

**Quarterly Securities Report**  
**for the Three-Month Period Ended June 30, 2022**

English translation of certain items disclosed in the Quarterly Securities Report for the three-month period ended June 30, 2022, which were filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on August 10, 2022.

**Mitsui & Co., Ltd.**

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

## 1. Overview of Mitsui and Its Subsidiaries

### 1. Selected Financial Data

As of or for the periods ended June 30, 2022 and 2021 and as of or for the year ended March 31, 2022

	In millions of Yen, except amounts per share and other		
	Three-month period ended June 30, 2022	Three-month period ended June 30, 2021	As of or for the year ended March 31, 2022
<b>Consolidated financial data</b>			
Revenue	¥ 3,720,531	2,658,034	11,757,559
Gross profit	¥ 313,430	268,237	1,141,371
Profit for the period attributable to owners of the parent	¥ 275,000	191,264	914,722
Comprehensive income for the period attributable to owners of the parent	¥ 312,406	388,605	1,370,647
Total equity attributable to owners of the parent	¥ 5,770,927	4,809,796	5,605,205
Total assets	¥ 15,786,648	13,105,504	14,923,290
Basic earnings per share attributable to owners of the parent (Yen)	¥ 172.44	115.74	561.61
Diluted earnings per share attributable to owners of the parent (Yen)	¥ 172.37	115.68	561.38
Equity attributable to owners of the parent ratio	% 36.56	36.70	37.56
Cash flows from operating activities	¥ 280,937	179,307	806,896
Cash flows from investing activities	¥ (111,607)	(92,523)	(181,191)
Cash flows from financing activities	¥ (129,792)	(172,254)	(614,325)
Cash and cash equivalents at end of period	¥ 1,219,135	975,517	1,127,868

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

### 2. Business Overview

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

There has been no significant change in our business for the three-month period ended June 30, 2022.

## 2. Operating and Financial Review and Prospects

### 1. Risk Factors

For the three-month period ended June 30, 2022, there is no significant change in risk factors which were described on our Annual Securities Report for the year ended March 31, 2022.

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

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

Forward-looking statements were made as of June 30, 2022, unless otherwise indicated.

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

In the three-month period ended June 30, 2022, the global economy continued to rebound overall as the employment situation in the U.S., European countries and other developed countries continued to improve despite new supply restraints caused by the Russia-Ukraine situation and the impact of the zero-COVID policy in China, and rising inflation.

In the U.S., although the employment situation improved and consumer spending continued to recover, the momentum of the economic recovery weakened due to the effects of remaining supply constraints together with rising inflation and monetary tightening. Looking ahead, the recovery is expected to slow further under the impact of continuing high inflation and monetary tightening. In Europe, although the employment situation has continued to improve, the pace of economic recovery has slowed overall against the backdrop of deterioration of supply constraints, such as those on energy, due to the Russia-Ukraine situation, and further rising of prices. Looking forward, a gradual rebound is expected to continue. In Japan, despite the impact of rising prices and supply constraints, such as lockdowns in China, the economy rebounded due to the recovery in consumer spending backed by the normalization of economic activities. Looking forward, the economic recovery is expected to continue mainly for consumer spending and other domestic demand, despite further rising of prices, continuing supply constraints such as those on energy, fluctuations in financial and capital markets, and other remaining uncertain factors. In China, a significant drop in production and consumption activities due to the zero-COVID policy could not be avoided. Looking ahead, it is expected that economic activities will recover accompanying the easing of restrictions on activities and that government measures to boost the economy, centered on infrastructure investment, will support an economic recovery. In Brazil, rising inflation and increases in policy interest rates continue to hamper economic recovery. In Russia, the slowdown in economic activities due to economic sanctions imposed by the international community is expected to continue.

Going forward, while there are some areas of concern, such as a further worsening of the Russia-Ukraine situation, protraction of supply constraints, rising inflation and further monetary tightening, it is expected that the global economy will continue to rebound gradually overall as consumer spending continues to be resilient supported mainly by the recovery in economic activities accompanying the easing of restrictions on activities.

## (2) Results of Operations

### 1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		3,720.5	2,658.0	+1,062.5
Gross Profit		313.4	268.2	+45.2
Selling, General and Administrative Expenses		(155.9)	(138.6)	(17.3)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	11.6	(4.7)	+16.3
	Impairment Reversal (Loss) of Fixed Assets—Net	(0.3)	0.2	(0.5)
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	6.9	1.7	+5.2
	Other Income (Expense)—Net	8.3	8.9	(0.6)
Finance Income (Costs)	Interest Income	7.0	4.7	+2.3
	Dividend Income	34.6	33.7	+0.9
	Interest Expense	(16.4)	(14.4)	(2.0)
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		138.8	96.4	+42.4
Income Taxes		(59.6)	(56.2)	(3.4)
Profit for the Period		288.4	200.0	+88.4
Profit for the Period Attributable to Owners of the Parent		275.0	191.3	+83.7

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

#### Revenue

Revenue for the three-month period ended June 30, 2022 ("current period") was ¥3,720.5 billion, an increase of ¥1,062.5 billion from ¥2,658.0 billion for the corresponding three-month period of the previous year ("previous period").

#### Gross Profit

Mainly the Lifestyle Segment, the Chemicals Segment and the Machinery & Infrastructure Segment recorded an increase.

## Selling, General and Administrative Expenses

The table provides a breakdown of Selling, General and Administrative Expenses.

	Billions of Yen		
	Current Period	Previous Period	Change
Personnel .....	¥ (85.7)	¥ (76.8)	¥ (8.9)
Welfare .....	(3.1)	(2.8)	(0.3)
Travel .....	(4.9)	(2.2)	(2.7)
Entertainment .....	(1.3)	(0.5)	(0.8)
Communication .....	(12.7)	(11.9)	(0.8)
Rent .....	(2.6)	(2.6)	(0.0)
Depreciation .....	(9.6)	(8.2)	(1.4)
Fees and Taxes .....	(4.8)	(3.0)	(1.8)
Loss Allowance .....	(2.7)	(5.1)	+2.4
Others .....	(28.5)	(25.5)	(3.0)
Total .....	¥ (155.9)	¥ (138.6)	¥ (17.3)

## Other Income (Expenses)

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

For the current period, a gain on sale of securities was recorded in the Innovation & Corporate Development Segment, while an impairment loss was recorded in the Machinery & Infrastructure Segment.

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

For the current period, a gain on sale of fixed assets was recorded in the Innovation & Corporate Development Segment.

### *Other Income (Expense)—Net*

Mainly the Lifestyle Segment recorded a valuation gain on an option contract as well as a foreign exchange loss, whereas the Energy Segment recorded a decrease due to derivative profit and loss.

## Finance Income (Costs)

### *Dividend Income*

Mainly the Energy Segment recorded an increase, while Mineral & Metal Resources Segment recorded a decrease.

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

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

## Income Taxes

Income taxes for the current period were ¥59.6 billion, an increase of ¥3.4 billion from ¥56.2 billion for the previous period. The effective tax rate for the current period was 17.1%, a decrease of 4.8 points from 21.9% for the previous period. The effective tax rate decreased due to declining tax burden out of resource-related high rate taxes in connection with the expiration of concession agreement in the Energy Segment.

## Profit for the Period Attributable to Owners of the Parent

As a result, profit for the period attributable to owners of the parent was ¥275.0 billion, an increase of ¥83.7 billion from the previous period.

## 2) Operating Results by Operating Segment

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

### **Mineral & Metal Resources Segment**

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	119.8	119.0	+0.8
Gross Profit	107.4	106.8	+0.6
Profit (Loss) of Equity Method Investments	42.8	31.8	+11.0
Dividend Income	7.3	21.7	(14.4)
Selling, General and Administrative Expenses	(8.2)	(7.4)	(0.8)
Others	(29.5)	(33.9)	+4.4

- Gross Profit increased mainly due to the following factors:
  - Coal mining operations in Australia recorded an increase of ¥28.3 billion mainly due to higher sales price.
  - Iron ore mining operations in Australia recorded a decrease of ¥32.5 billion mainly due to lower sales price.
- Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
  - Coal mining operations in Australia recorded an increase mainly due to higher sales price.
  - Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd recorded an increase of ¥4.6 billion mainly in the ferroalloys and chemicals businesses due to higher market prices caused by strong demand in China.
  - Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile, recorded an increase of ¥3.4 billion mainly due to higher sales price.
  - Iron ore mining operations in Australia recorded a decrease of ¥6.7 billion mainly due to lower sales price.
- Dividend Income decreased mainly due to lower dividends from Vale S.A.
- In addition to the above, the following factor also affected results:
  - For the previous period, a reversal of deferred tax liability of ¥6.2 billion was recorded in relation to the reorganization of Japan Collahuasi Resources B.V., which invested in Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile.

