal year, the Audit & Supervisory Board Members hold monthly meetings with the Independent Auditors and receive reports from the Independent Auditors about their auditing plans, the items of focus in audits, the status of audits, the status of discussion of the "Key Audit Matters" and other matters. At the meetings, the participants exchange information and have discussions on the execution of effective and efficient accounting audits and internal control audits.

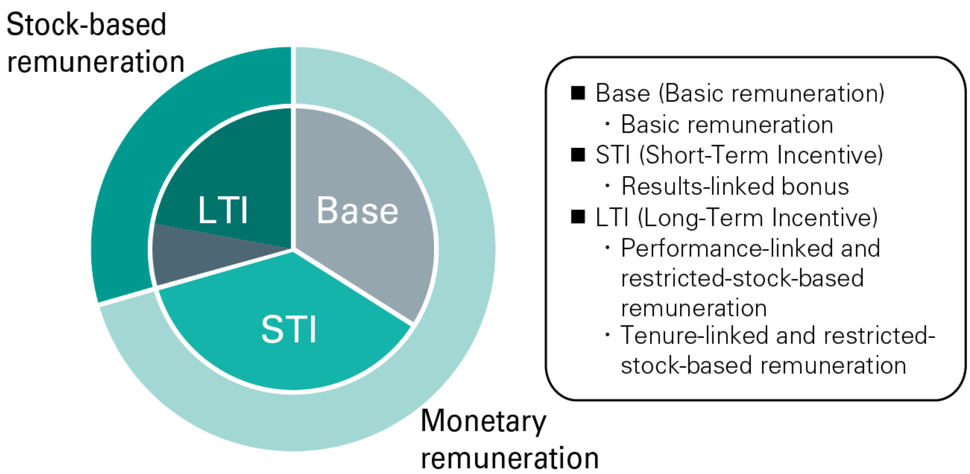
(4) Remuneration of Directors and Audit & Supervisory Board Members

1) The Company has established the policy for determining the remuneration of individual Directors by resolution of the Board of Directors, following deliberation by and report of the Remuneration Committee. The remuneration for Directors of the Company is comprised of basic fixed remuneration, results-linked bonuses based on important management indicators for the Company, and share performance-linked restricted stock-based remuneration as medium- to long-term incentive remuneration. From the perspective of respecting the independence of External Directors and Audit & Supervisory Board Members who are independent from business execution, the External Directors and Audit & Supervisory Board Members are not eligible for the results-linked bonuses or stock-based remuneration. In addition, the Company will not pay retirement compensation to Directors and Audit & Supervisory Board Members. With the approval of Item 5 (Revision of Remuneration for Directors) at the 103rd Ordinary General Meeting of Shareholders on June 22, 2022, the Company revised the remuneration for Directors for the next fiscal year ending March 31, 2023 and thereafter. The summary of our executive remuneration for the fiscal year and the following fiscal year is as follows.



(*) No retirement compensation to Directors and Audit & Supervisory Board Members.
(**) Audit & Supervisory Board Members receive only basic fixed remuneration. (Capped at a total amount of ¥240mn/year)

The portion of remuneration for Directors (excluding External Directors) from the following fiscal year is 2:1 for monetary remuneration: stock-based remuneration, and 1:1:1 for basic remuneration: short-term incentive: long-term incentive.



The Company's Remuneration Committee is chaired by an External (Independent) Member. The Committee discusses the remuneration system for Directors and Audit & Supervisory Board Members, and examines the appropriateness of the proportions of fixed remuneration, results-linked bonuses, and medium- to long-term incentive remuneration based on trends at other companies and then reports this as well as the appropriateness of clawback provisions to the Board of Directors, among other measures, in order to emphasize transparency in the determination of Directors' and Audit & Supervisory Board Members' remuneration. Regarding the remuneration of individual Directors for the year ended March 31, 2022, after receiving the report of the Remuneration Committee, the Board of Directors has confirmed that the contents of the determined remuneration are consistent with the applicable policy and has judged that they are in line with such policy.

The following is a summary of the determination policy regarding the contents of Directors' Individual remuneration. (The word "Directors" in ii) iii) and iv) below refers to Directors excluding External Directors.)

i) Basic remuneration

¥1.0 billion per year as the maximum amount to be paid, and the amount determined according to rank is paid in cash each month.

ii) Results-linked bonuses

a) Operating diverse businesses, the Company emphasizes consolidated profit for the year (attributable to owners of the parent) and Core Operating Cash Flow as common performance indicators, and also references these when determining the dividend policy. Directors' bonuses are calculated using the following formula, which is linked to these indicators.

b) Total payment amount = (Consolidated profit for the year (attributable to owners of the parent) x 50% x 0.1%) + (Core Operating Cash Flow x 50% x 0.1%)

* The maximum total payment amount to be paid has changed from ¥700 million to ¥1.5 billion starting in the next fiscal year ending March 31, 2023. If the consolidated profit for the year (attributable to owners of the parent) is negative, i.e., loss, or if the Core Operating Cash Flow is negative, i.e., net cash outflow, this negative item will be calculated as 0.

Amount individually paid = Total payment amount x (Position points / Sum of position points)

Position	Chair/President	Executive Vice President	Senior Executive Managing Officer	Executive Managing Officer
Points	10	7	6	5

Based on the composition of the Directors as of the date of the issuance of this report and the Business Plan forecast of the next fiscal year ending March 31, 2023 (consolidated profit (attributable to owners of the parent) of ¥800 billion and Core Operating Cash Flow of ¥950 billion), the amounts that may be paid for each position are as follows:

Sum of position points	=	10 points × 2 persons + 7 points × 1 person + 6 points × 2 persons + 5 points × 4 persons	=	59 points
Total Payment amount	=	(Consolidated profit for the year (attributable to owners of the parent) ¥800.0 billion x 50% x 0.1%)+(Core Operating Cash Flow ¥950.0 billion x 50% x 0.1%)	=	¥875.0 million
Chair/President	=	¥875.0 million × 10 points / 59 points	=	¥148.31 million
Executive Vice President	=	¥875.0 million × 7 points / 59 points	=	¥103.81 million
Senior Executive Managing Officer	=	¥875.0 million × 6 points / 59 points	=	¥88.98 million
Executive Managing Officer	=	¥875.0 million × 5 points / 59 points	=	¥74.15 million

iii) Performance-linked restricted stock-based remuneration (restricted stock)

a) The Company, whose "Mission" is to "Build brighter futures, everywhere", has been encountering the increasing importance of solving social issues through its business against the backdrop of a rapidly changing global business environment in recent years. As an incentive to continuously improve our medium- to long-term performance and corporate value while fulfilling our social responsibilities, the Company newly introduces a performance-linked restricted stock-based remuneration plan under which the number of shares of the Company's common stock to be granted on an ex-post basis fluctuates based on the level of achievement of the important management indicators for the Company from next fiscal year.

b) Number of shares granted: The Board of Directors shall determine the number of shares after evaluation based on the report of the Remuneration Committee and taking into consideration the clawback clause and other relevant factors according to the level of achievement of each indicator.

c) Details are as follows:

(a) Payment method

Under the System, Directors would be granted an entitlement to receive monetary remuneration and will be issued Shares, whether newly issued as ordinary shares or disposed of, in exchange for the in-kind investment of their full entitlement. The amount of entitlements to be paid to each Director under the System will be determined by the Board of Directors based on deliberations by the Remuneration Committee, within the maximum limit approved at the General Meeting of Shareholders.

(b) Total number of shares to be issued or disposed of, paid-in amount per share

The total number of ordinary shares that would be newly issued or disposed of by Mitsui under the System would be no more than 300,000 per year (however, this number may be changed within reasonable limits if Mitsui's ordinary shares are affected by a stock split (including a free allotment of new ordinary shares in Mitsui) or a reverse stock split, or if other circumstances arise that require adjustments to the total number of Mitsui's ordinary shares that are issued or disposed of as the Shares). The paid-in amount per share will be decided by the Board of Directors based on the average daily closing price for Mitsui's ordinary shares on the Tokyo Stock Exchange (excluding days on which there is no closing price, the price will be rounded up to the nearest whole yen) in the three months immediately prior to the month containing the date on which the Board of Directors made a resolution concerning issuance or disposal of the shares (hereinafter referred to as the "Date of the Board of Directors' Resolution"), within a range that is not especially advantageous to the Directors.

(c) Details of performance linkage conditions

The initial evaluation period is to consist of the three fiscal years extending to the fiscal year ending March 31, 2025, from the fiscal year ending March 31, 2023, which is to be the initial applicable fiscal year. During the initial evaluation period, we will focus on management indicators that include ESG elements, including response to climate change, and ROE, etc. The amount of the performance-linked restricted-stock-based remuneration will be linked to achievement of each management indicator within a variation range of 80% to 120% during the initial evaluation period.

(d) Restriction on transfer

Directors would be unable to transfer, pawn, or otherwise dispose of the Shares (hereinafter referred to as the "Restriction on Disposal") for a period of 30 years from the pay-in date (hereinafter referred to as the "Restriction on Transfer Period"). During the Restriction on Transfer Period, the Shares would be managed in dedicated accounts established with a securities company nominated by Mitsui.

(e) Lifting of the Restriction on Disposal

Irrespective of the provisions of (d) above, the Restriction on Disposal will be lifted if a Director retires as a director or managing officer of Mitsui before the end of the Restriction on Transfer Period.

(f) Grounds for acquisition without compensation and extinction of rights (clawback provisions)

In addition to the condition that there will be an extinction of rights under the conditions for linkage to the performance in (c) above, Mitsui will not pay all or part of performance-linked restricted stock-based remuneration if the Board of Directors decides that the payment is not suitable, or on other grounds. Mitsui will acquire without compensation all or part of the Shares during the Restriction on Transfer Period if a Director engages in actions that contravene laws and regulations, or on other grounds as stipulated in the agreement concluded between Mitsui and the Director.

(g) Procedures in the event of organizational restructuring, etc.

Mitsui would make reasonable adjustments to the number of Shares to be acquired without compensation or the time when the Restriction on Disposal will be lifted, by resolution of the Board of Directors, if Mitsui enters into a merger agreement resulting in the absorption of Mitsui, or a stock swap agreement or stock transfer plan under which Mitsui becomes a wholly owned subsidiary, or otherwise undertakes organizational restructuring, etc., during the Restriction on Transfer Period, pursuant to a resolution of a General Meeting of Shareholders (or a resolution of the Board of Directors in the case of a matter for which a resolution of a General Meeting of Shareholders is not required).

iv) Restricted stock-based remuneration (restricted stock): Abolish the stock performance-linked restricted stock-based remuneration and replace it with a tenure-linked restricted stock-based remuneration from the next fiscal year.

a) At the 100th Ordinary General Meeting of Shareholders held on June 20, 2019, the Company introduced the stock performance-linked restricted stock-based remuneration plan in which the number of shares that Directors can hold (number of shares after evaluation) changes based on a comparison between the Company's stock price growth rate and the growth rate of the Tokyo Stock Price Index (TOPIX). However, it was resolved at the 103rd Ordinary General Meeting of Shareholders held on June 22, 2022 to abolish the stock performance-linked condition and replace it with a tenure-linked restricted stock-based remuneration in order to function as a medium- to long-term incentive to maximize the value of our shares at absolute value, rather than as a comparison with other indicators. The newly introduced tenure-linked restricted stock-based remuneration begins from the next fiscal year ending March 31, 2023.

b) Number of shares granted:

Tenure-linked restricted stock-based remuneration: The number of shares of common stock determined according to rank
Stock performance-linked restricted stock-based remuneration: The number of shares of common stock determined based on g) Details of share performance linkage conditions below.

c) Details are as follows:

(a) Payment method

Under the System, Directors would be granted an entitlement to receive monetary remuneration and will be issued Shares, whether newly issued as ordinary shares or disposed of, in exchange for the in-kind investment of their full entitlement. The amount of entitlements to be paid to each Director under the System will be determined by the Board of Directors based on deliberations by the Remuneration Committee, within the maximum limit approved at the General Meeting of Shareholders.

(b) Total number of shares to be issued or disposed of, paid-in amount per share

The total number of ordinary shares that would be newly issued or disposed of by Mitsui under the System would be no more than 500,000 per year (however, this number may be changed within reasonable limits if Mitsui's ordinary shares are affected by a stock split (including a free allotment of new ordinary shares in Mitsui) or a reverse stock split, or if other circumstances arise that require adjustments to the total number of Mitsui's ordinary shares that are issued or disposed of as the Shares). The paid-in amount per share will be decided by the Board of Directors based on the average daily closing price for Mitsui's ordinary shares on the Tokyo Stock Exchange (excluding days on which there is no closing price, the price will be rounded up to the nearest whole yen) in the three months immediately prior to the month containing the date on which the Board of Directors made a resolution concerning issuance or disposal of the shares (hereinafter referred to as the "Date of the Board of Directors' Resolution"), within a range that is not especially advantageous to the Directors.

(c) Restriction on transfer

Directors would be unable to transfer, pawn, or otherwise dispose of the Shares (hereinafter referred to as the "Restriction on Disposal") for a period of 30 years from the pay-in date (hereinafter referred to as the "Restriction on Transfer Period"). During the Restriction on Transfer Period, the Shares would be managed in dedicated accounts established with a securities company nominated by Mitsui.

(d) Lifting of the Restriction on Disposal

Irrespective of the provisions of (c) above, the Restriction on Disposal will be lifted if a Director retires as a director or managing officer of Mitsui before the end of the Restriction on Transfer Period.

(e) Grounds for acquisition without compensation (clawback provisions)

Mitsui will acquire without compensation all or part of the Shares during the Restriction on Transfer Period if a Director engages in actions that contravene laws and regulations, or on other grounds as stipulated in the agreement concluded between Mitsui and the Director. Additionally, there will be an acquisition without compensation under the conditions for linkage to the share performance in (g) below for the stock performance-linked restricted stock-based remuneration plan.

(f) Procedures in the event of organizational restructuring, etc.

Mitsui would make reasonable adjustments to the number of Shares to be acquired without compensation or the time when the Restriction on Disposal will be lifted, by resolution of the Board of Directors, if Mitsui enters into a merger agreement resulting in the absorption of Mitsui, or a stock swap agreement or stock transfer plan under which Mitsui becomes a wholly owned subsidiary, or otherwise undertakes organizational restructuring, etc., during the Restriction on Transfer Period, pursuant to a resolution of a General Meeting of Shareholders (or a resolution of the Board of Directors in the case of a matter for which a resolution of a General Meeting of Shareholders is not required).

(g) Details of share performance linkage conditions (Abolished due to the change to a tenure-linked restricted stock-based remuneration plan approved at the Ordinary General Meeting of Shareholders held on June 22, 2022)

Number of shares after valuation: The number of shares after valuation is decided at the Board of Directors meeting by taking into consideration the following formula and clawback provisions after receiving advice from the Remuneration Committee.

a. If the growth rate of Mitsui's share price (*1) is equal to or greater than 150% of the growth rate of the Tokyo Stock Price Index (TOPIX) (*2), the number after valuation will be deemed to be the entire number of Shares issued (*3).

b. If the growth rate of Mitsui's share price is lower than 150% of the TOPIX growth rate, the number of Shares after valuation will be a number calculated using the following formula, and the remainder of the Shares will be acquired by Mitsui without compensation at the end of the valuation period.

$$\text{Number of shares after valuation} = \text{Number of Shares} \times \frac{\text{Growth rate of Mitsui's share}}{\text{TOPIX growth rate} \times 150\%}$$

$$= \text{Number of Shares} \times \frac{(A+B) / C}{(D / E) \times 150\%}$$

(*1) This is the growth rate of Mitsui's share price during a valuation period defined as three years from the Date of the Board of Directors' Resolution (or the period to the date of retirement if a Director retires from their role as a Director or Managing Officer of Mitsui before the elapse of three years. The same applies to (*2)). The growth rate will be specifically calculated as follows:

A: The average closing price of Mitsui's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls

B: The total dividend per share for Mitsui's ordinary shares during the valuation period

C: The average closing price of Mitsui's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the Date of the Board of Directors' Resolution falls

Growth rate of Mitsui's share price = (A+B) / C

(*2) This is the growth rate of the TOPIX during a period of three years from the Date of the Board of Directors' Resolution. It will be specifically calculated using the following formula.

D: The average TOPIX closing price on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls

E: The average TOPIX closing price on the Tokyo Stock Exchange during the three months immediately prior to the month in which the Date of the Board of Directors' Resolution falls

TOPIX growth rate = D / E

(*3) Number of Shares = Entitlement to monetary compensation determined according to rank / Paid-in amount per Share

Share Ownership Guidelines

We introduced the Share Ownership Guidelines applicable to our Directors(excluding External Directors) to set goals regarding ownership of the Company's shares as follows: Ownership of the Company's shares equivalent to three times the basic remuneration (annual amount) for the President and Chief Executive Officer, and equivalent to the basic remuneration (annual amount) for the other Directors.

The maximum amounts of Directors and Audit & Supervisory Board Members' remuneration

As stated below, approval has been given through a resolution at a General Meeting of Shareholders that decisions about the maximum amount of Directors' and Audit & Supervisory Board Members' remuneration and the maximum amounts for individual payments are taken within that limit by the Board of Directors.

Until the fiscal year ended March 31, 2022

<table>
<tr><td></td><td colspan="2">Basic remuneration</td><td>Bonus</td><td>Share performance-linked restricted stock-based remuneration</td></tr>
<tr><td>Resolution of General Meeting of Shareholders</td><td colspan="3">Ordinary General Meeting of Shareholders on June 21, 2017</td><td>Ordinary General Meeting of Shareholders on June 20, 2019</td></tr>
<tr><td>Maximum (per year)</td><td>¥1,000 million</td><td>¥240 million</td><td>¥700 million</td><td>¥500 million</td></tr>
<tr><td>Eligibility for payment</td><td>Directors</td><td>Audit & Supervisory Board Members</td><td colspan="2">Directors (excluding External Directors)</td></tr>
<tr><td>Number of the recipients at the time of the resolution</td><td>14</td><td>5</td><td colspan="2">9</td></tr>
</table>

Fiscal year ending March 31, 2023 and thereafter

<table>
<tr><td></td><td colspan="2">Basic remuneration</td><td>Bonus</td><td>Tenure-linked and restricted-stock-based remuneration</td><td>Performance-linked and restricted-stock-based remuneration</td></tr>
<tr><td>Resolution of General Meeting of Shareholders</td><td colspan="2">Ordinary General Meeting of Shareholders on June 21, 2017</td><td colspan="3">Ordinary General Meeting of Shareholders on June 22, 2022</td></tr>
<tr><td>Maximum (per year)</td><td>¥1,000 million</td><td>¥240 million</td><td>¥1,500 million</td><td>¥500 million</td><td>¥300 million</td></tr>
<tr><td>Eligibility for payment</td><td>Directors</td><td>Audit & Supervisory Board Members</td><td colspan="3">Directors (excluding External Directors)</td></tr>
<tr><td>Number of the recipients at the time of the resolution</td><td>14</td><td>5</td><td colspan="3">9</td></tr>
</table>

2) The remuneration of Directors and Audit & Supervisory Board Members for the year ended March 31, 2022 was as follows:

Category of position	Number of recipients	Basic remuneration	Bonus	Stock compensation	Total remuneration
Directors (Excluding External Directors)	11	¥725 million	¥700 million	¥325 million	¥1,750 million
Audit & Supervisory Board Members (Excluding External Audit & Supervisory Board Members)	2	¥132 million	-	-	¥132 million
External Directors	5	¥104 million	-	-	¥104 million
External Audit & Supervisory Board Members	3	¥60 million	-	-	¥60 million
Total	21	¥1,021 million	¥700 million	¥325 million	¥2,046 million

(Notes) 1. Bonuses shown above are not paid yet on the date of the issuance of this report.

2. In addition to the amounts shown above, Mitsui paid pensions (resolution for payments made prior to the abolition of such program) of ¥438 million to 95 retired Directors (excluding External Directors), and a total of ¥41 million to 12 retired Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members) in the year ended March 31, 2022.

3. The amounts have been rounded to the nearest million yen.

3) The following table contains information about remuneration earned by the named Directors for the year ended March 31, 2022.
The individual amount of remuneration earned by all 9 of the Internal Directors.

Name	Category of position	Payer	Basic remuneration	Bonus	Stock compensation	Total remuneration
Tatsuo Yasunaga	Director	Mitsui	¥114 million	¥109 million	¥85 million	¥308 million
Kenichi Hori	Director	Mitsui	¥131 million	¥109 million	¥98 million	¥339 million
Takakazu Uchida	Director	Mitsui	¥68 million	¥77 million	¥23 million	¥167 million
Hirotatsu Fujiwara	Director	Mitsui	¥76 million	¥77 million	¥23 million	¥175 million
Shinichiro Omachi	Director	Mitsui	¥76 million	¥77 million	¥23 million	¥175 million
Yoshio Kometani	Director	Mitsui	¥62 million	¥66 million	¥19 million	¥147 million
Miki Yoshikawa	Director	Mitsui	¥62 million	¥66 million	¥19 million	¥147 million
Motoaki Uno (Note 1)	Director	Mitsui	¥47 million	¥66 million	¥19 million	¥131 million
Yoshiaki Takemasu (Note 1)	Director	Mitsui	¥42 million	¥55 million	¥17 million	¥114 million

(Notes) 1. The remuneration amounts for Mr. Motoaki Uno and Mr. Yoshiaki Takemasu, who were newly elected at the 102nd Ordinary General Meeting of Shareholders held on June 18, 2021, were limited to the Directors' remuneration paid during 9 months after the election.

2. The remuneration paid for each of the External Directors, Audit & Supervisory Board Members and directors who retired at the 102nd Ordinary General Meeting of Shareholders held on June 18, 2021 is not included in the above table.

4) The targets and results for indicators relating to results-linked remuneration in the year ended March 31, 2022 are as follows.

i) Results-linked bonuses

Results-linked bonuses are calculated according to the formula in (1) (ii) above. The indicators used are consolidated profit for the period attributable to owners of the parent and Core Operating Cash Flow. The initial targets and results for the indicators in the year ended March 31, 2022 were as follows.

Initial plan: ¥460.0 billion for consolidated profit for the period attributable to owners of the parent, ¥680.0 billion for Core Operating Cash Flow

Results: ¥914.7 billion for consolidated profit for the period attributable to owners of the parent, ¥1158.7 billion for Core Operating Cash Flow.

ii) Stock option (stock-based compensation stock options with stock price conditions)

As is described in the section 4.1. (2) 1) Stock Option Plans, holders of stock-based compensation stock options with stock price conditions provided by Mitsui can exercise all of their options if the growth rate of Mitsui's share price is equal to or greater than the TOPIX growth rate during a three-year valuation period from the date on which the options were allocated. If the growth rate of Mitsui's share price is below that level, the percentage of offered options that can be exercised will be adjusted proportionately. The stock price conditions of the stock options for which the number that can be exercised in the year ended March 31, 2022 has been finalized are achieved as stated below.

Stock options (stock-based compensation stock options with stock price conditions) for which the valuation period was completed in the year ended March 31, 2022

Eligible stock options	Stock options based on a resolution of the Board of Directors on July 4, 2018
Stock price conditions achieved	Growth rate of Mitsui's share price (including dividends): 139.78% TOPIX growth: 109.89% Exercisable stock options: 100% of the options granted

iii) Stock performance-linked restricted stock-based remuneration

This stock-based remuneration system was introduced in 2019, and since the initial evaluation period ends in July 2022, actual results of performance indicators are not provided for the current fiscal year.

5) Mitsui's policy on the method used to calculate remuneration for Directors is decided by the Board of Directors within limits approved by resolutions at General Meetings of Shareholders. Before taking decisions, the Board of Directors receives a report from the Remuneration Committee, which is chaired by an external member, to the effect that the amounts are appropriate, based on prior deliberations by the Committee. The amounts for the year ended March 31, 2022 were determined through the following processes.

i) The basic remuneration for Directors excluding External Directors has been decided according to a specific formula, which was approved as appropriate by the Remuneration Committee and the meeting of the Board of Directors held on December 19, 2018.

The individual amounts of basic remuneration paid to the External Directors were decided at the meeting of the Board of Directors held on April 12, 2017, based on the report of the Remuneration Committee stating that these amounts were appropriate.

ii) The amounts of results-linked bonuses were decided according to a formula adopted at the meeting of the Board of Directors held on April 12, 2017 (see 1), ii) above). After deliberating on this formula, the Remuneration Committee reported to the meeting of the Board of Directors held on April 12, 2017 that the formula was appropriate.

iii) The number of shares issued and allocated according to the remuneration system of share performance-linked restricted stock-based remuneration was decided by a resolution of the Board of Directors at a meeting held on July 9, 2021. The Remuneration Committee reported to that meeting of the Board of Directors that the number of stock options to be allocated was appropriate.

6) Audit & Supervisory Board Members receive only basic fixed remuneration which does not include a results-linked portion. The total amount of basic remuneration shall not exceed ¥240 million per year (Resolved at the Ordinary General Meeting of Shareholders held on June 21, 2017. The number of the recipients at the time is 5). The basic remuneration for each Audit & Supervisory Board Member is determined within that limit by discussions among the Audit & Supervisory Board Members. Retirement compensation is not paid to the Audit & Supervisory Board Members.

(5) Equity securities held

1) Criteria and concept of the classification of stocks for investment

i) Criteria of the classification of stocks for investment

In the fiscal year ended March 31, 2022, the Company changed the criteria of classification of stocks for investment held for pure investment purposes and stocks for investment held for purposes other than pure investment purposes as follows in accordance with the "Concept of the classification of stocks for investment" as described hereinafter.

(Stocks for investment held for pure investment purposes)
Investment held for the purposes of realizing gains solely arising from changes in the value of shares or dividends thereon
(Stocks for investment held for purposes other than pure investment purposes)
Stocks for investment held for purposes other than for pure investment purpose

ii) Concept of the classification of stocks for investment

We may hold investment shares for the purpose of creating new businesses and strong business clusters through both trading and business investment. In addition to profit from such trading, changes in the value of shares and dividends thereon, we strive to increase medium- to long-term economic profit by creating new business opportunities and raising corporate value by providing our functions. Until the previous fiscal year, the policy of the classification of stocks for investment held for pure investment purposes was extremely narrow as "pure fund management stocks", and as all our investments have strategy in some way, we have classified all our stocks as investments for other than pure investment purposes. Based on our business model, we have revisited the policy of the classification of stocks for investment and have decided to change the criteria for the classification of stocks for investment held for pure investment purposes as "Investment held for the purposes of realizing gains solely arising from changes in the value of shares or dividends thereon". We defined an investment held for pure investment purposes as one in which we can consider mainly about economic gain from the stock in question at the time of its acquisition or disposal, while considering collaboration and business relationships with investees, and other investments are defined as stocks for investment held for purposes other than pure investment purposes.
As a result of applying this change in the concept of classification, certain overseas stocks and Japanese listed stocks that we have held since the end of the previous fiscal year have been changed to stocks for investment held for pure investment purposes. For target stocks, please refer to "5) Names, number of shares and amount on balance sheet of stocks for investment whose holding purpose was changed from purposes other than pure investment purposes to pure investment purposes" provided below.
Regardless of the classification of stocks for investment held for pure investment purposes and stocks for investment held for purposes other than pure investment purposes, all stocks will continue to be similarly verified in respect of the rationale for holding and the voting rights will be exercised appropriately.

iii) Policy on the exercise of voting rights of stocks for investment

With respect to the exercise of voting rights of stocks for investment, the content of each proposal shall be considered based on the management policies and business plans etc., of the investee, and deliberation shall be conducted on a case-by-case basis while comprehensively considering from the perspectives of (1) whether or not the proposal contribute to enhance corporate value of the investee or mutual benefit of the shareholders, and (2) the impact that the proposal may have on corporate value of the Company in terms of creation of business opportunities, and building, maintaining and strengthening of business and collaborative relationship with the investee.

iv) Method to verify the policy and rational of holdings of stocks for investment

At the Company, the Portfolio Management Committee, which is an advisory body to the Corporate Management Committee, establishes company-wide portfolio strategy as well as investment and loan policies, periodically monitors the company-wide portfolio, and verifies the rationale for holding of all assets including stocks for investment through asset portfolio review that is conducted each year. When acquiring stocks for investment, the Company shall conduct a prior stringent assessment of creating business opportunities, or building, maintaining, or strengthening business and collaborative relationships, in addition to profitability and capital efficiency. At the same time, for listed stocks, the Company shall verify the economic rationale based on the status of dividends, business-related profits, and other related profits, in comparison to total cost such as acquisition cost, fair value and its cost of capital, and conduct verification of qualitative aspects based on the status of and outlook for the creation of business opportunities, as well as business and collaborative relationship with each investee. If, as a result of these verifications, the rational of holding these assets has significantly declined, our policy is to sell and reduce such assets. Further, the Board of Directors confirms that the qualitative rationale is verified for holding all individual stocks, and identifies stocks that will be considered for sell in the future due to dilution of the rationale, considering both qualitative and quantitative aspects.

2) Stocks for investment held for purposes other than pure investment purposes

i) Method to verify the policy and rational of stock holdings and details of reviews by the Board of Directors

Please refer to 1) - iv) "Method to verify the policy and rational of holdings of stocks for investment" above.

Of the 51 stocks listed as Specified Investment Shares (Amount on balance sheet for the current year: ¥344,188 million), the purpose for holding the major investees and the amount on balance sheet are as follows, the total amount of which is ¥138,412 million.

1. Seven & i Holdings Co., Ltd. (Amount on balance sheet: ¥94,301 million)
   A major retail holding company centered on Seven-Eleven Japan and Ito-Yokado, and our important business partner in the distribution business. Through provision of centralized management functions for food materials/ingredients and packaging (including supply and demand management), as well as logistics functions (such as operations of cooperative distribution centers), we aim to mutually maximize both companies' corporate value.
2. GOLDWIN INC. (Amount on balance sheet: ¥27,122 million)
   A major manufacturer of sportswear and sports goods, and our important business partner in the sports and outdoor apparel and equipment field, which is one of the focus areas of our fashion and textile business. Through development, manufacturing and supply of sports apparel-related materials and products and exploring new business opportunities in Japan and overseas, we aim to contribute to the mutual enhancement of both companies' corporate value.
3. Yamato Kogyo Co., Ltd. (Amount on balance sheet: ¥16,988 million)
   An electric furnace steel manufacturer and the most important business partner in our global electric furnace strategy, which actively expands business overseas, mainly manufacturing and sales of steel for construction purposes in the U.S. and Thailand. We have been engaging in transactions of raw materials and products with them and their group companies. We also hold a 20% stake in Siam Yamato Steel Co., Ltd., which is Yamato Kogyo's Thai business.

ii) Number of issues and amount on balance sheet

Classification	Number of issues (Issue)	Total amount on balance sheet (Millions of Yen)
Unlisted stocks	244	48,491
Stocks excluding unlisted stocks	117	373,021

(Issues which number of shares increased in the year ended March 31, 2022)

Classification	Number of issues (Issue)	Acquisition costs associated to the increase in shares (Millions of Yen)	Reason for increase in number of shares
Unlisted stocks	15	6,746	Acquired based on prior stringent assessments of the probability of the investment creating business opportunities, or building, maintaining, or strengthening business and collaborative relationships
Stocks excluding unlisted stocks	1	0	Acquired for the purpose of creating business opportunities etc.

