Annual Securities Report
for the fiscal year ended March 31, 2023

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 21, 2023.

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," "companies" and the "Mitsui & Co. group" 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," "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, 3. 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		104th	103rd	102nd	101st	100th
Year ended		March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Consolidated financial data						
Revenue	(Millions of Yen)	14,306,402	11,757,559	8,010,235	8,484,130	8,958,967
Gross profit	(Millions of Yen)	1,396,228	1,141,371	811,465	839,423	838,467
Profit for the year attributable to owners of the parent	(Millions of Yen)	1,130,630	914,722	335,458	391,513	414,215
Comprehensive income for the year attributable to owners of the parent	(Millions of Yen)	1,224,588	1,370,647	964,652	(259,448)	429,917
Total equity attributable to owners of the parent	(Millions of Yen)	6,367,750	5,605,205	4,570,420	3,817,677	4,263,166
Total assets	(Millions of Yen)	15,380,916	14,923,290	12,515,845	11,806,292	11,945,779
Equity attributable to owners of the parent per share	(Yen)	4,177.49	3,501.21	2,739.28	2,235.83	2,452.81
Basic earnings per share attributable to owners of the parent	(Yen)	721.82	561.61	199.28	226.13	238.33
Diluted earnings per share attributable to owners of the parent	(Yen)	721.41	561.38	199.18	225.98	238.15
Equity attributable to owners of the parent ratio	(%)	41.40	37.56	36.52	32.34	35.69
Return on Equity (ROE)	(%)	18.89	17.98	8.00	9.69	10.06
Price Earnings Ratio (PER)	(Times)	5.70	5.93	11.55	6.65	7.21
Cash flows from operating activities	(Millions of Yen)	1,047,537	806,896	772,696	526,376	410,670
Cash flows from investing activities	(Millions of Yen)	(178,341)	(181,191)	(322,474)	(185,230)	(719,036)
Cash flows from financing activities	(Millions of Yen)	(634,685)	(614,325)	(486,963)	(204,561)	127,376
Cash and cash equivalents at end of year	(Millions of Yen)	1,390,130	1,127,868	1,063,150	1,058,733	956,107
Number of employees (excluding average number of part-time employees)	(Number of persons)	46,811	44,336	44,509	45,624	43,993
		(9,063)	(8,869)	(9,721)	(10,760)	(10,354)
Total Shareholder Return	(%)	252.7	201.8	139.8	91.3	98.7
(Comparative index: TOPIX)	(%)	(116.7)	(113.4)	(113.8)	(81.7)	(92.7)
Highest price of Mitsui's shares	(Yen)	4,299	3,414	2,415	1,999	2,120
Lowest price of Mitsui's shares	(Yen)	2,727	2,198	1,396	1,378	1,553

(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 from the year ended March 31, 2019 to each fiscal year, by the stock price at the end of the year ended Mar 31, 2018.
4. The highest and lowest share prices are those quoted on the Prime Market of the Tokyo Stock Exchange from April 4, 2022, and prior to that date, the prices are for the first section 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.

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 513 affiliated companies for consolidation, which consist of 210 overseas subsidiaries, 87 domestic subsidiaries, 171 overseas equity accounted investees and 45 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, Metal Recycling, and others	MITSUI BUSSAN METALS, Mitsui Iron Ore Development, Mitsui Iron Ore Corporation, Mitsui Resources, BUSSAN SUMISHO CARBON ENERGY, Oriente Copper Netherlands, Japan Collahuasi Resources, Mitsui & Co. Mineral Resources Development (Asia)	Inner Mongolia Erdos Electrical Power & Metallurgical, NIPPON AMAZON ALUMINIUM
Energy	Oil, Natural gas, LNG, Petroleum products, Uranium, Environmental and next-generation energy, and others	Mitsui Oil Exploration, Mitsui E&P Middle East, Mitsui E&P USA, MEP Texas Holdings, Mitsui E&P Australia Holdings, MOEX North America, Mitsui E&P Italia B, Mitsui & Co. Energy Trading Singapore, Mitsui & Co. LNG Investment USA, Mitsui & Co. Energy Marketing and Services (USA), MIT SEL Investment, MyPower	ENEOS GLOBE, JAPAN ARCTIC LNG, Japan Australia LNG (MIMI), Mitsui E&P Mozambique Area 1, Forsee Power

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, Mit-Power Capitals (Thailand), Mitsui & Co. Middle East and Africa Projects Investment & Development, MIT Power India, MITSUI GAS E ENERGIA DO BRASIL, Ecogen Brasil Solucoes Energeticas, MIZHA ENERGIA PARTICIPACOES, Shamrock Investment International, Mitsui & Co. Infrastructure Solutions, Mitsui & Co. Plant Systems, Tokyo International Air Cargo Terminal, Mitsui Water Holdings (Thailand), GUMI BRASIL PARTICIPACOES, Toyota Chile, Mitsui Automotriz, Bussan Auto Finance, MITSUI AUTO FINANCE CHILE, Mitsui Auto Finance Peru, HINO MOTORS SALES MEXICO, Komatsu-Mitsui Maquinarias Peru, Road Machinery, KOMEK MACHINERY, KOMEK MACHINERY Kazakhstan, Veloce Logistica, MBK USA Commercial Vehicles, Ellison Technologies, Inversiones Mitta, OMC SHIPPING, ORIENT MARINE, M&T AVIATION, Mitsui Rail Capital Europe, Mitsui Bussan Aerospace	PAITON ENERGY, 3B POWER, SEA TERMINAL MANAGEMENT & SERVICE, SAFI ENERGY, Caitan, IPM Eagle, India Yamaha Motor, TOYOTA MANILA BAY, HINO MOTORS SALES (THAILAND), TAIYOKENKI RENTAL, KOMATSU AUSTRALIA, VLI, Penske Automotive Group, WILLIS MITSUI & CO ENGINE SUPPORT
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, Japan-Arabia Methanol, MMTX, Shark Bay Salt, Intercontinental Terminals Company, MITSUI & CO. PLASTICS, Mitsui Plastics Trading (Shanghai), Diana Elastomers, Mitsui Bussan Packaging, Mitsui Bussan Woodchip Oceania, MITSUI PLASTICS, Mitsui AgriScience International, Certis U.S.A., Bharat Certis, DAIICHI TANKER, Mitsui Bussan Agro Business, B Food Science, Mitsui Agro Business, Novus International, Consorcio Agroindustrias del Norte	Kansai Helios Coatings, Honshu Chemical Industry, HEXAGON COMPOSITES, LABIX, SMB KENZAI, OURO FINO QUIMICA, MVM Resources International, ITC RUBIS TERMINAL ANTWERP, Kingsford Holdings
Iron & Steel Products	Steel products for infrastructure projects, Automotive components, Steel products used in energy industry, and others	Mitsui & Co. Steel, EURO-MIT STAAL, Regency Steel Asia	GRI Renewable Industries, NIPPON STEEL TRADING, MM&KENZAI, Shanghai Bao-Mit Steel Distribution, Gestamp Brasil Industria De Autopecas, GESTAMP 2020, NuMit, GEG (Holdings), SIAM YAMATO STEEL

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

* AWE has changed its corporate name to Mitsui E&P Australia Holdings due to internal restructuring since April 21, 2022.

* Mitsui E&P Italia A was merged into Mitsui E&P Italia B and dissolved as a result of the reorganization on November 25, 2022.

* MIT SEL Investment was a newly established subsidiary of Mitsui, has taken the ownership of the Sakhalin II project on September 2, 2022.

* KOMATSU MARKETING SUPPORT AUSTRALIA has changed its corporate name to KOMATSU AUSTRALIA since November 1, 2022.

* TOHO BUSSAN KAISHA has changed its corporate name to Mitsui & Co. Agri Foods since February 1, 2023.

* UHS Partners has changed its corporate name to MBK Human Capital since April 14, 2023.

* AIM SERVICES has become a wholly owned subsidiary of Mitsui through an additional acquisition of shares on April 6, 2023.