### **Energy Segment**

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	23.7	(1.2)	+24.9
Gross Profit	17.1	18.0	(0.9)
Profit (Loss) of Equity Method Investments	24.8	6.5	+18.3
Dividend Income	16.2	4.1	+12.1
Selling, General and Administrative Expenses	(15.5)	(12.3)	(3.2)
Others	(18.9)	(17.5)	(1.4)

- Gross Profit decreased mainly due to the following factors:
  - A business division at the Headquarters recorded a decrease mainly due to valuation loss related to derivative transactions to hedge LNG trading business, recognized in advance during the current period.
  - Mitsui Oil Exploration Co., Ltd. recorded a decrease of ¥4.4 billion mainly due to decline in production.
  - Mitsui E&P Australia Holdings Pty. Ltd. recorded an increase of ¥8.0 billion mainly due to higher oil price.
  - Mitsui E&P USA LLC recorded an increase of ¥6.3 billion mainly due to higher gas price.
  - Mitsui & Co. Energy Trading Singapore Pte. Ltd. recorded an increase of ¥4.5 billion mainly due to good trading performance.

- Mitsui E&P Italia A S.r.l recorded an increase of ¥3.8 billion mainly due to cost improvement.
- MEP Texas Holdings LLC recorded an increase of ¥3.2 billion mainly due to higher oil and gas prices.
- Mitsui E&P Middle East B.V. recorded an increase of ¥3.1 billion mainly due to higher oil price.
- Profit (Loss) of Equity Method Investments increased mainly due to the following factor:
  - Japan Australia LNG (MIMI) Pty. Ltd recorded an increase mainly due to higher oil and gas prices.
- Dividends from four LNG projects (Sakhalin II, Abu Dhabi, Oman and Qatargas 3) were ¥16.2 billion in total, an increase of ¥12.1 billion from the previous period(\*).
- (\* ) During the previous year, interest expired for Qatargas 1.
- In addition to the above, the following factors also affected results.
  - Mitsui Oil Exploration Co., Ltd. recorded a decrease of ¥6.1 billion in corporate income tax mainly due to recognition of tax-deductible expense in connection with the expiration of concession agreement.
  - MOEX North America LLC recorded a decrease of ¥3.1 billion mainly due to derivative related profit and loss.

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

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	38.9	29.2	+9.7
Gross Profit	43.9	32.0	+11.9
Profit (Loss) of Equity Method Investments	42.8	28.7	+14.1
Dividend Income	1.6	1.4	+0.2
Selling, General and Administrative Expenses	(35.8)	(31.2)	(4.6)
Others	(13.6)	(1.7)	(11.9)

- Others include the following factor:
  - For the current period, an impairment loss of ¥3.1 billion was recorded following the change in term and conditions of the transaction due to revision of the sale and purchase agreement for shares of MT Falcon Holdings S.A.P.I de C.V.

### ***Chemicals Segment***

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	23.1	15.9	+7.2
Gross Profit	59.5	44.9	+14.6
Profit (Loss) of Equity Method Investments	7.2	3.9	+3.3
Dividend Income	1.5	1.3	+0.2
Selling, General and Administrative Expenses	(32.0)	(27.4)	(4.6)
Others	(13.1)	(6.8)	(6.3)

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

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	7.0	6.7	+0.3
Gross Profit	9.1	7.9	+1.2
Profit (Loss) of Equity Method Investments	6.6	5.8	+0.8
Dividend Income	1.1	0.5	+0.6
Selling, General and Administrative Expenses	(6.6)	(6.0)	(0.6)
Others	(3.2)	(1.5)	(1.7)

### ***Lifestyle Segment***

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	26.5	13.9	+12.6
Gross Profit	52.7	34.6	+18.1
Profit (Loss) of Equity Method Investments	9.8	13.9	(4.1)
Dividend Income	3.1	2.2	+0.9
Selling, General and Administrative Expenses	(35.5)	(32.1)	(3.4)
Others	(3.6)	(4.7)	+1.1

- Gross Profit increased mainly due to the following factors:
  - An increase of ¥11.7 billion was recorded mainly due to inventory valuation gains in coffee trading business at a business division in the Headquarters.
  - An increase of ¥3.1 billion was recorded mainly due to good performance in grain trading at a business division in the Headquarters.
- In addition to the above, the following factors also affected results:
  - For the current period, a valuation gain of ¥13.2 billion was recorded for a foreign exchange translation of a put option in relation to investment to JSC R-Pharm.
  - For the current period, foreign exchange related loss of ¥11.8 billion for hedging purposes was recorded in coffee trading business at a business division in the Headquarters.

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

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	20.4	10.4	+10.0
Gross Profit	19.9	23.8	(3.9)
Profit (Loss) of Equity Method Investments	4.7	5.8	(1.1)
Dividend Income	3.2	2.0	+1.2
Selling, General and Administrative Expenses	(19.3)	(17.2)	(2.1)
Others	11.9	(4.0)	+15.9

- Gross Profit decreased mainly due to the following factors:
  - A business division at the Headquarters recorded a decrease due to fluctuation of commodity prices.
  - An absence of ¥3.9 billion valuation profit recorded following the public listing of Proterra Inc. for the previous period.
- In addition to the above, the following factors also affected results:
  - A business division at the Headquarters recorded a foreign exchange related profit increase due to fluctuation

of foreign exchange rate.

- For the current period, a gain was recorded for the sale of Southernwood Property Pte. which is an investment vehicle that holds an office building in Singapore.
- For the current period, a gain of ¥7.0 billion was recorded for the sale of a property in the U.S.

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

For the current period, the Company assessed Sakhalin II project in which it participates through its subsidiary Mitsui Sakhalin Holdings B.V. in light of the Russian Presidential Decree (No. 416) dated June 30, 2022 and Resolution of the Government of the Russian Federation dated August 2, 2022 (No. 1369) in addition to a reassessment of its discount rate based on the rating of the Russian Federation.

The revaluation was conducted applying the expected present value technique with the probability-weighted average considering a scenario where the continuous dividend income is predicted through an investment in a newly established company, which is expected at this stage, and other scenarios. As a result, a decrease of ¥136.6 billion in the fair value of the investment was recorded in Other Comprehensive Income. Following this recognition, the investment balance in Sakhalin II project at the end of the current period was ¥90.2 billion.

The Company did not recognize any significant profit / loss or other comprehensive income in the current period with respect to the Arctic LNG2 project in which it participates through Japan Arctic LNG B.V. as an equity-method investee. The balance of the investments, loans and guarantees related to the Arctic LNG2 project was ¥201.1 billion (¥15.4 billion in loans, investments and ¥185.7 billion in guarantees) at the end of the current period. In addition, a provision for loss on guarantees of ¥19.5 billion has been recorded.

For further details, please refer to "Notes to Condensed Consolidated Financial Statements 16. IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS".