(Issues which number of shares decreased in the year ended March 31, 2022)

Classification	Number of issues (Issue)	Sales proceed associated to the decrease in shares (Millions of Yen)
Unlisted stocks	15	2,500
Stocks excluding unlisted stocks	17	20,489

(Note) Issues whose number of shares increased or decreased do not include changes due to stock merger, stock split, stock transfer, stock swap and merger, etc.

iii) Number of shares and amount on balance sheet of each Specifies Investment Shares and Deemed Stockholdings

Specified Investment Shares

Issue	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2021 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
Seven & i Holdings Co., Ltd.	16,222,480	16,222,480	Refer to the 2)- i) above for the purpose of holding.	no
	94,301	72,400		
GOLDWIN INC.	4,367,504	4,367,504	Same as above	yes
	27,122	30,921		
Yamato Kogyo Co., Ltd.	4,573,000	4,573,000	Same as above	no
	16,988	15,022		
TOYOTA MOTOR CORPORATION	7,500,000	1,500,000	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to automobile business area. Increased due to share split.	yes
	16,668	12,924		
Yamaha Motor Co., Ltd.	4,293,000	4,293,000	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to motorcycle business area, etc.	yes
	11,831	11,638		
Mitsui Chemicals, Inc.	3,474,078	3,474,078	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to basic & green materials, mobility, health care, food packaging business, etc.	yes
	10,734	12,141		
MODEC, INC.	8,387,300	8,387,300	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to long-term charter business for floating production, storage and offloading systems, etc.	no
	10,693	18,980		

Issue	2022 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	2021 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
KATO SANGYO Co., Ltd.	3,153,000	3,153,000	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to processed food wholesale.	yes
	9,995	11,271		
Sumitomo Metal Mining Co., Ltd.	1,454,000	1,454,000	Mainly in the Mineral & Metal Resources Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to non-ferrous metal business, etc.	no
	8,961	6,948		
Toray Industries, Inc.	13,776,000	13,776,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to chemicals like raw materials for resin and high performance films, etc.	yes
	8,800	9,815		
Mitsui Fudosan Co., Ltd.	3,000,000	3,000,000	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to real estate business.	yes
	7,860	7,540		
TBS HOLDINGS, INC.	4,288,000	4,288,000	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to media related business.	no
	7,662	9,313		
Nihon Unisys, Ltd. (Note 4)	2,448,509	2,448,509	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to IT related services.	no
	7,627	8,349		
J-OIL MILLS, INC.	4,175,422	2,087,711	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to vegetable oils. Increased due to share split.	yes
	6,709	8,329		

Issue	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2021 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
TOYO ENGINEERING CORPORATION	8,754,000	8,754,000	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to engineering business for ammonia / urea fertilizer chemical plants, petrochemical plants, renewable power plants, carbon neutral related plants, etc.	yes
	5,576	6,845		
NIPPN CORPORATION	3,349,110	3,349,110	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to wheat, wheat flour, processed food.	yes
	5,569	5,549		
NIPPON STEEL CORPORATION	2,459,954	2,459,954	Mainly in the Iron & Steel Products Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to steel products-related business.	yes
	5,340	4,640		
AIR WATER INC.	2,385,590	2,385,590	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to industrial gases.	no
	4,103	4,628		
TOSOH CORPORATION	2,246,500	2,246,500	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to chlor-alkali business.	yes
	4,075	4,758		
Showa Sangyo Co., Ltd.	1,540,000	1,540,000	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to feed, flour and oils business.	no
	4,031	4,781		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
Kaneka Corporation	1,108,691	1,108,691	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to chemicals like olefin and vinyl chloride resin.	yes
	3,930	5,044		
JK Holdings Co., Ltd.	3,179,454	3,179,454	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to housing materials.	yes
	3,821	2,791		
Denka Company Limited	1,087,400	1,087,400	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to chemical materials.	yes
	3,697	4,806		
MS & AD Insurance Group Holdings, Inc.	904,900	904,900	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to insurance-related business.	yes
	3,599	2,940		
Nippon Soda Co., Ltd.	1,015,000	1,015,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to methionine, agrochemicals.	yes
	3,420	3,547		
ZEON CORPORATION	2,352,000	2,352,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to aliphatic (C5) monomer, specialty chemicals.	yes
	3,208	4,160		
IHI Corporation	939,500	939,500	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to industrial equipment business etc.	yes
	2,771	2,109		

Issue	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2021 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
Morinaga & Co., Ltd.	686,200	686,200	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to dairy products, confectionary ingredients.	no
	2,614	2,713		
Shin Nippon Air Technologies Co., Ltd.	1,266,252	1,266,252	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to business relating to supply and maintenance of air conditioning systems for facilities in nuclear power plants.	no
	2,442	3,046		
JFE Holdings, Inc.	1,354,360	1,354,360	Mainly in the Iron & Steel Products Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to steel products-related business.	no
	2,333	1,845		
Sumitomo Mitsui Financial Group, Inc.	593,100	593,100	The Company holds shares mainly for the purpose of building, maintaining or strengthening financial business relationships.	yes
	2,317	2,376		
S Foods Inc.	705,500	705,500	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to Australian beef related business etc.	yes
	2,314	2,670		
Tayca Corporation	1,784,094	1,784,094	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to surfactants, titanium dioxide etc.	no
	2,303	2,652		
TAKARA HOLDINGS INC.	2,000,000	2,000,000	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to ethanol-related business.	yes
	2,202	3,014		

Issue	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2021 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
ISHIHARA SANGYO KAISHA, LTD.	2,019,200	*	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to titanium dioxide and titanium ore.	no
	2,174	*		
PT Pelat Timah Nusantara Tbk	252,335,000	252,335,000	Mainly in the Iron & Steel Products Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to packaging steel business, etc.	no
	2,072	2,214		
ADEKA Corporation	737,600	*	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to processed oils.	no
	1,994	*		
TV TOKYO Holdings Corporation	1,002,050	1,002,050	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to media-related business.	no
	1,994	2,390		
KYOEI STEEL LTD.	1,470,000	1,470,000	Mainly in the Mineral & Metal Resources Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to business related to business related to resource recycling business.	no
	1,968	2,440		
T&D Holdings, Inc.	1,177,000	*	The Company holds shares mainly for the purpose of building, maintaining or strengthening financial business relationships.	yes
	1,966	*		
Japan Airlines Co., Ltd.	791,500	791,500	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to passenger aviation and freight business, etc.	no
	1,812	1,955		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
Mitsubishi UFJ Financial Group, Inc.	2,326,000	4,652,000	The Company holds shares mainly for the purpose of building, maintaining or strengthening financial business relationships.	yes
	1,768	2,752		
DaikyoNishikawa Corporation	3,222,720	3,222,720	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to automobile components, etc.	no
	1,740	2,494		
Yantai north Andre juice co., LTD.	18,340,000	20,640,000	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to fruit juice business, etc.	no
	1,721	1,866		
Hankuk Carbon Co., Ltd.	1,318,822	2,637,645	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to carbon fiber reinforced-matrix-composites, etc.	no
	1,569	3,172		
Nitto Denko Corporation	173,700	*	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to electronic materials and devices.	no
	1,532	*		
Mitsuboshi Belting Ltd.	750,000	*	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to automobile components.	no
	1,520	*		
IINO KAIUN KAISHA, LTD.	1,500,000	*	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to shipping business.	no
	1,239	*		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
Shochiku Co., Ltd.	100,000	*	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to entertainment-related business such as movies.	yes
	1,228	*		
MITSUI MINING & SMELTING CO.,LTD.	340,200	*	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to non-ferrous metal business.	yes
	1,141	*		
CENTRAL SECURITY PATROLS CO.,LTD.	445,335	*	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to outsourcing services business.	yes
	1,115	*		
MORIROKU HOLDINGS COMPANY, LTD.	*	1,128,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to automobile components and chemical materials.	no
	*	2,547		
Farmers Edge Inc.	*	1,704,059	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to precision agriculture.	no
	*	2,692		
Lion Corporation	-	1,759,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to personal care products. All of the shares were sold during the current fiscal year.	yes
	-	3,797		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
Taiwan High Speed Rail Corporation	-	24,000,000	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to railway-related business area. All of the shares were sold during the current fiscal year.	no
	-	2,929		

(Notes) 1. We verify the rationale of holding stocks through verification of the status of dividends, business-related profits, and other related profits in comparison to total cost such as acquisition cost, fair value and our cost of capital, as well as verification and review of the qualitative significance of holding stocks. However, the quantitative effects of holding stocks are not disclosed in consideration of our relationships with business partners and others.

2. "-" represents not possessed as Specified Investment Shares. "*" means omission due to 1% or less than Mitsui's capital and out of high ranking of 60.

3. Holding of Mitsui's stock is described based solely on the register of shareholders as of March 31, 2022. The shares not held as of March 31, 2022 are based on the register of shareholders as of March 31, 2021. In addition, when the stock is of a holding company, the portion held by major subsidiaries of the holding company is taken into account and described to the extent that it can be confirmed.

4. Nihon Unisys, Ltd. has changed its corporate name to BIPROGY Inc. since April 1, 2022.

Deemed Stockholdings

Issue	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2021 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
TOYOTA MOTOR CORPORATION	11,231,000 24,960	2,246,200 19,353	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation. Increased due to share split.	yes
Mitsui Chemicals, Inc.	3,474,000 10,734	3,474,000 12,141	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
MS & AD Insurance Group Holdings, Inc.	2,030,100 8,075	2,030,100 6,595	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
Mitsui Fudosan Co., Ltd.	2,801,000 7,338	2,801,000 7,040	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
Katakura Industries Co., Ltd.	2,200,000 4,903	2,200,000 3,201	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	no
Toyo Suisan Kaisha, Ltd.	994,000 4,343	994,000 4,622	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	no

Issue	2022 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	2021 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
TAKARA HOLDINGS INC.	2,170,000	2,170,000	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
	2,389	3,270		
Mitsui O.S.K. Lines, Ltd.	666,500	666,500	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
	2,279	2,582		
NIPPON STEEL CORPORATION	910,000	*	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
	1,975	*		

(Note) In selection of high ranking issues in terms of the amount recorded on the balance sheet, Specified Investment Shares and Deemed Stockholdings are not combined.

3) Stocks for investment held for pure investment purposes

Classification	Year ended March 31, 2022		Year ended March 31, 2021	
	Number of issues (Issues)	Total amount on balance sheet (Millions of Yen)	Number of issues (Issues)	Total amount on balance sheet (Millions of Yen)
Unlisted stocks	8	81,145	-	-
Stocks excluding unlisted stocks	10	926,042	-	-

4) Dividend income, gain or loss on sales, and valuation gain or loss of stocks for investment whose holding purpose is pure investment in the current fiscal year

Classification	Year ended March 31, 2022		
	Total amount of dividend income (Millions of Yen)	Total amount of gain or loss on sales (Millions of Yen)	Total amount of valuation gain or loss (Millions of Yen)
Unlisted stocks	15,636	–	(Note 1)
Stocks excluding unlisted stocks	89,565	3,498	536,512 (454)

(Notes) 1. For unlisted stocks, "Total amount of valuation gain or loss" has not been provided because they have no market price.

2. The lower figure shown in "Total amount of valuation gain or loss" represents the amount of impairment recognized in the current fiscal year.

5) Names, number of shares and amount on balance sheet of stocks for investment whose holding purpose was changed from purposes other than pure investment purposes to pure investment purposes

Names of listed stocks	Number of shares (Shares)	Total amount on balance sheet (Millions of Yen)
VALE S.A.	286,347,055	702,161
SIMS LIMITED	33,450,338	66,349
Recruit Holdings Co., Ltd.	12,000,000	64,968
LUCID GROUP, INC.	14,101,332	43,836
STEM INC.	2,487,159	3,351
Hexagon Purus AS	5,204,029	2,376
RareJob, Inc.	1,828,100	1,645
Proterra Inc.	1,514,698	1,394
AIRSPAN NETWORKS HOLDINGS INC.	1,174,703	418
Total	–	886,501

Total unlisted stocks (7 stocks)	–	76,230

(Note) Amount of each stocks in this "Equity securities held" section may not match the total of items due to rounded down to the nearest million yen.

5. Financial Information

1. Consolidated Financial Statements

Consolidated Statements of Financial Position
Mitsui & Co., Ltd. and subsidiaries
March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2022	**2021**	**2022**
ASSETS			
Current Assets:			
Cash and cash equivalents (Notes 2 and 16)	¥ 1,127,868	¥ 1,063,150	$ 9,245
Trade and other receivables (Notes 2, 7, 8, 9, 16 and 21)	2,303,140	1,811,990	18,878
Other financial assets (Notes 2, 8 and 24)	997,862	429,986	8,179
Inventories (Notes 2, 8, 10 and 24)	949,663	615,155	7,784
Advance payments to suppliers	183,370	143,714	1,503
Other current assets	154,780	143,477	1,269
Total current assets	5,716,683	4,207,472	46,858
Non-current Assets:			-
Investments accounted for using the equity method (Notes 2, 5, 6, 16, 29 and 30)	3,387,371	3,044,001	27,765
Other investments (Notes 2, 8, 16, 24 and 29)	2,347,414	1,955,607	19,241
Trade and other receivables (Notes 2, 7, 8, 9, 16, 21, 24 and 29)	319,977	305,952	2,623
Other financial assets (Notes 2, 8 and 24)	167,845	141,848	1,376
Property, plant and equipment (Notes 2, 9, 11, 14 and 16)	2,190,902	2,175,072	17,958
Investment property (Notes 2, 9 and 12)	318,570	274,847	2,611
Intangible assets (Notes 2 and 13)	253,039	188,555	2,074
Deferred tax assets (Notes 2 and 23)	100,743	112,055	826
Other non-current assets	120,746	110,436	990
Total non-current assets	9,206,607	8,308,373	75,464
Total assets	¥ 14,923,290	¥ 12,515,845	$ 122,322

Consolidated Statements of Financial Position—(Continued)

Mitsui & Co., Ltd. and subsidiaries

March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2022	2021	2022
LIABILITIES AND EQUITY			
Current Liabilities:			
Short-term debt (Notes 15, 16 and 26)	¥ 281,831	¥ 300,485	$ 2,310
Current portion of long-term debt (Notes 8, 9, 15, 16 and 26)	410,257	450,941	3,363
Trade and other payables (Notes 2 and 15)	1,739,149	1,313,341	14,255
Other financial liabilities (Notes 2, 8, 15, 24 and 25)	1,003,156	371,298	8,223
Income tax payables (Notes 2 and 23)	68,456	58,915	561
Advances from customers (Note 21)	202,074	123,806	1,656
Provisions (Notes 2 and 17)	48,589	36,909	398
Other current liabilities	55,114	46,027	452
Total current liabilities	3,808,626	2,701,722	31,218
Non-current Liabilities:			
Long-term debt, less current portion (Notes 8, 9, 15, 16 and 26)	4,185,375	3,995,311	34,306
Other financial liabilities (Notes 2, 8, 15, 24, 25 and 29)	147,031	116,531	1,205
Retirement benefit liabilities (Notes 2 and 18)	38,045	40,253	312
Provisions (Notes 2 and 17)	266,161	261,365	2,182
Deferred tax liabilities (Notes 2 and 23)	653,979	550,776	5,360
Other non-current liabilities	28,657	27,000	236
Total non-current liabilities	5,319,248	4,991,236	43,601
Total liabilities	9,127,874	7,692,958	74,819
Equity: (Note 19)			
Common stock	342,384	342,080	2,806
Capital surplus	376,516	396,238	3,086
Retained earnings	4,165,962	3,547,789	34,147
Other components of equity (Notes 2 and 8)	827,441	373,786	6,783
Treasury stock	(107,098)	(89,473)	(878)
Total equity attributable to owners of the parent	5,605,205	4,570,420	45,944
Non-controlling interests (Note 2)	190,211	252,467	1,559
Total equity	5,795,416	4,822,887	47,503
Total liabilities and equity	¥ 14,923,290	¥ 12,515,845	$ 122,322

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Mitsui & Co., Ltd. and subsidiaries

Years Ended March 31, 2022 and 2021

	Millions of Yen				Millions of U.S. Dollars (Note 2)	
		2022		2021		2022
Revenue (Notes 2, 5, 6, 8, 21 and 24)	¥	11,757,559	¥	8,010,235	$	96,373
Cost (Notes 2, 5, 8 and 24)		(10,616,188)		(7,198,770)		(87,018)
Gross Profit (Note 6)		1,141,371		811,465		9,355
Other Income (Expenses):						
Selling, general and administrative expenses (Notes 2, 7, 13, 18, 22, 29 and 30)		(596,311)		(606,423)		(4,888)
Gain (loss) on securities and other investments-net (Notes 2, 5, 7, 8, 24 and 30)		8,705		7,888		71
Impairment reversal (loss) of fixed assets-net (Notes 2, 11, 13 and 14)		(19,117)		(52,923)		(157)
Gain (loss) on disposal or sales of fixed assets-net (Notes 11 and 13)		14,480		4,646		119
Other income (expense)-net (Notes 2, 7, 14, 24, 29 and 30)		14,909		(13,945)		123
Total other income (expenses)		(577,334)		(660,757)		(4,732)
Finance Income (Costs) (Notes 2 and 8)**:**						
Interest income		19,999		19,877		164
Dividend income		196,505		103,655		1,611
Interest expense (Note 17)		(47,324)		(51,948)		(388)
Total finance income (costs)		169,180		71,584		1,387
Share of Profit (Loss) of Investments Accounted for Using the Equity Method (Notes 2, 5, 6, 7, 29 and 30)		431,263		227,910		3,535
Profit before Income Taxes		1,164,480		450,202		9,545
Income Taxes (Notes 2 and 23)		(226,810)		(99,821)		(1,859)
Profit for the Year	¥	937,670	¥	350,381	$	7,686
Profit for the Year Attributable to:						
Owners of the parent (Note 6)	¥	914,722	¥	335,458	$	7,498
Non-controlling interests		22,948		14,923		188

	Yen				U.S. Dollars (Note 2)	
Earnings per Share Attributable to Owners of the Parent (Notes 2 and 20)**:**						
Basic	¥	561.61	¥	199.28	$	4.60
Diluted	¥	561.38	¥	199.18	$	4.60

Consolidated Statements of Income and Comprehensive Income—(Continued)
Consolidated Statements of Comprehensive Income
Mitsui & Co., Ltd. and subsidiaries
Years Ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2022	2021	2022
Comprehensive Income:			
Profit for the year	¥ 937,670	¥ 350,381	$ 7,686
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Financial assets measured at FVTOCI (Notes 2, 8 and 29)	163,811	477,184	1,343
Remeasurements of defined benefit pension plans (Notes 2 and 18)	18,946	32,514	155
Share of other comprehensive income of investments accounted for using the equity method (Notes 5 and 29)	(19,631)	1,671	(161)
Income tax relating to items not reclassified (Note 19)	(55,126)	(119,092)	(452)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments (Notes 2 and 8)	98,171	175,992	805
Cash flow hedges (Notes 2 and 8)	(68,334)	(3,128)	(560)
Share of other comprehensive income of investments accounted for using the equity method (Note 5)	331,753	81,558	2,718
Reclassification adjustments	10,352	5,917	85
Income tax relating to items that may be reclassified (Note 19)	(6,624)	(6,951)	(54)
Total other comprehensive income	473,318	645,665	3,879
Comprehensive Income for the Year	¥ 1,410,988	¥ 996,046	$ 11,565
Comprehensive Income for the Year Attributable to:			
Owners of the parent	¥ 1,370,647	¥ 964,652	$ 11,235
Non-controlling interests (Note 19)	40,341	31,394	330

Consolidated Statements of Changes in Equity

Mitsui & Co., Ltd. and subsidiaries

Years Ended March 31, 2022 and 2021

Millions of Yen	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2020	¥ 341,776	¥ 402,652	¥ 3,362,297	¥ (223,910)	¥ (65,138)	¥ 3,817,677	¥ 243,255	¥ 4,060,932
Profit for the year			335,458			335,458	14,923	350,381
Other comprehensive income for the year (Notes 2, 8 and 19)				629,194		629,194	16,471	645,665
Comprehensive income for the year			335,458	629,194		964,652	31,394	996,046
Transaction with owners:								
Dividends paid to the owners of the parent (per share ¥80)			(135,476)			(135,476)		(135,476)
Dividends paid to non-controlling interest shareholders							(13,982)	(13,982)
Acquisition of treasury stock					(71,337)	(71,337)		(71,337)
Sales of treasury stock		(125)	(154)		280	1		1
Cancellation of treasury stock			(46,722)		46,722	-		-
Compensation costs related to share-based payment	304	1,771				2,075		2,075
Equity transactions with non-controlling interest shareholders (Notes 2 and 19)		(8,060)		888		(7,172)	(8,200)	(15,372)
Transfer to retained earnings (Notes 2 and 19)			32,386	(32,386)		-		-
Balance as at March 31, 2021	¥ 342,080	¥ 396,238	¥ 3,547,789	¥ 373,786	¥ (89,473)	¥ 4,570,420	¥ 252,467	¥ 4,822,887
Profit for the year			914,722			914,722	22,948	937,670
Other comprehensive income for the year (Notes 2, 8 and 19)				455,925		455,925	17,393	473,318
Comprehensive income for the year			914,722	455,925		1,370,647	40,341	1,410,988
Transaction with owners:								
Dividends paid to the owners of the parent (per share ¥90)			(148,206)			(148,206)		(148,206)
Dividends paid to non-controlling interest shareholders							(26,260)	(26,260)
Acquisition of treasury stock					(174,918)	(174,918)		(174,918)
Sales of treasury stock		(234)	(336)		571	1		1
Cancellation of treasury stock			(156,722)		156,722	-		-
Compensation costs related to share-based payment	304	1,882				2,186		2,186
Equity transactions with non-controlling interest shareholders (Notes 2 and 19)		(21,370)		6,445		(14,925)	(76,337)	(91,262)
Transfer to retained earnings (Notes 2 and 19)			8,715	(8,715)		-		-
Balance as at March 31, 2022	¥ 342,384	¥ 376,516	¥ 4,165,962	¥ 827,441	¥ (107,098)	¥ 5,605,205	¥ 190,211	¥ 5,795,416

Millions of U.S. Dollars (Note 2)	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at March 31, 2021	$ 2,804	$ 3,247	$ 29,080	$ 3,064	$ (733)	$ 37,462	$ 2,070	$ 39,532
Profit for the year			7,498			7,498	188	7,686
Other comprehensive income for the year (Notes 2, 8 and 19)				3,737		3,737	142	3,879
Comprehensive income for the year			7,498	3,737		11,235	330	11,565
Transaction with owners:								
Dividends paid to the owners of the parent (per share $0.74)			(1,215)			(1,215)		(1,215)
Dividends paid to non-controlling interest shareholders							(215)	(215)
Acquisition of treasury stock					(1,434)	(1,434)		(1,434)
Sales of treasury stock		(2)	(3)		5	0		0
Cancellation of treasury stock			(1,284)		1,284	-		-
Compensation costs related to share-based payment	2	16				18		18
Equity transactions with non-controlling interest shareholders (Notes 2 and 19)		(175)		53		(122)	(626)	(748)
Transfer to retained earnings (Notes 2 and 19)			71	(71)		-		-
Balance as at March 31, 2022	$ 2,806	$ 3,086	$ 34,147	$ 6,783	$ (878)	$ 45,944	$ 1,559	$ 47,503

Consolidated Statements of Cash Flows
Mitsui & Co., Ltd. and subsidiaries
Years Ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2022	2021	2022
Operating Activities:			
Profit for the year	¥ 937,670	¥ 350,381	$ 7,686
Adjustments to reconcile profit for the year to cash flows from operating activities:			
Depreciation and amortization	296,396	273,639	2,429
Change in retirement benefit liabilities	6,689	1,884	55
Loss allowance	20,238	80,640	166
(Gain) loss on securities and other investments-net	(8,705)	(7,888)	(71)
(Gain) loss on loans measured at FVTPL (Note 30)	-	21,657	-
Impairment (reversal) loss of fixed assets-net	19,117	52,923	157
(Gain) loss on disposal or sales of fixed assets-net	(14,480)	(4,646)	(119)
Interest income, dividend income and interest expense	(199,875)	(98,442)	(1,638)
Income taxes	226,810	99,821	1,859
Share of (profit) loss of investments accounted for using the equity method	(431,263)	(227,910)	(3,535)
Valuation (gain) loss related to contingent considerations and others	(4,624)	(6,694)	(38)
Changes in operating assets and liabilities:			
Change in trade and other receivables	(416,102)	(40,799)	(3,411)
Change in inventories	(291,352)	(34,116)	(2,388)
Change in trade and other payables	369,080	139,474	3,025
Other-net	(69,024)	(8,381)	(566)
Interest received	50,824	52,702	417
Interest paid	(49,278)	(59,904)	(404)
Dividends received	554,764	307,838	4,547
Income taxes paid	(215,598)	(153,795)	(1,767)
Income taxes refunded	25,609	34,312	210
Cash flows from operating activities	806,896	772,696	6,614
Investing Activities (Note 26):			
Change in time deposits	794	(30,080)	7
Investments in equity accounted investees	(92,131)	(89,611)	(755)
Proceeds from sales of investments in equity accounted investees	65,064	33,093	533
Purchases of other investments	(106,017)	(43,128)	(869)
Proceeds from sales and maturities of other investments	62,256	52,590	510
Increases in loan receivables	(28,759)	(24,975)	(236)
Collections of loan receivables	78,764	39,159	646
Purchases of property, plant and equipment	(185,525)	(215,690)	(1,521)
Proceeds from sales of property, plant and equipment	28,889	9,286	237
Purchases of investment property	(26,428)	(61,694)	(217)
Proceeds from sales of investment property	21,902	8,576	180
Cash flows from investing activities	(181,191)	(322,474)	(1,485)
Financing Activities (Note 26):			
Change in short-term debt	(82,522)	(26,527)	(676)
Proceeds from long-term debt	1,206,573	863,051	9,890
Repayments of long-term debt	(1,261,549)	(1,040,086)	(10,340)
Repayments of lease liabilities (Note 6)	(55,630)	(58,380)	(456)
Purchases and sales of treasury stock	(174,915)	(71,337)	(1,434)
Dividends paid	(148,206)	(135,476)	(1,215)
Transactions with non-controlling interests shareholders	(98,076)	(18,208)	(804)
Cash flows from financing activities	(614,325)	(486,963)	(5,035)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	53,338	41,158	437
Change in Cash and Cash Equivalents	64,718	4,417	531
Cash and Cash Equivalents at Beginning of Year	1,063,150	1,058,733	8,714
Cash and Cash Equivalents at End of Year	¥ 1,127,868	¥ 1,063,150	$ 9,245

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

1. REPORTING ENTITY

Mitsui & Co., Ltd. (the "Company") is a company incorporated in Japan. The consolidated financial statements of the Company have an annual closing date as of March 31. The consolidated financial statements are comprised of the financial statements of the Company, its subsidiaries, 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 investment in relation to the environment, new technologies, next-generation fuel and wellness, and value creation that leverages digital tools.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

II. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Japanese yen. It is the functional currency of the Company, and all financial information presented in Japanese yen has been rounded to the nearest million.

The translation of Japanese yen amounts into U.S. dollar amounts for the year ended March 31, 2022 is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥122=U.S. $1, the approximate rate of exchange at March 31, 2022. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

III. BASIS OF MEASUREMENT

The consolidated financial statements have been prepared under the historical cost basis, except for items such as financial instruments, assets and liabilities related to defined benefit pension plans, and a part of inventories as explained in V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

IV. USE OF ESTIMATES AND JUDGMENTS

The preparation of the 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 are reviewed on an ongoing basis. It is expected that the impact of the spread of COVID-19 infections subsides and economic activities are revitalized; however, the pace of economic recovery varies among products, businesses, and locations. Therefore, the estimates are determined based on each situation.
In addition, the Ukraine situation and the resulting sanctions against Russia may have a global impact, which may affect various business fields in which we operate; however, the extent of the impact varies among products, businesses, and locations. Therefore, the estimates are determined based on each situation.
Main assumptions and estimates that may have a significant risk of resulting in a material adjustment in the consolidated financial statements within the next financial year are as follows:

- Impairment and its reversal of non-financial assets and investments accounted for using the equity method (See V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES "Impairment and its reversal of non-financial assets and investments accounted for using the equity method", "Oil and gas producing activities", Note 5 "INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD", Note 11 "PROPERTY, PLANT AND EQUIPMENT", Note 13 "INTANGIBLE ASSETS" and Note 14 "EXPLORATION AND EVALUATION FOR MINERAL RESOURCES AND OIL & GAS")

  The Company and its subsidiaries perform impairment tests for non-financial assets (property, plant and equipment, investment property and intangible assets) and investments accounted for using the equity method. In addition, the Company and its consolidated subsidiaries perform an impairment's reversal test, except for goodwill.

  Of the recoverable amount, the fair value is assessed as the price in an orderly transaction between market participants, such as the market price of marketable investments in equity accounted investees and the price on the appraisal report by the independent third party.

  The value in use is estimated using cash flow projections and discount rates based on the business plan authorized by our management or, if this is not available, on the operating plan reflecting the most recent condition of the non-financial asset, and a profit margin which is deemed to be the market average and the risks inherent in the non-financial assets or cash-generation units is used as discount rate to calculate value in use.

  The factors to be considered when estimating future cash flow and determining discount rates vary because of the difference in nature of the assets and in operating circumstances, such as location, owner, operator, profitability and other factors.

  For example, with respect to non-financial assets or cash-generating units related to resource businesses such as crude oil, future cash flows are estimated using the oil price and the Company forecasts that Brent Crude price will be US$100/bbl in the short term and US$70/bbl in the medium and long term, considering the recent market price and several third parties' forecasts.

  These estimates may be affected by uncertain future operating circumstances and changes in the external environment, and if actual cash flows differ from the estimates or the discount rate is revised, it may have a significant impact on the amount of recoverable amount in the consolidated financial statements for the next fiscal year.

- Revaluation of financial instruments (See V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES "Financial instruments", Note 7 "RECEIVABLES AND RELATED ALLOWANCES", Note 8 "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS" and Note 24 "FAIR VALUE MEASUREMENT")

  Trade and other receivables

  The Company and its subsidiaries measure the loss allowance for trade and other receivables.

  The estimates in measuring the loss allowance may be affected by future changes in credit risk and other factors. If the expected credit losses are revised due to existence of significant increase in credit risk and credit impairment, the amount of the loss allowance may be significantly affected in the consolidated financial statements for the next fiscal year.

Other investments

The Company and its subsidiaries measure other investments at fair value other than financial assets measured at amortized cost. Other investments include non-marketable other investments 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 risk of the investee. They are classified as level 3 considering the degree to which these inputs are observable in the relevant markets. Cash flow projections used in the discounted cash flow method are based on the business plan authorized by investee's management, and discount rate is calculated considering a profit margin, which is deemed to be the market average reflecting the risks inherent in the investment. See Note 24 "FAIR VALUE MEASUREMENT" for quantitative information about Level 3 fair value measurements.

These estimates may be affected by uncertain future operating circumstances and changes in the external environment, and if actual cash flows differ from the estimates or the discount rate is revised, it may have a significant impact on the amount of fair value in the consolidated financial statements for the next fiscal year.

- Provisions (See V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES "Provisions" and Note 17 "PROVISIONS")

The Company and its subsidiaries record an asset retirement obligation for costs of dismantling and removing assets mainly related to mining and oil and gas production facilities as provisions.

The estimates of an asset retirement obligation may be affected by uncertain future operating circumstances and changes in the external environment, and if costs of dismantling and removing assets is revised, it may have a significant impact on the amount of an asset retirement obligation in the consolidated financial statements for the next fiscal year.

- Measurement of defined benefit obligations (See V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES "Employee benefits" and Note 18 "EMPLOYEE BENEFITS")

The Company and certain subsidiaries record the difference between the defined benefit obligation related to defined benefit pension plans and severance indemnity plans and the fair value of plan assets as retirement benefit liabilities.