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	Sales and trading of non-ferrous scrap, alloy and products	Japan	100.0
	Mitsui Iron Ore Development	Mining and sales of Australian iron ore	Australia	100.0
	Mitsui Iron Ore Corporation	Mining and sales of Australian iron ore	Australia	100.0
	Mitsui Resources	Investments in Australian coal business	Australia	100.0
	BUSSAN SUMISHO CARBON ENERGY	Import and sales of coal, biomass fuel, etc. for Japanese General Industries	Japan	51.0
	Oriente Copper Netherlands	Investment in and loan to copper business in Chile through Inversiones Mineras Becrux SpA	The Netherlands	100.0
	Japan Collahuasi Resources	Investments in a copper mine in Chile	The Netherlands	100.0
	Mitsui & Co. Mineral Resources Development (Asia)	Investments in nickel and cobalt smelting business in Philippines	The Philippines	100.0
Energy	Mitsui Oil Exploration	Exploration, development and production of oil, natural gas and geothermal energy resources	Japan	100.0
	Mitsui E&P Middle East	Exploration, development and production of oil and natural gas	The Netherlands	100.0
	Mitsui E&P USA	Exploration, development and production of oil and gas	U.S.A.	100.0
	MEP Texas Holdings	Exploration, development and production of oil and natural gas	U.S.A.	100.0
	Mitsui E&P Australia Holdings	Exploration, development and production of oil and natural gas	Australia	100.0
	MOEX North America	Exploration, development and production of oil and natural gas	U.S.A.	100.0
	Mitsui E&P Italia B	Exploration, development and production of oil and natural gas	Italy	100.0
	Mitsui & Co. Energy Trading Singapore	Global trading of petroleum, biofuel, LNG and carbon credit	Singapore	100.0
	Mitsui & Co. LNG Investment USA	Investment in natural gas liquefaction business in the U.S. and sales of LNG	U.S.A.	100.0
	Mitsui & Co. Energy Marketing and Services (USA)	Physical / Futures trading of natural gas, power and oil	U.S.A.	100.0
	MIT SEL Investment	Investment in Sakhalin Energy	U.A.E.	100.0
	MyPower	Investment and portfolio management of New Downstream business in the U.S.	U.S.A.	100.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Machinery & Infrastructure	Portek International	Development and operation of container terminal	Singapore	100.0
	Mit-Power Capitals (Thailand)	Investment in cogeneration and power generation service business in Thailand	Thailand	100.0
	Mitsui & Co. Middle East and Africa Projects Investment & Development	Infrastructure project development and asset management in Middle East and Africa	U.A.E.	100.0
	MIT Power India	Investment in a large-scale renewable energy project	Japan	100.0
	MITSUI GAS E ENERGIA DO BRASIL	Investments in gas distribution companies	Brazil	100.0
	Ecogen Brasil Solucoes Energeticas	Utility equipment rental, operation and maintenance in Brazil	Brazil	100.0
	MIZHA ENERGIA PARTICIPACOES	Investment in power generating business in Brazil	Brazil	100.0
	Shamrock Investment International	Investment to renewable energy business	Norway	100.0
	Mitsui & Co. Infrastructure Solutions	Water treatment, electricity generation & supply, energy management etc.	Mexico	96.4
	Mitsui & Co. Plant Systems	Sales of various plants, electric power facilities and transportation equipment	Japan	100.0
	Tokyo International Air Cargo Terminal	Operation of air cargo terminal at Tokyo International Airport	Japan	100.0
	Mitsui Water Holdings (Thailand)	Investment in water supply business	Thailand	100.0
	GUMI BRASIL PARTICIPACOES	Investment vehicle of Guarana Urban Mobility Inc in Brazil	Brazil	100.0
	Toyota Chile	Import and sales of automobiles and auto parts in Chile	Chile	100.0
	Mitsui Automotriz	Retail sales of automobiles and auto parts	Peru	100.0
	Bussan Auto Finance	Motorcycle retail finance	Indonesia	65.0
	MITSUI AUTO FINANCE CHILE	Automobile retail finance	Chile	100.0
	Mitsui Auto Finance Peru	Automobile retail finance	Peru	100.0
	HINO MOTORS SALES MEXICO	Wholesale of Hino vehicles and parts	Mexico	65.0
	Komatsu-Mitsui Maquinarias Peru	Sales of construction and mining equipment	Peru	60.0
	Road Machinery	Sales of construction and mining equipment	U.S.A.	100.0
	KOMEK MACHINERY	Distributor of KOMATSU in Russia	Russia	95.0
	KOMEK MACHINERY Kazakhstan	Distributor of KOMATSU in Kazakhstan	Kazakhstan	95.0
	Veloce Logistica	Automotive parts logistics	Brazil	100.0
	MBK USA Commercial Vehicles	Investment in Penske Truck Leasing	U.S.A.	100.0
	Ellison Technologies	Sales of machine tools	U.S.A.	100.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Machinery & Infrastructure	Inversiones Mitta	Chilean automobile lease and rental business	Chile	80.0
	OMC SHIPPING	Shipping business	Singapore	100.0
	ORIENT MARINE	Shipping business	Japan	100.0
	M&T AVIATION	Aircraft trading	Ireland	100.0
	Mitsui Rail Capital Europe	Locomotive leasing and management in Europe	The Netherlands	100.0
	Mitsui Bussan Aerospace	Import and sales of helicopters and defense and aerospace products	Japan	100.0
Chemicals	Mitsui Bussan Chemicals	Domestic and foreign trade of solvents, coating chemicals, etc.	Japan	100.0
	Japan-Arabia Methanol	Investments in methanol producing business in Saudi Arabia and sales of products	Japan	55.0
	MMTX	Methanol business in the U.S.	U.S.A.	100.0
	Shark Bay Salt	Production of salt	Australia	100.0
	Intercontinental Terminals Company	Chemical tank leasing	U.S.A.	100.0
	MITSUI & CO. PLASTICS	Trading and sales of plastics and chemicals	Japan	100.0
	Mitsui Plastics Trading (Shanghai)	Sales and marketing of plastics and chemicals	China	100.0
	Diana Elastomers	Investment in synthetic rubbers producing and marketing business	U.S.A.	100.0
	Mitsui Bussan Packaging	Domestic sales and import / export related to paper, pulp and packaging	Japan	100.0
	Mitsui Bussan Woodchip Oceania	Plantation, processing and sales of woodchips, generating carbon credits	Australia	100.0
	MITSUI PLASTICS	Sales and marketing of plastics and chemicals	U.S.A.	100.0
	Mitsui AgriScience International	Investments in crop protection businesses in Europe	Belgium	100.0
	Certis U.S.A.	Manufacture and sales of biological crop protection products	U.S.A.	100.0
	Bharat Certis	Investment in crop protection business in India	Japan	82.0
	DAIICHI TANKER	Operation of chemical tankers	Japan	100.0
	Mitsui Bussan Agro Business	Development and sales of fertilizers and agricultural products	Japan	100.0
	B Food Science	Manufacturing and sales of functional food, pharmaceutical, and chemical product materials.	Japan	100.0
	Mitsui Agro Business	Investment in fertilizer producing business and sales of products in South America	Chile	100.0
	Novus International	Manufacturing and sales of feed additives	U.S.A.	80.0
	Consorcio Agroindustrias del Norte	Sales of fertilizer and other agricultural inputs, provision of farming guidance services	Mexico	80.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Iron & Steel Products	Mitsui & Co. Steel	Domestic sales, export, import of steel products	Japan	100.0
	EURO-MIT STAAL	Steel processing	The Netherlands	100.0
	Regency Steel Asia	Wholesale and retail of steel products	Singapore	100.0
Lifestyle	XINGU AGRI	Farmland leasing	Switzerland	100.0
	United Grain Corporation of Oregon	Grain merchandising	U.S.A.	100.0
	Mitsui & Co. Agri Foods	Importing and sales of agricultural products	Japan	100.0
	PRIFOODS	Production, processing and sales of broilers	Japan	46.5
	KASET PHOL SUGAR	Production and sales of sugar	Thailand	64.7
	Mitsui Norin	Manufacture and sales of food products	Japan	100.0
	Mit-Salmon Chile	Investment in salmon farming, processing and sales company	Chile	100.0
	Retail System Service	Sales of foods, groceries and services for retailers	Japan	100.0
	Bussan Logistics Solutions	Operation and management of logistics centers	Japan	100.0
	VENDOR SERVICE	Sales and distribution of food and packaging materials	Japan	100.0
	MITSUI FOODS	Wholesale of foods and beverages	Japan	100.0
	Mitsui & Co. Retail Holdings	Management of wholesaler distribution companies	Japan	100.0
	S.V.D.	Sales of foods, groceries, for retailers	Japan	50.5
	WILSEY FOODS	Investments in processed oil food company	U.S.A.	90.0
	MAX MARA JAPAN	Exclusive distribution in Japan for ladies' ready-to-wears produced by Max Mara Italy	Japan	65.5
	SANLI HOLDINGS	Holding shares issued by foreign corporations and selling pharmaceutical, other raw materials	Japan	80.0
	Mitsui & Co. Foresight	Property management	Japan	100.0
	MBK Human Capital	Investment in healthcare staffing business	U.S.A.	100.0
	MBK HEALTHCARE MANAGEMENT	Healthcare related business	Singapore	100.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Innovation & Corporate Development	MITSUI KNOWLEDGE INDUSTRY	ICT services, consulting, system and network integration	Japan	100.0
	Mitsui Bussan Secure Directions	Cyber security business	Japan	100.0
	World Hi-Vision Channel	Operating a broadcasting satellite channel	Japan	100.0
	M&Y Asia Telecom Holdings	Investments in mobile network operator business in Cambodia	Singapore	75.0
	Mitsui & Co. Insurance Holdings	Development of insurance risk management businesses	Japan	100.0
	Mitsui & Co. Alternative Investments	Securities and investment management firm specializing in the alternative investments	Japan	100.0
	Mitsui & Co. Asset Management Holdings	Real estate asset management	Japan	100.0
	SABRE INVESTMENTS	Vehicle for the investment in a real asset owner and operator in the U.S.	U.S.A.	100.0
	MITSUI & CO. REAL ESTATE	Real estate sales, leasing and brokerage	Japan	100.0
	MBK Real Estate Asia	Real estate-related business	Singapore	100.0
	MBK Real Estate Holdings	Real estate-related business	U.S.A.	100.0
	Mitsui & Co., Principal Investments	Investment in private equity	Japan	100.0
	MITSUI & CO. Global Investment	Operation of venture capital funds	U.S.A.	100.0
	Mitsui Bussan Commodities	Trading of energy and metals derivatives	United Kingdom	100.0
	Mitsui & Co. Global Logistics	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.)	Trading	U.S.A.	100.0
	MITSUI & CO. (CANADA)	Trading	Canada	100.0
	MITSUI & CO. (BRASIL)	Trading	Brazil	100.0
	MITSUI de MEXICO	Trading	Mexico	100.0
	MITSUI & CO. (ASIA PACIFIC)	Trading	Singapore	100.0
	MITSUI & CO. (THAILAND)	Trading	Thailand	100.0
	MITSIAM INTERNATIONAL	Trading	Thailand	75.1
	MITSUI & CO. (AUSTRALIA)	Trading	Australia	100.0
	MITSUI & CO. EUROPE	Trading	United Kingdom	100.0
	MITSUI & CO. DEUTSCHLAND	Trading	Germany	100.0
	MITSUI & CO. BENELUX	Trading	Belgium	100.0
	MITSUI & CO. ITALIA	Trading	Italy	100.0
	MITSUI & CO. (MIDDLE EAST)	Trading	U.A.E.	100.0
	MITSUI & CO. (HONG KONG)	Trading	China	100.0
	MITSUI & CO. (CHINA)	Trading	China	100.0
	MITSUI & CO. (SHANGHAI)	Trading	China	100.0
	MITSUI & CO. (TAIWAN)	Trading	Taiwan	100.0
	MITSUI & CO. KOREA	Trading	Korea	100.0
	MITSUI & CO. BUSINESS PARTNERS	Provision of HR & GA services to Mitsui and its subsidiaries	Japan	100.0
	Mitsui & Co. Trade Services	Provision of logistics-related services to Mitsui and its subsidiaries	Japan	100.0
	Mitsui & Co. Financial Management	Provision of accounting and treasury-related services to Mitsui	Japan	100.0
	Moon Creative Lab	Provision of business incubation related services	U.S.A.	100.0

* Mitsui & Co. Mineral Resources Development (Latin America) and Tokyo International Air Cargo Terminal were in a financial condition with liabilities in excess of assets. The amount of negative net worth as of March 31, 2023 were ¥150,599 million and ¥13,286 million, respectively.