### (3) Financial Condition and Cash Flows

#### 1) Financial Condition

(Billions of Yen)	June 30, 2022	March 31, 2022	Change
Total Assets	15,786.6	14,923.3	+863.3
Current Assets	6,238.1	5,716.7	+521.4
Non-current Assets	9,548.5	9,206.6	+341.9
Current Liabilities	4,615.2	3,808.6	+806.6
Non-current Liabilities	5,190.8	5,319.2	(128.4)
<i>Net Interest-bearing Debt</i>	3,572.3	3,338.9	+233.4
Total Equity Attributable to Owners of the Parent	5,770.9	5,605.2	+165.7
Net Debt-to-Equity Ratio (times)	0.62	0.60	+0.02

- (\*) “Net Debt-to-Equity Ratio” (“Net DER”) is comprised of “net interest bearing debt” divided by total equity attributable to owners of the parent. We define “net interest bearing debt” as follows:
- calculate Interest-bearing debt by excluding lease liability from short-term debt and long-term debt.
  - calculate net interest bearing debt by subtracting cash and cash equivalents and time deposits with maturities within one year after three months from interest bearing debt

#### Assets

##### Current Assets:

- Cash and cash equivalents increased by ¥91.3 billion.
- Trade and other receivables increased by ¥187.5 billion, mainly due to the following factors:
  - An increase in trade receivables by ¥130.3 billion, mainly due to higher market prices and increases in trading volume in the Lifestyle Segment and the Chemicals Segment; and
  - An increase in the current portion of long-term receivables by ¥50.4 billion, mainly due to reclassification to current maturities and foreign exchange fluctuations in the Machinery & Infrastructure Segment.
- Other financial assets increased by ¥144.3 billion, mainly due to market fluctuation and increases in trading volume in the Innovation & Corporate Development Segment, increases in trading volume in the Machinery & Infrastructure Segment, and higher market prices in the Lifestyle Segment.
- Inventories increased by ¥26.2 billion, mainly due to higher market prices and increases in trading volume in the Chemicals Segment.
- Advance payments to suppliers increased by ¥47.7 billion, mainly due to increases in trading volume in the Machinery & Infrastructure Segment.

##### Non-current Assets:

- Investments accounted for using the equity method increased by ¥375.9 billion, mainly due to the following factors:
  - An increase of ¥266.2 billion resulting from foreign exchange rate fluctuations;
  - An increase of ¥79.8 billion due to an investment in the holding company of Mainstream Renewable Power Limited;
  - An increase due to an investment in Climate Friendly Pty Ltd;
  - An increase of ¥138.8 billion corresponding to the profit of equity method investments for the current period, despite a decline of ¥157.8 billion due to dividends from equity accounted investees; and
  - A decrease of ¥10.7 billion due to a sale of Southernwood Property Pte.
- Other investments decreased by ¥238.3 billion, mainly due to the following factors:

- Fair value on financial assets measured at FVTOCI decreased by ¥319.4 billion (including decrease of ¥136.6 billion of the equity interest in Sakhalin II project held through Mitsui Sakhalin Holdings B.V.) ;
- An increase of ¥57.5 billion resulting from foreign exchange rate fluctuations ; and
- An increase in relation to an investment in a large-scale renewable energy project in India.
- Other financial assets increased by ¥47.7 billion, mainly due to increases in trading volume in the Machinery & Infrastructure Segment and valuation of a put option in relation to investment to JSC R-Pharm.
- Property, plant and equipment increased by ¥118.7 billion, mainly due to the following factors:
  - An increase of ¥41.8 billion (including foreign exchange translation profit of ¥53.7 billion) at the oil and gas projects;
  - An increase of ¥16.8 billion (including foreign exchange translation profit of ¥14.4 billion) at Intercontinental Terminals Company, LLC.; and
  - An increase of ¥12.8 billion (including foreign exchange translation profit of ¥8.7 billion) at iron ore mining operations in Australia.
- Intangible assets increased by ¥28.7 billion, mainly due to consolidation of Position Partners Pty Ltd.

### Liabilities

#### Current Liabilities:

- Short-term debt increased by ¥23.7 billion, mainly due to an increase of short-term borrowings of Mitsui & Co. Energy Trading Singapore Pte. Ltd.
- Current portion of long-term debt increased by ¥434.2 billion, mainly due to reclassification to current maturities.
- Trade and other payables increased by ¥122.1 billion, corresponding to the increase in trade and other receivables.
- Other financial liabilities increased by ¥162.0 billion, corresponding to the increase in other financial assets.
- Advances from customers increased by ¥23.0 billion, corresponding to the increase in advance payments to suppliers.
- Provisions increased by ¥28.7 billion, mainly due to an increase in the Energy Segment.

#### Non-current Liabilities:

- Long-term debt, less current portion, decreased by ¥138.2 billion.
- Other financial liabilities increased by ¥55.6 billion mainly due to a corresponding increase in other financial assets.
- Deferred tax liabilities decreased by ¥59.9 billion, mainly due to a corresponding decrease in financial assets measured at FVTOCI.

### Total Equity Attributable to Owners of the Parent

- Retained earnings increased by ¥181.9 billion.
- Other components of equity increased by ¥34.5 billion, mainly due to the following factors:
  - Foreign currency translation adjustments increased by ¥277.2 billion, mainly reflecting the appreciation in the U.S. dollar and Australian dollar against Japanese yen; and
  - Financial assets measured at FVTOCI decreased by ¥226.1 billion
- Treasury stock which is a subtraction item in shareholders' equity increased by ¥51.0 billion due to the shares buy-back.

## 2) Cash Flows

(Billions of Yen)	Current Period	Previous Period	Change
Cash flows from operating activities	280.9	179.3	+101.6
Cash flows from investing activities	(111.6)	(92.5)	(19.1)
Free cash flow	169.3	86.8	+82.5
Cash flows from financing activities	(129.8)	(172.3)	+42.5
Effect of exchange rate changes on cash and cash equivalents etc.	51.8	(2.1)	+53.9
Change in cash and cash equivalents	91.3	(87.6)	+178.9

### *Cash Flows from Operating Activities*

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	280.9	179.3	+101.6
Cash flows from change in working capital	b	(33.0)	(103.9)	+70.9
Repayments of lease liabilities	c	(13.5)	(13.3)	(0.2)
Core Operating Cash Flow	a-b+c	300.4	269.9	+30.5

- Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥33.0 billion of net cash outflow. Repayments of lease liabilities for the current period was ¥13.5 billion of cash outflow. Core Operating Cash Flow, which equaled cash flows from operating activities without both cash flows from changes in working capital and repayments of lease liabilities, for the current period amounted to ¥300.4 billion.
  - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥149.0 billion, an increase of ¥30.5 billion from ¥118.5 billion for the previous period; and
  - Depreciation and amortization for the current period was ¥66.0 billion, a decrease of ¥7.9 billion from ¥73.9 billion for the previous period.

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

(Billions of Yen)	Current Period	Previous Period	Change
Mineral & Metal Resources	142.2	127.4	+14.8
Energy	52.4	47.2	+5.2
Machinery & Infrastructure	35.6	38.0	(2.4)
Chemicals	32.0	24.5	+7.5
Iron & Steel Products	2.9	3.8	(0.9)
Lifestyle	22.3	16.6	+5.7
Innovation & Corporate Development	11.9	12.1	(0.2)
All Other and Adjustments and Eliminations	1.1	0.3	+0.8
Consolidated Total	300.4	269.9	+30.5

### *Cash Flows from Investing Activities*

- Net cash outflows that corresponded to investments in equity accounted investees (net of sales of investments in equity accounted investees) were ¥94.3 billion, mainly due to the following factors:
  - An investment in the holding company of Mainstream Renewable Power Limited, for ¥79.8 billion;

- An investment in Climate Friendly Pty Ltd; and
- A sale of Southernwood Property Pte, for ¥20.1 billion.
- Net cash outflows that corresponded to other investments (net of sales and maturities of other investments) were ¥17.5 billion, mainly due to the following factor:
  - A cash outflow in relation to an investment in a large-scale renewable energy project in India.
- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥53.9 billion, mainly due to the following factor:
  - An expenditure for iron ore mining operations in Australia for ¥14.3 billion.
- Net cash inflows that corresponded to sales of investment property (net of purchases of those assets) were ¥21.5 billion, mainly due to the following factor:
  - A sale of a property by MBK Real Estate LLC in the U.S. for ¥22.4 billion.

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

- Net cash outflow from net change in short-term debt was ¥1.1 billion, net cash inflow from net change in long-term debt was ¥61.6 billion, and cash outflow from repayments of lease liabilities was ¥13.5 billion.
- The cash outflow from the purchases of treasury stock was ¥51.0 billion.
- The cash outflow from payments of cash dividends was ¥96.1 billion.
- The cash outflow from transactions with non-controlling interest shareholders was ¥29.7 billion, mainly due to payments in relation to shares of Mitsui Oil Exploration Co., Ltd., acquired in the previous fiscal year.

#### **(4) Management Issues**

For the three-month period ended June 30, 2022, there is no significant change in management issues. We announced our profit forecast attributable to owners of the parent of ¥800.0 billion and Core Operating Cash Flow forecast of ¥950.0 billion for the year ending March 31, 2023, together with the results of the Year Ended March 31, 2022. No updates have been made to these forecasts.