The estimates of defined benefit obligation are based on various actuarial assumptions such as discount rate. The discount rate used by the companies is determined based on the yield on highly rated fixed-rate corporate bonds at the measurement date of each period. Differences in actual results or revisions to these actuarial assumptions may have a significant impact on the amount of defined benefit obligation in the consolidated financial statements for the next fiscal year.

- Recoverability of deferred tax assets (See V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES "Income taxes" and Note 23 "INCOME TAXES")

The Company and its subsidiaries determine the recoverability of deferred tax assets.

The amount of recoverable deferred tax assets is estimated based on all available evidence including the timing when the temporary differences, tax loss carryforwards or tax credit carryforwards are expected to reverse and the forecast of future taxable incomes of the Company and its subsidiaries. The future taxable income is estimated mainly based on expected resource prices, reserve estimation by external institutions and long-term sales agreements.

The estimates of recoverability of deferred tax assets may be affected by uncertain future economic conditions and other factors, and if the forecast of future taxable incomes is revised or statutory tax rates are changed, it may have a significant impact on the amount of deferred tax assets in the consolidated financial statements for the next fiscal year.

- Impact of climate change

The businesses of the Company and its consolidated subsidiaries that are affected by climate change and of which related assets and liabilities are material is the business in the Energy Segment.

The significant accounting estimates and judgments at the end of the current fiscal year are as follows.

The Energy Segment consists mainly of upstream oil and gas businesses and LNG businesses. If the demand for upstream oil and gas and LNG declines due to further restrictions and tighter regulations as the global trend toward low-carbon and decarbonization intensifies, it may lead to impairment of property, plant, and equipment of existing projects and a decrease in the fair value of other investments. These valuations are primarily affected by the price of crude oil, and the assumptions are estimated by considering the recent market price and the medium- to long-term outlook published by several third-party organizations. Of the third-party organizations, the Company focuses on STEPS (Stated Policies Scenario) among scenarios published by the IEA, but we also refer to other scenarios.

The main assets and liabilities in the Energy Segment recorded in the consolidated statements of financial position as of the end of the current fiscal year are as follows.(*)

Property, plant and equipment	¥661,809 million
Investments accounted for using the equity method	¥434,334 million
Other investments	¥348,270 million
Provisions (Non-current)	¥175,600 million

(*) Above amounts do not consider adjustments relating to cross-holding of assets among operating segments. Such adjustments are considered for the amounts in Note 6 "SEGMENT INFORMATION".

Changes in judgments based on assumptions and estimates which could affect the accompanying consolidated financial statements are mainly as follows.

- Impairment losses for investments accounted for using the equity method (See Note 5 "INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD")
- Revaluation of financial instruments (See Note 24 "FAIR VALUE MEASUREMENT" and Note 29 "IMPACT OF THE UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS")

Information about significant judgments made in the application of the accounting policies which have an impact on the consolidated financial statements are as follows:

- Scope of consolidated subsidiaries, associated companies, and joint ventures (See V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES "Consolidation", "Investments in associated companies and joint arrangements", Note 4 "CONSOLIDATED SUBSIDIARIES" and Note 5 "INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD")
- Financial instruments (See V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES "Financial instruments", Note 8 "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS" and Note 24 "FAIR VALUE MEASUREMENT")
- Accounting for leases (See V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES "Leasing" and Note 9 "LEASES")

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated financial statements include the accounts of the Company, its subsidiaries (which are controlled either directly or indirectly through voting or similar rights), and structured entities ("SEs"). They are collectively called the "companies," where the Company or one of its subsidiaries have control. SEs are entities controlled through means other than voting or similar rights. The word "control" is used based on its definition in IFRS 10 "Consolidated Financial Statements," so that the companies consider all facts and circumstances, including existing rights and substantive rights included within agreements with investees.

The consolidated financial statements include financial statements of certain subsidiaries with different fiscal year-ends from that of the Company, as the Company considers it impracticable to unify the fiscal year-ends of such subsidiaries with that of the Company.

Major consolidated subsidiaries with different fiscal year-ends include subsidiaries that operate exploration, development and production of oil and gas. As the Company is a non-operator in such operations and the financial information is prepared by the operators, the Company is unable to obtain necessary information from the operators in time for the preparation of the Company's year-end consolidated financial statements. For the same reasons, it is also impracticable to prepare additional financial statements for these subsidiaries as of the same date as the Company's year-end date. Therefore, financial information for such subsidiaries with fiscal year-ends of December 31 is included in the Company's consolidated results.

There are other consolidated subsidiaries for which it is also considered impracticable to unify on fiscal year-ends with on the Company's due to requirements of local laws and regulations, and it is also impracticable to prepare additional financial statements for these subsidiaries as of the same date as the Company's year-end date due to certain facts and circumstances such as local business practices and the environment surrounding their respective accounting systems. The fiscal year-ends of such consolidated subsidiaries are mainly December 31.

Adjustments are made for the effects of significant transactions or events that occur between the ends of the fiscal years of such consolidated subsidiaries and that of the Company.

Changes in the companies' ownership interests that are made while retaining their controlling financial interests in their subsidiaries are accounted for as equity transactions. When the companies cease to have their controlling financial interests, any retained investments are measured at their fair value at that date. The difference between the fair value and the carrying amount of the retained non-controlling investments is recognized as gain (loss) on securities and other investments－net.

Investments in associated companies and joint arrangements

Associated companies are entities over which the Company and its subsidiaries own 20% or more of the voting rights. The exceptions to this rule include the entities in which it can be clearly demonstrated that the Company and its subsidiaries are unable to exercise significant influence over the financial and operating policy decisions of the investees, or those whereby the companies have the ability to exercise significant influence despite holding less than 20% ownership. Investments in associated companies are accounted for using the equity method.

Joint arrangements are arrangements in which decisions about relevant activities require the unanimous consent of the parties sharing control. When the parties that have joint control of the arrangement have substantial rights to the assets and obligations for the liabilities, relating to the arrangement, the arrangement is a joint operation. When an arrangement is structured through a separate vehicle and the parties that have joint control of the arrangement have rights to the net assets of the arrangement, the arrangement is classified as a joint venture. A joint operation is accounted for by recognizing the assets, liabilities, revenues and expenses relating to its interest in the joint operation. A joint venture is accounted for using the equity method.

Robe River Iron Associates (the Company's percentage of ownership: 33%), which conducts iron ore mining activities in Australia, is a major joint operation.

Losses recognized under the equity method are recorded in Share of Profit (Loss) of Investments Accounted for Using the Equity Method in the Consolidated Statements of Income or in Other comprehensive income in the Consolidated Statements of Comprehensive Income, considering the priority of recoverability of assets related to the losses among other things.

The consolidated financial statements include some associated companies, joint ventures and joint operations with different fiscal year-ends from that of the Company. It is impracticable to unify the fiscal year-ends due to the requirement of local laws and regulations and relationships with other shareholders. It is also impracticable to prepare additional financial statements as of the same date as the financial statements of the companies due to certain factors such as local business practices and the environment surrounding their respective accounting systems. The fiscal year-ends of associated companies, joint ventures and joint operations are generally December 31.
Adjustments are made for the effects of significant transactions or events that occur between the ends of the fiscal years of such associated companies, joint ventures and joint operations and that of the Company.
The Companies discontinues the use of the equity method from the date when an investment ceases to be an associated company or a joint venture. Any retained investments are measured at their fair value at that date, and the difference between the fair value and the carrying amount of the retained investments is recognized as gain (loss) on securities and other investments－net. Regarding impairment of investments accounted for using the equity method, please refer to "*Impairment and its reversal of non-financial assets and investments accounted for using the equity method.*"

Business combinations

In accordance with IFRS 3 "Business Combinations," all business combinations are accounted for using the acquisition method. This is a method where all assets and liabilities of an acquired company, including non-controlling interests, are measured at fair value. The differences between consideration transferred and the net fair value of identifiable assets and liabilities are recognized as goodwill when the consideration transferred is in excess of the net fair value of identifiable assets and liabilities. If the net fair value of identifiable assets and liabilities exceed the consideration transferred, the excess is recognized immediately as a gain in the Consolidated Statements of Income for the year.

Foreign currency translation

The assets and liabilities of foreign subsidiaries and equity accounted investees are translated into Japanese yen using the spot exchange rate at the respective reporting date. All income and expense accounts are translated into Japanese yen using average rates of exchange for the respective reporting period. The resulting translation adjustments are recognized in other components of equity.

Foreign currency transactions are translated into functional currencies of individual companies using the spot exchange rate at the date of transactions. At the end of each reporting period, monetary assets and liabilities, and non-monetary assets and liabilities measured at fair value denominated in foreign currencies are translated into functional currencies using the spot exchange rate at the reporting date. The exchange differences arising from translation are recognized in profit for the year.

Non-monetary items measured at historical cost denominated in foreign currencies are translated using the spot exchange rate at the date of transaction.

Cash equivalents

Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments which are readily convertible into cash and have no significant risk of change in value. These include certificates of deposit, time deposits, financing bills and commercial paper with original maturities of three months or less.

Inventories

Inventories, consisting mainly of commodities and materials for sale, are measured at the lower of cost and net realizable value. The cost of inventory items that is not ordinarily interchangeable is 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. Inventories acquired for the purpose of being sold in the near term to profit from fluctuations in price are measured at fair value less costs to sell, and changes in the fair value less costs to sell are recognized in profit for the year.

Financial instruments

Non-derivative financial assets

Trade and other receivables are recognized at fair value on initial recognition. Regular purchases of other financial assets are recognized at fair value on the trade date. These financial assets are derecognized if they satisfy any of the following conditions:

- the contractual rights to the cash flows from the financial asset have expired; or
- the contractual rights to receive the cash flows of the financial asset have been transferred, and substantially all risks and rewards of the ownership of financial asset have been transferred.

Non-derivative financial assets are classified and measured as follows:

Non-derivative financial assets that are debt instruments are measured at amortized cost if they meet the following two criteria: 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 amount outstanding. Amortized cost is calculated by using the effective interest rate method. For financial assets measured at amortized cost, the companies consider if an impairment has occurred. Please see *Impairment of financial assets* regarding impairment.

Equity financial instruments and non-derivative financial assets that do not satisfy the requirements to be measured at amortized cost are measured at fair value through profit or loss ("FVTPL"). However, for certain equity financial instruments held primarily for the purpose of enhancing the revenue base by maintaining or strengthening the trade relationship with the investees, the companies elect at initial recognition to designate these instruments as at fair value through other comprehensive income ("FVTOCI").

When financial assets measured at FVTOCI are derecognized, the accumulated other components of equity are directly reclassified to retained earnings without being recognized in profit for the year. Dividend income received on financial assets measured at FVTOCI is recognized in profit for the year in principle.

Non-derivative financial liabilities

The companies have non-derivative financial liabilities including corporate bonds and loans payable, trade and other payables, and other financial liabilities. Corporate bonds issued by the companies are recognized on the issue date and all other non-derivative financial liabilities are recognized on the trade date at fair value plus or minus transaction costs that are directly attributable to the

acquisition or issue of the financial liabilities. Subsequent to initial recognition, non-derivative financial liabilities are measured at amortized cost using the effective interest method.
The companies derecognize a non-derivative financial liability only when it is extinguished (that is, the underlying obligation specified in the contract is discharged, cancelled or expires).

・ Non-derivative financial assets and non-derivative financial liabilities measured at amortized cost affected by interest rate benchmark reform
Interest rate benchmark reform – Phase 2
The companies have applied "Interest rate benchmark reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)" issued in August 2020 on April 1, 2020. For non-derivative financial assets and non-derivative financial liabilities measured at amortized cost, a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform is accounted for by updating the effective interest rate of the financial asset or financial liability.

Impairment of financial assets

For financial assets that are measured at amortized costs, the companies measure 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 measure 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. However, for trade receivables recognized based on the IFRS 15 "*Revenue from Contracts with Customers*" and contract assets, the loss allowance is measured at an amount equal to the lifetime expected credit loss without assessing whether the credit risk on a financial asset has increased significantly since initial recognition.
When determining significant increases in the credit risk and measuring expected credit losses, both quantitative and qualitative information is considered to provide reason and support. The information includes reasonable and available forward-looking information, as well as internal information such as historical credit loss experience, past due information and internal credit ratings. The loss allowance is measured by a function using probability of default, loss given default, discount factor and exposures based on this information. In addition, the companies determine 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.
Information such as significant financial difficulty of the issuer or the debtor or a breach of contract such as payments past due are used for determining if any of the counterparties is in the default. If the debtor is under legal reorganization and in financial failure or has issues repaying debts due to financial difficulty, although it may not yet be in financial failure, or the principal and interest payments are 90 days past due as of the reporting date, the companies determine that the default has occurred and an objective evidence of credit impairment exists. The loss allowance for the credit-impaired financial asset is also measured in the same way as financial assets that are not credit-impaired. In addition, loss allowance for certain credit-impaired financial asset is individually measured by the estimation of expected credit losses by using the present value of expected future cash flows discounted at the effective interest rate based on the original terms of the contract, or at fair value of the collateral if their value depends on the collateral based on the latest information and events.
The financial assets are directly written off when certain conditions are met. The following are examples of when it is reasonably determined that all or part of a financial asset is not collectable: write-off of financial assets by legal liquidation, obtaining of evident facts that suggest that it is impossible for the debtors to repay their debts from their perceived solvency and/or asset situation, and arrearage of payment after a certain period of time after a suspension of business operations.
The provision or the reversal of loss allowance is recognized in profit for the year.

Finance income and costs

Finance income and costs consist of items such as interest income, interest expense, dividend income and gain or loss on hedging instruments recognized in profit for the year. Interest income and interest expense are recognized using the effective interest method. Dividend income is recognized on the date when the rights of the companies to received dividends vest. See *Derivative instruments and hedging activities* for accounting for gains or losses arising from hedging instruments.

Derivative instruments and hedging activities

The companies are exposed to market risks related to foreign currency exchange rates, interest rates and commodity prices in the ordinary course of business. In order to mitigate or reduce these risks, the companies use derivative instruments, such as foreign exchange forward contracts, currency swap agreements, interest rate swap agreements, commodity futures, forwards, options and swap contracts. These derivative instruments hedge the exposure to changes in the fair value or expected future cash flows of recognized assets and liabilities, unrecognized firm commitments or forecasted transactions. The companies also use derivative

instruments and non-derivative financial instruments, such as foreign currency-denominated debt, to hedge foreign currency exposure to net investments in foreign operations.
The companies recognize all derivative instruments as an asset or a liability at fair value as at the date on which they become party to the relevant agreement. Subsequent to initial recognition, derivative instruments are measured at fair value with any changes in fair value accounted for as follows:

・ Hedging relationships affected by interest rate benchmark reform

Interest rate benchmark reform – Phase 1

The companies have applied "Interest rate benchmark (Amendments to IFRS 9, IAS 39 and IFRS 7)" issued in September 2019 on April 1, 2020 and have applied the following exceptions to certain hedge accounting requirements for hedging relationships affected by interest rate benchmark reform.

- For the purpose of evaluating whether there is an economic relationship between the hedged item and the hedging instrument, the companies assume that the benchmark interest rate is not altered as a result of interest rate benchmark reform.
- For a cash flow hedge of a forecast transaction designated as a hedged item, the companies assume that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the occurrence of the forecast transaction is highly probable.
- When determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the companies assume that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The companies will cease to apply the exceptions above for assessing the economic relationship between the hedged item and the hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued. For highly probable assessment of forecast transaction designated as a hedged item, the companies will cease to apply the exceptions above when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Interest rate benchmark reform – Phase 2

The companies have applied "Interest rate benchmark reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)" issued in August 2020 on April 1, 2020 and have applied the following exceptions to certain hedge accounting requirements for hedging relationships affected by interest rate benchmark reform.

- When the exceptions provided in "Interest rate benchmark reform – Phase 1" cease to apply, the companies amend a hedge designation to reflect the changes required by interest rate benchmark reform and continue the hedge accounting.
- When amending a hedged item designated in cash flow hedge, the companies deem that the amount accumulated in the balance in the cash flow hedges is based on the alternative benchmark rate on which the hedged future cash flows are determined.

・ Fair value hedges

Derivative instruments held for the purpose of eliminating the risk of changes in the fair value of hedged items are designated as fair value hedges and subject to the assessment of hedge effectiveness. To the extent that they satisfy the requirements for hedge accounting, the companies include the gain or loss on the hedged items in the same line item as the offsetting loss or gain on the derivative instruments designated as hedging instruments mainly as interest expense.

・ Cash flow hedges

Derivative instruments held for the purpose of offsetting the variability in cash flows of the hedged items are designated as cash flow hedges. To the extent that they are effective, any changes in fair value are recognized in other comprehensive income until cash flows of the hedged item affect gain or loss. The amounts previously recognized in other comprehensive income are reclassified into profit for the year mainly as cost, interest expense and other income (expense)-net when earnings are affected by the hedged items.

・ Hedges of net investments in foreign operations

Foreign currency transaction gain or loss on derivative instruments and non-derivative financial instruments that are designated as hedging instruments and deemed effective to reduce the foreign currency exposure of a net investment in a foreign operation are recorded as foreign currency translation adjustments within other comprehensive income to the extent they are effective as a hedge. The amounts in other components of equity are reclassified into profit for the year mainly as gain (loss) on securities and other investments-net when the related investment is sold completely or partially, or the liquidation of the investment is completed. The ineffective portion of the hedging instruments' gain or loss and the component of the derivative instruments' gain or loss excluded from the assessment of hedge effectiveness are recorded immediately in profit for the year mainly as other income (expense)-net.

・ Derivative instruments for trading purposes

The Company and certain subsidiaries use derivative instruments for trading purposes within certain position and loss limits. Derivative instruments for trading purposes are measured at fair value and changes in fair value are recorded in profit for the year as other revenue.

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statements of financial position 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.

Leasing

The companies are engaged in finance and operating lease businesses. Leases are classified as finance leases whenever they transfer substantially all the risks and rewards of ownership to the lessee. Leases other than finance leases are classified as operating leases. For finance leases, unearned income is amortized to income over the lease term at a constant periodic rate of return on the net investment. Operating lease income is recognized as revenue over the term of underlying leases using the straight-line method.

The companies are also lessees of various assets. If a contract is, or contains, a lease, leases are recognized as a lease liability and a corresponding right-of-use asset at the date at which the asset is available for use by the companies. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to interest expense over the lease term at a constant rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease term includes periods of an option to extend the lease if the lessee is reasonably certain to exercise that option and an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Note that short-term leases and leases for which the underlying asset is of low value apply exemption rules of the standards, and recognize the lease payments associated with those leases as an expense mainly on straight-line basis over the lease term.

Property, plant and equipment

Property, plant and equipment are measured based on the cost model and are stated at cost less accumulated depreciation and impairment losses.

Depreciation of property, plant and equipment, except for land and projects in progress, is computed principally under the straight-line method, using rates based on the estimated useful lives of the related assets. The estimated useful lives for buildings and vessels and aircrafts are primarily 2 to 50 years and 3 to 20 years, respectively. Equipment and fixtures are primarily depreciated using the straight-line method (the estimated useful lives are primarily 3 to 30 years) or the unit-of-production method. Mineral rights are primarily amortized using the unit-of-production method.

Investment property

Investment property is measured by using the cost model and is stated at cost less accumulated depreciation and impairment losses. Depreciation of investment property is computed principally under the straight-line method, using rates based upon the estimated useful lives of the related investment property. The estimated useful lives for investment properties are primarily 2 to 50 years.

Intangible assets

Intangible assets include goodwill arising from the acquisition of subsidiaries.

Intangible assets are measured based on the cost model and intangible assets with finite estimated useful lives are stated at cost less accumulated amortization and impairment losses. Goodwill and intangible assets with indefinite estimated useful lives are not amortized and are presented at cost less accumulated impairment losses.
Software is primarily amortized over 5 years using the straight-line method.

Impairment and its reversal of non-financial assets and investments accounted for using the equity method

Non-financial assets and investments accounted for using the equity method are quarterly assessed to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of the non-financial asset and investment are estimated. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually. For investments accounted for using the equity method, the entire carrying amount of the investment is tested for impairment as a single asset.
The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal and its value in use and is determined as an individual asset, when the asset generates cash inflows that are largely independent of those from other assets or groups of assets.
Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and the carrying amount is written down to its recoverable amount. The impairment loss is then recognized in loss for the year. For assets other than goodwill, an assessment is made quarterly as to whether there is any indication of impairment that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed as income in profit for the year. The amount is reversed to the extent that the increased carrying amount of an asset does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years only if there has been a change in the assumptions used to determine the recoverable amount of the asset since the last impairment loss was recognized. An impairment loss recognized for goodwill is not reversed.

Oil and gas producing activities

Oil and gas exploration and development costs are accounted for using the successful efforts method of accounting. The costs of acquiring properties, costs of drilling and equipping exploratory wells, and costs of development wells and related plant and equipment are capitalized, and amortized using the unit-of-production method. Exploratory well costs are expensed if economically recoverable reserves are not found. Other exploration costs, such as geological and geophysical costs, are expensed as incurred.

Proved properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the proved properties are determined to be impaired, an impairment loss is recognized based on the recoverable amount. Unproved properties are assessed whenever there is an indication of impairment, and if the unproved properties are determined to be impaired, impairment losses are charged to expense. The companies make a comprehensive evaluation and record impairment of unproved property based on various factors, such as remaining mining rights periods, examples of sales and purchases in neighboring areas, drilling results and seismic interpretations.

Mining operations

Mining exploration costs are expensed as incurred until the mining project has been established as commercially viable by a final feasibility study. Once established as commercially viable, costs are capitalized as development costs and are amortized using either the unit-of-production method or straight-line method based on the proven and probable reserves.
In surface mining operations, it is necessary to remove overburden and other waste materials to access mineral deposits. The costs of removing waste materials are referred to as "stripping costs." During the development of a mine, before production commences, such costs are generally capitalized as part of development costs. Removal of waste materials continues during the production stage of the mine. Such post-production stripping costs in relation to minerals produced during the fiscal year are variable production costs to be considered as a component of mineral inventory costs. These are recognized as a component of costs in the same period as the related revenues from sales of the minerals. In contrast, post-production stripping costs incurred that relate to minerals to be produced in the subsequent fiscal year are capitalized, and are amortized using either the unit-of-production method or straight-line method based on the proved and probable reserves.

Provisions

Provisions are recognized when the companies have 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 reliable estimates of the amount of the obligations 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 pretax 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.

Asset retirement obligations

The companies recognize costs of dismantling and removing assets mainly related to mining and oil and gas production facilities, and the companies record the provision for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the companies capitalize the related cost by increasing the carrying amount of the asset. Over time, the liability is increased to its present value to reflect the passage of time, and the capitalized cost is depreciated over the useful life of the related asset.

Employee benefits

The Company and certain subsidiaries have defined benefit pension plans and severance indemnity plans. The costs of defined benefit pension plans and severance indemnity plans are accrued based on amounts determined using actuarial procedures based on the projected unit credit method. The Company and certain subsidiaries recognize the overfunded or underfunded status of a defined benefit plan as an asset or a liability in the consolidated statements of financial position. The remeasurements of defined benefit pension plans are recognized immediately in other components of equity in equity and are transferred to retained earnings on recognition.

The Company and certain subsidiaries also have defined contribution pension plans. Payments to defined contribution pension plans are recognized as an expense when employees have rendered service.

Revenue recognition

Revenue is recognized as follows:

Revenue from contracts with customers

Revenue from contracts with customers is recognized at the time when the performance obligations are satisfied, 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 satisfies a performance obligation). Upon the identification of the performance obligations of the contract, a consideration of whether an entity is a principal or an agent is made, and if the nature of the entity's promise is a performance obligation to provide the specified goods or services as a principal, revenue is recognized at the gross amount, and if the nature of the entity's promise is a performance obligation to arrange for the provision of goods or services by another party, then revenues received as an agent is recognized at the amount of any fee or commission to which it expects to be entitled or as a net amount. Revenue is recognized when (or as) the companies satisfy a performance obligation by transferring a promised good or service (i.e. an asset) to a customer when (or as) the customer obtains control of that asset. The time when the customer obtains control of that asset is determined based on the ability to direct the use of and obtain substantially all of the remaining benefits from the asset.

The companies' main performance obligation is the sale of various products; the sale of a wide variety of manufactured products such as metals, chemicals, foods, and general consumer merchandise; the sales of coal, iron ore, oil, and gas; and the development and sale of real estate. The companies recognize revenue based on the transfer, acceptance by the customer, or the dispatch of goods for domestic transactions, and recognize revenue based on the transfer of the risks and costs, which is determined by the incoterms, for international transactions. In case that the performance obligation is rendering of services such as logistic and warehouse, information and communication, technical support, and arrangements related to the order, financing or delivery for commissions, revenue is recognized at the time when the completion of services or the elapse of period for rendering services. In regard to determining the time when the customer obtains control of that asset, the verified right to receive the consideration, the legal title, the physical possession, the significant risk and rewards, and the acceptance are assessed.

The consideration is normally received within a year from satisfying the performance obligation and it does not contain a significant financing component. For transactions where the performance obligation is satisfied over time, and only if its progress towards complete satisfaction of the performance obligation can be reasonably measured, revenue is recognized by measuring the progress towards the completion of the satisfaction of the performance obligation. Even if the progress towards complete satisfaction of a performance obligation may not be reasonably measurable, if the costs incurred in satisfying the performance obligation are expected to be recovered, revenue is recognized only to the extent of the costs incurred until the progress can be reasonably measured.

Other revenue

Other revenue principally includes revenues from leasing activities in real estate, rolling stock, ocean transport vessels, aircraft, equipment and others; revenues from derivative commodity instruments and derivative financial instruments held for trading purposes; revenues from FVTPL investments; and revenues from financing. See accounting policies for *Leasing* and *Derivative instruments and hedging activities* for revenue recognition policies regarding leasing and derivative transactions, respectively.

Income taxes

Income taxes comprise current taxes and deferred 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 except for cases where such deferred tax assets are not deemed to be recoverable.

Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries and equity accounted investees unless the companies are 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. Deferred tax assets and liabilities are measured at the tax rates that are applicable to the expected manner of recovery or settlement by management.

Upon the introduction of the Expansion of the Petroleum Resource Rent Tax Act in Australia, companies are allowed to elect to use market value as a starting base for transitional projects existing at May 1, 2010. A company electing to use the market value approach can obtain a deduction for the amortization of the market value of the project. The Company's Australian subsidiaries and equity accounted investees apply the market value approach. The Petroleum Resource Rent Tax is regarded as an income tax subject to tax effect accounting in accordance with IAS 12 "Income Taxes" and deferred tax assets have been recognized for the operating assets based on the differences in book values for financial reporting purposes and their tax bases except for the portion that is deemed not to be recoverable. In determining recoverability, several tax deductible items such as royalties and the impact of future augmentation, which will be incurred on tax losses carried forward in the Petroleum Resource Rent Tax, have been considered.

The companies recognize uncertain tax positions in income taxes in the consolidated financial statements if it is not probable that the taxation authority will accept an uncertain tax treatment.

Earnings per share

Basic earnings per share attributable to owners of the parent are computed by dividing profit for the year attributable to owners of the parent by the weighted-average number of common stock outstanding during the reporting period, adjusted for the number of treasury stock acquired. Diluted earnings per share attributable to owners of the parent reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

VI. NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The new standards, interpretations, and amendments that have been issued as of the date of the approval of the Consolidated Financial Statements which the companies have not yet applied as of March 31, 2022 are as follows.

IFRS	Title	Reporting periods beginning on or after which the applications are required	Reporting periods of the application by the companies (Reporting period ended)	Summaries of new IFRS and amendments
IFRS 17	Insurance Contracts	January 1, 2023	March 31, 2024	Fundamental amendment of accounting for insurance contracts
IAS 12	Income Taxes (amended in May 2021)	January 1, 2023	March 31, 2024	Clarification of accounting treatment for deferred tax related to assets and liabilities arising from a single transaction

The potential impacts that application of IFRS 17 "Insurance Contracts" and IAS 12 "Income Taxes" will have on the consolidated financial statements cannot be reasonably estimated at this time.

3. BUSINESS COMBINATIONS

For the year ended March 31, 2022

No material business combinations were completed during the year ended March 31, 2022.

For the year ended March 31, 2021

No material business combinations were completed during the year ended March 31, 2021.

4. CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries

Major consolidated subsidiaries as of March 31, 2022 were as follows:

Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of voting shares (%)
Mitsui-Itochu Iron Pty. Ltd.	Mining and sales of Australian iron ore	Australia Perth	70.0
Mitsui Iron Ore Development Pty. Ltd.	Mining and sales of Australian iron ore	Australia Perth	100.0
Mitsui Iron Ore Corporation Pty. Ltd.	Mining and sales of Australian iron ore	Australia Perth	100.0
Mitsui & Co. Iron Ore Exploration & Mining Pty. Ltd.	Mining and sales of Australian iron ore	Australia Perth	100.0
Mitsui Resources Pty. Ltd.	Investments in Australian coal business	Australia Brisbane	100.0
Mitsui Oil Exploration Co., Ltd.	Exploration, development and production of oil, natural gas and geothermal energy resources	Japan Tokyo	100.0
Mitsui Sakhalin Holdings B.V.	Investments in Sakhalin Energy Investment Company Ltd.	Netherlands Amsterdam	100.0
Mitsui & Co. Energy Trading Singapore Pte. Ltd.	Global trading / marketing of oil, petroleum products and LNG	Singapore	100.0
MBK USA Commercial Vehicles Inc.	Investment in full-service truck leasing	U.S.A. Wilmington	100.0
MITSUI & CO.(U.S.A.), INC.	Trading	U.S.A. New York	100.0

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

There is no significant gain or loss arising from changes in owners of parent's ownership interests due to the deconsolidation of subsidiaries during the years ended March 31, 2022 and 2021.

Unconsolidated Structured Entities (Unconsolidated SEs)

The companies are involved with SEs, established mainly for the purpose of real estate investment and financing projects such as, those related to oil and gas, through investments or loans to the SEs.
The activities of these SEs are real estate fund business and providing financing to customers in the form of leases and loans.
The entities are financed mainly by bank borrowings and issuance of stock.

The total assets of SEs that the companies are involved with, the carrying amounts of assets and liabilities in the Consolidated Statements of Financial Position that relate to the companies' interests in the SEs, and the companies' maximum exposure to loss as a result of the companies' involvement with the SEs as of March 31, 2022 and 2021 were as follows:

March 31, 2022:

Millions of Yen			
	Assets and liabilities that relate to interests in SEs		
Total assets of SEs	**Carrying amounts of assets**	**Carrying amounts of liabilities**	**Maximum exposure to loss**
¥ 1,803,525	¥ 85,123	-	¥ 85,123

March 31, 2021:

Millions of Yen			
	Assets and liabilities that relate to interests in SEs		
Total assets of SEs	**Carrying amounts of assets**	**Carrying amounts of liabilities**	**Maximum exposure to loss**
¥ 1,435,991	¥ 76,499	-	¥ 76,499

Note: The assets that relate to the companies' interests in the SEs are mainly "Other investments" and "Trade and other receivables."

The amount of maximum exposure to loss represents a loss that the companies could incur from financial difficulties of the customers. The amount bears no relation to the loss anticipated to be incurred from the companies' involvement with the SEs and is considered to greatly exceed the anticipated loss.

The maximum exposure to loss that relates to the companies' interests in the SEs represents the amounts of investments and loans provided by the companies to the SEs as of March 31, 2022 and 2021, respectively.