* AWE has changed its corporate name to Mitsui E&P Australia Holdings due to internal restructuring since April 21,2022.

* Mitsui E&P Italia A was merged into Mitsui E&P Italia B and dissolved as a result of the reorganization on November 25, 2022.

* MIT SEL Investment was a newly established subsidiary of Mitsui, has taken the ownership of the Sakhalin II project on September 2, 2022.

* TOHO BUSSAN has changed its corporate name to Mitsui & Co. Agri Foods since February 1, 2023.

* UHS Partners has changed its corporate name to MBK Human Capital since April 14, 2023.

(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	Manufacturing and sales of ferro-alloys, chemical products, coke raw materials, etc.	China	20.2
	NIPPON AMAZON ALUMINIUM	Investments in aluminum smelting business in Brazil	Japan	20.9
Energy	*ENEOS GLOBE	Importing and distributing LPG, selling new energy-related equipment	Japan	30.0
	*JAPAN ARCTIC LNG	Development and sales of oil and natural gas in Russia	The Netherlands	50.0
	*Japan Australia LNG (MIMI)	Development and sales of oil and natural gas	Australia	50.0
	*Mitsui E&P Mozambique Area 1	Development and production of oil and natural gas in Mozambique	United Kingdom	50.3
	Forsee Power	BATTERY PACK MANUFACTURER	France	26.7
Machinery & Infrastructure	PAITON ENERGY	Power generation in Indonesia	Indonesia	45.5
	*3B POWER	Power generation in Malaysia	Malaysia	50.0
	SEA TERMINAL MANAGEMENT & SERVICE	Equipment inspection and technical consultancy services	Singapore	40.0
	*SAFI ENERGY	Power generation in Morocco	Morocco	33.3
	*Caitan	Chile desalination and conveyance service business	Chile	50.0
	*IPM Eagle	Investments in power generation business	United Kingdom	30.0
	India Yamaha Motor	Manufacture and sales of motorcycles	India	15.0
	*TOYOTA MANILA BAY	Retail sales of Toyota cars	The Philippines	40.0
	*HINO MOTORS SALES (THAILAND)	Wholesale of Hino vehicles and parts in Thailand	Thailand	43.0
	TAIYOKENKI RENTAL	Rental of construction machinery	Japan	25.9
	KOMATSU AUSTRALIA	Sales of construction and mining equipment	Australia	38.0
	VLI	Integrated freight transportation business in Brazil	Brazil	20.0
	Penske Automotive Group	Diversified international transportation services	U.S.A.	19.3
	*WILLIS MITSUI & CO ENGINE SUPPORT	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	Manufacture and sales of coatings, plastic resins, adhesives and other chemicals products	Austria	20.0
	Honshu Chemical Industry	Manufacture and sale of materials for high-performance resins and various chemicals	Japan	49.0
	HEXAGON COMPOSITES	Manufacturer of fiber reinforced cylinders	Norway	22.8
	LABIX	Manufacture and sales of Linear Alkyl Benzene	Thailand	25.0
	*SMB KENZAI	Sales of building materials, contract of construction work and import of various building materials	Japan	36.3
	*OURO FINO QUIMICA	Manufacture and sales of crop protection in Brazil	Brazil	22.1
	MVM Resources International	Investment in a phosphate rock mining project in Peru	The Netherlands	25.0
	*ITC RUBIS TERMINAL ANTWERP	Chemical tank leasing	Belgium	50.0
	*Kingsford Holdings	Investment to PT Champion Pacific Indonesia.	Indonesia	40.0
Iron & Steel Products	*GRI Renewable Industries	Manufacture of wind turbine towers and flanges	Spain	25.0
	NIPPON STEEL TRADING	Sales, export and import of steel products	Japan	20.0
	*MM&KENZAI	Steel products for construction/Steel raw materials	Japan	50.0
	*Shanghai Bao-Mit Steel Distribution	Processing and sales of steel products	China	35.0
	*Gestamp Brasil Industria De Autopecas	Manufacture of automotive components	Brazil	17.9
	GESTAMP 2020	Investment in manufacture of automotive components	Spain	25.0
	*NuMit	Investment in steel processing company	U.S.A.	50.0
	GEG (Holdings)	Port operation, fabrication & assembly of steel components	United Kingdom	25.5
	SIAM YAMATO STEEL	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	Production, marketing and sales of compound feed	Japan	26.0
	Mitsui DM Sugar Holdings	Manufacturing and sales of refined sugar, sugar products and food ingredients	Japan	26.7
	BIGI HOLDINGS	Clothing manufacturing and sales business	Japan	33.4
	*MN Inter-Fashion	Planning and management for production and procurement of apparel and textile	Japan	50.0
	IHH Healthcare	Provider of healthcare services	Malaysia	32.8
	*AIM SERVICES	Contract food services	Japan	50.0
	*ARAMARK Uniform Services Japan	Rental and sales of uniforms	Japan	39.2
Innovation & Corporate Development	Relia	Comprehensive telemarketing and direct marketing operations	Japan	36.6
	QVC JAPAN	Direct marketing business which is mainly composed of TV shopping	Japan	40.0
	NAAPTOL ONLINE SHOPPING	TV Shopping business in India	India	27.9
	JA Mitsui Leasing	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 was in a financial condition with liabilities in excess of assets. The amount of negative net worth as of March 31, 2023 was ¥15,243 million.
* KOMATSU MARKETING SUPPORT AUSTRALIA has changed its corporate name to KOMATSU AUSTRALIA since November 1, 2022.
* AIM SERVICES has become a wholly owned subsidiary of Mitsui through an additional acquisition of shares on April 6, 2023.

(4) Other Affiliated Companies

Not applicable.

5. Employees

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

As of March 31, 2023

Operating Segment	Number of Employees	
Mineral & Metal Resources	619	(58)
Energy	1,093	(147)
Machinery & Infrastructure	17,174	(1,206)
Chemicals	7,286	(546)
Iron & Steel Products	1,262	(177)
Lifestyle	8,772	(5,594)
Innovation & Corporate Development	7,425	(969)
All Other	3,180	(366)
Total	46,811	(9,063)

(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, 2023

Number of Employees	Average Age	Average Years of Service	Average Yearly Salary (Thousands of Yen)
5,449	42.3	18.1 years	17,836

Operating Segment	Number of Employees
Mineral & Metal Resources	284
Energy	459
Machinery & Infrastructure	809
Chemicals	766
Iron & Steel Products	256
Lifestyle	841
Innovation & Corporate Development	492
All Other	1,542
Total	5,449

(Notes) 1. The number of employees includes 1,226 seconded employees. However, 450 contract workers (including 131 workers seconded to Mitsui from outside Mitsui) and 152 employees hired in overseas offices are not included.
2. The average yearly salary includes bonuses and overtime pay.

(3) Diversity Indicators

The status of indicators concerning diversity in Mitsui and its major domestic consolidated subsidiaries is as follows. For information on the Mitsui & Co. group's initiatives related to diversity, see "2. Operating and Financial Review and Prospects 2. Disclosure of Sustainability-related Financial Information (6) Human Resources Strategy".

(i) Diversity indicators of Mitsui & Co., Ltd. (non-consolidated)

The status of indicators concerning diversity in Mitsui is as follows.

As of March 31, 2023

Percentage of managerial positions held by women*1	Percentage of men taking childcare leave, etc.*2	Gender pay gap*3		
		All workers	Regular Employees	Fixed-Term Employees
8.5%	65%	56.9%	56.9%	54.9%

*1 The percentage of managerial positions held by female employees.

*2 Childcare leave includes Mitsui's unique leave for the purpose of childcare that can be used at the time of a child's birth (leave for attending birth)

*3 The gender pay gap indicates the percentage of the average annual wage of women if that of men is 100%.

The main factors of gap are as follows.

Since personnel evaluations are appropriately conducted based on each employee's ability and contribution to the organization, there is no gender pay gap in wages for the same work in the Company.

For Regular Employees, there are job types that do not have limitations on the work location, that include working outside Japan (Business Staff), and other job types with a fixed work location within the same region in Japan (Administrative Staff). There is a system in place in which it is possible for employees to change their job type. For Business Staff, the gender pay gap as of March 31, 2023 is 73.9%, which is lower than the 56.9% for all workers. The main reason for the gender pay gap among Business Staff is that the gender ratio in relatively higher paying senior positions is different, as indicated by the 8.5% of managerial positions held by women.

We will continue our efforts to narrow the gender pay gap through new measures such as achieving the target of 10% of managerial position held by women by the end of March 2025 and integrating the above-mentioned job types, which the Company has proposed to the trade union and is currently under consideration.

The pay structure of Fixed-Term Employees differs depending on the requirements of each specific role and experience. In the Company, currently there are more males working as Fixed-Term Employees, who have relatively higher wages, and a gap exists because of this.

(ii) Diversity indicators of domestic consolidated subsidiaries

The status of indicators concerning diversity in Mitsui's major domestic consolidated subsidiaries is as follows.