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

For further information regarding the significant accounting policies and estimates which are important to our financial condition and results of operation, see [Condensed Consolidated Financial Statements 2.BASIS OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS II. USE OF ESTIMATES AND JUDGMENTS].

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

There are no contracts for which disclosure is required.

### 3. Material Contracts

There are no contracts for which disclosure is required.

### 3. Condensed Consolidated Financial Statements

**Condensed Consolidated Statements of Financial Position**  
**Mitsui & Co., Ltd. and subsidiaries**  
**June 30, 2022 and March 31, 2022**

	Millions of Yen	
	June 30, 2022	March 31, 2022
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents .....	¥ 1,219,135	¥ 1,127,868
Trade and other receivables .....	2,490,550	2,303,140
Other financial assets (Note 13) .....	1,142,227	997,862
Inventories (Note 13) .....	975,902	949,663
Advance payments to suppliers .....	231,116	183,370
Other current assets .....	179,187	154,780
Total current assets .....	6,238,117	5,716,683
<b>Non-current Assets:</b>		
Investments accounted for using the equity method(Note 16) .....	3,763,256	3,387,371
Other investments (Notes 13 and 16).....	2,109,091	2,347,414
Trade and other receivables (Notes 13 and 16) .....	316,891	319,977
Other financial assets (Note 13) .....	215,502	167,845
Property, plant and equipment (Note 6) .....	2,309,564	2,190,902
Investment property (Note 6).....	318,352	318,570
Intangible assets .....	281,708	253,039
Deferred tax assets .....	112,511	100,743
Other non-current assets .....	121,656	120,746
Total non-current assets .....	9,548,531	9,206,607
<b>Total assets</b> .....	¥ 15,786,648	¥ 14,923,290

**Condensed Consolidated Statements of Financial Position—(Continued)**

**Mitsui & Co., Ltd. and subsidiaries**

**June 30, 2022 and March 31, 2022**

	Millions of Yen	
	June 30, 2022	March 31, 2022
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term debt .....	¥ 305,516	¥ 281,831
Current portion of long-term debt (Note 8) .....	844,491	410,257
Trade and other payables .....	1,861,236	1,739,149
Other financial liabilities (Notes 12 and 13) .....	1,165,248	1,003,156
Income tax payables .....	68,187	68,456
Advances from customers .....	225,148	202,074
Provisions .....	77,271	48,589
Other current liabilities .....	68,106	55,114
Total current liabilities .....	<u>4,615,203</u>	<u>3,808,626</u>
<b>Non-current Liabilities:</b>		
Long-term debt, less current portion (Notes 8 and 13) .....	4,047,211	4,185,375
Other financial liabilities (Notes 12, 13 and 16) .....	202,577	147,031
Retirement benefit liabilities .....	39,730	38,045
Provisions .....	278,129	266,161
Deferred tax liabilities .....	594,074	653,979
Other non-current liabilities .....	29,045	28,657
Total non-current liabilities .....	<u>5,190,766</u>	<u>5,319,248</u>
Total liabilities .....	<u>9,805,969</u>	<u>9,127,874</u>
<b>Equity:</b>		
Common stock .....	342,384	342,384
Capital surplus .....	376,872	376,516
Retained earnings .....	4,347,862	4,165,962
Other components of equity (Note 9) .....	861,882	827,441
Treasury stock .....	(158,073)	(107,098)
Total equity attributable to owners of the parent .....	<u>5,770,927</u>	<u>5,605,205</u>
Non-controlling interests .....	209,752	190,211
Total equity .....	<u>5,980,679</u>	<u>5,795,416</u>
<b>Total liabilities and equity .....</b>	<u>¥ 15,786,648</u>	<u>¥ 14,923,290</u>

## Condensed Consolidated Statements of Income and Comprehensive Income

### Condensed Consolidated Statements of Income Mitsui & Co., Ltd. and subsidiaries For the Three-Month Periods Ended June 30, 2022 and 2021

	Millions of Yen	
	Three-month period ended June 30, 2022	Three-month period ended June 30, 2021
<b>Revenue (Notes 4, 5 and 13)</b> .....	¥ 3,720,531	¥ 2,658,034
<b>Cost (Note 13)</b> .....	(3,407,101)	(2,389,797)
<b>Gross Profit (Note 4)</b> .....	313,430	268,237
<b>Other Income (Expenses):</b>		
Selling, general and administrative expenses .....	(155,949)	(138,599)
Gain (loss) on securities and other investments-net (Note 13) .....	11,559	(4,669)
Impairment reversal (loss) of fixed assets-net .....	(271)	213
Gain (loss) on disposal or sales of fixed assets-net .....	6,929	1,680
Other income (expense)-net (Note 13) .....	8,285	8,924
Total other income (expenses) .....	(129,447)	(132,451)
<b>Finance Income (Costs):</b>		
Interest income .....	6,963	4,658
Dividend income .....	34,575	33,692
Interest expense .....	(16,401)	(14,390)
Total finance income (costs) .....	25,137	23,960
<b>Share of Profit (Loss) of Investments Accounted for Using the Equity Method (Note 4)</b>	138,837	96,445
<b>Profit before Income Taxes</b> .....	347,957	256,191
<b>Income Taxes</b> .....	(59,598)	(56,186)
<b>Profit for the Period</b> .....	¥ 288,359	¥ 200,005
 <b>Profit for the Period Attributable to:</b>		
Owners of the parent (Note 4).....	¥ 275,000	¥ 191,264
Non-controlling interests .....	13,359	8,741
	Yen	
<b>Earnings per Share Attributable to Owners of the Parent (Note 11):</b>		
Basic .....	¥ 172.44	¥ 115.74
Diluted .....	¥ 172.37	¥ 115.68

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

**Condensed Consolidated Statements of Comprehensive Income  
Mitsui & Co., Ltd. and subsidiaries  
For the Three-Month Periods Ended June 30, 2022 and 2021**

	Millions of Yen	
	Three-month period ended June 30, 2022	Three-month period ended June 30, 2021
<b>Comprehensive Income:</b>		
Profit for the period .....	¥ 288,359	¥ 200,005
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI .....	(314,730)	225,395
Remeasurements of defined benefit pension plans .....	(19)	300
Share of other comprehensive income of investments accounted for using the equity method .....	(613)	2,156
Income tax relating to items not reclassified .....	92,235	(67,714)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments .....	22,963	(300)
Cash flow hedges .....	(48,239)	(6,834)
Share of other comprehensive income of investments accounted for using the equity method .....	301,282	51,955
Income tax relating to items that may be reclassified .....	(7,063)	(5,813)
Total other comprehensive income .....	45,816	199,145
<b>Comprehensive Income for the Period .....</b>	<b>¥ 334,175</b>	<b>¥ 399,150</b>
<b>Comprehensive Income for the Period Attributable to:</b>		
Owners of the parent .....	¥ 312,406	¥ 388,605
Non-controlling interests .....	21,769	10,545

**Condensed Consolidated Statements of Changes in Equity**  
**Mitsui & Co., Ltd. and subsidiaries**  
**For the Three-Month Periods Ended June 30, 2022 and 2021**

Millions of Yen	Attributable to owners of the parent							
	Common Stock	Capital Surplus	Retained Earnings (Note 10)	Other Components of Equity (Note 9)	Treasury Stock	Total	Non-controlling Interests	Total Equity
<b>Balance as at April 1, 2021</b>	¥ 342,080	¥ 396,238	¥3,547,789	¥ 373,786	¥ (89,473)	¥4,570,420	¥ 252,467	¥4,822,887
Profit for the period .....			191,264			191,264	8,741	200,005
Other comprehensive income for the period .....				197,341		197,341	1,804	199,145
Comprehensive income for the period .....			191,264	197,341		388,605	10,545	399,150
Transaction with owners:								
Dividends paid to owners of the parent .....			(75,083)			(75,083)		(75,083)
Dividends paid to non-controlling interest shareholders .....							(10,962)	(10,962)
Acquisition of treasury stock .....					(74,725)	(74,725)		(74,725)
Sales of treasury stock .....		(11)	(14)		25	0		0
Cancellation of treasury stock .....			(55,423)		55,423	-		-
Compensation costs related to share-based payment .....		448				448		448
Equity transactions with non-controlling interest shareholders .....		141		(10)		131	3,914	4,045
Transfer to retained earnings .....			2,545	(2,545)		-		-
<b>Balance as at June 30, 2021</b>	<b>¥ 342,080</b>	<b>¥ 396,816</b>	<b>¥3,611,078</b>	<b>¥ 568,572</b>	<b>¥ (108,750)</b>	<b>¥4,809,796</b>	<b>¥ 255,964</b>	<b>¥5,065,760</b>