The companies did not provide any financial support to the SEs for the years ended March 31, 2022 and 2021.

Consolidated Structured Entities (Consolidated SEs)
There is no consolidated SE as of March 31, 2022.
There is no material consolidated SE as of March 31, 2021.

5. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Primary investees over which the companies have the ability to exercise significant influence despite ownership percentage of less than 20% are as follows:

The companies are the second largest shareholder group, owning 17.35% of Penske Automotive Group, Inc. ("PAG"). The companies entered into a shareholder's agreement with the largest shareholder group owning 45.81% of PAG's voting shares. Based on a reciprocal voting provision set forth in the agreement for any shareholder election of the directors of PAG, the companies and the largest shareholder group constitute a "group" within the meaning of Section 13(d) of the Securities Exchange Act of 1934 and jointly participate in the management of PAG. The investment in PAG is accounted for under the equity method because of the companies' ability to exercise significant influence over operating and financial policies primarily through board representation by a director and senior vice president dispatched from the companies. PAG is utilizing the companies' global network to develop its business activities outside the United States and, as part of the process, the companies substantively participate in PAG's decision-making processes.

One of the consolidated subsidiaries is one of the second largest shareholders, owning 16.60% of Cameron LNG Holdings, LLC ("Cameron"). The investment in Cameron is accounted for under the equity method in consideration of following factors.
The Company entered into a shareholder's agreement with the largest shareholder owning 50.20% of Cameron's voting shares and other shareholders. Based on the agreement, the Company has the ability to exercise significant influence over operating and financial policies through representation on board. In addition to this, other consolidated subsidiary entered into a significant agreement with Cameron's subsidiary.

The carrying amount of the investments accounted for using the equity method for the years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen	
	2022	2021
Associated companies	¥ 1,990,980	¥ 1,852,488
Joint ventures	1,396,391	1,191,513
Total	¥ 3,387,371	¥ 3,044,001

Share of profit and other comprehensive income of the equity accounted investees for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
Profit (loss) for the year		
Associated companies	¥ 310,008	¥ 174,216
Joint ventures	121,255	53,694
Total	¥ 431,263	¥ 227,910
Other comprehensive income (loss)		
Associated companies	¥ 187,766	¥ 65,681
Joint ventures	130,696	22,435
Total	¥ 318,462	¥ 88,116
Total comprehensive income (loss)	¥ 749,725	¥ 316,026

Dividends received from the equity accounted investees for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
Associated companies	¥ 229,086	¥ 130,095
Joint ventures	125,140	63,241
Total	¥ 354,226	¥ 193,336

The carrying value of the investments accounted for using the equity method exceeded the companies' equity in the underlying net assets of those companies. The amounts of such excess value for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
Associated companies	¥ 366,072	¥ 405,935
Joint ventures	114,010	82,185
Total	¥ 480,082	¥ 488,120

The amount of excess value is attributed first to certain fair value adjustments on a net-of-tax basis at the time of the initial and subsequent investments in those companies with the remaining portion considered as equity method goodwill. The excess value increases or decreases due to foreign currency translation. The fair value adjustments mainly relate to property, plant and equipment, intangible assets which consist primarily of equipment and fixtures, customer relationship and trademark rights, and depreciable assets are amortized over their respective estimated useful lives using either the straight-line or the unit-of-production method.

Investments in common stock of publicly-traded associated companies include marketable equity securities carried at ¥643,926 million and ¥570,290 million at March 31, 2022 and 2021, respectively. Corresponding aggregate quoted market values were ¥834,804 million and ¥709,787 million, respectively. Investments in common stock of publicly-traded joint venture for the year ended March 31, 2022 were immaterial.

The amounts of impairment losses on investments in equity accounted investees for the years ended March 31, 2022 and 2021 were ¥11,857 million and ¥4,461 million, respectively, and included in "Gain (loss) on securities and other investments-net" in the Consolidated Statements of Income.
For the year ended March 31, 2022, Mitsui & Co., Ltd. recognized an impairment loss of ¥9,749 million in the Machinery & Infrastructure Segment, with the conclusion of the sale and purchase agreement to sell its entire interest in MT Falcon Holdings S.A.P.I.de C.V., an equity accounted investee which owns and operates gas combined-cycle power plants and a gas-pipeline in Mexico.

The amounts of outstanding balances of assets and liabilities in the equity accounted investees for the years ended March 31, 2022 and 2021 were as follows:
The assets mainly consisted of trade receivables, loans and other investments and the liabilities mainly consisted of trade payables and loan payables.

	Millions of Yen			
	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Associated companies	¥ 140,224	¥ 83,120	¥ 130,077	¥ 74,804
Joint ventures	162,180	49,744	126,191	39,629
Total	¥ 302,404	¥ 132,864	¥ 256,268	¥ 114,433

In relation to the Company's liquefaction business in the United States, a wholly-owned subsidiary of the Company has secured four million tons per annum of LNG tolling capacity for 20 years following the inception of production of LNG in 2019, for which it will pay a tolling service fee under a natural gas tolling liquefaction agreement with Cameron LNG LLC, a subsidiary of Cameron LNG Holdings LLC, an associate of the Company.
The Company has completed the procurement of eight LNG ships intended to be used for the delivery of LNG mainly to its customers in Japan. As of March 31, 2022, all eight ships(six of which have been chartered with ship-owning companies in which the Company has investments accounted for as joint ventures) have already been delivered to the Company and its time charter has commenced simultaneously.
The total residual hire amount for the eight ships is approximately ¥590 billion at maximum. Of the total residual hire amount, approximately ¥290 billion is related to the extension option period, and the execution of those options in the future will be judged based on market environment and other conditions. The total residual hire amount consists of ship's lease payments and expense payments.
Only the portion of ship's lease payments for the firm period of charter without taking into account the extension option period is reflected in the measurement of lease liability.
Corresponding to most of the costs from the above tolling and transportation contracts, the Company also entered into long term LNG sales contracts with customers mainly in Japan.

The companies' revenues and purchases in cost of revenues from the equity accounted investees for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
Revenues		
Associated companies	¥ 132,906	¥ 123,294
Joint ventures	44,067	53,464
Total	¥ 176,973	¥ 176,758
Purchases		
Associated companies	¥ 277,161	¥ 186,199
Joint ventures	122,148	84,563
Total	¥ 399,309	¥ 270,762

6. SEGMENT INFORMATION

IFRS 8 "Operating Segments" requires disclosure of financial and descriptive information regarding operating segments, which are components of an entity whose operating results are regularly reviewed by the entity's chief operating decision-maker in deciding resources to be allocated to the segments and assessing their performance.

The Company assigns headquarters business units by business in the head office. Each headquarters business unit drafts overall strategies that unify the regional business units and blocs internally and externally for each business area for which they are in charge and develops business activities for the entire world with affiliated companies. As a driver of the regional strategy, the regional business units and blocs are responsible for the regions that they are in charge of, and cooperate with the headquarters business units while carrying out broad and diversified business with affiliated companies under each umbrella. The Company's decision-making regarding business resource allocation and its performance assessment are based on the business results obtained by the components where the regional business units and blocs were consolidated by the business domains. Therefore, the companies' operating segments are business segments comprised of the business units of the Head Office where the regional business units and blocs were consolidated by the business domains.

The companies' operating segments have been aggregated into reportable segments based on the similarities in the nature of the products and services, the production processes, the type of customer, the methods used for distribution, and the regulatory environments surrounding their businesses, along with the similarities in the economic characteristics based on the profitability indicators using Gross Profit, Profit (Loss) for the Year Attributable to Owners of the parent, etc.

The reportable segments (including the regional business units consolidated by the business domains) of the Company are as follows:

"Mineral & Metal Resources" consists of the Mineral & Metal Resources Business Unit. This segment is engaged in overseas development of iron and non-ferrous metal resources, and produces, sells and trades raw materials and metal products in Japan and abroad.

"Energy" consists of the Energy Business Units I, II, and Energy Solutions Business Unit. This segment is engaged in overseas development of oil and gas resources, and manufactures, sells and trades oil, gas, coal and related products, as well as next-generation electric power businesses in Japan and abroad.

"Machinery & Infrastructure" consists of the Infrastructure Projects Business Unit, the Mobility Business Unit I and the Mobility Business Unit II. This segment is engaged in manufacturing, sales and trading, leasing and financing of plant and machinery, as well as infrastructure businesses such as power generation in Japan and abroad.

"Chemicals" consists of the Basic Materials Business Unit, the Performance Materials Business Unit, and the Nutrition & Agriculture Business Unit. This segment manufactures, sells and trades chemical products and living & environmental materials in Japan and abroad.

"Iron & Steel Products" consists of the Iron & Steel Products Business Unit. This segment manufactures, sells and trades iron & steel products in Japan and abroad.

"Lifestyle" consists of the Food Business Unit, the Retail Business Unit and the Wellness Business Unit. This segment manufactures, sells, and trades foods and consumer products, and engages in wellness in Japan and abroad.

"Innovation & Corporate Development" consists of the IT & Communication Business Unit and the Corporate Development Business Unit. This segment engages in information and communication, logistics, insurance, finance, real estate and media businesses in Japan and abroad.

The companies' operating segment information and geographic area information for the years ended March 31, 2022 and 2021 were as follows:

Segment information

	Millions of Yen							
Year ended March 31, 2022:	**Mineral & Metal Resources**	**Energy**	**Machinery & Infrastructure**	**Chemicals**	**Iron & Steel Products**	**Lifestyle**	**Innovation & Corporate Development**	**Total**
Revenue..................................	¥ 1,900,653	¥ 2,597,392	¥ 856,603	¥ 2,861,701	¥ 615,076	¥ 2,700,478	¥ 223,665	¥ 11,755,568
Gross Profit.............................	¥ 392,469	¥ 145,414	¥ 142,931	¥ 182,984	¥ 35,492	¥ 142,965	¥ 97,743	¥ 1,139,998
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 145,312	¥ 32,347	¥ 146,029	¥ 20,714	¥ 26,020	¥ 41,087	¥ 19,745	¥ 431,254
Profit (Loss) for the Year Attributable to Owners of the Parent............................	¥ 497,579	¥ 114,017	¥ 120,808	¥ 68,941	¥ 26,889	¥ 61,498	¥ 57,591	¥ 947,323
Total Assets at March 31, 2022..................	¥ 3,180,197	¥ 2,960,412	¥ 2,684,478	¥ 1,692,949	¥ 691,630	¥ 2,428,573	¥ 1,729,006	¥ 15,367,245
Investments accounted for using the equity method at March 31, 2022..................	¥ 454,873	¥ 430,449	¥ 1,122,907	¥ 213,696	¥ 287,650	¥ 642,305	¥ 237,682	¥ 3,389,562
Core Operating Cash Flow.......	¥ 552,789	¥ 280,178	¥ 143,974	¥ 93,764	¥ 12,416	¥ 35,161	¥ 46,591	¥ 1,164,873
Capital additions to Non-current assets..............	¥ 62,539	¥ 49,388	¥ 18,853	¥ 20,338	¥ 993	¥ 13,876	¥ 35,518	¥ 201,505
Depreciation and amortization	¥ 51,314	¥ 138,488	¥ 23,881	¥ 24,723	¥ 1,392	¥ 21,802	¥ 18,112	¥ 279,712

	Millions of Yen		
Year ended March 31, 2022:	**All Other**	**Adjustments and Eliminations**	**Consolidated Total**
Revenue..................................	¥ 1,991	¥ 0	¥ 11,757,559
Gross Profit.............................	¥ 2,469	¥ (1,096)	¥ 1,141,371
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ (200)	¥ 209	¥ 431,263
Profit (Loss) for the Year Attributable to Owners of the Parent............................	¥ (9,176)	¥ (23,425)	¥ 914,722
Total Assets at March 31, 2022..................	¥ 7,647,360	¥ (8,091,315)	¥ 14,923,290
Investments accounted for using the equity method at March 31, 2022..................	¥ 247	¥ (2,438)	¥ 3,387,371
Core Operating Cash Flow.......	¥ 6,453	¥ (12,662)	¥ 1,158,664
Capital additions to Non-current assets..............	¥ 10,448	¥ -	¥ 211,953
Depreciation and amortization	¥ 16,683	¥ 1	¥ 296,396

Year ended March 31, 2021:	Millions of Yen							
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total
Revenue	¥ 1,396,902	¥ 838,598	¥ 792,200	¥ 1,933,795	¥ 436,579	¥ 2,373,082	¥ 236,120	¥ 8,007,276
Gross Profit	¥ 251,150	¥ 62,887	¥ 107,729	¥ 124,904	¥ 21,184	¥ 133,782	¥ 107,001	¥ 808,637
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 70,390	¥ 18,820	¥ 95,268	¥ 11,304	¥ 4,309	¥ 13,445	¥ 13,883	¥ 227,419
Profit (Loss) for the Year Attributable to Owners of the Parent	¥ 179,917	¥ 27,161	¥ 45,935	¥ 43,520	¥ 2,119	¥ 12,724	¥ 50,161	¥ 361,537
Total Assets at March 31, 2021	¥ 2,566,491	¥ 2,566,305	¥ 2,291,278	¥ 1,345,469	¥ 566,020	¥ 2,009,315	¥ 1,191,842	¥ 12,536,720
Investments accounted for using the equity method at March 31, 2021	¥ 437,952	¥ 383,543	¥ 944,431	¥ 179,307	¥ 251,045	¥ 624,063	¥ 214,030	¥ 3,034,371
Core Operating Cash Flow	¥ 308,146	¥ 123,156	¥ 78,700	¥ 62,513	¥ 2,030	¥ 19,776	¥ 55,147	¥ 649,468
Capital additions to Non-current assets	¥ 59,153	¥ 51,966	¥ 15,574	¥ 15,983	¥ 951	¥ 15,971	¥ 70,096	¥ 229,694
Depreciation and amortization	¥ 40,209	¥ 129,834	¥ 20,533	¥ 21,955	¥ 1,394	¥ 22,581	¥ 16,705	¥ 253,211

Year ended March 31, 2021:	Millions of Yen		
	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	¥ 2,960	¥ (1)	¥ 8,010,235
Gross Profit	¥ 2,377	¥ 451	¥ 811,465
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 472	¥ 19	¥ 227,910
Profit (Loss) for the Year Attributable to Owners of the Parent	¥ (19,379)	¥ (6,700)	¥ 335,458
Total Assets at March 31, 2021	¥ 7,202,925	¥ (7,223,800)	¥ 12,515,845
Investments accounted for using the equity method at March 31, 2021	¥ 12,261	¥ (2,631)	¥ 3,044,001
Core Operating Cash Flow	¥ (12,128)	¥ 20,798	¥ 658,138
Capital additions to Non-current assets	¥ 47,689	¥ 1	¥ 277,384
Depreciation and amortization	¥ 20,429	¥ (1)	¥ 273,639

(Notes) 1. "All Other" includes the Corporate Staff Unit which provides financing services and operations services to the companies and affiliated companies. Total assets of "All Other" at March 31, 2022 and March 31, 2021 includes cash, cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.

2. Transfers between reportable segments are made at cost plus a markup.
3. Profit (Loss) for the Year 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 Consolidated Statements of Cash Flows.
5. The description order of reporting segments has been changed in the segment information since the year ended March 31, 2022 and this change also applies for the year ended March 31, 2021.

Geographic area information

	Millions of Yen					
	Japan	**Singapore**	**United States**	**Australia**	**All Other**	**Consolidated Total**
Year ended March 31, 2022:						
Revenue …………………………	¥ 6,376,171	¥ 1,779,376	¥ 953,853	¥ 799,911	¥ 1,848,248	¥ 11,757,559
Year ended March 31, 2021:						
Revenue …………………………	¥ 4,743,653	¥ 526,076	¥ 688,400	¥ 595,807	¥ 1,456,299	¥ 8,010,235

(Note) Revenues are attributed to countries based on the location of sellers.

	Millions of Yen					
	Japan	**Australia**	**United States**	**Italy**	**All Other**	**Consolidated Total**
At March 31, 2022:						
Non-current assets ………	¥ 868,374	¥ 698,720	¥ 564,424	¥ 173,712	¥ 578,027	¥ 2,883,257
At March 31, 2021:						
Non-current assets ………	¥ 881,700	¥ 637,533	¥ 551,186	¥ 173,148	¥ 505,344	¥ 2,748,911

There were no individual material customers with respect to revenues for the years ended March 31, 2022 and 2021.

7. RECEIVABLES AND RELATED ALLOWANCES

Credit risk

In recognizing and measuring the loss allowance, the companies categorize financial assets into three stages on the basis of existence of significant increase in the credit risk and credit impairment. However, for trade receivables recognized based on IFRS15 "Revenue from Contracts with Customers" and contract assets, the loss allowance is measured at an amount equal to the lifetime expected credit loss without assessing whether the credit risk on a financial asset has increased significantly since initial recognition.

Stage1: Financial instruments for which the credit risk has not increased significantly since initial recognition.

Stage2: Financial instruments for which the credit risk has increased significantly since initial recognition, but no credit impairment is indicated.

Stage3: Credit-impaired financial assets

As for credit risk management, please refer to Note 8 "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS".

Changes in loss allowance

The analysis of the changes in loss allowance is as follows

Millions of Yen

Year ended March 31, 2022:	Trade and other receivables				Other financial assets			Total
	Stage1 Financial assets for which the related loss allowance is measured at an amount equal to 12-month expected credit losses	Financial assets for which the related loss allowances is always measured at an amount equal to lifetime expected credit losses	Stage2 Financial assets for which the related credit risk has increased significantly since initial recognition	Stage3 Credit-impaired financial assets	Stage1 Financial assets for which the related loss allowance is measured at an amount equal to 12-month expected credit losses	Stage2 Financial assets for which the related credit risk has increased significantly since initial recognition	Stage3 Credit-impaired financial assets	
Balance as at April 1, 2021	8,303	6,743	790	25,317	516	3,448	38,084	83,201
Change during the year (Recognition and derecognition)	11,925	1,343	81	1,855	55	3,246	2,835	21,340
Decrease during the year (charge-offs)(*)	(9,587)	(292)	(24)	(567)	-	-	(22,419)	(32,889)
Others	(268)	620	382	1,607	(25)	(1,722)	6,616	7,210
Balance as at March 31, 2022	10,373	8,414	1,229	28,212	546	4,972	25,116	78,862

* "Decrease during the year (charge-offs)" principally includes the effect of the sale of Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique.

** In addition to those shown in the table above, Decrease of provision for financial assets that are purchased or originated credit-impaired for the year ended March 31, 2022 was ¥38,465 million, and principally includes the effect of the sale of Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique. The outstanding balance was immaterial.

For the year ended March 31, 2022, in the Energy Segment, the company recorded a provision for loss valuation allowance of ¥4,081 million in "Selling, general and administrative expenses" with regard to loans to the Arctic LNG 2 Project, mainly due to the downgrade of Russian government credit rating etc. For the details, please refer to Note 29 "IMPACT OF THE UKRAINE

SITUATION ON THE RUSSIAN LNG BUSINESS".

Millions of Yen

Year ended March 31, 2021:	Trade and other receivables				Other financial assets			Total
	Stage1 Financial assets for which the related loss allowance is measured at an amount equal to 12-month expected credit losses	Financial assets for which the related loss allowances is always measured at an amount equal to lifetime expected credit losses	Stage2 Financial assets for which the related credit risk has increased significantly since initial recognition	Stage3 Credit-impaired financial assets	Stage1 Financial assets for which the related loss allowance is measured at an amount equal to 12-month expected credit losses	Stage2 Financial assets for which the related credit risk has increased significantly since initial recognition	Stage3 Credit-impaired financial assets	
Balance as at April 1, 2020	6,991	4,222	481	21,513	1,217	1,655	27,874	63,953
Change during the year (Recognition and derecognition)	250	2,830	306	3,131	(314)	1,759	34,508	42,470
Decrease during the year (charge-offs)	(194)	(84)	(257)	(77)	-	-	-	(612)
Others (*)	1,256	(225)	260	750	(387)	34	(24,298)	(22,610)
Balance as at March 31, 2021	8,303	6,743	790	25,317	516	3,448	38,084	83,201

* "Others" principally includes the effect of the sale of Caserones copper mine business.

** In addition to those shown in the table above, Recognition and balance of provision for financial assets that are purchased or originated credit-impaired for the year ended March 31, 2021 were ¥26,478 million and ¥38,423 million respectively.

For the year ended March 31, 2021, Mitsui & Co., Ltd. and its subsidiary, Mitsui Bussan Copper Investment & Co., Ltd., in Mineral & Metal Resources Segment which invest and lend to Caserones copper mine business, recognized a loss of ¥7,215 million, with the conclusion and the completion of the basic agreement to sell the entire interest as a part of reorganization and reconstructing of asset portfolio. In the Consolidated Statements of Income, a loss allowance for the related lending and others was recorded for ¥8,308 million in "Selling, general and administrative expenses" and a loss for the related investments accounted for using the equity method was recorded for ¥888 million in "Gain (loss) on securities and other investments-net", and the profit of the realized foreign currency translation adjustment on disposal of foreign operations and others was recorded for ¥1,981 million in "Gain (loss) on securities and other investments-net", respectively.

In addition, the passenger rail franchise business in the UK in the Machinery & Infrastructure Segment, which is invested and financed by the Company and its equity method investee, had been in continuous discussions regarding early termination of the franchise agreements due to the effect of the COVID-19 pandemic, and finally had received the final valuation of termination payments by the UK Department for Transport ("DfT"). The Company recognized a loss to the carrying amount for investments, loans, future loan contribution obligations of ¥11,013 million as a loss allowance for doubtful debt, a provision for loss on guarantees, an impairment loss included in share of profit (loss) of investments accounted for using the equity method and additional losses included in share of profit (loss) of investments accounted for using the equity method for future loan contribution obligations, based on the final valuation of termination payments presented by the DfT and the status of discussions to date. In the Consolidated Statements of Income, a loss allowance for doubtful debt was recorded for ¥4,902 million in "Selling, general and administrative expenses," a provision for loss on guarantees was recorded for ¥1,457 million in "Other income (expense)-net," an impairment loss and additional losses included in share of profit (loss) of investments accounted for using the equity method was recorded for ¥4,654 million in "Share of Profit (Loss) of Investments Accounted for Using the Equity Method", respectively.

Financial assets for which loss allowance is recognized

The carrying amount (before deducting loss allowance for expected credit losses) of the financial assets for which loss allowance is recognized is as follows.

Millions of Yen

Year ended March 31, 2022:	Financial assets for which the related loss allowance is measured at an amount equal to 12-month expected credit losses	Financial assets for which the related loss allowances is always measured at an amount equal to lifetime expected credit losses	Financial assets for which the related credit risk has increased significantly since initial recognition	Credit-impaired financial assets	Total
Trade and other receivables	772,363	1,744,615	14,778	53,775	2,585,531
Other financial assets	508,204	-	64,052	65,045	637,301
Total	1,280,567	1,744,615	78,830	118,820	3,222,832

Millions of Yen

Year ended March 31, 2021:	Financial assets for which the related loss allowance is measured at an amount equal to 12-month expected credit losses	Financial assets for which the related loss allowances is always measured at an amount equal to lifetime expected credit losses	Financial assets for which the related credit risk has increased significantly since initial recognition	Credit-impaired financial assets	Total
Trade and other receivables	495,129	1,339,882	5,381	44,338	1,884,730
Other financial assets	507,515	-	48,489	84,706	640,710
Total	1,002,644	1,339,882	53,870	129,044	2,525,440

In addition to those shown in the table above, financial assets that are purchased or originated credit-impaired as of March 31, 2021 was ¥39,182 million. The outstanding balance as of March 31, 2022 was immaterial.

The financial assets' carrying amount stated on the consolidated financial statements represent the maximum exposure.

There is no financial asset that was written off during the reporting period that is still subject to enforcement activity.

Credit enhancement

In estimating the loss allowance, the amount of obtained collateral such as properties, mortgages, securities, commercial goods, etc., is deducted as credit enhancement from the amount of the financial assets for which the loss allowance is recognized.

The following table shows the status of credit enhancement on credit-impaired financial assets.

	Credit enhancements related to the credit-impaired financial assets	
	Millions of Yen	
	Year ended March 31	
	2022	2021
Trade and other receivables	3,763	3,903
Other financial assets	222	147
Total	3,985	4,050

8. DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS

(1) Trade and other receivables, and other financial assets

Trade and other receivables, and other financial assets as of March 31, 2022 and 2021 were measured at amortized cost and FVTPL, except for derivative assets, and consisted of the following:

	Millions of Yen	
	2022	2021
Current		
Trade and other receivables		
Accounts and notes	¥ 2,170,467	¥ 1,640,818
Lease receivables	8,138	7,580
Loans	146,452	185,838
Other financial assets		
Time deposits	42,455	38,503
Accounts receivable-other	127,959	102,684
Derivative assets	545,921	163,903
Other	281,527	124,896
Loss allowances	¥ (21,917)	¥ (22,246)
Total	¥ 3,301,002	¥ 2,241,976
Non-current		
Trade and other receivables		
Accounts and notes	¥ 27,942	¥ 25,974
Lease receivables	46,323	46,773
Loans	302,494	332,583
Other financial assets		
Time deposits	2,592	1,676
Accounts receivable-other	33,105	21,956
Derivative assets	97,973	82,874
Other	34,175	35,342
Loss allowances	¥ (56,782)	¥ (99,378)
Total	¥ 487,822	¥ 447,800

Note: Receivable from accounted equity investees included in trade and other receivables carried at ¥195,068 million and ¥205,202 million at March 31, 2022 and 2021, respectively.

(2) Other investments

The carrying amounts of other investments as of March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
Other investments		
Financial assets measured at FVTPL	¥ 267,758	¥ 123,555
Financial assets measured at FVTOCI	2,067,958	1,789,287
Amortized cost	11,698	42,765
Total	¥ 2,347,414	¥ 1,955,607

Note: Preferred stock issued by equity method investees, which was included in financial assets measured at FVTOCI as of March 31, 2022 and 2021, were ¥43,596 million and ¥43,532 million, respectively.

Financial assets measured at FVTOCI which were included in other investments

The fair value of financial assets measured at FVTOCI as of March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
Marketable	¥ 1,335,522	¥ 1,080,121
Non-marketable	732,436	709,166
Total	¥ 2,067,958	¥ 1,789,287

The fair value of major items of these marketable financial assets measured at FVTOCI as of March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
VALE S.A.	¥ 702,162	¥ 537,791
Seven & i Holdings Co., Ltd.	94,833	72,800
Sims Ltd.	66,349	41,877
Recruit Holdings Co., Ltd.	64,968	64,812
Lucid Group, Inc.	43,837	-
PHC Holdings Corporation	39,541	-
GOLDWIN INC.	27,122	30,922
YAMATO KOGYO CO., LTD.	16,989	15,022
TOYOTA MOTOR CORPORATION	16,669	12,924
INPEX CORPORATION	14,036	11,818
Yamaha Motor Co., Ltd.	11,832	11,638
Mitsui Chemicals, Inc.	10,737	12,145
MODEC, INC.	10,694	18,980
KATO SANGYO CO., LTD	9,995	11,272
Sumitomo Metal Mining Co., Ltd.	8,961	6,949
TORAY INDUSTIRES, INC.	8,800	9,815
Mitsui Fudosan Co., Ltd.	7,860	7,541
TBS HOLDINGS, INC.	7,663	9,314
Nihon Unisys, Ltd.	7,627	8,349
J-OIL MILLS, INC.	6,751	8,381

Non-marketable financial assets measured at FVTOCI were mainly composed of investments in LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman and Qatargas 3) and mineral & metal resources projects, including the Jimblebar iron ore project.

The fair value of investments in the LNG projects as of March 31, 2022 and 2021 were ¥305,281 million and ¥315,653 million, respectively.

The fair value of the main investments in the mineral & metal resources projects, including the Jimblebar iron ore project, as of March 31, 2022 and 2021 were ¥161,484 million and ¥127,090 million, respectively.

Derecognized financial assets measured at FVTOCI

The fair value, gains and losses, and dividends income related to financial assets measured at FVTOCI which were derecognized because of review of business strategy as of March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	**2021**
Fair value of the financial assets at the date of derecognition	¥ 28,227	¥ 31,417
Cumulative gains and losses on disposition	¥ (4,997)	¥ 13,608
Dividends received from derecognized financial assets	¥ 1,447	¥ 2,422

With respect to financial assets measured at FVTOCI, gains and losses on disposition recorded as other components of equity and its related non-controlling interests (after income tax effect) at the date of derecognition were transferred to retained earnings.
The amounts transferred were ¥(9,819) million and ¥8,772 million for the years ended March 31, 2022 and 2021, respectively.

(3) Gain (loss) on securities and other investments-net

Gain (loss) on securities and other investments-net for the years ended March 31, 2022 and 2021 resulted from disposal and impairment or its reversal of investment in subsidiaries and associated companies and others.
Gains related to financial assets measured at FVTPL (except for debt instruments) for the year ended March 31, 2022 and 2021 were ¥13,687 million and ¥35,731 million, respectively included in "Revenue" in the Consolidated Statements of Income.

(4) Finance income and costs

The finance income and finance costs for the years ended March 31, 2022 and 2021 that the companies recognized were as follows:

	Millions of Yen	
	2022	**2021**
Interest income		
Amortized cost	¥ 21,934	¥ 21,808
Derivatives	(1,935)	(1,931)
Total	¥ 19,999	¥ 19,877
Dividend income		
Financial assets measured at FVTOCI	¥ 196,505	¥ 103,655
Interest expense		
Amortized cost	¥ (49,748)	¥ (57,247)
Derivatives	2,424	5,299
Total	¥ (47,324)	¥ (51,948)

In addition to those shown in the table above, interest income of ¥42,117 million and ¥37,797 million on financial assets measured at amortized cost were included in "Revenue" and interest expenses of ¥8,551 million and ¥10,557 million on financial liabilities measured at amortized cost were included in "Cost" for the years ended March 31, 2022 and 2021, respectively, mainly related to the retail finance business.
Fee income and expenses arising from financial assets measured at amortized cost are immaterial.

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

The fair values of non-current financial instruments as of March 31, 2022 and 2021 were as follows. The fair values of current financial assets and current financial liabilities are not disclosed because the carrying amounts reasonably approximate their fair values.

	Millions of Yen			
	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Other investments measured at amortized cost	¥ 11,698	¥ 11,930	¥ 42,765	¥ 43,603
Non-current receivables				
Trade and other receivables (Note 1) and other financial assets (excluding derivative assets) (Note 2)	¥ 389,849	¥ 389,838	¥ 364,927	¥ 364,927
Non-current liabilities				
Long-term debt, less current portion (Note 1) and other financial liabilities (excluding derivative liabilities) (Note 2)	¥ 4,272,785	¥ 4,322,656	¥ 4,071,342	¥ 4,119,853

(Note 1) Trade and other receivables include loan receivable. Long-term debt includes 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.
(Note 2) The fair values of other financial assets and other financial liabilities (excluding derivative assets and liabilities) approximate their respective carrying amounts.

Non-current financial assets and liabilities (excluding derivative assets and liabilities) are classified as Level 2 other than below as their fair values are measured using the discounted cash flow method based on observable inputs including market interest rates.

Trade and other receivables and other financial assets classified as Level 3.

Fair value	93,724 Millions of Yen as of March 31, 2022 181,345 Millions of Yen as of March 31, 2021
Valuation techniques and inputs	Their valuation is based on significant unobservable inputs such as credit spreads, default probabilities, and estimated loss rates on individual receivables using the discounted cash flow method.