As of March 31, 2023

Company name	Operating segment	Percentage of managerial positions held by women*2	Percentage of men taking childcare leave, etc.*3	Gender pay gap*4		
				All workers	Regular employees	Fixed-term employees
Indicators on diversity for domestic consolidated subsidiaries with 301 or more full-time employees*1						
MITSUI & CO. PLASTICS	Chemicals	1.4%	18%	70.2%	69.7%	75.9%
PRIFOODS	Lifestyle	4.4%	100%	64.0%	65.9%	89.5%
KP DINING	Lifestyle	0.0%	0%※	99.7%	89.2%	103.9%*5
Mitsui Norin	Lifestyle	13.4%	89%	74.8%	75.5%	67.7%
MITSUI FOODS	Lifestyle	5.4%	75%	62.0%	71.6%	55.1%
Bussan Logistics Solutions	Lifestyle	2.0%	50%	49.3%	78.2%	63.2%
VENDOR SERVICE	Lifestyle	11.1%	11%	65.6%	65.3%	62.2%
Fuzitoku Bussan	Lifestyle	9.1%	N/A	62.2%	75.0%	73.0%
MAX MARA JAPAN	Lifestyle	42.9%	N/A	58.2%	57.7%	45.9%
Mitsui & Co. Foresight	Lifestyle	2.4%	0%※	62.3%	77.0%	66.5%*5
Mitsui & Co. Global Logistics	Innovation & Corporate Development	3.6%	0%※	57.0%	78.9%	74.8%*5
MITSUI KNOWLEDGE INDUSTRY	Innovation & Corporate Development	9.9%	100%	76.9%	77.1%	60.7%
MKI Technologies	Innovation & Corporate Development	2.0%	90%	78.8%	80.1%	72.7%
Indicators on diversity for domestic consolidated subsidiaries with 101 to 300 full-time employees*1						
Mitsui & Co. Plant Systems	Machinery & Infrastructure	-	44%※	-	-	-
Tokyo International Air Cargo Terminal	Machinery & Infrastructure	-	43%※	-	-	-
Mitsui Bussan Aerospace	Machinery & Infrastructure	22.2%	100%	-	-	-
EATALY Asia Pacific	Lifestyle	-	60%	-	-	-
MOBIUS	Innovation & Corporate Development	10.1%	-	-	-	-
ITTO SOFTWARE	Innovation & Corporate Development	-	N/A	85.4%	87.2%	58.4%
MITSUI & CO. BUSINESS PARTNERS	Others	18.2%	-	-	-	-
Mitsui & Co. Trade Services	Others	31.3%	-	-	-	-
Mitsui & Co. Financial Management	Others	54.5%	-	-	-	-

The above are figures for those consolidated subsidiaries of Mitsui (including indirect holdings) that are domestic consolidated subsidiaries that separately publish the prescribed figures pursuant to the Act on the Promotion of Women's Active Engagement in Professional Life. The obligation to publish each indicator varies depending on the number of employees, but the Mitsui Group publishes all indicators for domestic consolidated subsidiaries that have 301 or more full-time employees, and the indicators not published for those with 101 to 300 employees are shown as "-".

*1 Regardless of the type of contract employees employment, full-time employees are defined as (1) those employed without a specified fixed term, or (2) those employed with a specified fixed term but have been continuously employed for one year or more or who are expected to be continuously employed for one year or more from the time of hiring.

*2 This indicates the percentage of managerial positions held by female employees.

*3 Childcare leave includes Mitsui's unique leave for the purpose of childcare. However, the percentage is only for childcare leave taken not including leave for the purpose of childcare for companies marked with (※). Cases in which there were no childbirths subject to childcare leave are indicated by "Not applicable".

*4 The gender pay gap indicates the percentage of the average annual wage of women if that of men is 100%.

*5 Part-time workers included in the fixed-term employees for the gender pay gap have been converted into the equivalent number of full-time workers based on the number of working hours.

(4) Trade Union

No material items to report.

2. Operating and Financial Review and Prospects

1. Management Policies, Operating Environment, and Management Issues

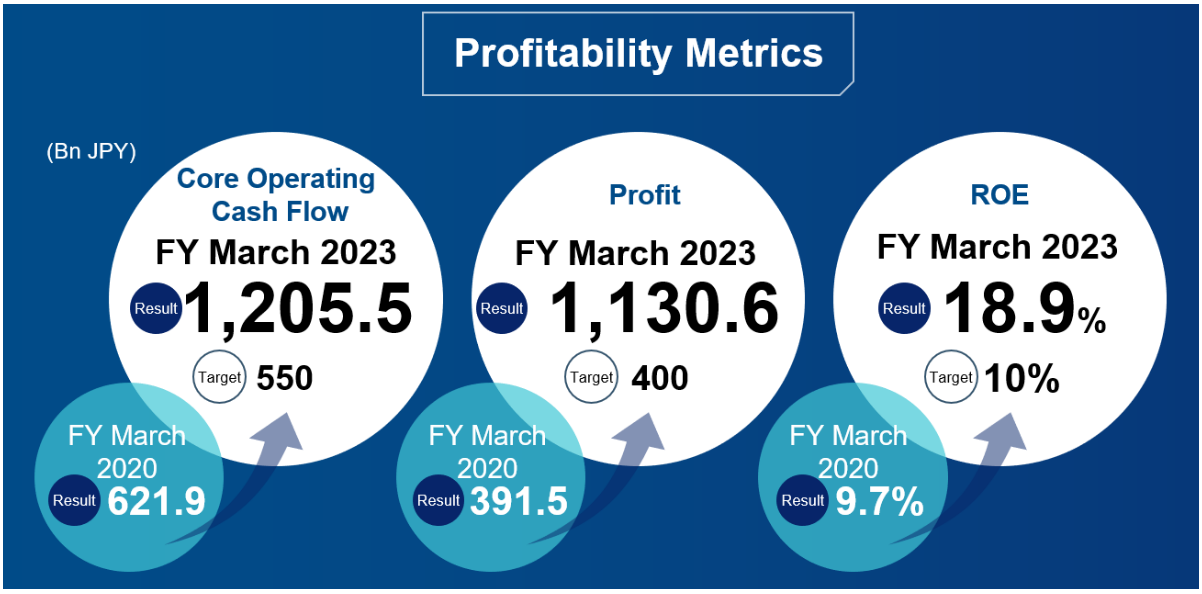
This Management Policies, Operating Environment, and Management Issues section contains forward-looking statements about Mitsui and its consolidated subsidiaries. These forward-looking statements involve assumptions, risks, uncertainties and other factors, including, but not limited to, those described in “3. 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) Review of the Previous Medium-term Management Plan

A review of the previous Medium-term Management Plan (FY March 2021 to FY March 2023) “Transform and Grow” announced in May 2020 is provided below.

1) Achievements of Quantitative Targets

The period covered by the previous Medium-term Management Plan was three years of a highly uncertain business environment. The spread of COVID-19, changes in geopolitical conditions, along with interruptions and disruptions of the supply chain and rising inflation were the factors. In such an operating environment, Mitsui’s strength of its globally diversified and extensive business portfolio generated strong earnings and the business targets set at the start of each fiscal year were achieved. In the fiscal year ended March 31, 2023, Profit for the Year Attributable to the Owners of the Parent was ¥1,130.6 billion and Core Operating Cash Flow was ¥1,205.5 billion, both reaching record levels and significantly exceeding the targets for the previous Medium-term Management Plan. We also achieved ROE of 18.9%, exceeding the target of 10%.



Using strong cash flow as a source of funds, we continuously increased dividends from ¥80 per share in the fiscal year ended March 31, 2020 to ¥140 per share in the fiscal year ended March 31, 2023. We also increased share repurchases from ¥108.0 billion over the three years of the Medium-term Management Plan that ended in fiscal year ended March 31, 2020 to ¥509.0 billion over the three years of the previous Medium-term Management Plan.

2) Medium-term Management Plan 2023: Achievements

(a) Strengthen Business Management Capabilities and Profitability

In a highly uncertain business environment, Mitsui demonstrated the trading functions it has developed globally, engaging in the stable supply, expansion of sales channels, and diversification of supply sources of energy, materials and food supporting society such as LNG, mineral & metal resources, chemicals, iron & steel products and grain, strengthening its earnings power. Furthermore, in addition to the automotive and commercial vehicles businesses centered on the Americas, earnings increased through strengthening of the healthcare, ship, chemicals and food businesses.

(b) Evolve Financial Strategy and Portfolio Management

Three-year cumulative Core Operating Cash Flow for the period of the previous Medium-term Management Plan was ¥3,023.0 billion, and combined with the ¥792.0 billion acquired from asset recycling, cash-in was ¥3,815.0 billion. Funded by robust cash generation capabilities, we strategically allocated funds to investment and loans and to shareholder returns. Cash-out through investment and loans was ¥1,584.0 billion, and total shareholder returns were ¥1,039.0 billion. Furthermore, we introduced ROIC (Return on Invested Capital) as an internal management indicator during the period covered by the previous Medium-term Management Plan. We visualized both the targets of the business portfolio along the two axes of earnings and growth potential as well as the process for realizing this, and by ensuring investment discipline, we made bold reallocation of resources. The funds obtained from recycling such as loan collection in Chilean copper operations and the sale of Australian metallurgical coal operation company Stanmore SMC were reallocated to growth investments in an effort to transform and improve the quality of the business portfolio.

(c) Human Resources Strategy

The diverse human resources working at our offices and affiliates in and outside Japan are a source of competitive strength, and we aim to achieve sustainable growth by facilitating the “Challenge and Innovation” of these individuals to create added value. During the period covered by the previous Medium-term Management Plan, we strengthened hiring by only taking on new graduate hires that participated in internship schemes, and by more active hiring of mid-career personnel. In addition, we developed the “Bloom” talent management system supporting global assignment of appropriate personnel and made advance roll-out in some regions overseas. Furthermore, to accelerate the empowerment of diverse personnel, we continued to engage in the programs to develop female leaders and programs to develop next-generation leaders selected from overseas offices. We have continued to promote remote work, as well as the introduction of a flexible work time system, to support the adoption of new ways of working, and will continue to promote initiatives that respect our employees’ diverse values and lead to the creation of new value.

(d)Strategic Focus and Pursuit of New Business

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

(i) Energy Solutions

To provide solutions for each region in the global energy transition, we utilized our knowledge and network in the upstream oil & gas business in the energy area to invest in UK-based Storegga promoting the Carbon Capture & Storage (CCS) business, and to engage in feasibility study of the CCS business eyeing clean fuel ammonia production in Australia. Furthermore, progress was made in joint businesses with multiple partners aimed at promotion of the clean fuel ammonia production business. In the power business, in parallel with the sale of thermal power generation businesses, we participated in the renewable energy projects operated by Mainstream in the UK, Latin America, Africa and Asia, and a large-scale renewable energy project with ReNew Power in India, promoting the enhancement of efforts in the electric power value chain along with our existing electricity sales in North America, South America, Europe and Japan. In addition, we carried out the commercialization of the e-dash CO2 visualization and reduction cloud service, expansion of the business of the French battery system manufacturer Forsee Power, and acquisition of shares in Climate Friendly, an Australian emission credits developer, by utilizing the knowledge Mitsui has obtained through the emissions credits business.