Millions of Yen	Attributable to owners of the parent							
	Common Stock	Capital Surplus	Retained Earnings (Note 10)	Other Components of Equity (Note 9)	Treasury Stock	Total	Non-controlling Interests	Total Equity
<b>Balance as at April 1, 2022</b>	¥ 342,384	¥ 376,516	¥4,165,962	¥ 827,441	¥ (107,098)	¥5,605,205	¥ 190,211	¥5,795,416
Profit for the period .....			275,000			275,000	13,359	288,359
Other comprehensive income for the period .....				37,406		37,406	8,410	45,816
Comprehensive income for the period .....			275,000	37,406		312,406	21,769	334,175
Transaction with owners:								
Dividends paid to owners of the parent .....			(96,058)			(96,058)		(96,058)
Dividends paid to non-controlling interest shareholders .....							(9,468)	(9,468)
Acquisition of treasury stock .....					(51,034)	(51,034)		(51,034)
Sales of treasury stock .....		(35)	(24)		59	0		0
Cancellation of treasury stock .....			-		-	-		-
Compensation costs related to share-based payment .....		672				672		672
Equity transactions with non-controlling interest shareholders .....		(281)		17		(264)	7,240	6,976
Transfer to retained earnings .....			2,982	(2,982)		-		-
<b>Balance as at June 30, 2022</b>	<b>¥ 342,384</b>	<b>¥ 376,872</b>	<b>¥4,347,862</b>	<b>¥ 861,882</b>	<b>¥ (158,073)</b>	<b>¥5,770,927</b>	<b>¥ 209,752</b>	<b>¥5,980,679</b>

**Condensed Consolidated Statements of Cash Flows**  
**Mitsui & Co., Ltd. and subsidiaries**  
**For the Three-Month Periods Ended June 30, 2022 and 2021**

	Millions of Yen			
	Three-month period ended June 30, 2022		Three-month period ended June 30, 2021	
<b>Operating Activities:</b>				
Profit for the period .....	¥	288,359	¥	200,005
Adjustments to reconcile profit for the period to cash flows from operating activities:				
Depreciation and amortization .....		66,002		73,885
Change in retirement benefit liabilities .....		1,920		889
Loss allowance.....		2,720		5,052
(Gain) loss on securities and other investments-net .....		(11,559)		4,669
Impairment (reversal) loss of fixed assets-net .....		271		(213)
(Gain) loss on disposal or sales of fixed assets-net .....		(6,929)		(1,680)
Interest income, dividend income and interest expense .....		(34,012)		(31,382)
Income taxes .....		59,598		56,186
Share of (profit) loss of investments accounted for using the equity method .....		(138,837)		(96,445)
Valuation (gain) loss related to contingent considerations and others .....		(9,340)		303
Changes in operating assets and liabilities:				
Change in trade and other receivables .....		(79,335)		(86,278)
Change in inventories .....		26,885		(84,175)
Change in trade and other payables .....		45,823		71,394
Other-net .....		(26,389)		(4,826)
Interest received .....		14,550		13,145
Interest paid .....		(10,999)		(14,994)
Dividends received .....		148,987		118,508
Income taxes paid .....		(63,760)		(49,098)
Income taxes refunded .....		6,982		4,362
Cash flows from operating activities .....		<u>280,937</u>		<u>179,307</u>
<b>Investing Activities:</b>				
Change in time deposits .....		34,594		(35,600)
Investments in equity accounted investees .....		(125,902)		(21,943)
Proceeds from sales of investments in equity accounted investees.....		31,560		4,975
Purchases of other investments .....		(30,865)		(72,843)
Proceeds from sales and maturities of other investments .....		13,381		14,614
Increases in loan receivables .....		(4,722)		(1,705)
Collections of loan receivables .....		2,744		59,990
Purchases of property, plant and equipment.....		(54,200)		(46,466)
Proceeds from sales of property, plant and equipment.....		305		9,000
Purchases of investment property .....		(946)		(2,545)
Proceeds from sales of investment property .....		22,444		-
Cash flows from investing activities .....		<u>(111,607)</u>		<u>(92,523)</u>
<b>Financing Activities:</b>				
Change in short-term debt .....		(1,117)		34,540
Proceeds from long-term debt .....		237,912		268,382
Repayments of long-term debt .....		(176,304)		(301,257)
Repayments of lease liabilities (Note 4).....		(13,532)		(13,336)
Purchases and sales of treasury stock .....		(51,033)		(74,725)
Dividends paid .....		(96,058)		(75,083)
Transactions with non-controlling interests shareholders .....		(29,660)		(10,775)
Cash flows from financing activities .....		<u>(129,792)</u>		<u>(172,254)</u>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents .....</b>		51,729		(2,163)
<b>Change in Cash and Cash Equivalents .....</b>		91,267		(87,633)
<b>Cash and Cash Equivalents at Beginning of Period .....</b>		1,127,868		1,063,150
<b>Cash and Cash Equivalents at End of Period .....</b>	¥	<u>1,219,135</u>	¥	<u>975,517</u>

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

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

***1. REPORTING ENTITY***

Mitsui & Co., Ltd. (the “Company”) is a company incorporated in Japan. Condensed Consolidated Financial Statements of the Company have a quarterly closing date as of June 30 and comprises the financial statements of the Company and its subsidiaries (collectively, the “companies”), and the interests in associated companies and joint ventures (collectively, the “equity accounted investees”).

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

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

**I. BASIS OF PREPARATION**

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

**II. USE OF ESTIMATES AND JUDGMENTS**

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

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

- Note 13 “FAIR VALUE MEASUREMENT”

No significant changes have been made to the estimation of the impact relating to the spread of COVID-19 for the three-month period ended June 30, 2022.

**III. SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies applied in the Condensed Consolidated Financial Statements for the period ended June 30, 2022 are the same as those applied in the Consolidated Financial Statements of the previous fiscal year.

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

#### **For the three-month period ended June 30, 2022**

No material business combinations were completed during the three-month period ended June 30, 2022.

#### **For the three-month period ended June 30, 2021**

No material business combinations were completed during the three-month period ended June 30, 2021.

#### 4. SEGMENT INFORMATION

Millions of Yen

Three-month period ended June 30, 2022:	Millions of Yen							
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total
Revenue.....	¥ 575,656	¥ 940,871	¥ 228,841	¥ 869,273	¥ 181,940	¥ 871,538	¥ 52,165	¥ 3,720,284
Gross Profit.....	¥ 107,387	¥ 17,115	¥ 43,853	¥ 59,474	¥ 9,052	¥ 52,736	¥ 19,902	¥ 309,519
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 42,841	¥ 24,805	¥ 42,845	¥ 7,178	¥ 6,577	¥ 9,776	¥ 4,733	¥ 138,755
Profit for the Period Attributable to Owners of the parent.....	¥ 119,806	¥ 23,744	¥ 38,950	¥ 23,096	¥ 6,969	¥ 26,543	¥ 20,367	¥ 259,475
Core Operating Cash Flow.....	¥ 142,154	¥ 52,395	¥ 35,601	¥ 32,000	¥ 2,862	¥ 22,294	¥ 11,947	¥ 299,253
Total Assets at June 30, 2022.....	¥ 3,141,020	¥ 3,053,379	¥ 3,120,319	¥ 1,841,619	¥ 744,306	¥ 2,628,093	¥ 1,949,054	¥ 16,477,790

Millions of Yen

Three-month period ended June 30, 2022:	Millions of Yen		
	All Other	Adjustments and Eliminations	Consolidated Total
Revenue.....	¥ 247	¥ -	¥ 3,720,531
Gross Profit.....	¥ 1,013	¥ 2,898	¥ 313,430
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ (46)	¥ 128	¥ 138,837
Profit for the Period Attributable to Owners of the parent.....	¥ 237	¥ 15,288	¥ 275,000
Core Operating Cash Flow.....	¥ 5,700	¥ (4,532)	¥ 300,421
Total Assets at June 30, 2022.....	¥ 8,124,270	¥ (8,815,412)	¥ 15,786,648