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 beginning with the current fiscal year. Those amounts for the previous fiscal year have also been restated to conform to the presentation in the current fiscal year.
Other investments excluding those measured at amortized cost and derivative assets and liabilities which are included in Other financial assets and liabilities are presented at fair value in the Consolidated Statements of Financial Position. For further information, see Note 24, "FAIR VALUE MEASUREMENT".

(6) Risk-related matters

Capital management
The Company decides the policies to maintain appropriate levels of shareholders' equity, debt and equity balances. It examines the status of execution in terms of stability for capital efficiency as well as financing when the Company acquires high-quality assets to improve enterprise value and utilize existing assets. Shareholders' equity is the total equity attributable to owners of the parent in the Consolidated Statements of Financial Position. The Company also examines the appropriateness of scale of shareholders' equity in terms of it being a risk buffer to maximum exposure to potential losses that could result from a deterioration in the companies' respective businesses.
The key metrics used for capital management are as follows:
・Return on equity (ROE) (*)
・Net Debt-to-Equity Ratio (Net DER) (**)

・Ratio of risk adjusted assets to shareholder's equity (***)

(*) ROE refers to the ratio of profit for the year attributable to the owners of the parent to shareholders' equity. ROEs as of March 31, 2022 and 2021 were 18.0% and 8.0%, respectively.

(**) Net DER refers to the ratio of net interest bearing debt to shareholders' equity. Net interest bearing debt is calculated by subtracting cash and cash equivalents and time deposits from interest bearing debt. Interest bearing debt comprises long-term and short-term debt and excludes lease liabilities. Net DERs by this method as of March 31, 2022 and 2021 were 0.60 times and 0.72 times, respectively.

(***) Risk-adjusted assets refers to the maximum loss exposure and is calculated by multiplying assets including trade and other receivables, other investments and fixed assets by risk weights, which the companies have determined individually based on the potential risk of loss.

The Company considers these indicators periodically, and they are used for developing business policy and business judgment.
The Company maintains a robust financial foundation and credit rating, which is sufficient for business projects. The Company strives to maintain and upgrade its credit rating through the above capital management.
The Company is not subject to any externally imposed capital requirements (except for general requirements, such as those in the Companies Act of Japan).

Risk management

・Credit risk

With regard to the contingent characteristics of credit risks included in derivative instruments, some of the derivative instruments used by the Company and certain subsidiaries such as commodity futures, commodity forwards, commodity swaps, and commodity options may include clauses that prescribe changes in the minimum required collateral (margins) or early termination in accordance with the credit ratings of the Company. If the credit ratings of the Company are downgraded, the counterparty will require additional collateral from the Company and certain subsidiaries to cover the whole or part of the amount of the relevant derivative obligations in accordance with such clauses.
The companies minimize credit risks of derivative instruments associated with, for example, counterparty defaults by entering into these transactions mainly with reputable international financial institutions with high credit rations. Therefore, the companies believe that a significant loss arising from these transactions is extremely unlikely.
As for credit risks of financial instruments other than derivative instruments, the companies manage credit risks through the management of commitment lines of credit approved by an appropriate person with authority and through monitoring past-due status of credit. This management is basically consistent with the stage classification in Note 7 "RECEIVABLES AND RELATED ALLOWANCES" and especially financial instruments classified to Stage3 are focused on monitoring. In addition, the companies require collateral and/or other forms of security from counterparties as necessary.
Concentration of credit risk is minimized as the companies carry out a wide variety of transactions with various customers all over the world and monitor regularly whether the exposure for specific regions or customers is kept in a certain range.

・Liquidity risk

Turmoil in financial markets, a downgrade in our credit ratings or significant changes in the lender or investment policies of the lenders or institutional investors could result in constraints on the fund procurement and an increase in funding costs, and could have an adverse effect on the financial position and liquidity.
The companies secure the liquidity required for our smooth operations and maintain the strength and soundness of the balance sheet by holding sufficient cash and cash equivalents, procuring mainly long-term funds, maintaining lines of credit with banks and commercial paper programs, obtaining commitment lines, utilizing financing programs provided by government financing agencies and/or project financing, utilizing the internal Cash Management Service, in which the companies can procure financing from financing subsidiaries and overseas offices of the Company, and such so that the companies decrease liquidity risk.
The amount of cash and cash equivalents to be hold is closely monitored for securing the liquidity. The companies' liquidity management policy is to satisfy liquidity requirements for the repayment of the debts, comparing the amount of cash and cash equivalents with the maturity profile and the amount of outstanding short-term and long-term debts.
The amounts of outstanding balances as of March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
Cash and cash equivalents…………………………………………	¥ 1,127,868	¥ 1,063,150
Short-term debt...………………………………………………	281,831	300,485
Current portion of long-term debt...……………………………	410,257	450,941
Long-term debt, less current portion...…………………………	4,185,375	3,995,311

・Market risks

The companies are subject to market risks associated with fluctuations in interest rates, foreign currency exchange rates, commodity prices, and stock prices that arise in the course of the Company's operating and other activities.

The companies have formulated market risk management policies and have established management systems at several levels. In particular, regarding foreign currency exchange risks and commodity price risks, Chief Operating Officers have the primary responsibility of establishing risk management policies that prescribe the setting of limits on positions and losses, as well as prescribing management systems at each business unit. They also have the responsibility of obtaining the approval of our executive officers in charge of risk management and carrying out management and reporting in accordance with such approval. In addition, risk management sections, which are independent from trading sections, monitor, analyze and evaluate market risks and periodically report to the executive officers in charge. Regarding interest rate risks, the environment surrounding financial markets, the Company's ratio of assets and liabilities, and the risks of interest rate fluctuations are regularly reported to the executive officers, by whom the risk management policies for interest rate were approved. Stock price risk is managed by analyzing factors of stock price fluctuations.

1) Interest rate risk

The companies are exposed to interest rate risk arising from floating-rate assets and liabilities. An increase in interest rates may adversely affect the operating results. The companies have entered into interest rate derivative transactions, which consist mainly of interest rate swap agreements, and interest rate and currency swap agreements, to hedge exposures of certain assets and liabilities.

The impacts on profit before income taxes for the years ended March 31, 2022 and 2021, assuming a 100 basis point rise in interest rates as of March 31, 2022 and 2021, were ¥(27,698) million and ¥(26,501) million, respectively. These are calculated by multiplying the balance of floating-rate financial instruments held by the companies as of March 31, 2022 and 2021, by 100 basis points without considering future changes in the balance, the effect of exchange rate fluctuations, the diversification effect of the timing of refinancing/interest rate revisions of floating-rate debts, etc., and assuming that all other variables are constant.

The items that are considered to be instruments affected by interest rate fluctuations for the purpose of calculating the sensitivity include floating-rate interest-bearing debts/loans, fixed-rate interest-bearing debts/loans that are effectively converted to floating-rate instruments under interest rate swap agreements, deposits and other instruments.

2) Foreign currency exchange rate risk

The companies are exposed to foreign currency exchange rate risk on receivables and payables denominated in foreign currencies arising from transactions such as purchases and sales of commodities and financial transactions. The companies hedge these risks with forward exchange contracts and currency swaps.

For significant long and short net positions denominated in foreign currencies as of March 31, 2022 and 2021, assuming a 1% appreciation of the Yen, the impacts on profit before income taxes would have been ¥(817) million from USD, ¥(37) million from BRL and ¥(40) million from AUD as of March 31, 2022 and ¥(324) million from USD, ¥(28) million from BRL and ¥(120) million from AUD as of March 31, 2021. Based on the same assumption, the impacts on other comprehensive income would be ¥(988) million from USD, ¥(7,034) million from BRL and ¥(268) million from AUD as of March 31, 2022 and ¥(450) million from USD, ¥(5,387) million from BRL and ¥(185) million from AUD as of March 31, 2021. The long and short positions denominated in foreign currencies indicate that they are in currencies other than that of the functional currency of each company. In this context, the long positions represent the condition in which certain losses occur due to a decline in the value of the currency, and the short positions represent the condition in which certain gains occur due to an increase in the value of the currency. Foreign currency translation adjustments are not included in the scope of this analysis. In addition, this analysis assumes that all other variables are constant.

3) Commodity price risk

As the companies carry out business activities pertaining to commodities such as non-ferrous metals, crude oil and gas, and foods, they are exposed to risks associated with commodity prices.

The companies measure the risk of market commodities for which historical price fluctuations have been relatively significant along with actively traded derivatives by using Value at Risk (VaR), which is a statistical measure of the potential maximum loss in the fair value of a given portfolio over a certain holding period and within a certain confidential level. VaR is calculated by mainly using a 10-day holding period and a confidence level of 99 percentile. In addition, the figures do not necessarily take into account correlations between all commodities. VaRs as of March 31, 2022 and 2021 were ¥45,654 million and ¥32,648 million, respectively. The actual results may differ significantly from VaR above as VaR is calculated by using historical fluctuations of each risk component.

4) Stock price risk
The companies invest in listed companies to strengthen ties with customers, suppliers and others, as well as to make various types of propositions to the companies in which the companies invest, to pursue operating revenue. These investments are exposed to stock price risks.
For investments held as of March 31, 2022 and 2021, the impacts on other comprehensive income arising from changes in the fair values assuming a 10% change in the stock index representative of the markets on which the individual stocks are traded were ¥125,801 million and ¥98,167 million, respectively. The impact on profit before taxes is immaterial.

(7) Derivative instruments and hedging accounting

The risk management policies for each risk category of risk exposure for which hedge accounting is applied are provided in Note 8 "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS (6) Risk-related matters". Regarding foreign currency exchange rate risks and commodity price risks, the companies manage the risk exposure based on limits to positions and losses set by each business unit. Regarding interest rate risks, the companies manage the risk exposure based on approved policies considering factors such as financial market, asset and debt balances and the risk of interest rate fluctuations.

Foreign currency exchange rate risk
The companies use derivative instruments, such as foreign exchange forward contracts and currency swap agreements, as hedging instruments for hedge accounting to fix the expected future cash flows from foreign-currency-denominated receivables and payables resulting from selling and purchasing activities in currencies other than the local currency, and long-term financing transactions as part of the companies' global operations in many countries. The companies also use foreign-currency-denominated debt in order to mainly hedge the foreign currency exposure in the net investment in foreign operations.

Interest rate risk
The companies use derivatives, such as interest rate swap agreements, as hedging instruments for hedge accounting to fix the expected future cash flows from long-term financial assets and liabilities with floating interest rates and offset the exposure to changes in the fair value of long-term financial assets and liabilities with fixed interest rates.

Interest rate benchmark reform
・Overview
A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) including London Interbank Offered Rate (referred to as 'LIBOR') with alternative nearly risk-free rates (referred to as 'IBOR reform'). On March 5, 2021, ICE Benchmark Administration, which is LIBOR's administrator, has announced that it intends to cease the publication of LIBOR based on the current methodology referencing rates provided by panel banks immediately after the end of December 2021 except for certain US dollar LIBOR settings, and the publication of remaining US dollar LIBOR settings is ceased after the end of June 2023. The companies have exposure to LIBOR on its financial instruments and are preparing for the cessation of LIBOR.

・Hedge accounting
The companies have evaluated the extent to which its hedging relationships are subject to uncertainty driven by IBOR reform as at March 31, 2022 and 2021. The significant interest rate benchmarks to which the companies' hedging relationships are exposed are mainly Japanese yen LIBOR and US dollar LIBOR at March 31, 2021, and US dollar LIBOR at March 31, 2022. These benchmark rates are quoted each day and the LIBOR cash flows are exchanged with counterparties as usual. However, some of the companies' hedging relationships extend beyond the cessation date for LIBOR and there is uncertainty about the timing and the amount of cash flows with respect to the relevant hedged items and hedging instruments. If such uncertainty impacts the hedging relationship, the companies assume that the benchmark interest rate is not altered as a result of IBOR reform. The companies cease to assume that the benchmark interest rate is not altered as a result of IBOR reform when the uncertainty arising from IBOR reform is no longer present, and the companies amend a hedge designation and continue the hedge accounting. The companies judge that the uncertainty arising from IBOR reform is eliminated when the replacement date of an alternative benchmark rate is fixed with the alternative benchmark

rate and the relevant spread adjustment.

The financial instruments as of March 31, 2022 and 2021, which maturity dates are beyond the cessation date of LIBOR, were as follows. Non-derivative financial assets include loans (deducting loss allowance for expected credit losses), non-derivative financial liabilities include borrowings and bonds, and derivatives include interest rate swaps and cross-currency swaps.

Non-derivative financial assets and non-derivative financial liabilities

	March 31, 2022		
	Carrying amount (Billions of Yen)		
	Uncertainty arising from IBOR reform remain (*1)	Uncertainty arising from IBOR reform eliminated	Total
Non-derivative financial assets	48	-	48
Non-derivative financial liabilities	1,300	-	1,300

	March 31, 2021		
	Carrying amount (Billions of Yen)		
	Uncertainty arising from IBOR reform remain (*1)	Uncertainty arising from IBOR reform eliminated	Total
Non-derivative financial assets	32	-	32
Non-derivative financial liabilities	1,754	-	1,754

Derivatives

Hedge accounting	March 31, 2022 Nominal amount (Billions of Yen)		
	Uncertainty arising from IBOR reform remain (*1)	Uncertainty arising from IBOR reform eliminated (*2)	Total
Not applicable	517	2	519
Designated in fair value hedge which hedged item was long-term financial liabilities with fixed interest rate	294	-	294
Designated in cash flow hedge which hedged item was long-term financial liabilities with floating interest rate	104	24	128
Total	915	26	941

Hedge accounting	March 31, 2021 Nominal amount (Billions of Yen)		
	Uncertainty arising from IBOR reform remain (*1)	Uncertainty arising from IBOR reform eliminated (*2)	Total
Not applicable	387	3	390
Designated in fair value hedge which hedged item was long-term financial liabilities with fixed interest rate	769	20	789
Designated in cash flow hedge which hedged item was long-term financial liabilities with floating interest rate	171	22	193
Total	1,327	45	1,372

(*1) Plan to take necessary measures following the timeline set by the transition committees including Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks, and the relevant organizations by each currency
(*2) Transition by ISDA IBOR Fallbacks Supplement

The companies also have financial instruments referencing interest rate benchmarks other than LIBOR. As of this moment, the companies expect that they will continue to exist as a benchmark rate for the foreseeable future and judge that they are not affected by the uncertainty arising from IBOR reform.

Commodity price risk

The companies use derivative instruments, such as swap contracts, as hedging instruments for hedge accounting to fix the expected future cash flows from forecasted transactions in marketable commodities.

When applying hedge accounting to address the above risk, the companies confirm that there are economic relationships between the hedged items and the hedging instruments through qualitative and quantitative assessments. Qualitative assessments show whether the critical terms of hedging instruments and hedged items match exactly or are closely aligned. Quantitative assessments show fluctuations of value of hedged item and hedging instrument with the same risk offset each other.
Each hedge ratio is determined properly based on an economic relationship between the hedged item and the hedging instrument and the risk management strategy. Expected hedge ineffectiveness including the cases caused by credit risk is immaterial. The decrease in a net investment could cause hedge ineffectiveness in the risk from the foreign currency exchange rate of a net investment in a foreign

operation, but the companies manage the risk from the foreign currency exchange rate in order to minimize such hedge ineffectiveness. In the case the companies designate a specific risk component, which is decided based on the risk management strategies for each risk category as a hedged item, the risk component is separately identifiable from the hedged item in its entirety for all risks, and changes in the cash flows or the fair value attributable to the change in the risk component is measured with reliability.

The nominal amounts of the hedging instruments as of March 31, 2022 and 2021 were as follows:

	Billions of Yen					
	March 31, 2022			March 31, 2021		
Risk category	Fair value hedges	Cash flow hedges	Hedges of the net investment in a foreign operation	Fair value hedges	Cash flow hedges	Hedges of the net investment in a foreign operation
Foreign currency exchange rate	¥ 87	¥ 489	¥ 1,934	¥ 68	¥ 294	¥ 1,481
Interest rate	938	216	-	810	353	-
Commodity price	0	340	-	0	108	-
Total nominal amounts	¥ 1,025	¥ 1,045	¥ 1,934	¥ 878	¥ 755	¥ 1,481

The effects of hedge accounting on Consolidated Statements of Financial Position

The following tables present the carrying amount of hedging instruments.
Position as of March 31, 2022 and 2021:

		Millions of Yen					
		March 31, 2022			March 31, 2021		
Risk category	Line item in the Consolidated Statements of Financial Position	Fair value hedge	Cash flow hedge	Hedges of the net investment in a foreign operation	Fair value hedge	Cash flow hedge	Hedges of the net investment in a foreign operation
Foreign currency exchange rate	Other financial assets - Current	¥ 142	¥ 5,034	¥ -	¥ 207	¥ 3,571	¥ 743
	Other financial assets - Non-current	-	11,008	223	-	4,035	154
Interest rate	Other financial assets - Current	1	197	-	37	13	-
	Other financial assets - Non-current	41,122	5,418	-	52,657	903	-
Commodity price	Other financial assets - Current	38	60,732	-	318	4,419	-
	Other financial assets - Non-current	-	4,937	-	-	-	-
Total		¥ 41,303	¥ 87,326	¥ 223	¥ 53,219	¥ 12,941	¥ 897

		Millions of Yen					
		March 31, 2022			March 31, 2021		
Risk category	Line item in the Consolidated Statements of Financial Position	Fair value hedge	Cash flow hedge	Hedges of the net investment in a foreign operation	Fair value hedge	Cash flow hedge	Hedges of the net investment in a foreign operation
Foreign currency exchange rate	Current portion of long-term debt	¥ 6,953	¥ 15,916	¥ 180,298	¥ 3,662	¥ -	¥ 227,354
	Other financial liabilities - Current	337	1,888	53,364	199	1,352	22,048
	Long-term debt, less current position	29,240	162,994	996,779	27,430	-	719,254
	Other financial liabilities - Non-current	408	3,783	26,522	260	1,049	11,343
Interest rate	Other financial liabilities - Current	-	53	-	-	1,676	-
	Other financial liabilities - Non-current	10,731	810	-	2,584	6,094	-
Commodity price	Other financial liabilities - Current	37	103,554	-	-	7,787	-
	Other financial liabilities - Non-current	-	18,329	-	-	20	-
Total		¥ 47,706	¥ 307,327	¥ 1,256,963	¥ 34,135	¥ 17,978	¥ 979,999

Fair value hedge

The following table presents the carrying amount of the hedged items recognized in the Consolidated Statements of Financial Position as of March 31, 2022 and 2021, and the accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged items recognized in the Consolidated Statements of Financial Position:

		Millions of Yen			
		March 31, 2022		**March 31, 2021**	
Risk category	Line item in the Consolidated Statements of Financial Position	Carrying amount of the hedged items	Accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged items	Carrying amount of the hedged items	Accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged items
Foreign currency exchange rate	Other investments	¥ 143,316	¥ 6,299	¥ 141,001	¥ 1,162
	Current portion of long-term debt	-	-	-	-
Interest rate	Current portion of long-term debt	3,001	1	9,040	40
	Long-term debt, less current position	970,892	30,397	851,225	50,071

The accumulated amounts of fair value hedge adjustments remaining in the Consolidated Statements of Financial Position as of March 31, 2022 and 2021 for any hedged items that have ceased to be adjusted for hedging gains and losses were immaterial.

Cash flow hedge

The following table presents the balance in the cash flow hedges which were recognized by applying the hedge accounting to reduce the risk of volatility of cash flow as of March 31, 2022 and 2021.

	Millions of Yen	
	Balance in the cash flow hedges which were recognized by applying the hedge accounting	
Risk category	**March 31, 2022**	**March 31, 2021**
Foreign currency exchange rate..	¥ (10,361)	¥ 2,854
Interest rate...	2,667	(5,648)
Commodity price..	(78,037)	(3,721)

The balance in the cash flow hedges from any hedging relationships for which hedge accounting is no longer applied as of March 31, 2022 and 2021 were immaterial.

Hedges of net investments in foreign operations

The following table presents the balance in the foreign currency translation adjustments which were recognized by applying the hedge accounting to reduce the foreign currency exposure in the net investment in foreign operations as of March 31, 2022 and 2021.

		Millions of Yen	
		Balance in the foreign currency translation adjustments which were recognized by applying the hedge accounting	
Risk category	The situation of hedge accounting	**March 31, 2022**	**March 31, 2021**
Foreign currency exchange rate …	Continuing hedges	¥ (154,255)	¥ (43,498)
	Hedging relationships for which hedge accounting is no longer applied	(69,486)	(57,469)
Total ……		¥ (223,741)	¥ (100,967)

<u>The effects of hedge accounting on the Consolidated Statements of Income and Comprehensive Income</u>

Fair value hedge

The following table presents the change in value of the hedged items and fair value of hedging instruments used as the basis for recognizing hedge ineffectiveness for the years ended March 31, 2022 and 2021.

	Millions of Yen			
	2022		**2021**	
Risk category	Change in value of hedged items	Change in fair value of hedging instruments	Change in value of hedged items	Change in fair value of hedging instruments
Foreign currency exchange rate	¥ 4,994	¥ (4,918)	¥ 3,528	¥ (3,337)
Interest rate	19,712	(19,712)	8,343	(8,343)

The following amounts included in the Consolidated Statements of Income and Comprehensive Income for the years ended March 31, 2022 and 2021 were immaterial:
- Hedge ineffectiveness recognized in profit for the year.

Cash flow hedge

The following table presents the change in the fair value of hedging instruments used as the basis for recognizing hedge ineffectiveness and the amount which was recognized as the cash flow hedges by applying the hedge accounting for the years ended March 31, 2022 and 2021. The change in value of hedged items used as the basis for recognizing hedge ineffectiveness approximated the change in fair value of hedging instruments used as the basis for recognizing hedge ineffectiveness.

	Millions of Yen			
	2022			
Risk category	Change in fair value of hedging instruments	Amount which was recognized as the cash flow hedges by applying the hedge accounting	Account which was mainly reclassified from the cash flow hedges	Amount which was reclassified from the cash flow hedges
Foreign currency exchange rate..................	¥ (4,892)	¥ (4,936)	Cost	¥ 5,948
Interest rate..	7,505	8,027	Interest expense	(4,388)
Commodity price.......................................	(84,511)	(84,772)	Cost	(11,494)

	Millions of Yen			
	2021			
Risk category	Change in fair value of hedging instruments	Amount which was recognized as the cash flow hedges by applying the hedge accounting	Account which was mainly reclassified from the cash flow hedges	Amount which was reclassified from the cash flow hedges
Foreign currency exchange rate..................	¥ 780	¥ 780	Other income (expense)-net	¥ 1,189
Interest rate..	5,137	5,148	Interest expense	(2,704)
Commodity price.......................................	(8,408)	(8,355)	Cost	(980)

The amounts of hedge ineffectiveness which were recognized in profit for the year for the years ended March 31, 2022 and 2021 were immaterial.

Hedges of net investments in foreign operations

The following table presents the change in the fair value of hedging instruments used as the basis for recognizing hedge ineffectiveness and the amount which was recognized as the foreign currency translation adjustments by applying the hedge accounting for the years ended March 31, 2022 and 2021. The changes in values of hedged items used as the basis for recognizing hedge ineffectiveness approximated the change in fair value of hedging instruments used as the basis for recognizing hedge ineffectiveness.

	Millions of Yen			
	2022			
Risk category	Change in fair value of hedging instruments	Amount which was recognized as the foreign currency translation adjustments by applying the hedge accounting	Account which was mainly reclassified from the foreign currency translation adjustments	Amount which was reclassified from the foreign currency translation adjustments
Foreign currency exchange rate	¥ (157,947)	¥ (153,728)	Gain (loss) on securities and other investments-net	¥ (759)

	Millions of Yen			
	2021			
Risk category	Change in fair value of hedging instruments	Amount which was recognized as the foreign currency translation adjustments by applying the hedge accounting	Account which was mainly reclassified from the foreign currency translation adjustments	Amount which was reclassified from the foreign currency translation adjustments
Foreign currency exchange rate	¥ (48,944)	¥ (46,262)	Gain (loss) on securities and other investments-net	¥ 2,372

The amounts of hedge ineffectiveness which were recognized in profit for the year for the years ended March 31, 2022 and 2021 were immaterial.

(8) Offset of financial assets and liabilities

A financial asset and a financial liability including collateral are offset and the net amount is presented in the Consolidated Statements of Financial Position of the Company when, and only when, the companies currently have a legally enforceable right to set off the recognized amounts as well as intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The following table presents the gross amounts of recognized financial assets and liabilities, amounts of offset, net amounts, amounts not offset despite the existence of a master netting agreement, and exposure on a net basis of derivative assets, derivative liabilities and collateral as of March 31, 2022 and 2021. These amounts of financial assets and liabilities except derivative assets, derivative liabilities and collateral as of March 31, 2022 and 2021 were immaterial.

March 31, 2022:	Millions of Yen	
	Financial Assets	Financial Liabilities
Gross amounts of recognized financial assets and liabilities	¥ 3,180,078	¥ 3,044,431
Gross amounts of financial assets and liabilities set off in the Consolidated Statements of Financial Position	(2,245,090)	(2,245,090)
Net amounts of financial assets and liabilities presented in the Consolidated Statements of Financial Position	934,988	799,341
Related amounts not set off in the Consolidated Statements of Financial Position (including collateral)	(135,015)	(135,015)
Exposure on a net basis	¥ 799,973	¥ 664,326

March 31, 2021:	Millions of Yen	
	Financial Assets	Financial Liabilities
Gross amounts of recognized financial assets and liabilities	¥ 1,322,384	¥ 1,231,513
Gross amounts of financial assets and liabilities set off in the Consolidated Statements of Financial Position	(970,573)	(970,573)
Net amounts of financial assets and liabilities presented in the Consolidated Statements of Financial Position	351,811	260,940
Related amounts not set off in the Consolidated Statements of Financial Position (including collateral)	(65,068)	(65,068)
Exposure on a net basis	¥ 286,743	¥ 195,872

Financial assets are included in Other financial assets of Current and Non-current assets, and financial liabilities are included in Other financial liabilities of Current and Non-current liabilities in the Consolidated Statements of Financial Position.

The companies normally have the rights to set off which are enforceable only in the event of default, insolvency or bankruptcy of its customers in relation to its recognized financial assets and liabilities where the requirements to set off are not met.

9. LEASES

Lessor

The companies lease real estate, aircraft, ocean transport vessels, rolling stock, equipment and others.
Certain leases of rolling stock, equipment and others are classified as finance leases, and the net investments are included as part of trade and other receivables in the Consolidated Statements of Financial Position.
Other leases are classified as operating leases and the related assets are presented as "Property, plant and equipment" or "Investment property" in the Consolidated Statements of Financial Position.

The following is "Property, plant and equipment" provided for operating leases as of March 31, 2022 and 2021.

	Millions of Yen 2022	**Millions of Yen 2021**
Land and buildings	¥ 179,498	¥ 160,399
Equipment and fixtures	104,220	79,978
Vessels and aircrafts	84,956	89,846
Total	¥ 368,674	¥ 330,223

Consolidated statements of income include lease revenues from operating lease of ¥73,186 million for the year ended March 31, 2022, and ¥64,864 million for the year ended March 31, 2021.

The following is a schedule of future minimum lease payments to be received from finance leases as well as the components of the present value as of March 31, 2022 and 2021.

	Millions of Yen			
	Gross investment in the lease	**Gross investment in the lease**	**The present value of future minimum lease payments to be received**	**The present value of future minimum lease payments to be received**
Year ended March 31:	**2022**	**2021**	**2022**	**2021**
Not later than 1 year ………………………	¥ 10,226	¥ 8,653	¥ 8,138	¥ 7,580
Later than 1 year and not later than 2 years …	9,377	8,227	6,904	6,562
Later than 2 years and not later than 3 years …	8,438	7,168	6,213	5,717
Later than 3 years and not later than 4 years …	7,578	6,390	5,579	5,096
Later than 4 years and not later than 5 years …	6,418	5,850	4,725	4,665
Later than 5 years ……………………………	31,108	31,007	22,902	24,733
Total ………………………………………	¥ 73,145	¥ 67,295	¥ 54,461	¥ 54,353
Unearned income ……………………………	(18,684)	(12,942)		
The present value of future minimum lease payments to be received……………………	¥ 54,461	¥ 54,353		

The following is a schedule of future minimum lease payments to be received from operating leases as of March 31, 2022 and 2021.

	Millions of Yen	Millions of Yen
Year ended March 31:	2022	2021
Not later than 1 year	¥ 71,899	¥ 47,436
Later than 1 year and not later than 2 years	46,100	29,204
Later than 2 years and not later than 3 years	32,385	24,402
Later than 3 years and not later than 4 years	22,172	19,377
Later than 4 years and not later than 5 years	14,400	14,085
Later than 5 years	44,047	26,977
Total	¥ 231,003	¥ 161,481

Lessee

The companies lease real estate, equipment, ocean transport vessels and others.
The consolidated statement of financial position includes the following amounts in relation to leases. Right-of -use assets are included in the item "Property, plant and equipment" in the consolidated statement of financial position.

The amounts of right-of use assets in the consolidated statements of financial position

Year ended March 31:	Millions of Yen 2022	Millions of Yen 2021
Land and buildings	¥ 96,030	¥ 88,742
Equipment and fixtures	15,415	19,309
Vessels and aircrafts	170,900	167,567
Others	530	593
Total	¥ 282,875	¥ 276,211

Additions to right-of-use assets for the year ended March 31, 2022 was ¥53,807 million and for the year ended March 31, 2021 was ¥24,694 million.

Maturity analysis of lease liability

	Millions of Yen			
	Future minimum lease payments		The present value of future minimum lease payments	
Year ended March 31:	2022	2021	2022	2021
Not later than 1 year	¥ 58,308	¥ 57,448	¥ 51,263	¥ 50,609
Later than 1 year and not later than 5 years	162,265	146,726	143,688	128,338
Later than 5 years	195,724	190,141	173,316	166,311
Total	¥ 416,297	¥ 394,315	¥ 368,267	¥ 345,258
Future financial cost	(48,030)	(49,057)		
The present value of future minimum lease payments	¥ 368,267	¥ 345,258		

The component of lease liability

Year ended March 31:	Millions of Yen 2022	Millions of Yen 2021
Lease liabilities current	¥ 51,263	¥ 50,609
Lease liabilities non-current	317,004	294,649
Total	¥ 368,267	¥ 345,258

The consolidated statements of income include the following amounts related to leases.
Depreciation of right-of-use asset

Year ended March 31:	Millions of Yen 2022	Millions of Yen 2021
Land and buildings	¥ 20,938	¥ 19,419
Equipment and fixtures	8,107	10,101
Vessels and aircrafts	17,590	16,486
Others	125	113
Total	¥ 46,760	¥ 46,119

Total income from subleasing right-of-use assets for the year ended March 31, 2022 was ¥8,820 million and for the year ended March 31, 2021 was ¥15,370 million.
Total cash outflow from leases for the year ended March 31, 2022 was ¥64,947 million and for the year ended March 31, 2021 was ¥67,726 million.

10. INVENTORIES

Inventories as of March 31, 2022 and 2021 were comprised of the following:

	Millions of Yen	
	2022	2021
Commodities and finished goods	¥ 886,896	¥ 561,549
Property for sale	4,056	2,481
Raw materials, work in progress and others	58,711	51,125
Total	¥ 949,663	¥ 615,155

See Note 24, "FAIR VALUE MEASUREMENT" for the carrying amount of inventories measured at fair value less costs to sell.