(ii) Healthcare/Nutrition

IHH Healthcare, in which Mitsui is invested, has established a framework to strengthen the group management base by making contributions through improving operations including rationalization of procurement, providing telemedicine services and reviewing the business portfolio. Furthermore, to strengthen the food for healthy living business and complex hospitality service business, we decided to acquire additional shares of AIM SERVICES, a major contract food service company in Japan, as a wholly owned subsidiary. We promoted the provision of services meeting health and productivity management needs of companies through HOKENDOHJIN-FRONTIER. In addition, we have been transitioning from regular “treatment” of patients toward “preventive care”, 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 across the globe. Initiatives have included establishing a preventive care business in Asia with Thorne, in which we are an investor, participating in Hendrix, a multi-species animal genetics and technology company in which we invest through a private equity fund, and investing in the animal health company Ouro Fino Saúde Animal and Eu Yan Sang, a Singaporean manufacturer of traditional Chinese medicine, and making the decision to invest in Sumitomo Pharma Animal Health.

(iii) Market Asia
In order to capture the growth of the "expanding and changing consumer market in Asia" and respond to diversifying consumer needs, we have been promoting new initiatives in healthcare/nutrition, infrastructure and other areas. Despite the continued impact of COVID-19, our affiliated companies mainly in iron & steel products and chemicals, which are our strong areas, have achieved steady growth in business performance, while our logistics business also performed well. Furthermore, we subscribed convertible bonds issued by the holding company of CT Corp, an Indonesia-based local conglomerate operating a consumer-related business including finance, retail, media, real estate, hospitality, entertainment and lifestyle, and made progress toward the creation of a "Consumer Platform" in Market Asia. In addition to jointly acquiring shares in Lee Soon Seng Plastic Industries, a Malaysian functional food container manufacturer, with major Japanese food container manufacturer FP Corporation, we acquired additional shares in Position Partners, an Australian computerized construction systems integrator.

(e)Sustainability Management; Evolution of ESG
During the period of the previous Medium-term Management Plan, Mitsui continued to promote the implementation of sustainability management, focusing on the three issues of climate change, the circular economy, and business and human rights.
To address climate change, we are promoting the initiatives that contribute to the reduction of Mitsui's own emissions and the reduction contribution in line with the greenhouse gas (GHG) reduction roadmap announced on ESG Day held in December 2021. Furthermore, for business areas with large amounts of GHG emissions, we have implemented and disclosed analysis of the 1.5°C scenario in addition to the 2°C scenario during the period of the previous Medium-term Management Plan, and also introduced various support systems (Environmental ("Green") Business Assessment Working Group and internal carbon pricing system) for business areas turning GHG reductions into opportunities. In circular economy, we identified risk areas by business and by region, and key areas that provide opportunities. In business and human rights, we identified high-risk business areas and promoted human rights due diligence, in addition to formulating individual procurement policies, and conducting various seminars and surveys contributing to raising awareness within the Company.

With respect to strengthening corporate governance, we continued to hold free discussions among Directors and Audit & Supervisory Board Members, and conducted discussion on management issues such as the Medium-term Management Plan and climate change. In the Board of Directors, in addition to ensuring there was adequate time for deliberation of important themes such as business strategy, business portfolio, sustainability, and occupational health and safety, we sought to further improve the effectiveness of the Board of Directors through the revision of standards and methods for board resolution, reports and other such materials to the Board of Directors and the utilization of written resolutions. Furthermore, we established a new stock-based compensation system for officers using elements such as ROE and ESG as KPIs, and discussed the institutional design of the Company and the form of the Board of Directors in the Governance Committee including the perspectives of External Members. For the details, please refer to "4. Corporate Information 4. Corporate Governance".

(2) Operating Environment

1) General

Note: The following describes the recognition of the economic environments as of May 2023.
Descriptions included herein may differ from our current recognition.

In the fiscal year ended March 31, 2023, the global economy slowed compared to the previous year due to rising inflation and rapid monetary tightening, mainly in the US, Europe and other developed countries, the ripple effects from the Russia-Ukraine situation, and the impact of turmoil in the Chinese economy stemming from the zero-COVID policy in China. In addition, new risk factors emerged at the end of the fiscal year, such as the collapse of regional financial institutions in the US.

In the US, although consumer spending generally continued to recover backed by a strong employment situation and other factors despite continued high inflation, the rapid monetary tightening led to a decline in housing investment and sluggish growth in capital investment, resulting in a slowdown in the economy. Looking ahead, the economy is expected to slow further due to monetary tightening and the impact from the collapse of regional financial institutions. In Europe, the economy weakened due to supply constraints in energy, caused by the Russia-Ukraine situation, as well as due to a rise in prices and other factors. Looking ahead, the economy is expected to stall due to continued high inflation and monetary tightening. In Japan, service consumption and inbound demand began to recover amid the ongoing normalization of economic activity, but the pickup was slow due to refrained goods consumption and sluggish exports in the face of rising prices. Looking ahead, the economy is expected to maintain a moderate recovery trend, partly due to the trend of wage hikes exceeding the previous year's increase and policy support. In China, the economy slowed further last year due to the impact of the zero-COVID policy and the deterioration of the real estate market, but with the lifting of the zero-COVID policy at the end of last year, domestic demand, including consumption of services, showed signs of picking up. Looking ahead, the economy is expected to pick up gradually, partly due to policy support such as lowering of the reserve ratio. In Brazil, the economy is expected to slow down due to the monetary tightening done up until last year and other factors. In Russia, economic activity is expected to remain stagnant due to economic sanctions imposed by the international community.

Looking ahead, although there are expectations for a recovery in China, the global economy is expected to remain in a slowdown phase overall due to high inflation and continued monetary tightening in the US, Europe, and other developed countries, as well as concerns about the financial system, while the effects of the situation in Russia and Ukraine are expected to linger.

2) Operating Segments

The environmental recognition, risks and opportunities in each operating segment based on the above operating environment are as follows.

(a) Mineral & Metal Resources

<table>
<tr><td>Environmental Recognition</td><td colspan="2">- The increase in production costs at mines due to inflation, high interest rates, high fuel prices, and rising labor costs coupled with labor shortages.
- Increased scarcity of assets that continue to meet industry expectations for responsible supply.</td></tr>
<tr><td colspan="2">Risks</td><td>Opportunities</td></tr>
<tr><td colspan="2">- The impact of technological innovation and changes in values toward a decarbonized society on the supply, demand, and market prices of commodities.
- Changes in the supply chain due to the emergence of geopolitical risks, COVID-19, etc.</td><td>- Further expansion of infrastructure demand etc., as a result of global economic growth, particularly in Asia
- Acceleration of electrification, reduction in weight, demand for green materials (including ferrous materials) and need for high-grade resources and recycled materials</td></tr>
</table>

(b) Energy

<table>
<tr><td>Environmental Recognition</td><td colspan="2">- Energy demand is expected to increase in line with population growth and global economic growth.
- Society's demand for a stable energy supply and decarbonization becoming ever greater.</td></tr>
<tr><td colspan="2">Risks</td><td>Opportunities</td></tr>
<tr><td colspan="2">- Fluctuations in crude oil and natural gas prices and changes in lifestyles and behaviors
- Decline in demand for crude oil and gas due to growing social needs for clean energy</td><td>- Increasing demand for primary energy, increasing demand for natural gas and LNG as an optimal solution
- Increasing demand for clean energy and next-generation energy
- Expansion of opportunities for energy solutions business due to accelerating pace of decarbonization</td></tr>
</table>

(c) Machinery & Infrastructure

<table>
<tr><td>Environmental Recognition</td><td colspan="2">- Global demand for electricity is increasing, especially for renewable energy and natural gas.
- Curtailed automobile supply due to semiconductors shortage is expected to normalize in the near future.
- Shift to transportation with lower environmental impact.
- The bulk carrier market is expected to continue to decline for the time being, while the tanker market is expected to remain at a high level.</td></tr>
<tr><td colspan="2">Risks</td><td>Opportunities</td></tr>
<tr><td colspan="2">- Global inflationary trends and financial market changes
- Changes in industrial structure, including a decrease in new resource development in response to changing social needs</td><td>- DX progress, acceleration of digital infrastructure
- Expansion and diversification of service demand for transportation and transportation infrastructure that contributes to climate change responses.
(renewable energy, energy conservation, new fuels and electrification, etc.)</td></tr>
</table>

(d) Chemicals

Environmental Recognition	- Increasing social demand for environmentally conscious business in response to climate change - Increasing demand for food and energy related chemicals due to population growth and economic growth - Increasing demand for high value-added food due to growing health consciousness
Risks	**Opportunities**
- Acceleration of structural change in the petrochemical industry in response to climate change - Supply chain restructuring and local production and consumption due to heightened geopolitical risks - Increasing in manufacturing costs due to rising energy costs and labor shortages	- Increasing need for stable supply due to changes in the supply chain - Increasing need for environmentally friendly materials, products, and businesses in response to climate change - Increasing need for health, wellness, and quality of life improvement

(e) Iron & Steel Products

Environmental Recognition	- Step-by-step greenification through technological innovation toward a decarbonized society. - Heightened raw materials and fuel costs, and surfacing geopolitical risks - Medium-term global steel demand is expected to increase, driven by Asia.
Risks	**Opportunities**
- Industry restructuring and changes in distribution structure against a backdrop of declining domestic crude steel production - The impact of heightened geopolitical risk on trade flows	- Supply chain structural changes and increased demand for infrastructure longevity due to the acceleration of decarbonization and the circular economy - Expanding needs for lighter and stronger frames in the field of transportation - Meeting needs for changes to steel distribution brought about by digital transformation

(f) Lifestyle

Environmental Recognition	- Diversified lifestyles and growing health consciousness and social values such as sustainability. - Rise in raw material costs, labor costs, etc. - Increasing importance of real "places" in conjunction with the convergence of online and offline
Risks	**Opportunities**
- Migration of traditional production areas due to climate change - Changes in trade structure due to geopolitical risks - The paradigm shift in the healthcare industry due to healthcare regulatory trends, labor shortages, and the entry of GAFA and other industrial players into the healthcare market.	- Diversification and segmentation of values and diversification of consumer behavior - Changes in behaviors and values toward preventive care and health - Expansion of the gap between healthcare supply and demand in emerging countries such as Asia, and expansion of the market for preventive care in developed countries.