Millions of Yen

Three-month period ended June 30, 2021:	Millions of Yen							
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total
Revenue.....	¥ 469,926	¥ 558,696	¥ 172,241	¥ 664,439	¥ 139,521	¥ 601,781	¥ 50,607	¥ 2,657,211
Gross Profit.....	¥ 106,833	¥ 17,967	¥ 31,993	¥ 44,881	¥ 7,944	¥ 34,649	¥ 23,784	¥ 268,051
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 31,804	¥ 6,463	¥ 28,720	¥ 3,890	¥ 5,822	¥ 13,932	¥ 5,808	¥ 96,439
Profit (Loss) for the Period Attributable to Owners of the parent.....	¥ 118,975	¥ (1,243)	¥ 29,241	¥ 15,865	¥ 6,654	¥ 13,858	¥ 10,401	¥ 193,751
Core Operating Cash Flow.....	¥ 127,425	¥ 47,249	¥ 38,033	¥ 24,542	¥ 3,827	¥ 16,594	¥ 12,074	¥ 269,744
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

Millions of Yen

Three-month period ended June 30, 2021:	Millions of Yen		
	All Other	Adjustments and Eliminations	Consolidated Total
Revenue.....	¥ 823	¥ -	¥ 2,658,034
Gross Profit.....	¥ 1,169	¥ (983)	¥ 268,237
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ (54)	¥ 60	¥ 96,445
Profit (Loss) for the Period Attributable to Owners of the parent.....	¥ (2,867)	¥ 380	¥ 191,264
Core Operating Cash Flow.....	¥ 673	¥ (561)	¥ 269,856
Total Assets at March 31, 2022.....	¥ 7,647,360	¥ (8,091,315)	¥ 14,923,290

Notes:(1)“All Other” includes of the Corporate Staff Unit which provides financing services and operations services to the companies and affiliated companies. Total Assets of “All Other” at June 30, 2022 and March 31, 2022 includes cash, cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.

(2)Transfers between reportable segments are made at cost plus a markup.

(3)Profit (Loss) for the Period Attributable to Owners of the parent of “Adjustments and Eliminations” includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.

(4)Core Operating Cash Flow is calculated by deducting the total of the “Changes in Operating Assets and Liabilities” from the “Cash Flows from Operating Activities”, and further deducting the “Repayments of lease liabilities” in the “Cash Flows from Financing Activities” from it, in the Condensed Consolidated Statements of Cash Flows.

## 5. REVENUE

Among "Revenue", the disaggregation of revenue recognized from contracts with customers by business segment is as follows. The following business segment categories are same as in Note. 4 "SEGMENT INFORMATION". Revenue other than revenue recognized from contracts with customers includes revenue related to lease and financial instruments, etc.

Millions of Yen									
Three-month period ended June 30, 2022:	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	All Others	Total
Revenue recognized from contracts with customers	¥ 494,754	¥ 371,911	¥ 200,780	¥ 861,392	¥ 179,916	¥ 531,942	¥ 39,520	¥ 130	¥ 2,680,345

Millions of Yen									
Three-month period ended June 30, 2021:	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	All Others	Total
Revenue recognized from contracts with customers	¥ 390,930	¥ 183,132	¥ 153,966	¥ 659,159	¥ 135,419	¥ 487,029	¥ 32,310	¥ 125	¥ 2,042,070

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

### Property, plant and equipment

The amount of acquisitions (excluding acquisitions through business combinations) of property, plant and equipment for the three-month period ended June 30, 2022 was ¥59,589 million and the amount of disposals was not material.

The net amount of transfers to and from investment property for the three-month period ended June 30, 2022 was not material.

The amount of acquisitions (excluding acquisitions through business combinations) of property, plant and equipment for the three-month period ended June 30, 2021 was ¥67,782 million and the amount of disposals was not material.

The amount of transfers to investment property for the three-month period ended June 30, 2021 was ¥21,638 million.

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

### Investment property

The net amount of transfers to and from property, plant and equipment for the three-month period ended June 30, 2022 was not material, and the amount of transfers from property, plant and equipment for the three-month period ended June 30, 2021 was ¥21,638 million.

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

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

The amounts of impairment losses for assets for the three-month period ended June 30, 2022 and 2021 were not material.

The amounts of reversals of impairment losses for assets for the three-month period ended June 30, 2022 and 2021 were not material.

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

The total amount of repaid bonds for the three-month period ended June 30, 2022 was none.

The total amount of issued bonds for the three-month period ended June 30, 2022 was not material.

The total amount of repaid bonds for the three-month period ended June 30, 2021 was none.

The total amount of issued bonds for the three-month period ended June 30, 2021 was none.

## 9. EQUITY

Changes in other components of equity for the three-month periods ended June 30, 2022 and 2021 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2022	Three-month period ended June 30, 2021
<b>Financial Assets Measured at FVTOCI:</b>		
Balance at beginning of period .....	¥ 465,091	¥ 367,227
Increase (decrease) during the period .....	(223,182)	158,823
Transfer to retained earnings .....	(2,920)	(1,425)
Balance at end of period .....	¥ 238,989	¥ 524,625
<b>Remeasurements of Defined Benefit Pension Plans:</b>		
Balance at beginning of period .....	¥ -	¥ -
Increase (decrease) during the period .....	62	1,120
Transfer to retained earnings .....	(62)	(1,120)
Balance at end of period .....	¥ -	¥ -
<b>Foreign Currency Translation Adjustments:</b>		
Balance at beginning of period .....	¥ 478,584	¥ 81,847
Increase (decrease) during the period .....	277,232	21,492
Balance at end of period .....	¥ 755,816	¥ 103,339
<b>Cash Flow Hedges:</b>		
Balance at beginning of period .....	¥ (116,234)	¥ (75,288)
Increase (decrease) during the period .....	(16,689)	15,896
Balance at end of period .....	¥ (132,923)	¥ (59,392)
<b>Total:</b>		
Balance at beginning of period .....	¥ 827,441	¥ 373,786
Increase (decrease) during the period .....	37,423	197,331
Transfer to retained earnings .....	(2,982)	(2,545)
Balance at end of period .....	¥ 861,882	¥ 568,572

## 10. DIVIDENDS

During the three-month periods ended June 30, 2022 and 2021, the Company paid dividends of ¥60 per share (total dividend of ¥96,058 million) and ¥45 per share (total dividend of ¥75,083 million), respectively.

## 11. 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 three-month periods ended June 30, 2022 and 2021:

	Three-month Period Ended June 30, 2022			Three-month Period Ended June 30, 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
<b>Basic earnings per share attributable to owners of the parent:</b>	¥ 275,000	1,594,775	¥ 172.44	¥ 191,264	1,652,602	¥ 115.74
<b>Effect of dilutive securities:</b>						
Adjustment of effect of:						
Dilutive securities of associated companies.	(3)	—		(2)	-	
Stock options .....	—	575		-	784	
<b>Diluted earnings per share attributable to owners of the parent:</b>	¥ 274,997	1,595,350	¥ 172.37	¥ 191,262	1,653,386	¥ 115.68

## 12. 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 June 30, 2022 and March 31, 2022. The maximum potential amount of future payments represents the amount without consideration of possible recovery under recourse provisions or from collateral held or pledged that the companies could be obliged to pay if there were defaults by guaranteed parties. Such amounts bear no relationship to the anticipated losses on these guarantees and indemnifications and, in the aggregate, they greatly exceed anticipated losses.

The companies evaluate risks involved for each guarantee through an internal screening procedure before issuing a guarantee and regularly monitor outstanding positions and record adequate allowance to cover losses expected from probable performance under these agreements. 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 June 30, 2022.