11. PROPERTY, PLANT AND EQUIPMENT

The changes in acquisition cost, accumulated depreciation and impairment losses and carrying amount of property, plant and equipment for the years ended March 31, 2022 and 2021 were as follows:

[Acquisition cost]

	Millions of Yen					
	Land and buildings	Equipment and fixtures	Vessels and aircrafts	Mineral rights	Projects in progress	Total
Balance at April 1, 2020	¥ 1,052,609	¥ 2,472,209	¥ 330,845	¥ 338,441	¥ 149,446	¥ 4,343,550
Additions	48,643	38,260	2,818	43	122,599	212,363
Disposals	(25,513)	(36,159)	(12,386)	(627)	(1,416)	(76,101)
Foreign currency translation	67,397	172,763	1,715	26,620	19,844	288,339
Others	20,641	125,826	644	(15,083)	(115,269)	16,759
Balance at March 31, 2021	¥ 1,163,777	¥ 2,772,899	¥ 323,636	¥ 349,394	¥ 175,204	¥ 4,784,910
Additions	48,758	48,318	24,535	51	110,984	232,646
Disposals	(32,732)	(96,743)	(17,479)	(11,898)	(4,031)	(162,883)
Foreign currency translation	69,145	192,721	10,605	28,228	14,753	315,452
Others	(13,767)	76,149	3,295	3,420	(114,976)	(45,879)
Balance at March 31, 2022	¥ 1,235,181	¥ 2,993,344	¥ 344,592	¥ 369,195	¥ 181,934	¥ 5,124,246

"Others" includes the effects of transfers from projects in progress to other property, plant and equipment and changes from a consolidated subsidiary to an equity accounted investee and from an equity accounted investee to a consolidated subsidiary.
For the year ended March 31, 2022, the decrease in "Others" in Total resulted mainly from the transfers from property, plant and equipment to investment property, due to JPY (50,100) million for reclassification of agricultural land owned by XINGU AGRI AG, upon conclusion of lease contracts. The decrease in the carrying amount of this transfer was JPY (28,823) million.

[Accumulated depreciation and impairment losses]

	Millions of Yen					
	Land and buildings	Equipment and fixtures	Vessels and aircrafts	Mineral rights	Projects in progress	Total
Balance at April 1, 2020	¥ 348,658	¥ 1,671,594	¥ 57,619	¥ 141,184	¥ 3,124	¥ 2,222,179
Depreciation expenses ………	53,677	157,205	23,471	17,311	-	251,664
Disposals ……………………	(14,296)	(28,086)	(9,324)	-	-	(51,706)
Impairment losses ……………	(3,719)	24,790	1,117	7,424	10,740	40,352
Foreign currency translation …	26,397	107,072	360	13,859	509	148,197
Others ………………………	831	572	70	(2,204)	(117)	(848)
Balance at March 31, 2021	¥ 411,548	¥ 1,933,147	¥ 73,313	¥ 177,574	¥ 14,256	¥ 2,609,838
Depreciation expenses ………	50,903	174,031	25,296	19,356	-	269,586
Disposals ……………………	(18,255)	(67,465)	(7,260)	(11,143)	-	(104,123)
Impairment losses ……………	2,606	985	-	1,592	12,113	17,296
Foreign currency translation …	25,313	123,953	2,153	15,066	1,757	168,242
Others ………………………	(19,781)	(6,664)	(2,336)	1,304	(18)	(27,495)
Balance at March 31, 2022	¥ 452,334	¥ 2,157,987	¥ 91,166	¥ 203,749	¥ 28,108	¥ 2,933,344

[Carrying amount]

	Millions of Yen					
	Land and buildings	Equipment and fixtures	Vessels and aircrafts	Mineral rights	Projects in progress	Total
Balance at March 31, 2021	¥ 752,229	¥ 839,752	¥ 250,323	¥ 171,820	¥ 160,948	¥ 2,175,072
Balance at March 31, 2022	¥ 782,847	¥ 835,357	¥ 253,426	¥ 165,446	¥ 153,826	¥ 2,190,902

Carrying amounts above include property, plant and equipment subject to operating leases, which primarily consist of land and buildings, vessels and aircrafts, and equipment and fixtures leased by consolidated subsidiaries. Amounts regarding property, plant and equipment subject to operating leases as lessor for the years ended March 31, 2022 and 2021 are provided in Note 9 "LEASES".

Impairment losses were recorded as "Impairment reversal (loss) of fixed assets - net" in the Consolidated Statements of Income. The breakdown of impairment losses of fixed assets for the years ended March 31, 2022 and 2021 by segment is as follows:

	Millions of Yen	
	2022	2021
Mineral & Metal Resources ……………………………………………	¥ (186)	¥ (270)
Energy …………………………………………………………………	(13,363)	(33,528)
Machinery & Infrastructure ……………………………………………	(790)	(8,713)
Chemicals ………………………………………………………………	(5)	-
Iron & Steel Products ………………………………………………	(62)	(56)
Lifestyle ………………………………………………………………	(2,730)	(1,882)
Innovation & Corporate Development ………………………………	(160)	4,098
All Other ………………………………………………………	-	(1)
Consolidated Total …………………………………………………	¥ (17,296)	¥ (40,352)

The impairment loss on property, plant and equipment for the year ended March 31, 2022 was immaterial.

For the year ended March 31, 2021, Mitsui E&P Italia A S.r.l., a subsidiary in the Energy Segment engaged in the onshore oil development in the Basilicata region in Italy, recognized an impairment loss of ¥23,351 million in "Impairment reversal (loss) of fixed assets - net" in the Consolidated Statements of Income by reducing the carrying amount of the goodwill and production equipment and others to the recoverable amount of ¥158,206 million. Out of the impairment loss, the amount related to property, plant and equipment was ¥16,169 million, and the amount related to goodwill was ¥7,182 million. The impairment loss was mainly related to a decline in the crude oil price. The recoverable amount above represented the value in use calculated from the discounted future cash flow. The Company forecasts that Brent Crude price will be in a range of US$60/bbl to US$70/bbl, considering the recent market price, and based on several third parties' mid-long term forecasts. The discount rate used to calculate the value in use is deemed to reflect the market average profit margin and the risks inherent to the cash-generating unit.

In addition, Mitsui Rail Capital Europe B.V., a subsidiary in the Machinery & Infrastructure Segment engaged in the locomotive leasing business in Europe, recognized an impairment loss of ¥9,300 million in "Impairment reversal (loss) of fixed assets - net" in the Consolidated Statements of Income by reducing the carrying amount of the locomotives, goodwill and others to the recoverable amount of ¥79,651 million. Out of the impairment loss, the amount related to property, plant and equipment was ¥5,138 million, and the amount related to goodwill and others was ¥4,162 million. The impairment loss was mainly related to a lower operating ratio of the locomotives for each locomotive type and region in which the locomotives run.
The recoverable amount of property, plant and equipment represented the value in use and the fair value less costs of disposal, and the recoverable amount of goodwill and others represented the value in use. The discount rate used to calculate the value in use is deemed to reflect the market average profit margin and the risks inherent to the cash-generating unit. The fair value less costs of disposal is based on the reasonable price considering the recent sale cases of the asset being valued, and the fair value is classified as level 3.

12. INVESTMENT PROPERTY

The acquisition cost, accumulated depreciation and impairment losses, carrying amount and fair value of investment property for the years ended March 31, 2022 and 2021 were as follows.

[Acquisition cost and accumulated depreciation and impairment losses]

	Millions of Yen			
	Acquisition cost		Accumulated depreciation and impairment losses	
Balance at April 1, 2020	¥	305,914	¥	54,076
Balance at March 31, 2021	¥	330,403	¥	55,556
Balance at March 31, 2022	¥	402,663	¥	84,093

[Carrying amount and fair value]

	Millions of Yen			
	Carrying amount		Fair value	
Balance at March 31, 2021	¥	274,847	¥	540,199
Balance at March 31, 2022	¥	318,570	¥	674,629

The amounts of acquisitions for the year ended March 31, 2022 were ¥25,377 million. The net amount of transfers from property, plant and equipment for the year was ¥30,523 million, mainly due to an increase of ¥28,823 million for reclassification of agricultural land owned by XINGU AGRI AG, upon conclusion of lease contracts. The amounts of acquisitions for the year ended March 31, 2021 were ¥32,414 million. The net amount of transfers from property, plant and equipment for the year was not material.

Rental income from investment property was ¥22,671 million and direct operating expenses arising from investment property was ¥12,632 million for the year ended March 31, 2022. Rental income from investment property was ¥14,423 million and direct operating expenses arising from investment property was ¥10,002 million for the year ended March 31, 2021.

The fair value of primary investment property as of the end of each reporting period is based on a valuation conducted by independent valuation appraisers, who have recent experience in the locations and categories of the investment property being valued, and have the appropriate and recognized professional qualifications (such as registered appraiser), and is classified as Level 3. The valuation is based on significant unobservable inputs such as estimated rents and discount rates using primarily the income approach and conforms to the standards of the country where the investment property is located.

13. INTANGIBLE ASSETS

The changes in acquisition cost, accumulated amortization and impairment losses, and carrying amount of intangible assets for the years ended March 31, 2022 and 2021 were as follows:

[Acquisition cost]

	Millions of Yen			
	Goodwill	Software	Others	Total
Balance at April 1, 2020	¥ 112,490	¥ 68,519	¥ 217,541	¥ 398,550
Additions	7,138	4,261	11,811	23,210
Disposals	-	(6,602)	(2,532)	(9,134)
Foreign currency translation	3,507	1,129	2,279	6,915
Others	(466)	4,078	(5,302)	(1,690)
Balance at March 31,2021	¥ 122,669	¥ 71,385	¥ 223,797	¥ 417,851
Additions	-	5,134	16,013	21,147
Disposals	(2,220)	(7,752)	(5,462)	(15,434)
Foreign currency translation	11,392	2,151	29,680	43,223
Others	19,758	4,975	20,805	45,538
Balance at March 31, 2022	¥ 151,599	¥ 75,893	¥ 284,833	¥ 512,325

In connection with the urban passenger rail business in Brazil, balance of Others in Acquisition cost at March 31, 2022 and 2021 includes operating rights of ¥64,602 million and ¥47,683 million, respectively. The significant component of the changes during year ended March 31, 2022 is an increase of ¥16,215 million in "Foreign currency translation".
Balance of Others in Acquisition cost at March 31, 2022 includes products rights and related relationships of ¥24,048 million of Belchim Corp Protection NV/SA a European Agrochemical company. The significant component is an increase of ¥21,615 million in "others" (due to the change from a non-consolidated company to a consolidated subsidiary).

[Accumulated amortization and impairment losses]

	Millions of Yen			
	Goodwill	Software	Others	Total
Balance at April 1, 2020	¥ 59,813	¥ 47,304	¥ 96,144	¥ 203,261
Amortization expense	-	7,491	9,385	16,876
Impairment losses	11,760	363	598	12,721
Disposals	-	(6,067)	(1,556)	(7,623)
Foreign currency translation	1,564	934	3,035	5,533
Others	(452)	214	(1,234)	(1,472)
Balance at March 31, 2021	¥ 72,685	¥ 50,239	¥ 106,372	¥ 229,296
Amortization expense	-	8,387	12,300	20,687
Impairment losses	820	434	164	1,418
Disposals	(274)	(6,612)	(3,619)	(10,505)
Foreign currency translation	5,158	1,620	10,162	16,940
Others	1,329	237	(116)	1,450
Balance at March 31, 2022	¥ 79,718	¥ 54,305	¥ 125,263	¥ 259,286

[Carrying amount]

	Millions of Yen			
	Goodwill	Software	Others	Total
Balance at March 31, 2021	¥ 49,984	¥ 21,146	¥ 117,425	¥ 188,555
Balance at March 31, 2022	¥ 71,881	¥ 21,588	¥ 159,570	¥ 253,039

In connection with the urban passenger rail business in Brazil, balance of Others in Carrying amount at March 31, 2022 and 2021 includes operating rights of ¥54,573 million (the remaining amortization period is 27 years at March 31, 2022) and ¥40,620 million, respectively.
Balance of Others in Carrying amount at March 31, 2022 includes products rights and related relationships of ¥20,876 million of Belchim Corp Protection NV/SA a European Agrochemical company.

Amortization expense on intangible assets with finite estimated useful lives is mainly recognized in "Selling, general and administrative expenses" in the Consolidated Statements of Income.
Impairment losses and reversal of impairment losses on intangible assets are recognized in "Impairment reversal (loss) of fixed assets - net" in the Consolidated Statements of Income.

The impairment loss on intangible assets for the year ended March 31, 2022 was immaterial.

For the year ended March 31, 2021, information regarding impairment losses in a subsidiary in the Energy Segment and a subsidiary in the Machinery & Infrastructure Segment is provided in Note 11 "PROPERTY, PLANT AND EQUIPMENT".

The carrying amount of goodwill, allocated to cash-generating unit (or group of units) for impairment testing is immaterial in comparison with the companies' total carrying amount of goodwill for the years ended March 31, 2022 and 2021.

The carrying amount of intangible assets with indefinite useful lives, allocated to cash-generating unit (or group of units) for impairment testing, is immaterial in comparison with the companies' total carrying amount of intangible assets with indefinite useful lives for the years ended March 31, 2022 and 2021.

14. EXPLORATION AND EVALUATION FOR MINERAL RESOURCES AND OIL & GAS

Exploration and evaluation assets for mineral resources and oil & gas for the years ended March 31, 2022 and 2021 were as follows: Exploration and evaluation assets are mainly recognized in "Property, plant and equipment" in the Consolidated Statements of Financial Position.

	Millions of Yen	
	2022	**2021**
Balance at beginning of year	18,257	60,806
Acquisitions / Additions	14,433	10,841
Impairment and write-down of capitalized exploration expenses	(13,562)	(13,747)
Reclassification	(9,331)	(47,631)
Foreign currency translation	608	9,117
Others	(184)	(1,129)
Balance at end of year	10,221	18,257

For the year ended March 31, 2021, the "Reclassification" is mainly related to the final investment decision of a gas development project relating to the Waitsia gas field in the state of Western Australia.

Expenses, cash flows from operating activities and cash flows from investing activities in relation to exploration and evaluation for mineral resources and oil & gas for the years ended March 31, 2022 and 2021 were as follows:
Exploration and evaluation expenses are included in "Impairment reversal (loss) of fixed assets-net" and "Other income (expense)-net" in the Consolidated Statements of Income. Impairment and write-down of capitalized exploration expenses are included in "Impairment reversal (loss) of fixed assets-net", while other exploration and evaluation expenses are included in "Other income (expense)-net".

	Millions of Yen	
	2022	**2021**
Exploration and evaluation expenses	(18,634)	(18,353)
Cash flows from operating activities	(5,583)	(4,819)
Cash flows from investing activities	(13,115)	(10,059)

15. DISCLOSURES ABOUT FINANCIAL AND OTHER TRADE LIABILITIES

(1) Short-term debt

Short-term debt as of March 31, 2022 and 2021 consisted of the following:

	Millions of Yen					
	2022			**2021**		
			Interest rate			Interest rate
Short-term bank loans and others	¥	281,831	1.8%	¥	286,204	2.0%
Commercial paper		-	-		14,281	1.0%
Total	¥	281,831		¥	300,485	

The interest rates represent weighted-average rates in effect as of March 31, 2022 and 2021 regardless of borrowing currencies, though the range of interest rates varies by borrowing currency.

(2) Long-term debt

Long-term debt as of March 31, 2022 and 2021 consisted of the following:

	Millions of Yen	
	2022	2021
Long-term debt with collateral (Note 16):		
Banks and insurance companies, maturing serially through 2054—principally 0.8% to 8.2%	¥ 60,417	¥ 42,637
Government-owned banks and government agencies, maturing serially through 2034—principally 0.4% to 6.3%	35,047	24,773
Bonds:		
Indonesian Rupiah bonds (fixed rate 3.8% to 8.3%, due 2021–2024)	33,772	17,710
Brazil Real non-convertible bonds (floating rate 7.9%, due 2021-2026)	1,575	1,113
Total	130,811	86,233
Long-term debt without collateral:		
Banks and others (principally insurance companies):		
Principally 0.0% to 2.6%, maturing serially through 2076	1,899,439	1,868,751
Principally 0.2% to 5.4%, maturing serially through 2036 (payable in foreign currencies)	1,872,196	1,869,229
Bonds and notes:		
Japanese yen bonds (fixed rate 0.2% to 2.4%, due 2022–2040)	217,585	230,466
Japanese yen bonds (fixed and floating rate: floating rate 1.7%, due 2024)	10,000	10,000
USD bonds (fixed rate 2.2%, due 2027)	58,786	-
Notes under medium-term note programme (fixed and floating rate: floating rate 0.8% to 2.3% due 2023–2030)	38,548	36,315
Lease liability (0.0% to 11.0%, maturing serially through 2073)	368,267	345,258
Subtotal	4,464,821	4,360,019
Total	4,595,632	4,446,252
Less current portion	410,257	450,941
Long-term debt, less current portion	¥ 4,185,375	¥ 3,995,311

Long-term debt includes subordinated syndicated loans of ¥350.0 billion and ¥205.0 billion. The maturity dates are June 15, 2076 and August 15, 2076, respectively. Prepayments will be enabled from June 15, 2023 and August 15, 2028, respectively.

(3) Trade and other payables, and other financial liabilities

Trade and other payables, and other financial liabilities as of March 31, 2022 and 2021 consisted of the following:

	Millions of Yen	
	2022	2021
Current:		
Trade and other payables		
Notes payable-trade	¥ 34,449	¥ 22,548
Accounts payable-trade	1,557,595	1,171,241
Accrued expenses	147,105	119,552
Other financial liabilities		
Accounts payable-other	226,987	128,332
Derivative liabilities	616,039	201,442
Other	160,130	41,524
Total	¥ 2,742,305	¥ 1,684,639
Non-current:		
Other financial liabilities		
Accounts payable-other	¥ 10,078	¥ 2,882
Derivative liabilities	59,621	40,500
Other	77,332	73,149
Total	¥ 147,031	¥ 116,531

Financial liabilities, except for derivative liabilities, presented above are mainly measured at amortized cost, and financial liabilities measured at FVTPL were not material.
Payable to accounted equity investees included in trade and other payables carried at March 31, 2022 and 2021 were ¥48,942 million and ¥45,243 million respectively.

(4) Liquidity risk analysis

Non-derivative financial liabilities

Contractual balances of non-derivative financial liabilities by maturity as of March 31, 2022 and 2021 were as follows:

March 31, 2022	Millions of Yen			
	Within 1 year	More than 1 year and not more than 5 years	More than 5 years	Total
Trade and other payables	¥ 1,728,936	¥ 10,003	¥ 210	¥ 1,739,149
Accounts payable-other	226,987	9,786	292	237,065
Long-term debt (including current portion)	410,257	1,830,929	2,354,446	4,595,632

March 31, 2021	Millions of Yen			
	Within 1 year	More than 1 year and not more than 5 years	More than 5 years	Total
Trade and other payables	¥ 1,311,225	¥ 2,116	¥ -	¥ 1,313,341
Accounts payable-other	128,323	1,653	1,238	131,214
Long-term debt (including current portion)	450,941	1,668,405	2,326,906	4,446,252

Derivative instruments

The following tables summarize the result of liquidity analysis of derivative instruments held by the companies. These tables are prepared based on future receipts and payments of derivative instruments. If amounts to be received or paid are not fixed, the disclosed amounts are calculated using interest rates estimated in reference to the yield curve as of March 31, 2022 and 2021.

March 31, 2022		**Millions of Yen**			
		Within 1 year	More than 1 year and not more than 5 years	More than 5 years	Total
Foreign exchange	Receipts ……………………	¥ 85,042	¥ 30,636	¥ 4,261	¥ 119,939
contracts	Payments ……………………	(113,243)	(43,197)	(8,897)	(165,337)
Interest rate	Receipts ……………………	9,290	27,303	13,347	49,940
contracts	Payments ……………………	(1,336)	(5,297)	(8,724)	(15,357)
Commodity	Receipts ……………………	1,163,388	1,465,535	1,241	2,630,164
contracts	Payments ……………………	(1,216,660)	(1,418,423)	-	(2,635,083)

March 31, 2021		**Millions of Yen**			
		Within 1 year	More than 1 year and not more than 5 years	More than 5 years	Total
Foreign exchange	Receipts ……………………	¥ 28,409	¥ 17,965	¥ 1,475	¥ 47,849
contracts	Payments ……………………	(41,011)	(22,036)	(6,662)	(69,709)
Interest rate	Receipts ……………………	8,112	28,963	19,840	56,915
contracts	Payments ……………………	(3,127)	(3,876)	(6,293)	(13,296)
Commodity	Receipts ……………………	989,210	80,081	13,161	1,082,452
contracts	Payments ……………………	(1,007,352)	(79,983)	(10,535)	(1,097,870)

The amounts of future payments of other derivative instruments not included in the table were immaterial as of March 31, 2022 and 2021.

16. PLEDGED ASSETS

The assets pledged as collateral for certain short-term debt, long-term debt, and guarantee of contracts, etc., as of March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	**2021**
Cash and deposits	¥ 299,553	¥ 123,098
Trade and other receivables (current and non-current)	28,765	17,484
Investments	314,054	523,826
Property, plant and equipment	74,045	79,554
Others	-	2
Total	¥ 716,417	¥ 743,964

Trust receipts issued under customary import financing arrangements (short-term bank loans and bank acceptances) give banks a security interest in the merchandise imported and/or the accounts receivable resulting from the sale of such merchandise. Because of the companies' large volume of import transactions, it is not practicable to determine the total amount of assets covered by outstanding trust receipts. For this reason, it is not included in the amounts shown in the table above.

In addition to the above, the Company has bank borrowings under certain provisions of loan agreements which require the Company, upon the request of the bank, to immediately provide collateral, which is not originally identified in the loan agreements. The Company also has certain bank loan agreements in which default provisions grant sale or possession rights of the pledged assets to lenders.

17. PROVISIONS

The changes in provisions for the year ended March 31, 2022 were as follows:

	Millions of Yen		
	Asset retirement obligation	**Other provisions**	**Total**
Balance at April 1, 2021	¥ 277,082	21,192	298,274
Additional provisions recognized	11,600	29,813	41,413
Provisions used	(20,355)	(18,509)	(38,864)
Unwinding of discount and effects of change in discount rate	4,403	-	4,403
Others*	9,995	(471)	9,524
Balance at March 31, 2022	¥ 282,725	32,025	314,750

* "Others" principally includes the increase due to changes in foreign currency exchange rates.

Asset retirement obligations are principally related to the costs below.

・The dismantling and removing oil and gas production facilities owned by a domestic subsidiary, which has interests in oil and gas operations in Southeast Asia and other areas, and subsidiaries in Australia which are engaged in oil and gas producing activities.

・The dismantling and removing costs of facilities and decommissioning costs of the mine owned by subsidiaries in Australia, which engaged in mining and sales of Australian iron ore.

・The mine rehabilitation costs of a subsidiary in Australia, which engaged in the investments in Australian coal business.

These expenses are expected to be paid until up to 2084.

"Other provisions" includes provision related to the fire incident of International Terminals Company LLC ("ITC") (Note 27).

18. EMPLOYEE BENEFITS

The Company and certain subsidiaries have non-contributory and contributory defined benefit pension plans covering substantially all employees other than directors.

The primary pension plan is the Company's contributory Corporate Pension Fund ("CPF") under the Defined Benefit Corporate Pension Law. Benefits from CPF are based on length of service.

Effective April 1, 2006, the Company converted certain portions of CPF into a defined contribution plan and a cash balance plan. The cash balance plan calculates a participant's benefits using a percentage of the employee's annual salary and an interest crediting rate.

The Company and certain subsidiaries have unfunded severance indemnity plans. Benefits under the plans are based on the level of compensation at retirement, or earlier termination of employment, and the length of service.

Changes in the defined benefit obligation and plan assets

The following table sets forth the changes in the companies' defined benefit obligation and plan assets:
Net defined benefit liability at end of year is included in the retirement benefit liabilities and other non-current assets in the consolidated statements of financial position.

	Millions of Yen	
	2022	**2021**
Change in defined benefit obligation:		
Defined benefit obligation at beginning of year	¥ 361,814	¥ 360,697
Service cost	8,197	9,271
Interest cost	2,940	2,698
Actuarial gain (loss)	(8,368)	1,247
Benefits paid from plan assets	(16,602)	(14,818)
Others	1,906	2,719
Defined benefit obligation at end of year	349,887	361,814
Change in plan assets:		
Fair value of plan assets at beginning of year	375,562	343,985
Interest income	2,947	2,529
Return (loss) on plan assets (excluding interest income)	10,578	33,761
Contributions by the employer	2,174	7,838
Benefits paid from plan assets	(16,602)	(14,818)
Others	1,224	2,267
Fair value of plan assets at end of year	375,883	375,562
Net defined benefit liability at end of year (*)	¥ 25,996	¥ 13,748

(*) The positive figure represents the fair value of plan assets exceeds the obligation.

Components of net periodic pension costs

Net periodic pension costs of the companies' defined benefit pension plans for the years ended March 31, 2022 and 2021 included the following components:

	Millions of Yen	
	2022	**2021**
Service cost – benefits earned during the period	¥ 8,197	¥ 9,271
Net interest expense (revenue)	(7)	169
Others	(108)	16
Net periodic pension costs	¥ 8,082	¥ 9,456

Assumptions

The weighted-average assumptions used to determine the companies' defined benefit obligations as of March 31, 2022 and 2021 are set forth as follows:

	2022	2021
Discount rate	1.2%	0.9%
Rate of increase in future compensation levels	0.8%	1.0%

The companies mainly determine the discount rates each year as of the measurement date based on a review of interest rates associated with high-quality fixed-income corporate bonds.

The rate of increase in future compensation levels was not applied in determining the defined benefit obligation of CPF other than the cash balance plan because the benefit formulas of these plans do not contain factors relating to compensation levels.

The following table illustrates the sensitivity to changes in assumptions for pension plans:

	Impact of change in assumption on defined benefit obligation as of March 31, 2022
50 basis point decrease in discount rate	¥23,467 million increase
50 basis point increase in discount rate	¥20,727 million decrease

Plan assets

The Company's investment objective is to build a high quality portfolio of plan assets. The investment policy is targeted to ensure adequate returns available to provide future payments of pension benefits and severance indemnities. The basic strategy is diversified investment in various asset classes which have different risk return characteristics. The Company sometimes uses derivative instruments to hedge the exposure to changes in fair value of debt and equity securities, but never uses them for speculation. The subsidiaries' investment strategies are mainly based on diversified investment and are targeted to ensure stable and adequate returns to provide future payments of pension benefits over the long term.

The fair value of the companies' pension plan assets as of March 31, 2022 and 2021 by asset class are set forth as follows:

	Millions of Yen					
	2022			2021		
	Quoted market price in an active market			Quoted market price in an active market		
Asset Class	Available	Not available	Total	Available	Not available	Total
Equity financial instruments (Japan)	¥ 74,406	¥ 16,074	¥ 90,480	¥ 63,306	¥ 28,180	¥ 91,486
Equity financial instruments (non-Japan)	3,110	90,540	93,650	3,363	79,253	82,616
Debt securities (Japan)	1,126	4,557	5,683	1,118	5,029	6,147
Debt securities (non-Japan)	9,836	122,872	132,708	9,540	134,478	144,018
Life insurance company general accounts	-	28,784	28,784	-	34,830	34,830
Cash and deposits	22,260	-	22,260	14,128	-	14,128
Other	1,520	798	2,318	1,645	693	2,338
Total	¥ 112,258	¥ 263,625	¥ 375,883	¥ 93,099	¥ 282,463	¥ 375,562

The equity financial instruments above include securities held in the Company's employee retirement benefit trust. Publicly-traded, equity financial instruments and debt securities are valued using quoted market prices and classified as assets for which a quoted market price in an active market is available. Other equity financial instruments and debt securities are mostly pooled investments managed by trust banks which are valued using net asset values of the investments calculated by the trust banks based on the fair value of the underlying assets and classified as assets for which a quoted market price in an active market is not available. Life insurance company general accounts are pooled investment portfolios managed by insurance companies with a guaranteed minimum rate of return. Most of them are valued based on the value of the accounts calculated by the insurance companies and classified as assets for which a quoted market price in an active market is not available.

Cash flows

Contributions

The companies expect to contribute ¥6,638 million to their defined benefit pension plans for the year ending March 31, 2023. When a funded amount of CPF is less than the minimum funding amount at the end of each annual period, the companies will contribute the required amounts to CPF in accordance with the rules of CPF.

Information about the maturity profile

The weighted-average duration of the benefit payments for the defined benefit obligation as of March 31, 2022 is 15 years.

Multiemployer plan

Certain subsidiaries participate in a multiemployer defined benefit pension plan, Mitsui & Co. Group Pension Fund ("MGPF"). Employers other than the Company and its subsidiaries also participate in MGPF, which is different from single-employer plans in the following respects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
c. If the multiemployer plan is wound up or a participating employer chooses to stop participating in the multiemployer plan, the participating employer may be required to pay the plan an amount based on the underfunded status of the plan at the time of a wind-up or a withdrawal, referred to as a withdrawal liability.

By participating in MGPF, participating employees will receive the additional benefit stipulated by the plan.

In relation to this plan, the amount of contribution was recorded as a retirement benefit cost as though it was a defined contribution plan because sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.

Based on the most recently available information, the funded status of MGPF as of March 31, 2021 and 2020 were as follows:

	Millions of Yen			
	2021		2020	
Plan assets, net of current payables	¥	25,621	¥	24,381
Actuarial reserve under pension actuarial valuation		20,745		20,279
Net amount		4,876		4,102

The amount contributed to MGPF by the Company's subsidiaries constituted a significant portion of the total contribution and included a surcharge. MGPF was converted into a defined benefit corporate pension fund with the approval from the Ministry of Health, Labour and Welfare of the Japanese Government in April 2015.

The Company also provides an "Early Retirement Support Plan" to eligible employees, which guarantees, prior to normal retirement age, certain supplemental payments based on preretirement compensation levels.

19. EQUITY

(1) Common stock

The number of shares authorized and issued for the years ended March 31, 2022 and 2021 were as follows:

	Number of shares	
	2022	**2021**
Authorized:		
Common stock – no par value ……………………………………...	2,500,000,000	2,500,000,000
Issued:		
Balance at beginning of year …………………………………….....	1,717,104,808	1,742,684,906
Increase (decrease) during the year …………………………………...	(74,749,164)	(25,580,098)
Balance at end of year ………………………………………………...	1,642,355,644	1,717,104,808

The number of treasury stock held as of March 31, 2022 and 2021 included in the number of shares issued shown above was 41,423,291 and 48,628,466 shares, respectively. The number of treasury stock held as of March 31, 2022 and 2021 includes 3,852,902 and 3,896,000 shares in regard to a share-based compensation plan for employees.
For the year ended March 31, 2021, the Board of Directors resolved to issue new shares under the remuneration system of share performance-linked restricted stock at a meeting held on July 10, 2020 and the number of shares issued was increased by 384,602 shares dated on August 7, 2020. The number of shares issued was decreased by 25,964,700 shares dated on April 20, 2020 due to cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on October 30, 2019. For the year ended March 31, 2022, the Board of Directors resolved to issue new shares under the remuneration system of share performance-linked restricted stock at a meeting held on July 9, 2021 and the number of shares issued was increased by 250,836 shares dated on July 30, 2021. The number of shares issued was decreased by 30,000,000 and 45,000,000 shares dated on April 1, 2021 and August 16, 2021 due to cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on February 24, 2021 and August 3, 2021.