(g) Innovation & Corporate Development

Environmental Recognition	- Rise in the need for value-added services and cybersecurity measures are rising in line with the shift to digitalization. - Increased importance of investment decisions based on changes in the market environment and needs, such as heightened environmental recognition
Risks	**Opportunities**
- Market risks such as stock price fluctuations - Deterioration in business confidence and corporate performance deteriorated due to rising interest rates and inflation.	- ICT solution needs in the face of technological evolution - Spread of digital services in line with diversified lifestyles - Opportunities to create climate change-related financial products, increased hedging needs due to higher volatility

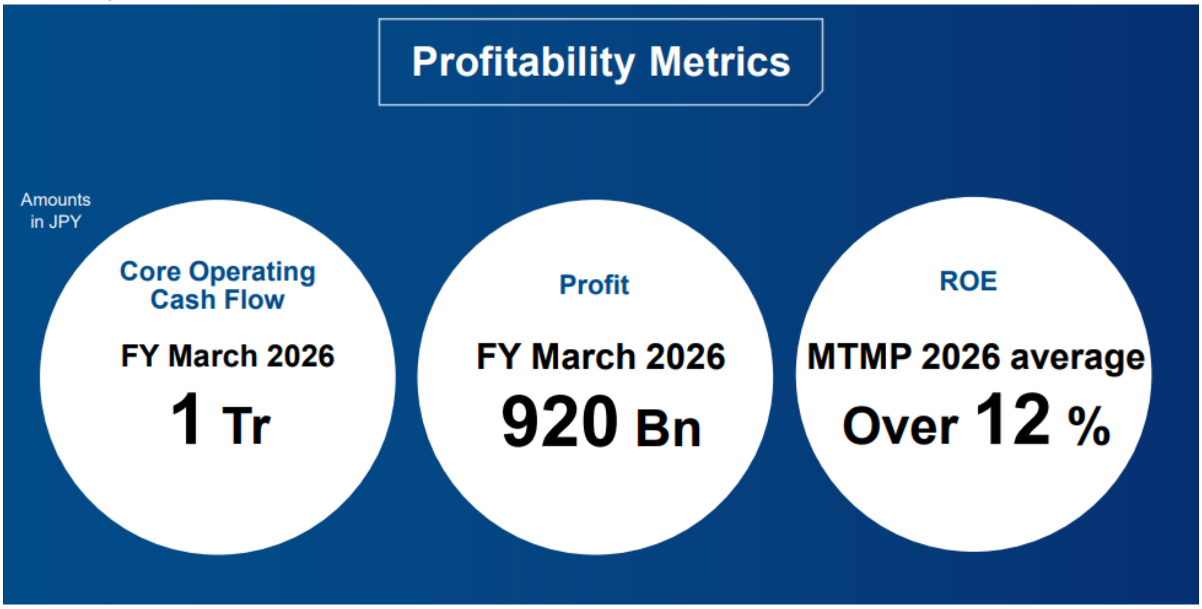
(3) New Medium-term Management Plan

1) Mitsui's Goals

Mitsui recently established its new Medium-term Management Plan (from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026) "Creating Sustainable Futures". Mitsui aims to create strong business clusters and new industries by placing sustainability at the center of management, unearthing social challenges in all industries from the perspective of global sustainability, and using that as a foundation for creating new business innovation.

2) Quantitative Targets for FY March 2024 and FY March 2026

For the fiscal year ending March 31, 2024, we plan to generate Core Operating Cash Flow of ¥870 billion and Profit for the Year Attributable to the Owners of the Parent of ¥880 billion. Furthermore, for the fiscal year ending March 31, 2026, the final year of our new Medium-term Management Plan, we aim to generate Core Operating Cash Flow of ¥1 trillion and Profit for the Year Attributable to the Owners of the Parent of ¥920 billion, with ROE averaging over 12% for the three years of the new Medium-term Management Plan.

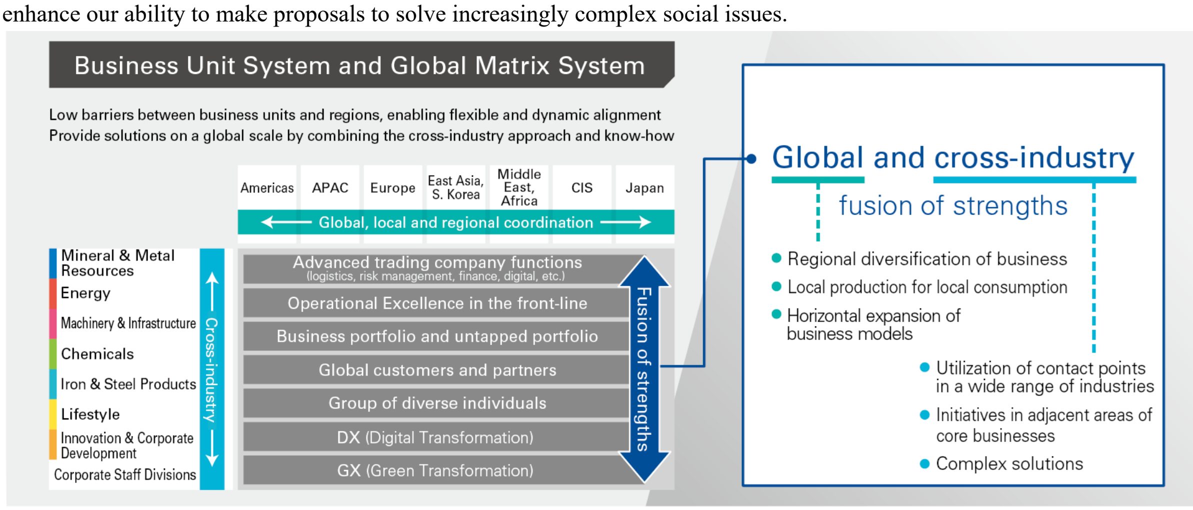


3) Five Corporate Strategies

As a companywide measure aimed at achieving "Creating Sustainable Futures" that we aim for in the new Medium-term Management Plan, we established five corporate strategies.

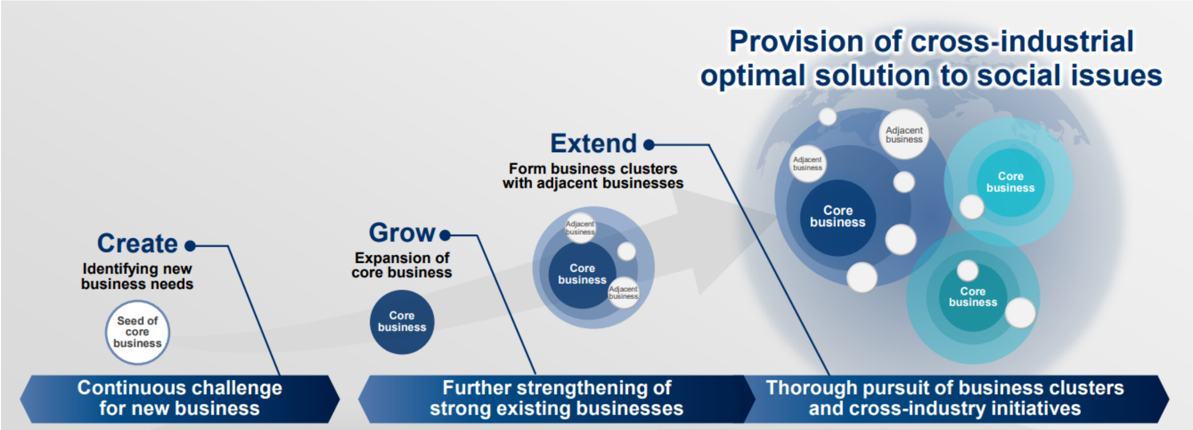
(a) Enhancement of Ability to Make Global, Cross-Industry Proposals

It is essential to have a global approach and a cross-industry response to increasingly complex global issues. The strength of Mitsui's Business Unit System and Global Matrix System is that barriers between business units and regions are low, enabling flexible and dynamic coordination. By utilizing this system to combine Mitsui's strengths globally and across industries, we will enhance our ability to make proposals to solve increasingly complex social issues.



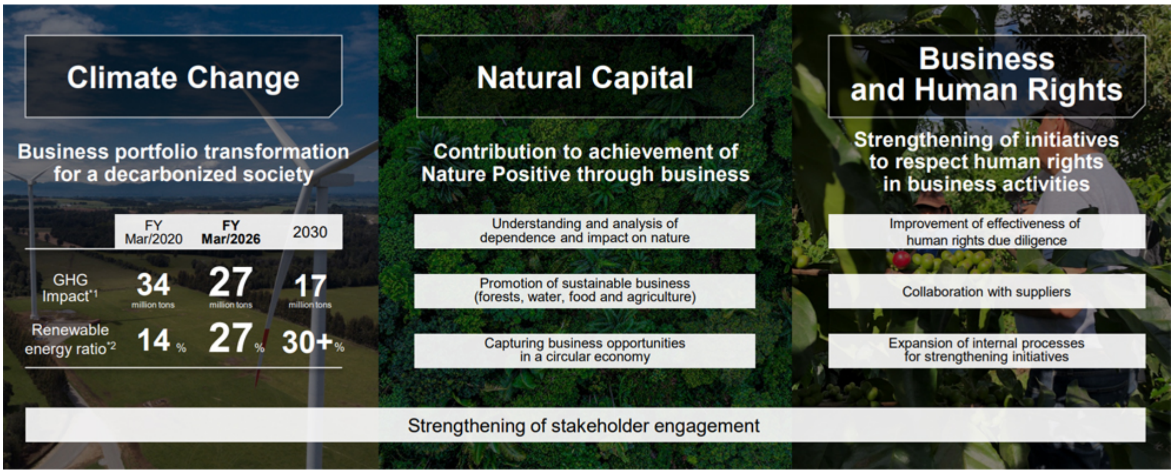
(b) Promotion of Create, Grow, Extend (Business Model)

By combining core and adjacent businesses, we will provide the most optimal solutions that factor in the time for the purpose of solving social issues. By strengthening businesses in adjacent areas where Mitsui possesses knowledge, we will be able to increase the probability of business success. To create an impactful earning base and business clusters, we will thoroughly implement allocation of management resources from the perspective of companywide optimization.