	<b>Millions of Yen</b>			
	<b>Maximum potential amount of future payments</b>	<b>Amount outstanding (a)</b>	<b>Recourse provisions/ Collateral (b)</b>	<b>Net amount outstanding (a)-(b)</b>
<b>June 30, 2022</b>				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties .....	¥ 391,569	¥ 137,087	¥ 2,875	¥ 134,212
Guarantees for investments accounted for using the equity method .....	824,997	561,709	223,306	338,403
Performance guarantees				
Guarantees for third parties .....	46,289	43,611	28,582	15,029
Guarantees for investments accounted for using the equity method .....	62,596	54,902	1,861	53,041
Total .....	<u>¥ 1,325,451</u>	<u>¥ 797,309</u>	<u>¥ 256,624</u>	<u>¥ 540,685</u>

**Millions of Yen**

	<b>Maximum potential amount of future payments</b>	<b>Amount outstanding (a)</b>	<b>Recourse provisions/ Collateral (b)</b>	<b>Net amount outstanding (a)-(b)</b>
<b>March 31, 2022</b>				
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 .....	<u>¥ 1,205,021</u>	<u>¥ 725,529</u>	<u>¥ 222,279</u>	<u>¥ 503,250</u>

*Guarantees for third parties*

The companies guarantee, severally or jointly with others, indebtedness of certain customers and suppliers in the furtherance of their trading activities. Most of these guarantees outstanding as of June 30, 2022 and March 31, 2022 will expire through 2028.

*Guarantees for investments accounted for using the equity method*

The companies, severally or jointly with others, issue guarantees for investments accounted for using the equity method for the purpose of furtherance of their trading activities and enhancement of their credit for securing financing. Most of these guarantees outstanding as of June 30, 2022 and March 31, 2022 will expire through 2031 and 2029, respectively.

The table below summarizes the maximum potential amount of future payments for the companies' guarantees by the remaining contractual period as of June 30, 2022 and March 31, 2022.

	<b>Millions of Yen</b>	
	<b>June 30, 2022</b>	<b>March 31, 2022</b>
Within 1 year .....	¥ 424,732	¥ 389,343
After 1 to 5 years .....	246,465	229,310
After 5 years .....	654,254	586,368
Total .....	<u>¥ 1,325,451</u>	<u>¥ 1,205,021</u>

## II. LITIGATION

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

### 13. FAIR VALUE MEASUREMENT

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

IFRS 13 establishes the fair value hierarchy that may be used to measure fair value, which is provided as follows. The companies recognize transfers of assets or liabilities between levels of the fair value hierarchy as of the end of each reporting period when the transfers occur.

#### Level 1:

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

#### Level 2:

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

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

#### Level 3:

Unobservable inputs for the assets or liabilities.

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

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

#### Other Investments (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 in an active market 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 the inputs are observable in the relevant markets.

#### Derivative Instruments

- Derivative instruments mainly consist of derivative commodity instruments and derivative financial instruments.

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

#### Inventories

- Inventories acquired with the purpose of being sold in the near future and a profit from fluctuations in price are measured at fair value based on quoted prices with certain adjustment and classified as level 2. The amounts of costs to sell as of June 30, 2022 and March 31, 2022 were not material.

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

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

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

Information by fair value hierarchy

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2022 and March 31, 2022 were as follows. No assets or liabilities were transferred between level 1 and 2 for the three-month period ended June 30, 2022 and for the three-month period ended June 30, 2021.

June 30, 2022	Millions of Yen				
	Fair value measurements using			Netting adjustments (Note1)	Total fair value
	Level 1	Level 2	Level 3		
<b>Assets:</b>					
Other financial assets (Current):					
Financial assets measured at FVTPL.....	-	-	¥ 554		
Total other financial assets.....	-	-	¥ 554	-	¥ 554
Other investments:					
Financial assets measured at FVTPL.....	¥ 8,806	-	¥ 293,208		
Financial assets measured at FVTOCI.....	1,137,703	-	657,141		
Total other investments	¥ 1,146,509	-	¥ 950,349	-	¥ 2,096,858
Derivative assets:					
Foreign exchange contracts.....	-	¥ 192,068	-		
Interest rate contracts.....	-	45,373	-		
Commodity contracts.....	¥ 151,874	2,851,143	¥ 18,728		
Others.....	-	-	35,724		
Total derivative assets	¥ 151,874	¥ 3,088,584	¥ 54,452	¥ (2,533,732)	¥ 761,178
Inventories.....	-	¥ 238,038	-	-	238,038
Total assets.....	¥ 1,298,383	¥ 3,326,622	¥ 1,005,355	¥ (2,533,732)	¥ 3,096,628
<b>Liabilities (Note2):</b>					
Derivative liabilities:					
Foreign exchange contracts.....	-	¥ 296,751	-		
Interest rate contracts.....	-	24,806	-		
Commodity contracts.....	¥ 267,218	2,805,121	¥ 2,899		
Others.....	-	-	12,378		
Total derivative liabilities	¥ 267,218	¥ 3,126,678	¥ 15,277	¥ (2,444,846)	¥ 964,327
Total liabilities.....	¥ 267,218	¥ 3,126,678	¥ 15,277	¥ (2,444,846)	¥ 964,327

Millions of Yen

March 31, 2022

	Fair value measurements using			Netting adjustments (Note1)	Total fair value
	Level 1	Level 2	Level 3		
<b>Assets:</b>					
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
<b>Liabilities (Note2):</b>					
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

Note1: Amounts of netting adjustments include the net amount when, and only when, the companies currently have a legally enforceable right to set off the recognized amounts, and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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

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

The reconciliation of financial assets measured at FVTPL for the three-month period ended June 30, 2022 and 2021 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2022	Three-month period ended June 30, 2021
Balance at beginning of period .....	¥ 259,795	¥ 114,944
Classification change (Note1).....	-	33,000
Gains (losses) .....	10,343	5,102
Purchases (Note1).....	18,837	68,230
Sales .....	(2,468)	(574)
Transfers into Level 3 .....	-	-
Transfers out of Level 3 .....	-	-
Others (Note2) .....	7,255	(1,019)
Balance at end of period .....	¥ 293,762	¥ 219,683
Net change in unrealized gains (losses) still held at end of period	¥ 9,790	¥ 5,345

Note1: During the three-month period ended June 30, 2021, the corporate bond denominated in JPY 33,000 million issued by PT CT Corpora has been replaced to the convertible bond and the other convertible bond denominated in JPY 67,000 million newly issued by PT CT Corpora has been subscribed by the Company. In the above reconciliation, the amount transferred from financial assets measured at amortized cost to financial assets measured at FVTPL due to the replacement from the corporate bond to the convertible bond is included in "Classification change", and the amount subscribed for the newly issued convertible bond is included in "Purchases".

Note2: "Others" includes the effect of changes in foreign exchange rates (including in the foreign currency translation adjustments) and in scope of consolidation.

Gains (losses) related to financial assets measured at FVTPL for the three-month period ended June 30, 2022 and 2021 were included in "Revenue" and "Gain (loss) on securities and other investments-net" in the Condensed Consolidated Statements of Income.

The reconciliation of financial assets measured at FVTOCI for the three-month period ended June 30, 2022 and 2021 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2022	Three-month period ended June 30, 2021
Balance at beginning of period .....	¥ 732,436	¥ 709,166
Other comprehensive income (Note1)..	(76,151)	21,299
Purchases .....	2,144	1,495
Sales .....	(5,193)	(1,565)
Transfers into Level 3 .....	-	-
Transfers out of Level 3 (Note2) .....	-	(787)
Others (Note3) .....	3,905	7,935
Balance at end of period .....	¥ 657,141	¥ 737,543

Note 1: "Other comprehensive income" for the three-month period ended June 30, 2022 decreased mainly due to the decrease of fair value in investment in LNG project by the uncertainty arising from the Russian LNG business, in spite of the positive effect of change in foreign exchange rates. For the details, please refer to Note 16 "IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS".

"Other comprehensive income" for the three-month period ended June 30, 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.

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 scope of consolidation.

Other comprehensive income related to financial assets measured at FVTOCI for the three-month period ended June 30, 2022 and 2021 were included in "Financial assets measured at FVTOCI" and "Foreign currency translation adjustment" in Condensed Consolidated Statements of Comprehensive Income.