(2) Capital surplus and retained earnings

Capital surplus mainly consist of additional paid-in capital. Changes in capital surplus for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen			
	2022		**2021**	
Balance at beginning of year…………………………………………	¥	396,238	¥	402,652
Equity transactions with non-controlling interest shareholders:				
Increase (decrease) due to transfers of owners of parent's ownership interests in its subsidiaries to non-controlling interests ………………		98		(52)
Increase (decrease) due to transfers of owners of parent's ownership interests in its subsidiaries from non-controlling interests ……………		(9,607)		(8,008)
Put options granted to noncontrolling interests………………		(11,861)		-
Sales of treasury stock.…………………………………………………		(234)		(125)
Compensation costs related to share-based payment…………………		1,882		1,771
Balance at end of year…………………………………………………	¥	376,516	¥	396,238

Retained earnings consist of legal reserve and other unappropriated retained earnings.

The Companies Act of Japan stipulates that an amount equal to 10% of distribution from surplus must be appropriated as additional paid-in capital or a legal reserve in retained earnings depending on the equity account charged upon the payment of such distribution until the total aggregate amount of additional paid-in capital and legal reserve in retained earnings equals 25% of the common stock.

Under the Companies Act, the amount available for distribution is calculated based on the amount of capital surplus and retained earnings, exclusive of additional paid-in capital and legal reserve, recorded in the general books of account in accordance with generally accepted accounting principles in Japan. The amount available for distributions from the Company was ¥1,220,844 million at March 31, 2022.

¥175 million and ¥174 million dividends on shares in regard to a share-based compensation plan for employees are included in the total amount of dividends based on the resolution of the ordinary general meeting of shareholders held on June 18, 2021 and the meeting of the Board of Directors held on November 2, 2021.

(3) Other components of equity

Changes in other components of equity for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen			
		2022		2021
Financial Assets Measured at FVTOCI:				
Balance at beginning of year …………………………………....	¥	367,227	¥	7,479
Increase (decrease) during the year …………………………...		87,329		367,347
Transfer to retained earnings …………………………………....		10,535		(7,599)
Balance at end of year ………………………………………....	¥	465,091	¥	367,227
Remeasurements of Defined Benefit Pension Plans:				
Balance at beginning of year …………………………………....	¥	-	¥	-
Increase (decrease) during the year …………………………..		19,250		24,787
Transfer to retained earnings …………………………………....		(19,250)		(24,787)
Balance at end of year ………………………………………....	¥	-	¥	-
Foreign Currency Translation Adjustments:				
Balance at beginning of year …………………………………....	¥	81,847	¥	(177,143)
Increase (decrease) during the year …………………………...		396,737		258,990
Balance at end of year ………………………………………....	¥	478,584	¥	81,847
Cash Flow Hedges:				
Balance at beginning of year …………………………………....	¥	(75,288)	¥	(54,246)
Increase (decrease) during the year …………………………...		(40,946)		(21,042)
Balance at end of year ………………………………………....	¥	(116,234)	¥	(75,288)
Total:				
Balance at beginning of year …………………………………....	¥	373,786	¥	(223,910)
Increase (decrease) during the year …………………………..		462,370		630,082
Transfer to retained earnings …………………………………....		(8,715)		(32,386)
Balance at end of year ………………………………………....	¥	827,441	¥	373,786

(4) Income tax relating to other comprehensive income

Income taxes included in each component of other comprehensive income for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	**2021**
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	¥ (50,211)	¥ (108,832)
Remeasurements of defined benefit pension plans	(4,237)	(7,538)
Share of other comprehensive income of investments accounted for using the equity method	(678)	(2,722)
Total	¥ (55,126)	¥ (119,092)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	¥ 44,024	¥ 13,365
Cash flow hedges	(3,364)	(6,025)
Share of other comprehensive income of investments accounted for using the equity method	(47,284)	(14,291)
Total	¥ (6,624)	¥ (6,951)

(5) Other comprehensive income included in non-controlling interests

Each component of other comprehensive income included in non-controlling interests for the years ended March 31, 2022 and 2021 was as follows:

	Millions of Yen	
	2022	**2021**
Financial assets measured at FVTOCI	¥ 503	¥ 139
Remeasurements of defined benefit pension plans	31	44
Foreign currency translation adjustments	16,115	16,211
Cash flow hedges	744	77
Total	¥ 17,393	¥ 16,471

20. 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 years ended March 31, 2022 and 2021:

	2022			2021		
	Profit (numerator)	**Shares (denominator)**	**Per share amount**	**Profit (numerator)**	**Shares (denominator)**	**Per share amount**
	Millions of Yen	**In Thousands**	**Yen**	**Millions of Yen**	**In Thousands**	**Yen**
Basic earnings per share attributable to owners of the parent:	¥ 914,722	1,628,744	¥ 561.61	¥ 335,458	1,683,338	¥ 199.28
Effect of dilutive securities:						
Adjustment of effect of: Dilutive securities of associated companies…...	(1)	—		(1)	-	
Stock options …..……………………….…......	—	667		-	836	
Diluted earnings per share attributable to owners of the parent:	¥ 914,721	1,629,411	¥ 561.38	¥ 335,457	1,684,174	¥ 199.18

In a calculation of earnings per share the number of shares related to the share-based compensation plan for employees is included in the number of treasury stock. The number of treasury stock is deducted from the number of shares of common stock issued, in a calculation of the average number of shares of common stock outstanding. The average number of treasury stock for the year ended March 31, 2022 and 2021 were 33,149,695 shares and 35,615,918 shares, respectively.

21. REVENUES

(1) Disaggregation of revenue recognized from contracts with customers

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

	Millions of Yen								
Year ended March 31, 2022:	**Mineral & Metal Resources**	**Energy**	**Machinery & Infrastructure**	**Chemicals**	**Iron & Steel Products**	**Lifestyle**	**Innovation & Corporate Development**	**All Other**	**Total**
Revenue recognized from contracts with customers	¥ 1,583,842	¥ 1,148,472	¥ 776,465	¥ 2,836,941	¥ 601,546	¥ 1,996,229	¥ 156,750	¥ 1,425	¥ 9,101,670

	Millions of Yen								
Year ended March 31, 2021:	**Mineral & Metal Resources**	**Energy**	**Machinery & Infrastructure**	**Chemicals**	**Iron & Steel Products**	**Lifestyle**	**Innovation & Corporate Development**	**All Other**	**Total**
Revenue recognized from contracts with customers	¥ 1,145,503	¥ 564,700	¥ 733,596	¥ 1,910,730	¥ 425,362	¥ 1,890,284	¥ 162,524	¥ 1,988	¥ 6,834,687

(2) Contract balances

The balances of receivables from contracts with customers and contract liabilities are as follows.

	Millions of Yen			
		Balance at March 31, 2022	Balance at March 31, 2021	Balance at April 1, 2020
Receivables from contracts with customers.......	¥	1,793,630	1,420,521	1,338,743
Contract liabilities..		177,484	120,847	136,293

In the Consolidated Statements of Financial Position, receivables from contracts with customers are included in "Trade and other receivables" and contract liabilities are included in "Advances from customers". Contract liabilities mainly consist of advances from customers prior to delivery in ships and aircrafts sales transactions. If the time between transfer of goods or services to the customer and payment is within 1 year, the impact of material financial factors is not adjusted. Of the revenue recognized in the year ended March 31, 2022 and 2021, the amount included in contract liabilities as of the beginning of the fiscal year is ¥74,952 million and ¥77,900 million before, respectively.

(3) Transaction price allocated to the remaining performance obligations

The total transaction price allocated to the remaining performance obligations and the expected period of revenue recognition are as follows. The contracts that have an original expected duration of one year or less, and the contract that the companies recognize the revenue at the amount of consideration to which the companies have a right to invoice for the transactions which performance obligation satisfied over time, are not included. In addition, there is no significant consideration from contracts with customers not included in the transaction price. If the price at the time of revenue recognition is undecided at the fiscal year end, the future price is reasonably estimated based on the contract conditions and the prices published by third parties and allocated to the remaining performance obligations.

	Millions of Yen		
		2022	2021
Within 1 year………………………………	¥	1,287,741	753,358
More than 1 year and Within 2 year………		982,037	614,923
More than 2 year and Within 3 year………		714,812	390,441
More than 3 year……………………………		3,936,418	3,310,958
Total………………………………………	¥	6,921,008	5,069,680

The balances more than 3 year are mainly composed of long-term contracts up to 2040.

(4) Assets recognized from the costs to obtain or fulfill a contract with a customer

For the year ended March 31, 2022, the amounts of assets recognized from the costs to obtain or fulfill contracts with customers are immaterial. Also, if the amortization period of the asset to be recognized is within a year, the incremental costs of obtaining a contract is recognized as a cost when incurred.

22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the years ended March 31, 2022 and 2021 consisted of the following:

	Millions of Yen	
	2022	**2021**
Personnelexpenses	¥ 333,558	¥ 296,900
Travelingexpenses	10,624	6,985
Communication expenses	48,571	46,361
ServiceFee	15,785	12,258
Depreciation	34,994	36,674
Lossallowance	20,238	80,640
Other	132,541	126,605
Total	¥ 596,311	¥ 606,423

Remuneration of the Company's Directors and Audit & Supervisory Board Members for the years ended March 31, 2022 and 2021 were ¥2,046 million and ¥1,822 million, respectively.

23. INCOME TAXES

Reconciliation between the applicable income tax rate in Japan and the effective income tax rate in the consolidated statements of income and comprehensive income for the years ended March 31, 2022 and 2021 was summarized as follows:

	%	
	2022	**2021**
Applicable income tax rate in Japan	31.0%	31.0%
Increases (decreases) in tax rate resulting from:		
Expenses not deductible for tax purposes and income not taxable-net	3.1	0.9
Tax effects on dividends	(3.4)	(9.1)
Effect of the recoverability of deferred tax assets	(6.8)	(4.0)
Higher tax rates for resource related taxes	0.8	3.5
Tax effects on investments accounted for using the equity method	(5.1)	(6.7)
Controlled Foreign Company taxation in Japan	1.5	3.5
Other	(1.6)	3.1
Effective income tax rate	19.5%	22.2%

The tax effects of significant temporary differences and carryforwards which result in deferred tax assets and liabilities as of March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	**2021**
Deferred Tax Assets:		
Retirement benefit liabilities	¥ 4,972	¥ 6,916
Estimated losses	19,372	16,527
Fixed assets	82,130	82,165
Loss carryforwards	171,802	149,001
Foreign currency translation	66,212	26,220
Derivatives	3,429	7,593
Total deferred tax assets	347,917	288,422
Deferred Tax Liabilities:		
Inventories	22,246	304
Fixed assets	146,855	151,140
Other investments	349,218	288,943
Undistributed earnings	280,261	237,563
Foreign currency translation	88,346	37,486
Other	14,227	11,707
Total deferred tax liabilities	¥ 901,153	¥ 727,143

Deferred tax assets recognized by taxable entities that have suffered a loss in either the current or preceding period were ¥4,814 million and ¥7,177 million as of March 31, 2022 and 2021, respectively. The companies recognize deferred tax assets within a sufficient taxable income during the expiry period of net operating loss carried forward for each country.

The unused tax loss carryforwards and deductible temporary differences for which deferred tax assets were not recognized were ¥2,646,734 million and ¥2,938,303 million as of March 31, 2022 and 2021, respectively.

Taxable temporary differences associated with investments in subsidiaries for which deferred tax liabilities were not recognized were ¥2,260,686 million and ¥1,858,220 million as of March 31, 2022 and 2021, respectively.

The increase and decrease in deferred tax assets and deferred tax liabilities recognized as deferred tax expenses in the consolidated statements of income for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
Inventories	¥ (21,942)	(242)
Fixed assets	12,552	25,940
Loss carryforwards	20,080	29,219
Other investments	(3,393)	(4,787)
Undistributed earnings	(42,698)	(12,950)
Other	(6,224)	(3,290)
Total	¥ (41,625)	¥ 33,890

Unused tax loss carryforwards for which no deferred tax assets have been recognized as of March 31, 2022 and 2021 were ¥568,029 million and ¥657,919 million, respectively. If not utilized, such tax loss carryforwards will expire as follows:

	Millions of Yen	
	2022	2021
Within 5 years	¥ 200,001	¥ 277,158
After 5 to 10 years	185,084	225,263
After 10 to 15 years	526	274
After 15 years	182,418	155,224
Total	¥ 568,029	¥ 657,919

Income tax expenses in the consolidated statements of income for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	2021
Current	¥ (185,185)	¥ (133,711)
Deferred	¥ (41,625)	¥ 33,890
Total	¥ (226,810)	¥ (99,821)

Deferred tax expenses or income arising from the write-down and reversal of previously written-down deferred tax assets related to tax loss carryforwards and temporary differences of the companies for which it is probable that a tax benefit or expense will be realized in the future was ¥40,730 million reversal of March 31, 2021. This deferred tax expenses or income was immaterial for the year ended March 31, 2022.

For the year ended March 31, 2021, the Company transferred and reorganized investment subsidiaries in U.S. oil and gas project business to MBK Energy Holdings USA Inc. ("MEH") on November 30, 2020 for the centralization of management of the oil and gas projects in the U.S. Due to this reorganization, the Company recognized deferred tax assets mainly relating to tax losses in MEH's subsidiaries to be realized against future taxable income generated primarily from long-term service agreements of U.S. LNG project, and gain of ¥39,030 million has been recognized in "Income Taxes" on the Consolidated Statements of Income for the year ended March 31, 2021.

24. FAIR VALUE MEASUREMENT

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 establishes the fair value hierarchy that may be used to measure fair value, which is provided as follows. The companies recognize transfers of assets or liabilities between levels of the fair value hierarchy as of the end of each reporting period when the transfers occur.

Level 1:
Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

Level 3:
Unobservable inputs for the assets or liabilities.

(1) Valuation techniques

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

Other Investments (which maturities of 1 year or less has been classified as "Other financial assets".)
- 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 adjustments and classified as level 2. The amounts of costs to sell as of March 31, 2022 and 2021 were immaterial.

(2) Valuation process

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

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

Information by fair value hierarchy

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2022 and 2021 were as follows. No assets or liabilities were transferred between level 1 and 2 for the years ended March 31, 2022 and 2021.

March 31, 2022	Millions of Yen				
	Fair value measurements using			Netting adjustments*	Total fair value
	Level 1	Level 2	Level 3		
Assets:					
Other financial assets (Current):					
Financial assets measured at FVTPL…………………………	-	-	¥ 554		
Total other financial assets…………………………………	-	-	¥ 554	-	¥ 554
Other investments:					
Financial assets measured at FVTPL…………………………	¥ 8,517	-	¥ 259,241		
Financial assets measured at FVTOCI………………………	1,335,522	-	732,436		
Total other investments	¥ 1,344,039	-	¥ 991,677	-	¥ 2,335,716
Derivative assets:					
Foreign exchange contracts……………………………………	-	¥ 119,211	-		
Interest rate contracts…………………………………………	-	47,883	-		
Commodity contracts…………………………………………	¥ 104,675	2,513,315	¥ 12,649		
Others…………………………………………………………	-	-	22,364		
Total derivative assets	¥ 104,675	¥ 2,680,409	¥ 35,013	¥ (2,176,203)	¥ 643,894
Inventories……………………………………………………………	-	¥ 271,749	-	-	271,749
Total assets…………………………………………………………	¥ 1,448,714	¥ 2,952,158	¥ 1,027,244	¥ (2,176,203)	¥ 3,251,913
Liabilities:					
Derivative liabilities:					
Foreign exchange contracts……………………………………	-	¥ 166,076	-		
Interest rate contracts…………………………………………	-	12,246	-		
Commodity contracts…………………………………………	¥ 203,761	2,430,220	¥ 2,239		
Others…………………………………………………………	-	-	7,633		
Total derivative liabilities	¥ 203,761	¥ 2,608,542	¥ 9,872	¥ (2,146,515)	¥ 675,660
Total liabilities………………………………………………………	¥ 203,761	¥ 2,608,542	¥ 9,872	¥ (2,146,515)	¥ 675,660

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

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

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

The reconciliation of financial assets measured at FVTPL for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen			
	2022		2021	
Balance at beginning of year	¥	114,944	¥	115,940
Classification change (Note 1)		33,922		-
Gains (losses)		23,290		27,823
Purchases (Note 1)		101,076		15,732
Sales/Redemptions		(7,672)		(45,253)
Transfers into Level 3		-		-
Transfers out of Level 3 (Note 2)		(10,095)		(569)
Others (Note 3)		4,330		1,271
Balance at end of year	¥	259,795	¥	114,944
Net change in unrealized gains (losses) still held at end of year	¥	23,969	¥	15,785

Note 1: During the fiscal year ended March 31, 2022, the corporate bond denominated in JPY 33,000 million issued by PT CT Corpora has been replaced to the convertible bond and the other convertible bond denominated in JPY 67,000 million newly issued by PT CT Corpora has been subscribed by the Company. In the above reconciliation, the amount transferred from financial assets measured at amortized cost to financial assets measured at FVTPL due to the replacement from the corporate bond to the convertible bond is included in "Classification change", and the amount subscribed for the newly issued convertible bond is included in "Purchases".

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

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

Gains (losses) related to financial assets measured at FVTPL for the year ended March 31, 2022 and 2021 were included in "Revenue" and "Gain (loss) on securities and other investments-net" in the Consolidated Statements of Income.

The reconciliation of financial assets measured at FVTOCI for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen			
	2022		2021	
Balance at beginning of year	¥	709,166	¥	671,358
Other comprehensive income (Note 1)		8,344		26,858
Purchases		24,099		11,296
Sales		(8,384)		(5,663)
Transfers into Level 3 (Note 2)		528		-
Transfers out of Level 3(Note 3)		(11,098)		(1,538)
Others (Note 4)		9,781		6,855
Balance at end of year	¥	732,436	¥	709,166

Note 1: "Other comprehensive income" for the year ended March 31, 2022 increased mainly due to the effect of change in foreign exchange rates and increase of fair value in investment in the mineral & resources projects reflecting the rise in iron ore prices, while the fair value in investment in LNG project decreased mainly due to the reassessment of the discount rate in connection with the downgrade of the Russian government credit rating.
"Other comprehensive income" for the year ended March 31, 2021 increased mainly due to the fair value increase in investments in the mineral & metal resources projects reflecting the rise in iron ore prices among other things and the effect of foreign exchange rates.

Note 2: "Transfers into Level 3" is due to the transfer from level 1 as a result of delisting.

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

Note 4: "Others" includes the effect of changes in scope of consolidation.

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

The reconciliation of derivative assets for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	**2021**
Balance at beginning of year	¥ 18,561	¥ 14,416
Gains (losses)	17,828	5,814
Other comprehensive income	2,682	(89)
Purchases	-	18
Set off	(3,598)	(1,598)
Transfers out of Level 3 (Note 1)	(460)	-
Others	-	-
Balance at end of year	¥ 35,013	¥ 18,561
Net change in unrealized gains (losses) still held at end of year	¥ 17,828	¥ 5,814

Note 1: "Transfers out of Level 3" is due to the transfer into Level 2 related to changes in measurement for derivative commodity instruments.

The reconciliation of derivative liabilities for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	**2021**
Balance at beginning of year	¥ 6,053	¥ 10,505
Gains (losses)	2,835	(3,173)
Other comprehensive income	1,462	(62)
Purchases	-	-
Set off	(104)	(1,217)
Transfers out of Level 3 (Note 1)	(374)	-
Others	-	-
Balance at end of year	¥ 9,872	¥ 6,053
Net change in unrealized gains (losses) still held at end of year	¥ 2,835	¥ (3,173)

Note 1: "Transfers out of Level 3" is due to the transfer into Level 2 related to changes in measurement for derivative commodity instruments.

Gains (losses) of above table in relation to the derivative assets and liabilities for the year ended March 31, 2022 and 2021 have been recorded in "Revenue", "Cost" and "Other income (expense) - net" in the Consolidated Statements of Income. Other comprehensive income has been recorded in "Foreign currency translation adjustments" and "Cash flow hedges" in the 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 March 31, 2022 and 2021 were as follows:

March 31, 2022	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL Financial assets measured at FVTOCI	Income approach	Discount rate	6.5% ~ 20.7%

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

In addition to the above, the price of crude oil is one of the significant unobservable inputs used in measuring the fair value of nonmarketable equity securities related to LNG business. The Company forecasts that Brent Crude price will be US$100/bbl in the short term and US$70/bbl in the medium and long term, considering the recent market price and several third parties' forecasts.

Information about sensitivity to changes in significant unobservable inputs

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

25. 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 March 31, 2022 and 2021. 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 the 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. The companies believe that the likelihood of performing guarantees which would materially affect the consolidated financial position, operating results, or cash flows of the companies is remote at March 31, 2022.

	Millions of Yen			
	Maximum potential amount of future payments	Amount outstanding (a)	Recourse provisions/ Collateral (b)	Net amount outstanding (a)-(b)
March 31, 2022				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties …………………	¥ 348,757	¥ 125,847	¥ 2,742	¥ 123,105
Guarantees for investments accounted for using the equity method ………………	756,190	511,166	190,834	320,332
Performance guarantees				
Guarantees for third parties …………………	43,246	40,758	27,027	13,731
Guarantees for investments accounted for using the equity method ………………	56,828	47,758	1,676	46,082
Total ………………	¥ 1,205,021	¥ 725,529	¥ 222,279	¥ 503,250

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

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 March 31, 2022 and 2021 will expire through 2028 and 2027, respectively.

Guarantees for the investments accounted for using the equity method

The companies, severally or jointly with others, issue guarantees for the 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 March 31, 2022 and 2021 will expire through 2029 and 2031, respectively.

The table below summarizes the maximum potential amount of future payments for the companies' guarantees by the remaining contractual period as of March 31, 2022 and 2021.

	Millions of Yen	
	2022	**2021**
Within 1 year	¥ 389,343	¥ 504,086
After 1 to 5 years	229,310	206,094
After 5 years	586,368	1,072,431
Total	¥ 1,205,021	¥ 1,782,611

II. LITIGATION

Various claims and legal actions are pending against the companies in respect of contractual obligations and other matters arising out of the conduct of the companies' 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 consolidated financial position, operating results, or cash flows of the companies.

26. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental information related to the Consolidated Statements of Cash Flows for the years ended March 31, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	**2021**
Non-cash investing and financing activities:		
Acquisition of assets related to leases	¥ 53,999	¥ 29,908
Other payables for acquisition of Property, plant and equipment, Investment property	10,473	5,822
Exchange of a long-term loan receivable for an investment accounted for using the equity method	-	28,458
Conversion of long-term loan receivables	13,013	-

The changes in liabilities arising from financing activities for the years ended March 31, 2022 and March 31, 2021 were as follows:

	Millions of Yen						
			Non-cash changes				
	Balance at April 1, 2021	**Cash flows**	**Foreign exchange movement**	**Change in fair value**	**New lease contracts**	**Others**	**Balance at March 31, 2022**
Short-term debt	¥ 300,485	¥ (82,522)	¥ 25,402	¥ -	¥ -	¥ 38,466	¥ 281,831
Long-term debt (Note1)	4,446,252	(110,606)	218,551	(19,712)	53,999	7,148	4,595,632
Total	¥ 4,746,737	¥ (193,128)	¥ 243,953	¥ (19,712)	¥ 53,999	¥ 45,614	¥ 4,877,463

Note 1: Long-term debt includes "Current portion of long-term debt" and "Long-term debt, less current portion" from the Consolidated Statements of Financial Position.

	Millions of Yen						
			Non-cash changes				
	Balance at April 1, 2020	**Cash flows**	**Foreign exchange movement**	**Change in fair value**	**New lease contracts**	**Others**	**Balance at March 31, 2021**
Short-term debt	¥ 297,458	¥ (26,527)	¥ 17,382	¥ -	¥ -	¥ 12,172	¥ 300,485
Long-term debt (Note1)	4,629,122	(235,415)	42,223	(15,730)	29,908	(3,856)	4,446,252
Total	¥ 4,926,580	¥ (261,942)	¥ 59,605	¥ (15,730)	¥ 29,908	¥ 8,316	¥ 4,746,737

Note 1: Long-term debt includes "Current portion of long-term debt" and "Long-term debt, less current portion" from the Consolidated Statements of Financial Position.

27. THE FIRE INCIDENT OF INTERCONTINENTAL TERMINALS COMPANY LLC

On March 17, 2019 (US time) a fire began at the Deer Park tank terminal of Intercontinental Terminals Company LLC ("ITC"), a wholly owned U.S. subsidiary of Mitsui & Co., Ltd. The Deer Park tank terminal is located in the outskirts of Houston, Texas. The fire partially damaged tanks owned by ITC. ITC has resumed its operation after discussions with related authorities. Harris County Fire Marshal's Office released its final report with respect to the fire incident on December 6, 2019 (US time) and the report classified the fire as accidental, while not specifying the cause of the fire. The cause of the fire is still under investigation by other relevant authorities.
The profit and loss related to this incident recognized in the year ended March 31, 2022 and 2021, and the outstanding balance of related provision as of March 31, 2022 is immaterial.
There are multiple lawsuits that have been brought against ITC in relation to this incident. These lawsuits are at the early stages and the ultimate outcome of these lawsuits is not expected to have significant impact on our consolidated financial position, operating results and cash flow.

28. IMPACT OF THE SECURITY IN NORTHERN MOZAMBIQUE ON LNG PROJECT

The Company participates in the Mozambique LNG Project through Mitsui E&P Mozambique Area 1 Limited, its joint venture in the Energy Segment. In April 2021, all project personnel evacuated the project site due to the deteriorating security situation in northern Mozambique where the project site is located, and April 26, 2021, the project operator, TotalEnergies SE of France, announced that it had declared force majeure under the Joint Operating Agreement.
While the prospect of this project is still under examination, the company does not expect a significant impact on our consolidated financial position, operating results and cash flow at this stage.

29. IMPACT OF THE UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS

The Russian LNG business in which the Company and its subsidiary, and the equity accounted investee in the Energy Segment have invested, financed and guaranteed, is affected by the Ukraine situation since February 2022 and the resulting sanctions against Russia, etc. Based on discussions with each partner, the Company has evaluated its relevant assets and liabilities.
In the current fiscal year, the fair value of other investments related to Sakhalin II operations held by Mitsui Sakhalin Holdings B.V., a subsidiary of the Company, decreased by ¥44,143 million from the balance at December 31, 2021, mainly due to the reassessment of the discount rate in connection with the downgrade of the Russian government credit rating, and the valuation difference is recorded in "Financial assets measured at FVTOCI" in the Consolidated Statements of Comprehensive Income.
In addition, the carrying amount of the investment in Japan Arctic LNG B.V., an associated company that invests in and finances the Arctic LNG 2 Project, decreased from the balance at December 31, 2021 due to the revaluation of the assets value held by Japan Arctic LNG B.V. in connection with the downgrade of the Russian government credit rating. The Company recorded a loss of ¥4,626 million in "Share of Profit (Loss) of Investments Accounted for Using the Equity Method" in the Consolidated Statements of Income and a loss of ¥36,415 million in "Share of other comprehensive income of investments accounted for using the equity method" in the Consolidated Statements of Comprehensive Income. Further, with regard to loans and financial guarantees to the project, the Company estimated the additional losses due to the downgrading of the credit rating in Russia and recorded a provision for loss valuation allowance of ¥4,081 million in "Selling, general and administrative expenses" in the Consolidated Statements of Income and ¥12,171 million in "Other income (expense) - net" in the Consolidated Statements of Income.
The Russian LNG project-related balances of investment and loans(*), and financial guarantees as contingent liabilities, were ¥222,528 million and ¥182,160 million respectively at the end of the current fiscal year. The provision for loss on financial guarantees is included in "Other financial liabilities" ¥18,097 million.
These estimates may be affected by uncertain future developments in Russia and Ukraine, and any further changes in the credit ratings of Russian government. Also any changes in the Company's policies regarding its Russian LNG business may have a significant impact on the amounts of related investments, loans and guarantees in the consolidated financial statements for the next fiscal year.
(*) Investments and loans are the sum of "Other investments", "Investments accounted for using the equity method", and loans (net of loss valuation allowance) included in "Trade and other receivables" in the Consolidated Statements of Financial Position.

30. IMPAIRMENT LOSSES FOR THE MOATIZE COAL MINE BUSINESS AND NACALA CORRIDOR RAIL AND PORT INFRASTRUCTURE BUSINESS IN MOZAMBIQUE

For the year ended March 31, 2021, Mitsui & Co. Mozambique Coal Finance Limited, Mitsui & Co. Nacala Infrastructure Finance Limited and Mitsui & Co. Nacala Infrastructure Investment B.V., which lends to Mozambique coal mine business, or lend to and invest in Mozambique rail & port infrastructure business, recognized full impairment to the carrying amount for both investment and loans of ¥73,599 million as a loss allowance for doubtful debt, a loss on loans measured at FVTPL, an impairment loss included in share of profit (loss) of investments accounted for using the equity method and an impairment loss for investments accounted for using the equity method, due to the decrease of our production assumptions based on the revision of the production plan and the decline in the coal prices which are based on several third parties' mid-long term forecasts. In the Consolidated Statements of Income, a loss allowance is recorded for ¥44,823 million (Mineral & Metal Resources ¥35,858 million, Machinery & Infrastructure ¥8,965 million) in "Selling, general and administrative expenses", a loss on loans measured at FVTPL is recorded for ¥21,657 million (Mineral & Metal Resources ¥17,326 million, Machinery & Infrastructure ¥4,331 million) in "Other income (expense) -net", an impairment loss included in share of profit (loss) of investments accounted for using the equity method is recorded for ¥4,727 million (Mineral & Metal Resources ¥3,782 million, Machinery & Infrastructure ¥945 million) in "Share of Profit (Loss) of Investments Accounted for Using the Equity Method"and an impairment loss for investments accounted for using the equity method is recorded for ¥2,392 million (Mineral & Metal Resources ¥1,914 million, Machinery & Infrastructure ¥478 million) in "Gain (loss) on securities and other investments-net", respectively.

31. SUBSEQUENT EVENTS

Acquisition of Shares in Aker Mainstream Renewables AS

Shamrock Investment International AS, a subsidiary in the Machinery & Infrastructure Segment, has decided to invest in Mainstream Renewable Power Limited, a renewable energy company. The Company completed payment on April 7, 2022 based on the share subscription agreement of EUR 575 million (¥77,568 million*) with Aker Mainstream Renewables AS, a holding company of Mainstream Renewable Power Limited. As a result, the Company acquired 27.5% of shares in Aker Mainstream Renewables AS and the investment in Aker Mainstream Renewables AS is expected to be accounted for using the equity method.
(*) Yen amounts are converted using TTM (1EUR = ¥134.9) as of April 7, 2022.

Stock Repurchase

At the meeting of the Board of Directors held on May 2, 2022, the Company resolved to repurchase its stock in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to paragraph 3 of Article 165 of the Companies Act of Japan. Details of the repurchase are as follows.

1. Purpose of stock repurchase

To enhance shareholder return and to improve capital efficiency

2. Details of repurchase

(1) Class of share

Common stock of the Company

(2) Total number of shares of common stock to be repurchased

Up to 50 million shares（3.1% of the total number of shares outstanding excluding treasury stock）

(3) Total amount

Up to ¥100,000 million

(4) Period

From May 6, 2022 to September 22, 2022

(5) Repurchase method

Auction market on Tokyo Stock Exchange

Impact of the decision to reject the environmental permit application for Anglo American Sur S.A.

The Company invests in Anglo American Sur S.A., a copper mining company in Chile, through Inversiones Mineras Becrux SpA, the joint venture of MMRD Gama Limitada, a subsidiary of the Company, in the Mineral & Metal Resources Segment. The operator, Anglo American Sur S.A., is in the process of obtaining the environmental permit required for the integrated project to expand the current open pit within Los Bronces operating site and develop a new underground section of the mine in Chile from 2019. However, on May 2, 2022, the Environmental Assessment Service of Chile (“SEA”) had issued its formal decision to reject the application. In response, Anglo American Sur S.A. appealed to the Ministers’ Committee of the Chilean government on June 13, 2022 to continue with the process to obtain the environmental permit. The Company, together with other shareholders of Anglo American Sur S.A., considers measures going forward to preserve its business value. The Company continues to review the impact on production plan, its financial position and operating results.