(c) Deeper Sustainability Management

We will lead initiatives through the entire supply chain in response to social issues such as climate change, natural capital, and business and human rights. In response to climate change, we will continue transformation of our business portfolio for the realization of a decarbonized society. Mitsui's targets for 2030 are to halve the GHG impact compared to for the fiscal year ended March 31, 2020 to 17 million tons[*1], and achieve a renewable energy ratio of over 30%[*2]. In the fiscal year ending March 2026, which is the final year of the new Medium-term Management Plan, we expect the GHG impact to be 27 million tons and the renewable energy ratio to be 27%. For the details, please see "2. Operating and Financial Review and Prospects, 2. Disclosure of Sustainability-related Financial Information".



*1 Target: Halve the GHG impact after deducting the reduction contributions made through business from Mitsui's emissions in 2030 compared to fiscal year ended March 2020.

*2 Target: Increase the renewable energy ratio in the power generation business to over 30% by 2030.

(d) Strengthening of Group Management Capability

It is necessary to increase productivity per person in order to continuously drive the transformation of Mitsui's business portfolio. We will efficiently and effectively implement greater achievements with the current number of personnel through both data-driven management and full utilization of Group assets.

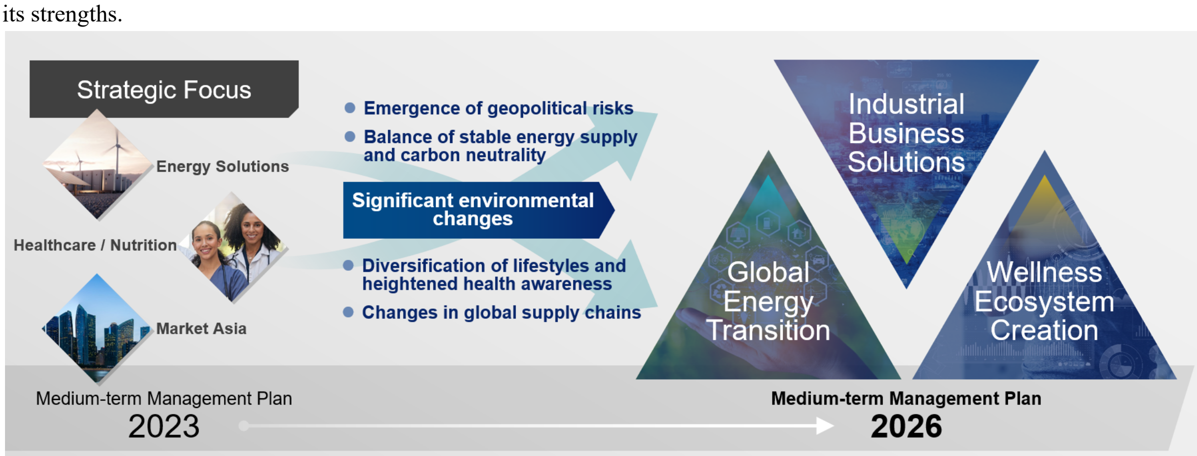
(e) Promotion of Globally Diverse Individuals

We will further accelerate investing in our people to promote autonomous career development. The three pillars of the human resources strategy remain unchanged from the previous plan: Development of capable individuals, inclusion, and strategic assignment of personnel. In addition to these, we will support transformation of the business portfolio by improving productivity per person and pursuing value-added work.

For the details, please see "2. Operating and Financial Review and Prospects, 2. Disclosure of Sustainability-related Financial Information".

4) Three Key Strategic Initiatives

Based on the deepening of the Strategic Focus initiatives of the previous Medium-term Management Plan and key changes in the environment occurring in recent years, we have established three Key Strategic Initiatives as areas where Mitsui can demonstrate its strengths.



(a) Industrial Business Solutions

We will provide advanced solutions for stable supply of energy, mineral & metal resources, food and materials, etc. through a globally extended business portfolio. We will seek to stabilize the supply chain through securing and appropriately reorganizing supply destinations and suppliers to address the interruption and disruption of global supply chains, and sharpening and sophistication of trading functions. Furthermore, we will contribute to the realization of a sustainable and affluent society through the stable supply of materials for which there are increasingly sophisticated and diverse needs such as highly functional materials supporting the advance of digitalization and environmentally friendly materials and green materials to address climate change.

(b) Global Energy Transition

We will provide the latest available optimal solutions through business, from the perspectives of both stable energy supply and climate change, in order to transition into a decarbonized society in a sustainable manner. By globally managing a portfolio of multiple businesses with different timelines, Mitsui will contribute to the resolution of the social issue of energy transition while maintaining earnings. We will promote business that contributes to a decarbonized society, such as next-generation energy in response to climate change, next-generation mobility with low environmental impact, and a circular economy decarbonizing the entire value chain of materials and chemicals, etc.

(c) Wellness Ecosystem Creation

In addition to healthcare and preventive care, we will contribute to the improvement in quality of life through the provision of healthy food and nutrition. In addition to providing food and nutrition that meets a diverse range of needs such as for the stable supply of food and a reduction of environmental impact, we will coordinate healthcare-related businesses through the utilization of data and organically combining them in the wellness business cluster to create much added value along the value chain.

5) Cash Flow Allocation

The cash flow allocation for the new Medium-term Management Plan is as follows. Through the Management Allocation framework, we will continue strategic cash allocation aimed at balancing carefully selected growth investment and enhancement of additional shareholder returns, while maintaining our basic policy of positive cash flow after shareholder returns from the fiscal year ending March 31, 2024 to fiscal year ending March 31, 2026.

(Bn JPY)

IN Cash in	Core Operating Cash Flow		2,750.0	
	Asset recycling		870.0	
OUT Cash out	Maintaining business (Sustaining CAPEX)		570.0	
	Growth investments	Investment decided or policy confirmed	1,170.0	Includes approx. 400 Bn of growth investments not-executed in FY March 2023 (AIM SERVICES, Relia, etc.)
		New investments	Management Allocation*1 1,130.0	
	Shareholder returns	Additional shareholder returns		
		Share repurchase	70.0	Amount of ongoing share repurchase
		Dividends	680.0	A progressive dividend for maintaining or increasing dividends with a minimum annual dividend of JPY150 per share

*1 Pursue flexible and strategic capital allocation to growth investments and additional shareholder returns, taking a comprehensive view of investment opportunities and the business environment

(4) Profit Distribution Policy

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

(5) Forecasts for the Year Ending March 31, 2024

1) Forecasts for the Year Ending March 31, 2024

[Assumption]	March 2024 Forecast	March 2023 Result
Exchange rate (USD/JPY)	130.00	136.00
Crude oil (JCC)	$79/bbl	$103/bbl
Consolidated oil price	$88/bbl	$93/bbl

(Billions of Yen)	March 31, 2024 Forecast	March 31, 2023 Result	Increase / (Decrease)	Description
Gross Profit	1,170.0	1,396.2	(226.2)	Lower commodity prices
Selling, General and Administrative Expenses	(750.0)	(702.8)	(47.2)	
Gain (Loss) on Investments, Fixed Assets and Other	230.0	58.3	+171.7	One-time valuation gain Asset recycling
Interest Expenses	(110.0)	(66.8)	(43.2)	Higher interest rates
Dividend Income	160.0	154.9	+5.1	
Profit (Loss) of Equity Method Investments	440.0	555.5	(115.5)	Lower commodity prices
Profit before Income Taxes	1,140.0	1,395.3	(255.3)	
Income Taxes	(240.0)	(240.7)	+0.7	
Non-Controlling Interests	(20.0)	(24.0)	+4.0	
Profit for the Year Attributable to Owners of the Parent	880.0	1,130.6	(250.6)	

Depreciation and Amortization	270.0	272.7	(2.7)	

Core Operating Cash Flow	870.0	1,205.5	(335.5)	

・ We assume foreign exchange rates for the year ending March 31, 2024 will be ¥130.00/US$ and ¥85.00/AU$, while average foreign exchange rates for the year ended March 31, 2023 were ¥136.00/US$ and ¥92.67/AU$. Also, we assume the annual average consolidated oil price applicable to our financial results for the year ending March 31, 2024 will be US$88/barrel, down US$5/barrel from the previous year, based on the assumption that the crude oil price (JCC) will average US$79/barrel throughout the year ending March 31, 2024.

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, 2024	Year ended March 31, 2023	Increase / (Decrease)	Description
Mineral & Metal Resources	290.0	438.8	(148.8)	Metallurgical coal and iron ore prices Absence of gain from asset sales in the previous year
Energy	130.0	309.4	(179.4)	Oil & gas prices LNG trading
Machinery & Infrastructure	240.0	171.9	+68.1	Asset recycling
Chemicals	60.0	70.9	(10.9)	
Iron & Steel Products	20.0	22.5	(2.5)	
Lifestyle	90.0	54.8	+35.2	One-time profit due to equity method investee becoming a subsidiary
Innovation & Corporate Development	60.0	66.7	(6.7)	
Others / Adjustments and Eliminations	(10.0)	(4.4)	(5.6)	
Consolidated Total	880.0	1,130.6	(250.6)	

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, 2024	Year ended March 31, 2023	Increase / (Decrease)	Description
Mineral & Metal Resources	320.0	436.7	(116.7)	Metallurgical coal and iron ore prices Dividend income
Energy	230.0	419.6	(189.6)	Oil and gas prices LNG trading
Machinery & Infrastructure	140.0	182.9	(42.9)	Asset recycling
Chemicals	80.0	89.5	(9.5)	
Iron & Steel Products	10.0	18.0	(8.0)	
Lifestyle	50.0	31.1	+18.9	Recovery in coffee trading business
Innovation & Corporate Development	40.0	46.6	(6.6)	
Others / Adjustments and Eliminations	0.0	(18.9)	+18.9	
Consolidated Total	870.0	1,205.5	(335.5)	

2) Key Commodity Prices and Other Parameters for the Year Ending March 31, 2024

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2024. 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, 2024			March 2024 Assumption	March 2023 Result
Commodity	Crude Oil/JCC	-	79	103
	Consolidated Oil Price (*1)	¥2.6 bn (US$1/bbl)	88	93
	U.S. Natural Gas (*2)	¥1.4 bn (US$0.1/mmBtu)	2.99	6.51 (*3)
	Iron Ore (*4)	¥2.7 bn (US$1/ton)	(*5)	116 (*6)
	Metallurgical Coal	¥0.3 bn (US$1/ton)	(*5)	352 (*7)
	Copper (*8)	¥0.7 bn (US$100/ton)	8,600	8,815 (*9)
Forex (*10)	USD	¥3.9 bn (¥1/USD)	130.00	136.00
	AUD	¥2.7 bn (¥1/AUD)	85.00	92.67

(*1) As the crude oil price affects our consolidated results with a 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 2024, we have assumed that there is a 4-6 month lag for approx. 35%, a 1-3 month lag for approx. 30%, over one year of a lag for approx. 30%, 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 US. natural gas sold at Henry Hub (HH), the above sensitivities show annual impact of changes in the weighted average sale price.