The reconciliation of derivative assets for the three-month period ended June 30, 2022 and 2021 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2022	Three-month period ended June 30, 2021
Balance at beginning of period .....	¥ 35,013	¥ 18,561
Gains (losses) (Note1).....	18,795	3,831
Other comprehensive income .....	837	720
Purchases .....	-	-
Set off .....	(193)	(527)
Transfers out of Level 3 (Note2).....	-	(176)
Others .....	-	-
Balance at end of period .....	¥ 54,452	¥ 22,409
Net change in unrealized gains (losses) still held at end of period	¥ 18,795	¥ 3,831

Note 1: "Gain (losses)" increased mainly due to the effect of change in foreign exchange rates.

Note 2: "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 three-month period ended June 30, 2022 and 2021 were as follows:

	Millions of Yen			
	Three-month period ended June 30, 2022		Three-month period ended June 30, 2021	
Balance at beginning of period .....	¥	9,872	¥	6,053
Gains (losses) .....		4,436		300
Other comprehensive income .....		969		371
Purchases .....		-		-
Set off .....		-		(66)
Transfers out of Level 3 (Note1).....		-		(363)
Others .....		-		-
Balance at end of period .....	¥	15,277	¥	6,295
Net change in unrealized gains (losses) still held at end of period	¥	4,436	¥	300

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 three-month period ended June 30, 2022 and 2021 have been recorded in “Revenue”, “Cost” and “Other income (expense) - net” in the Condensed Consolidated Statements of Income. Other comprehensive income has been recorded in “Foreign currency translation adjustments” and “Cash flow hedges” in Condensed Consolidated Statements of Comprehensive Income.

#### Quantitative information about level 3 fair value measurements

Information about valuation techniques and significant unobservable inputs used for level 3 assets measured at fair value on a recurring basis as of June 30, 2022 and March 31, 2022 were as follows:

June 30, 2022	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL	Income approach	Discount rate	6.5% ~ 30.0%
Financial assets measured at FVTOCI			
March 31, 2022	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL	Income approach	Discount rate	6.5% ~ 20.7%
Financial assets measured at FVTOCI			

In addition to the above, the price of crude oil is one of the significant unobservable inputs used in measuring the fair value of non-marketable equity securities related to LNG business. The Company forecasts that Brent Crude price will decrease from US\$105/bbl in the short term to US\$70/bbl level in a few years and US\$70/bbl in around 2030, 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 using the income approach, increases (decreases) in discount rates would result in a lower (higher) fair value. For securities related to LNG business, increase (decrease) in the price of crude oil would result in a higher (lower) fair value.

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

The fair values of financial instruments as of June 30, 2022 and March 31, 2022 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			
	June 30, 2022		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Other investments measured at amortized cost	¥ 12,233	¥ 12,211	¥ 11,698	¥ 11,930
Non-current receivables				
Trade and other receivables (Note 1) and other financial assets (excluding derivative assets) (Note 2) .....	389,343	389,331	389,849	389,838
Non-current liabilities				
Long-term debt, less current portion (Note 1) and other financial liabilities (excluding derivative liabilities) (Note 2) .....	¥ 4,132,511	¥ 4,198,840	¥ 4,272,785	¥ 4,322,656

Note1: Trade and other receivables include loans receivable. Long-term debts include borrowings and bonds payable. The fair values of non-current receivables with floating rates, including long-term loans receivable, and long-term debt with floating rates approximately equal their respective carrying amounts. The fair values of non-current receivables with fixed rates and long-term debt with fixed rates are estimated by discounted cash flow analysis, using interest rates currently available for similar types of loans, accounts receivable and borrowings with similar terms and remaining maturities.

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

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

#### **14. THE FIRE INCIDENT OF INTERCONTINENTAL TERMINALS COMPANY LLC**

On March 17, 2019 (US time) a fire began at the Deer Park tank terminal of Intercontinental Terminals Company LLC ("ITC"), a wholly owned U.S. subsidiary of Mitsui & Co., Ltd. The Deer Park tank terminal is located in the outskirts of Houston, Texas. The fire partially damaged tanks owned by ITC. ITC has resumed its operation after discussions with related authorities. Harris County Fire Marshal's Office released its final report with respect to the fire incident on December 6, 2019 (US time) and the report classified the fire as accidental, while not specifying the cause of the fire. The cause of the fire is still under investigation by other relevant authorities.

The profit and loss related to this incident recognized in the three-month period ended June 30, 2022 and 2021, and the outstanding balance of related provision as of June 30, 2022 are immaterial.

There are multiple lawsuits that have been brought against ITC in relation to this incident. These lawsuits are at the early stages and the ultimate outcome of these lawsuits is not expected to have significant impact on our consolidated financial position, operating results and cash flow.

#### **15. IMPACT OF THE SECURITY SITUATION IN NORTHERN MOZAMBIQUE ON LNG PROJECT**

The Company participates in the Mozambique LNG Project through Mitsui E&P Mozambique Area 1 Limited, its joint venture in the Energy Segment. In April 2021, all project personnel evacuated the project site due to the deteriorating security situation in northern Mozambique where the project site is located, and 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.

#### **16. IMPACT OF THE RUSSIA-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 Russia-Ukraine situation that has been ongoing 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.

The fair value of Other investments related to Sakhalin II project held by Mitsui Sakhalin Holdings B.V., a subsidiary of the Company, decreased by ¥136,607 million from the balance at March 31, 2022, and the valuation difference is recorded in "Financial assets measured at FVTOCI" in the Condensed Consolidated Statements of Comprehensive Income, mainly due to the reassessment of its discount rate based on the rating of the Russian Federation during the current period as well as Russian Presidential Decree (No.416) dated June 30, 2022 and Resolution of the Government of the Russian Federation dated August 2, 2022 (No.1369). The fair value was measured using the income approach by expected present value technique and the probability-weighted average considering a scenario where the continuous dividend income is predicted through an investment in the new company in accordance with the Decree and Resolution, as well as other scenarios. The outstanding balances of the Other investments related to this project at June 30, 2022 and March 31, 2022 were ¥90,199 million and ¥208,154 million, respectively. Under the current highly uncertain situation, the fair value may increase or decrease hereafter.

In addition, the carrying amount of the investments in Japan Arctic LNG B.V., an equity accounted investee that invests in and finances the Arctic LNG 2 project, and the assets value held by Japan Arctic LNG B.V. were revaluated during the current period based on the rating of the Russian Federation, however the profit / loss and comprehensive income recognized in the current period were immaterial. The outstanding balances of the investments and loans (\*) at June 30, 2022 and March 31, 2022 were ¥15,396 million and ¥14,374 million, respectively. The balance of financial guarantees as contingent liabilities were ¥185,725 million and ¥182,160 million, respectively, and the provision for loss on guarantees included in "Other financial liabilities" were ¥19,539 million and ¥18,097 million, respectively.

These estimates may be affected by uncertain developments in Russia and Ukraine, and any future changes in the rating of the Russian Federation. 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 financial guarantees in the consolidated financial statements for the next quarter period and thereafter.

(\*) Investments and loans are the sum of "Investments accounted for using the equity method", and loans (net of loss valuation allowance) included in "Trade and other receivables" in the Condensed Consolidated Statements of Financial Position.

## **17. SUBSEQUENT EVENTS**

### The Issuance of New Shares under the Remuneration System of Tenure-Linked Restricted Stock

On July 7, 2022, the Board of Directors of the Company resolved to issue new shares under the remuneration system of tenure-linked restricted stock, and the payment of new shares have been completed on July 29, 2022. The details are as follows.

- (1) Class and number of shares issued : Common stock of the Company, 111,000 shares
- (2) Issue price : 3,181 yen per share
- (3) Total value of issue : 353,091,000 yen
- (4) Pay-in date : July 29, 2022
- (5) Categories and numbers of persons eligible for allocations, numbers of shares allocated :  
Directors (excluding external director) 9 persons, 111,000 shares

### Cancellation of Treasury Stock

At the meeting of the Board of Directors held on August 2, 2022, the Company resolved to cancel a part of its treasury stock in accordance with Article 178 of the Companies Act of Japan. Details of the cancellation are as follows.

- (1) Class of share  
Common stock of the Company
- (2) Total number of shares of treasury stock to be cancelled  
50 million shares (3.0% of the total number of shares outstanding)
- (3) Scheduled date of cancellation  
August 31, 2022

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

The issue of Condensed Consolidated Financial Statements was authorized by Kenichi Hori, Representative Director, President and CEO, and Tetsuya Shigeta, Representative Director, Executive Managing Officer and CFO, on August 10, 2022.