Dividend

On June 22, 2022, the shareholders approved the payment of a cash dividend to shareholders as of March 31, 2022, of ¥60 per share or a total of ¥96,289 million at the Company's Ordinary General Meeting of Shareholders.

Revision of Remuneration for Directors

On June 22, 2022, the shareholders approved the following items regarding the revision of remuneration for directors.

- The increase of the maximum amount of the Results-linked bonuses
- The introduction of the performance-linked restricted stock remuneration plan under which the Company's Directors (excluding External Directors) will receive the ordinary shares of the Company in accordance with the achievement level of the Company's key management indicators
- The abolishment of the stock performance-linked conditions of the existing stock performance-linked restricted stock remuneration and the replacement of it to tenure-linked and restricted-stock-based remuneration

32. AUTHORIZATION OF THE ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The issuance of the consolidated financial statements was authorized by Kenichi Hori, Representative Director, President and CEO, and Tetsuya Shigeta, Representative Director, Executive Managing Officer and CFO, on June 22, 2022.

2. Others

Quarterly data for the year ended March 31, 2022

	Millions of Yen, Except Amounts per Share			
	Year ended March 31, 2022	**Nine-month period ended December 31, 2021**	**Six-month period ended September 30, 2021**	**Three-month period ended June 30, 2021**
Revenue	¥ 11,757,559	¥ 8,589,429	¥ 5,416,199	¥ 2,658,034
Profit before Income Taxes	1,164,480	832,204	540,654	256,191
Profit for the Period (Year) Attributable to Owners of the Parent	914,722	633,256	404,630	191,264
Basic Earnings per Share Attributable to Owners of the Parent (Yen)	¥ 561.61	¥ 387.17	¥ 246.22	¥ 115.74

	Three-month period ended March 31, 2022	**Three-month period ended December 31, 2021**	**Three-month period ended September 30, 2021**	**Three-month period ended June 30, 2021**
Basic Earnings per Share Attributable to Owners of the Parent (Yen)	¥ 174.21	¥ 141.18	¥ 130.69	¥ 115.74

Significant litigation

See Note 25, "CONTINGENT LIABILITIES."

6. Outline Regarding the Administration of Mitsui's Stock

Fiscal Year	From April 1 to March 31
Ordinary general meeting of shareholders	During June
Record date	March 31
Record dates for dividends of surplus	September 30 March 31
Number of shares in one trading unit	100 shares
Buyback and increase in holdings of shares less than one unit	
Place of handling	(Special account) Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Dept. 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Administrator of shareholder registry	(Special account) Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Forwarding office	------
Fees for buyback and increase in holdings	Amount equivalent to fees for entrusting sale or purchase of stock
Method of giving public notice	Mitsui carries out its public notifications by means of electronic public notice. https://www.mitsui.com/jp/ja/koukoku/ However, in the event of an accident which makes electronic notice not possible, or the occurrence of similar circumstances which cannot be controlled, public notification shall be posted in the Nihon Keizai Shimbun (the Nikkei Newspaper).
Shareholder privileges	Not applicable

(Note) Public notice of book closing is not included in the public notices shown in "Method of giving public notice."

7. Reference Information on Mitsui

1. Information on the Parent Company

Mitsui does not have a parent company.

2. Other Reference Information

Mitsui filed the following reports, originally written in Japanese, between the beginning of the fiscal year ended March 31, 2022 and the issuance date (June 22, 2022) of the original Japanese version of this Annual Securities Report.

(1) Related to Annual Securities Report

Annual Securities Report and Its Attached Documents and Confirmation Notes

Fiscal year (the 102nd) From April 1, 2020 to March 31, 2021 Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 18, 2021

Amendment Reports for Annual Securities Report and Its Confirmation Notes

Fiscal year (the 102nd) From April 1, 2020 to March 31, 2021 Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on September 2, 2021

(2) Related to Quarterly Securities Reports

Quarterly Securities Reports and Its Confirmation Notes

(The 1st quarter of the 103rd period) (From April 1, 2021 to June 30, 2021) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on August 12, 2021

(The 2nd quarter of the 103rd period) (From July 1, 2021 to September 30, 2021) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on November 11, 2021

(The 3rd quarter of the 103rd period) (From October 1, 2021 to December 31, 2021) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on February 14, 2022

(3) Securities Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on July 9, 2021

(4) Internal Control Report

Fiscal Year (the 102nd) (From April 1, 2020 to March 31, 2021) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 18, 2021

(5) Extraordinary Reports

1) Extraordinary Reports

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 21, 2021
Under the provisions of Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 (resolutions of matters resolved at the General Meeting of Shareholders) of the Cabinet Office Order on Disclosure of Corporate Information, etc.

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 22, 2021
Under the provisions of Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 12 (an event which may have serious effects on the financial position, operating results and cash flow status) of the Cabinet Office Order on Disclosure of Corporate Information, etc.

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on January 17, 2022
Under the provisions of Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9 (change in Representative Directors) of the Cabinet Office Order on Disclosure of Corporate Information, etc.

2) Amendment Report for Extraordinary Report

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on May 2, 2022
Amendment Report pertaining to the Extraordinary Report (an event which may have serious effects on the financial position, operating results and cash flow status) submitted on June 22, 2021

(6) Related to Shelf Registration Statement (corporate bonds)

1) Amended Shelf Registration Statements

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on April 20, 2021
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on April 30, 2021
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 21, 2021
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 22, 2021
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on September 2, 2021
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on January 17, 2022
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on May 2, 2022

(7) Related to Share Buyback Reports

1) Share Buyback Reports

(From June 1, 2021 to June 30, 2021) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on July 5, 2021
(From August 1, 2021 to August 31, 2021) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on September 6, 2021
(From September 1, 2021 to September 30, 2021) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on October 5, 2021
(From October 1, 2021 to October 31, 2021) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on November 4, 2021
(From December 1, 2021 to December 31, 2021) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on January 4, 2022
(From January 1, 2022 to January 31, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on February 3, 2022
(From February 1, 2022 to February 28, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on March 3, 2022
(From March 1, 2022 to March 31, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on April 5, 2022
(From May 1, 2022 to May 31, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 6, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mitsui & Co., Ltd. (Mitsui Bussan Kabushiki Kaisha):

Opinion

We have audited the consolidated financial statements of Mitsui & Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of March 31, 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 2 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Future oil price forecast
Key Audit Matter Description
The Group is engaged in businesses relating to exploration and production of oil, gas and Liquefied Natural Gas ("LNG") ("Energy businesses") across the world, mainly in the Middle East, Southeast Asia, Oceania, North America, Europe and Africa, and reports these businesses in the Energy segment. Energy businesses have a significant impact on the financial position and performance of the Group. The balances of the Energy segment's main assets on the consolidated financial statements as of March 31, 2022, are as follows: • Investments accounted for using the equity method: 430,449 million yen (see Note 6 to the consolidated financial statements) • Main components of investments measured at fair value through other comprehensive income ("FVTOCI Investments"): 305,281 million yen (see Note 8 to the consolidated financial statements) • Property, plant and equipment: 661,819 million yen As disclosed in Note 2 to the consolidated financial statements, the Group's accounting policies relating to the valuation of assets and impairment losses above are as follows: • Impairment (or Reversal of Impairment) on Investments Accounted for Using the Equity Method and Property, Plant and Equipment If there is any impairment (or reversal of impairment) indicator for an investment accounted for using the equity method or property or plant and equipment, the recoverable amount of the asset is estimated. When the carrying amount exceeds its recoverable amount, the carrying amount is written down to its recoverable amount. In addition, a previously recognized impairment loss is reversed and recorded as income to the extent that the increased carrying amount of an asset does not exceed the carrying amount that would have been determined (net of depreciation), had no impairment loss been recognized for the asset in prior years. • Impairment of Goodwill Impairment testing is performed by comparing the carrying amount of the cash-generating unit or groups of cash-generating units, including the goodwill, with the relevant recoverable amount annually and when there is an indication that the cash-generating unit may be impaired. If the carrying amount exceeds the recoverable amount, the excess amount is recognized as the impairment loss. • Valuation of FVTOCI Investments FVTOCI Investment is measured at fair value at the end of each reporting period. Gains and losses are recognized through other comprehensive income and loss. The value in use or fair value determined as a basis of the recoverable amount for the impairment test of the Energy segment assets above and the fair value of FVTOCI Investments are mainly calculated using the discounted cash flow method based on related business plans, where future oil price forecast is used as the selling price of the products and has a significant impact on the recoverable amount and the fair value of investments. As disclosed in Notes 2 and 24 to the consolidated financial statements, future oil price forecast is determined by considering the recent market price and several third parties' mid-long term forecasts. This process involves significant management judgments and estimation uncertainty. In addition, future oil price forecast could affect multiple other significant account balances. Therefore, we have determined the future oil price forecast to be a key audit matter.

How the Key Audit Matter Was Addressed in the Audit
In order to understand the estimation process for future oil price forecast and relevant controls, we made inquiries of relevant departments regarding the price forecast and of the personnel who implemented those controls, inspected supporting documents and assessed the reasonableness of the estimation process for the price forecast and the relevant controls, including assessing changes from the prior year. Also, in order to understand relevant controls, including the review of the future oil price forecast, we evaluated the competence of personnel who perform these controls and inspected the third-party organizations' price forecast reports used in the controls as well as the relevant documents prepared by the Group. Further, in order to test the Group's future oil price forecast, we: • Assessed the reliability and reasonableness of the third-party organizations' oil price forecasts used to estimate the Group's future oil price forecast based on inquiries of the relevant personnel of the Group and the information we independently obtained from external parties. • Performed retrospective review by comparing the previous oil price forecast with the actual oil prices and evaluated whether the Group's oil price forecast was reasonable. • Assessed the reasonableness of the price forecast method used by the Group based on inquires of the relevant personnel of the Group. Future oil price forecast is determined by considering the recent market price and several third parties' mid-long term forecasts. We evaluated whether the Group's methodology in the forecast, including the third parties' supply and demand scenarios selected by the Group, was reasonable. • With the assistance of our fair value specialists, independently developed a reasonable future oil price range, considering third-party organizations' reports obtained, quotation prices of the future market, the effects of the COVID-19 pandemic, climate changes and Ukraine situation, and evaluated whether the Group's future oil price forecast was within those ranges. • Evaluated whether an impairment (reversal of impairment) was required in case there was an impairment (reversal of impairment) indicator but impairment (reversal of impairment) was not recognized, by testing the recoverable amounts and conducting sensitivity analyses based on our independent future price forecast. • Assessed the consistency between the future oil price forecast we tested based on the above procedures and the future oil price forecast disclosed in Notes 2 and 24 to the consolidated financial statements.

Impact of the Ukraine situation on the Russian LNG business
Key Audit Matter Description

The situation in Ukraine since February 2022 and the resulting international sanctions against Russia have had a wide-ranging impact on business activities in the relevant countries, including supply chain disruptions, withdrawal of foreign-affiliated companies, restrictions on investments in Russia, difficulty in fund settlement due to exclusion of some Russian banks from the Society for Worldwide Interbank Financial Telecommunication ("SWIFT"), and increased volatility in commodity prices.

Under these circumstances, the Group engaged in a variety of businesses in Russia and has material outstanding balances of investments, loans, guarantees, etc., in Russia. The outstanding balances of investments, loans, and guarantees in Russia consist mainly of the Sakhalin II Project and the Arctic LNG 2 Project. The respective investments, loans, and guarantees are as follows:

Sakhalin II Project

- Investments measured at fair value through other comprehensive income ("FVTOCI Investments") held via consolidated subsidiary Mitsui Sakhalin Holdings B.V.

Arctic LNG 2 Project

- Investment and loans to Japan Arctic LNG B.V., an investee accounted for using the equity method
- Investments and loans held via Japan Arctic LNG B.V. and the guarantees provided by the Group

The valuation of these investments, loans, and guarantees may be significantly affected by international sanctions against Russia, withdrawal of other investors from the Sakhalin II and Arctic LNG 2 projects, and market conditions for oil and natural gas prices.

During the fiscal year ended March 31, 2022, the impact of the Ukraine situation on the valuation of investments, loans, and guarantees related to the LNG business, mainly due to the reassessment of discount rates caused by the downgrading of the credit rating in Russia and the valuation of assets held by the investees, are as follows (See Note 29. Impact of Ukraine situation on the Russian LNG business):

Sakhalin II Project

- Decrease in fair value of FVTOCI financial assets: "Financial assets measured at FVTOCI" in the Consolidated Statements of Comprehensive Income decreased by 44,143 million yen.

Arctic LNG 2 Project

- Reductions in the carrying amount of the investment in Japan Arctic LNG B.V.: a decrease of 4,626 million yen through "Share of Profit (Loss) of Investments Accounted for Using the Equity Method" in the Consolidated Statements of Income and a decrease of 36,415 million yen through "Share of other comprehensive income of investments accounted for using the equity method" in the Consolidated Statements of Comprehensive Income.
- Expected credit losses on loans to Japan Arctic LNG B.V. and on guarantees provided by the Group: additional losses on loans and guarantees of 4,081 million yen as included in "Selling, general and administrative expenses" and of 12,171 million yen as included in "Other income (expense)-net" in the Consolidated Statements of Income.

Based on the above, as described in the Note 29. Impact of Ukraine situation on the Russian LNG business, the total balance of investments and loans related to the Russian LNG projects as of March 31, 2022 is 222,528 million yen which is included in the "Other investments," "Investments accounted for using the equity method," and loans (net of loss valuation allowance) included in the "Trade and other receivables." The balance of guarantees as contingent liabilities is 182,160 million yen. Additionally, the provision for loss on guarantees is recorded at 18,097 million yen in "Other financial liabilities."

As described above, the impact of the valuation of related investments, loans and guarantees are significant in the consolidated financial statements. In particular, the determination of the credit rating of Russia used in the valuation of investments, loans and guarantees is significant because of its high sensitivity on the consolidated financial statements.

Furthermore, the valuation of the outstanding balances of investments, loans and guarantees of the LNG business and the determination of the credit rating of Russia used in the valuation involves management estimation and complex judgments where management bias possibly intervenes. Based on the above, we have determined the impact of Ukraine situation on the Russian LNG business to be a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

We performed audit procedures in order to examine the appropriateness of the valuation of the outstanding balances of investments, loans, and guarantees in the Russian LNG business. We, among other audit procedures:

- Made inquiries of the several relevant personnel of the Group and inspected the relevant documents to understand the impact of the sanctions against Russia on business and development activities as well as on investment activities by the Group.

- Made inquiries of the several relevant personnel of the Group and inspected the relevant documents to understand the timing of the withdrawal of the investor, the impact on business activities, development activities, and investment activities by the Group.

- Held consultations with internal experts on each of the following items, and examined the appropriateness of the calculation and its application in the valuation model to assess the reasonableness of the valuation methodology, future cash flows, and discount rates in fair value measurement.

  Valuation methodology: The validity of adopting present value technique of income approach in determining the exit prices used in estimating fair value.

  Future cash flows and discount rates: Considerations on the uncertainties in the estimates of future cash flows and discount rates such as the impacts of the exclusion of some Russian banks from SWIFT, the withdrawal policy of the investor from the project, and the impact of the restrictions posed by various countries on crude oil and natural gas produced in Russia on businesses and development activities of the Group were appropriately taken into account. In addition, the consideration of the aforementioned uncertainties were reflected on the impact on discount rates resulting from the down grading of the credit rating of Russia.

- Examined the appropriateness of the valuation methodology and whether the above uncertainties were appropriately considered in the calculation of expected credit losses to assess the reasonableness of the expected credit losses on loans and guarantees.

- Involved internal experts to review the appropriateness of determining the credit rating of Russia used in the valuation of investments, loans, and guarantees. In addition, we examined the reasonableness of the management judgment with the independently obtained information from external parties and performed an evaluation on the completeness of the relevant information taken into account to objectively assess the appropriateness, relevance, and reliability of the information that served as the basis for management's judgment.

- Examined whether the relevant International Financial Reporting Standards have been complied with by the Group to assess the appropriateness of the valuation of investments accounted for using the equity method as well as the appropriateness of the method of recognizing the related losses.

- Conducted interviews with the relevant personnel of the Group and inspected relevant documents to assess the necessity of adjustments or disclosures in the consolidated financial statements regarding the subsequent events that occurred after the current fiscal year end.

- Examined the appropriateness and sufficiency of the disclosure of the impact of the Ukraine situation on the Russian LNG business in the consolidated financial statements.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRSs and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- Obtain, when performing risk assessment procedures, 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRSs, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Report on Management's Report on Internal Control over Financial Reporting

Notwithstanding the second bullet point in the second paragraph of the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section, we have performed an audit of management's report on internal control over financial reporting ("ICFR") under the Financial Instruments and Exchange Act of Japan. A translated copy of management's report on ICFR along with a translated copy of our report is included within this Annual Securities Report as information for readers.

Deloitte Touche Tohmatsu LLC

June 22, 2022

Management's Annual Report on Internal Control over Financial Reporting (Translation)

NOTE TO READERS

Following is an English translation of management's report on internal control over financial reporting filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

1. Matters Relating to the Basic Framework for Internal Control over Financial Reporting

Kenichi Hori, Representative Director, President and CEO, and Tetsuya Shigeta, Representative Director, Executive Managing Officer and CFO, are responsible for designing and operating effective internal control over financial reporting of Mitsui & Co., Ltd. ("the Company"), and have designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council.

The internal control is designed to achieve its objectives to the extent reasonable through the effective function and combination of its basic elements. Therefore, there is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

2. Matters Relating to Scope of Assessment, the Assessment Date, and Assessment Procedures

The assessment of internal control over financial reporting was performed as of March 31, 2022. The assessment was performed in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In conducting this assessment, we evaluated internal controls which may have a material effect on the entire financial reporting in a consolidation ("company-level controls") and based on the result of this assessment, we appropriately selected business processes to be evaluated, analyzed these selected business processes, identified key controls that may have a material impact on the reliability of our financial reporting, and assessed the design and operation of these key controls. These procedures have allowed us to evaluate the effectiveness of its internal controls.

We determined the required scope of assessment of internal control over financial reporting for the Company, as well as its consolidated subsidiaries and equity-method affiliated companies, from the perspective of the materiality that may affect the reliability of our financial reporting. The materiality that may affect the reliability of the financial reporting is determined taking into account the materiality of quantitative and qualitative impacts. We confirmed that we had reasonably determined the scope of assessment of internal controls over business processes in light of the results of assessment of company-level controls conducted for the Company, its consolidated subsidiaries and equity-method affiliated companies. We did not include those consolidated subsidiaries and equity-method affiliated companies which do not have any quantitatively or qualitatively material impact on the consolidated financial statements in the scope of assessment of company-level controls.

Regarding the scope of assessment of internal control over business processes, we accumulated business units in descending order of total asset (before elimination of intercompany accounts) and income before income taxes (before elimination of intercompany accounts) for the prior fiscal year, and those business units whose combined amount of total assets reaches approximately 70% of total assets on a consolidated basis and those business units whose combined amount of income before income taxes reaches approximately 70% of consolidated income before income taxes on a consolidated basis were selected as "significant business units."

At the selected significant business units, we included, in the scope of assessment, (1) those business processes leading to sales or revenue, accounts receivable and inventories, and those leading to investments and loans, as significant accounts that may have a material impact on the business objectives of us, and (2) those business processes leading to other quantitatively material accounts. Further, not only at selected significant business units, but also at other business units, we added to the scope of assessment, as business processes having greater materiality considering their impact on the financial reporting, (1) those business processes relating to greater likelihood of material misstatements and significant account involving estimates and the management's judgment, and (2) those business processes relating to businesses or operations dealing with high-risk transactions.

3. Matters Relating to the Results of the Assessment

As a result of the assessment above, we concluded that our internal control over financial reporting was effective as of March 31, 2022.

4. Supplementary Matters

Not applicable.

5. Special Information

Not applicable.

NOTE TO READERS:
Following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 22, 2022

To the Board of Directors of
Mitsui & Co., Ltd. (Mitsui Bussan Kabushiki Kaisha):

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Shuichi Morishige

Designated Engagement Partner,
Certified Public Accountant:

Takashi Kitamura

Designated Engagement Partner,
Certified Public Accountant:

Yoshio Oka

Audit of Financial Statements

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Mitsui & Co., Ltd. and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the consolidated statement of financial position as of March 31, 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from April 1, 2021 to March 31, 2022, including notes to consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards pursuant to the provisions of Article 93 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Future oil price forecast
Key Audit Matter Description
The Group is engaged in businesses relating to exploration and production of oil, gas and Liquefied Natural Gas ("LNG") ("Energy businesses") across the world, mainly in the Middle East, Southeast Asia, Oceania, North America, Europe and Africa, and reports these businesses in the Energy segment. Energy businesses have a significant impact on the financial position and performance of the Group. The balances of the Energy segment's main assets on the consolidated financial statements as of March 31, 2022, are as follows: • Investments accounted for using the equity method: 430,449 million yen (see Note 6 to the consolidated financial statements) • Main components of investments measured at fair value through other comprehensive income ("FVTOCI Investments"): 305,281 million yen (see Note 8 to the consolidated financial statements) • Property, plant and equipment: 661,819 million yen As disclosed in Note 2 to the consolidated financial statements, the Group's accounting policies relating to the valuation of assets and impairment losses above are as follows: • Impairment (or Reversal of Impairment) on Investments Accounted for Using the Equity Method and Property, Plant and Equipment If there is any impairment (or reversal of impairment) indicator for an investment accounted for using the equity method or property or plant and equipment, the recoverable amount of the asset is estimated. When the carrying amount exceeds its recoverable amount, the carrying amount is written down to its recoverable amount. In addition, a previously recognized impairment loss is reversed and recorded as income to the extent that the increased carrying amount of an asset does not exceed the carrying amount that would have been determined (net of depreciation), had no impairment loss been recognized for the asset in prior years. • Impairment of Goodwill Impairment testing is performed by comparing the carrying amount of the cash-generating unit or groups of cash-generating units, including the goodwill, with the relevant recoverable amount annually and when there is an indication that the cash-generating unit may be impaired. If the carrying amount exceeds the recoverable amount, the excess amount is recognized as the impairment loss. • Valuation of FVTOCI Investments FVTOCI Investment is measured at fair value at the end of each reporting period. Gains and losses are recognized through other comprehensive income and loss. The value in use or fair value determined as a basis of the recoverable amount for the impairment test of the Energy segment assets above and the fair value of FVTOCI Investments are mainly calculated using the discounted cash flow method based on related business plans, where future oil price forecast is used as the selling price of the products and has a significant impact on the recoverable amount and the fair value of investments. As disclosed in Notes 2 and 24 to the consolidated financial statements, future oil price forecast is determined by considering the recent market price and several third parties' mid-long term forecasts. This process involves significant management

judgments and estimation uncertainty. In addition, future oil price forecast could affect multiple other significant account balances. Therefore, we have determined the future oil price forecast to be a key audit matter.
How the Key Audit Matter Was Addressed in the Audit
In order to understand the estimation process for future oil price forecast and relevant controls, we made inquiries of relevant departments regarding the price forecast and of the personnel who implemented those controls, inspected supporting documents and assessed the reasonableness of the estimation process for the price forecast and the relevant controls, including assessing changes from the prior year. Also, in order to understand relevant controls, including the review of the future oil price forecast, we evaluated the competence of personnel who perform these controls and inspected the third-party organizations' price forecast reports used in the controls as well as the relevant documents prepared by the Group. Further, in order to test the Group's future oil price forecast, we: • Assessed the reliability and reasonableness of the third-party organizations' oil price forecasts used to estimate the Group's future oil price forecast based on inquiries of the relevant personnel of the Group and the information we independently obtained from external parties. • Performed retrospective review by comparing the previous oil price forecast with the actual oil prices and evaluated whether the Group's oil price forecast was reasonable. • Assessed the reasonableness of the price forecast method used by the Group based on inquires of the relevant personnel of the Group. Future oil price forecast is determined by considering the recent market price and several third parties' mid-long term forecasts. We evaluated whether the Group's methodology in the forecast, including the third parties' supply and demand scenarios selected by the Group, was reasonable. • With the assistance of our fair value specialists, independently developed a reasonable future oil price range, considering third-party organizations' reports obtained, quotation prices of the future market, the effects of the COVID-19 pandemic, climate changes and Ukraine situation, and evaluated whether the Group's future oil price forecast was within those ranges. • Evaluated whether an impairment (reversal of impairment) was required in case there was an impairment (reversal of impairment) indicator but impairment (reversal of impairment) was not recognized, by testing the recoverable amounts and conducting sensitivity analyses based on our independent future price forecast. • Assessed the consistency between the future oil price forecast we tested based on the above procedures and the future oil price forecast disclosed in Notes 2 and 24 to the consolidated financial statements.

Impact of the Ukraine situation on the Russian LNG business
Key Audit Matter Description
The situation in Ukraine since February 2022 and the resulting international sanctions against Russia have had a wide-ranging impact on business activities in the relevant countries, including supply chain disruptions, withdrawal of foreign-affiliated companies, restrictions on investments in Russia, difficulty in fund settlement due to exclusion of some Russian banks from the Society for Worldwide Interbank Financial Telecommunication ("SWIFT"), and increased volatility in commodity prices. Under these circumstances, the Group engaged in a variety of businesses in Russia and has material outstanding balances of investments, loans, guarantees, etc., in Russia. The outstanding balances of investments, loans, and guarantees in Russia consist mainly of the Sakhalin II Project and the Arctic LNG 2 Project. The respective investments, loans, and guarantees are as follows: Sakhalin II Project • Investments measured at fair value through other comprehensive income ("FVTOCI Investments") held via consolidated subsidiary Mitsui Sakhalin Holdings B.V. Arctic LNG 2 Project • Investment and loans to Japan Arctic LNG B.V., an investee accounted for using the equity method • Investments and loans held via Japan Arctic LNG B.V. and the guarantees provided by the Group The valuation of these investments, loans, and guarantees may be significantly affected by international sanctions against Russia, withdrawal of other investors from the Sakhalin II and Arctic LNG 2 projects, and market conditions for oil and natural gas prices. During the fiscal year ended March 31, 2022, the impact of the Ukraine situation on the valuation of investments, loans, and guarantees related to the LNG business, mainly due to the reassessment of discount rates caused by the downgrading of the credit rating in Russia and the valuation of assets held by the investees, are as follows (See Note 29. Impact of Ukraine situation on the Russian LNG business): Sakhalin II Project • Decrease in fair value of FVTOCI financial assets: "Financial assets measured at FVTOCI" in the Consolidated Statements of Comprehensive Income decreased by 44,143 million yen. Arctic LNG 2 Project • Reductions in the carrying amount of the investment in Japan Arctic LNG B.V.: a decrease of 4,626 million yen through "Share of Profit (Loss) of Investments Accounted for Using the Equity Method" in the Consolidated Statements of Income and a decrease of 36,415 million yen through "Share of other comprehensive income of investments accounted for using the equity method" in the Consolidated Statements of Comprehensive Income. • Expected credit losses on loans to Japan Arctic LNG B.V. and on guarantees provided by the Group: additional losses on loans and guarantees of 4,081 million yen as included in "Selling, general and administrative expenses" and of 12,171 million yen as included in "Other income (expense)-net" in the Consolidated Statements of Income. Based on the above, as described in the Note 29. Impact of Ukraine situation on the Russian LNG business, the total balance of investments and loans related to the Russian LNG projects as of March 31, 2022 is 222,528 million yen which is included in the "Other investments," "Investments accounted for using the equity method," and loans (net of loss valuation allowance) included in the "Trade and other receivables." The balance of guarantees as contingent liabilities is 182,160 million yen. Additionally, the provision for loss on guarantees is recorded at 18,097 million yen in "Other financial liabilities."

As described above, the impact of the valuation of related investments, loans and guarantees are significant in the consolidated financial statements. In particular, the determination of the credit rating of Russia used in the valuation of investments, loans and guarantees is significant because of its high sensitivity on the consolidated financial statements. Furthermore, the valuation of the outstanding balances of investments, loans and guarantees of the LNG business and the determination of the credit rating of Russia used in the valuation involves management estimation and complex judgments where management bias possibly intervenes. Based on the above, we have determined the impact of Ukraine situation on the Russian LNG business to be a key audit matter.
How the Key Audit Matter Was Addressed in the Audit
We performed audit procedures in order to examine the appropriateness of the valuation of the outstanding balances of investments, loans, and guarantees in the Russian LNG business. We, among other audit procedures: • Made inquiries of the several relevant personnel of the Group and inspected the relevant documents to understand the impact of the sanctions against Russia on business and development activities as well as on investment activities by the Group. • Made inquiries of the several relevant personnel of the Group and inspected the relevant documents to understand the timing of the withdrawal of the investor, the impact on business activities, development activities, and investment activities by the Group. • Held consultations with internal experts on each of the following items, and examined the appropriateness of the calculation and its application in the valuation model to assess the reasonableness of the valuation methodology, future cash flows, and discount rates in fair value measurement. Valuation methodology: The validity of adopting present value technique of income approach in determining the exit prices used in estimating fair value. Future cash flows and discount rates: Considerations on the uncertainties in the estimates of future cash flows and discount rates such as the impacts of the exclusion of some Russian banks from SWIFT, the withdrawal policy of the investor from the project, and the impact of the restrictions posed by various countries on crude oil and natural gas produced in Russia on businesses and development activities of the Group were appropriately taken into account. In addition, the consideration of the aforementioned uncertainties were reflected on the impact on discount rates resulting from the down grading of the credit rating of Russia. • Examined the appropriateness of the valuation methodology and whether the above uncertainties were appropriately considered in the calculation of expected credit losses to assess the reasonableness of the expected credit losses on loans and guarantees. • Involved internal experts to review the appropriateness of determining the credit rating of Russia used in the valuation of investments, loans, and guarantees. In addition, we examined the reasonableness of the management judgment with the independently obtained information from external parties and performed an evaluation on the completeness of the relevant information taken into account to objectively assess the appropriateness, relevance, and reliability of the information that served as the basis for management's judgment. • Examined whether the relevant International Financial Reporting Standards have been complied with by the Group to assess the appropriateness of the valuation of investments accounted for using the equity method as well as the appropriateness of the method of recognizing the related losses. • Conducted interviews with the relevant personnel of the Group and inspected relevant documents to assess the necessity of adjustments or disclosures in the consolidated financial statements regarding the subsequent events that occurred after the current fiscal year end. • Examined the appropriateness and sufficiency of the disclosure of the impact of the Ukraine situation on the Russian LNG

business in the consolidated financial statements.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Audit of Internal Control

Opinion

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of Mitsui & Co., Ltd. as of March 31, 2022.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of Mitsui & Co., Ltd. as of March 31, 2022, is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Internal Control Audit section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for Report on Internal Control

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting. There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our objectives are to obtain reasonable assurance about whether management's report on internal control over financial reporting is free from material misstatement and to issue an auditor's report that includes our opinion.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in management's report on internal control. The procedures selected depend on the auditor's judgment, including the significance of effects on reliability of financial reporting.

- Examine representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.

- Obtain sufficient appropriate audit evidence regarding the results of the assessment of internal control over financial reporting. We are responsible for the direction, supervision and performance of the internal control audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the internal control audit, result of the internal control audit, including any identified material weakness which should be disclosed and the result of remediation.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

<u>Notes to the Readers of Independent Auditor's Report</u>

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.