(*3) US gas figures for the year ended March 2023 are the Henry Hub Natural Gas Futures average daily prompt-month closing prices traded on NYMEX during January to December 2022.

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

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

(*6) Iron ore results figures for the year ended March 2023 are the daily average (reference price) spot indicated price (Fe 62% CFR North China) recorded in several industry trade magazines from April 2022 to March 2023.

(*7) Metallurgical coal results figures for the year ended March 2023 are the quarterly average prices of representative metallurgical 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 2023.

(*9) Copper results figures for the year ended March 2023 are the averages of the LME monthly average cash settlement prices for the period January to December 2022.

(*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 the impact of currency hedging are not included.

Note: Impact of Foreign Currency Exchange Fluctuation on Operating Results

The total sums for profit attributable to owners of the parent for the years ended March 31, 2023 and 2022 reported by overseas subsidiaries and equity accounted investees were ¥894.6 billion and ¥750.5 billion, respectively. These companies principally use the US dollar and the Australian dollar 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 fiscal year ending March 31, 2024.

(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, 2024, according to their functional currencies. Firstly, we aggregated US dollar- and Australian dollar-denominated projected profit attributable to owners of the parent of those companies using two currencies as functional currencies. We conducted a sensitivity analysis on foreign currency fluctuation for sum of the above aggregated profit and the dividend received from major foreign investees.
Based on the analysis, yen appreciation of ¥1 against US$1 would have the net effect of reducing profit attributable to owners of the parent by approximately ¥3.9 billion. Likewise, appreciation of ¥1 against AUD1 would have the net effect of reducing profit attributable to owners of the parent by approximately ¥2.7 billion.

(b) Profit attributable to owners of the parent from those mineral resources and energy producing companies is 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 producing companies, carry out hedging on the exchange rates between their functional currencies and the US dollar, which is the contractual 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. Disclosure of Sustainability-related Financial Information

(1) Sustainability Policy

Mitsui & Co.'s corporate mission as defined in its Mission, Vision, Values (MVV) is to realize a better tomorrow for earth and for people around the world and to "Build brighter futures, everywhere." Based on the MVV, we regard sustainability initiatives as important management issues, and, in accordance with the Mitsui & Co. Group Conduct Guidelines —With Integrity, this policy and sustainability-related policies, place a strong emphasis on sustainability in our corporate management. Our Group will take on the challenge of addressing global issues and contributing to the realization of a sustainable society and economic growth through our business activities.

- Identification of Materiality and Promotion of Initiatives

For the sustainable growth of both society and the Company, we identify important business issues that impact the Company and its stakeholders as "Materiality". We put this policy into practice by formulating our business policies and strategies, including medium-term management plans and business plans, based on our Materiality, given that each material issue may become a significant source of both risks and opportunities in the medium to long term.

- Role of the Board of Directors

The Board of Directors appropriately supervises the Company's sustainability initiatives, striving to enhance the Company's corporate value in the medium to long term. Decisions on important issues related to sustainability are subject to final approval by or are reported to the Board of Directors, following a review by the Sustainability Committee and Corporate Management Committee.

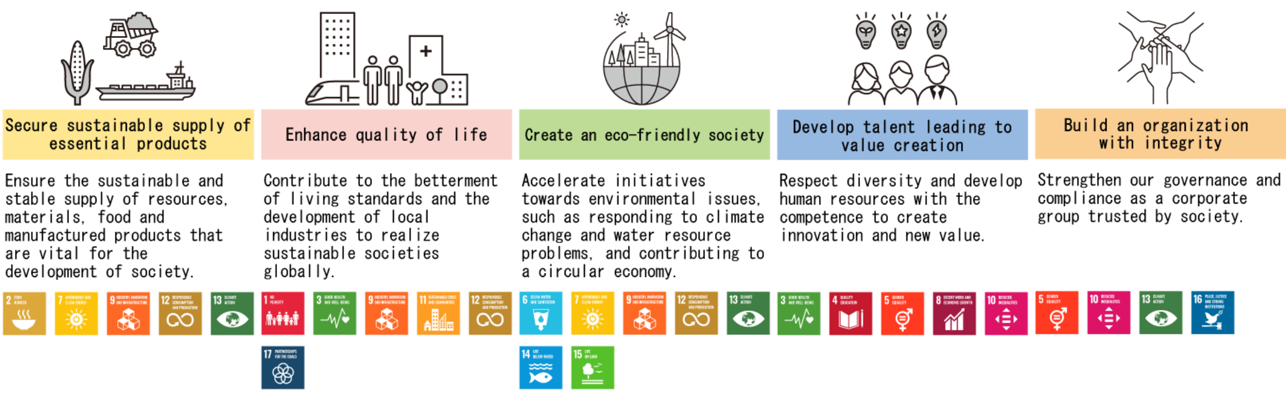
- Stakeholder Engagement and Information Disclosure

We regard dialogue with stakeholders as highly important. We strive to implement appropriate disclosure of information and respond sincerely and faithfully to the trust and expectations of our stakeholders.

(2) 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.



(3) Sustainability Information

As described above, we face a wide range of sustainability issues. Among them, we have identified climate change response, information security, and human resource strategy as key items. Please refer to (4) Climate Change Response, (5) Information Security, and (6) Human Resources Strategy for the status of our response to these risks. Please refer to our Sustainability Report 2022 for information on biodiversity, human rights, and supply chain management.

Sustainability Report 2022: https://www.mitsui.com/jp/en/sustainability/sustainabilityreport/2022/pdf/en_sustainability_2022.pdf

(4) Climate Change Response

The Materiality identified by Mitsui includes "secure sustainable supply of essential products", "enhance quality of life", and "create an eco-friendly society", and our Environmental Policy stipulates that we will pursue the kinds of business that will help us act to reduce greenhouse gas (GHG) emissions, as well as to mitigate and adapt to climate change. We have positioned climate change as one of the key themes of our sustainability management in our Medium-term Management Plan 2026.

Through our wide-ranging business activities, we will contribute to the development of economies and societies in many countries across the world and to solutions to the global challenges we face, such as mitigating and adapting to climate change, thereby contributing to the goals of the Paris Agreement and Japan's own medium-term GHG emission reduction targets. Specifically, 1) Governance, 2) Strategy, 3) Risk Management, and 4) Metrics and Targets related to our response to climate change are as follows.

1) Governance

- Basic policy, business activities and corporate policies and strategies concerning climate change are planned, formulated and deliberated upon by the Sustainability Committee, an organization under the control of the Corporate Management Committee. In the fiscal year ended March 2023, the Committee (which met a total of 7 times) deliberated on important matters including expansion of TCFD disclosures, Scope 3, and scenario analysis.
- Basic policy and important matters concerning climate change, which is a key management issue, are deliberated upon by the Sustainability Committee, and then regularly discussed and reported on by the Corporate Management Committee and Board of Directors. In the fiscal year ended March 31, 2023, in addition to conducting regular biannual reports on activities to promote sustainability at Board of Directors meetings, the Directors and the Audit & Supervisory Board Members, including External Directors, also held free discussions on the theme of "Climate Change Responses," and engaged in lively debate.
- We have established a Sustainability Advisory Board, a group comprising external experts, and utilize information and advice provided by its members in deliberations by the Sustainability Committee. During the fiscal year ended March 31, 2023, 9 meetings were held to discuss and exchange opinions on important sustainability management matters such as climate change and business and human rights.
- To promote sustainability in our corporate management, we believe it is crucial to conduct dialogue with various stakeholders and respect their opinions regarding our business activities. To this end, we have continued to hold interactive stakeholder dialogue with external experts such as university professors and representatives of various NPOs and NGOs, as well as with the next generation of young leaders, including those representing Gen Z.

2) 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 International Energy Agency (IEA).
- The referenced scenarios were divided into the current scenario and the transition scenario (2°C), however in November 2022, we added a new transition scenario (1.5°C) based on the IEA NZE (Net-Zero Emissions by 2050 Scenario), etc.
- 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 of business for scenario analysis: oil and gas development and LNG, metallurgical coal, thermal power generation, iron ore, offshore oil and gas production facilities, gas distribution, LNG shipping, renewable energy, next-generation energy, and forest resources.
- Please refer to "Disclosure Based on TCFD Recommendations - Transition Risk Assessments" on our Sustainability web site below for the results of our scenario analysis disclosed in December 2022.
  https://www.mitsui.com/jp/en/sustainability/environment/climate_change/pdf/en_202212tcfd.pdf
- We conduct scenario analysis during the business planning process, including the formulation of the consolidated financial results forecast for the fiscal year ending March 2024. Results of the analysis are also reflected in the business portfolio strategy.
- With regard to physical risk, 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, with reference to the RCP (Representative Concentration Pathway) used by the IPCC (Intergovernmental Panel on Climate Change).

3) Risk Management

- Among material risks, we position risks from climate change (transition and physical) to be fourth in importance following the risks related to business investments, geopolitical risks and country risks and are taking measures to address them. For more information, please see "3. Risk Factors."

4) Metrics and Targets

- We have established and continue to monitor various environmental metrics and targets, the most important of which are listed below:
  - (a) Scope 1 and 2, and Scope 3 Category 15 (Investments) for the Company and its consolidated subsidiaries (including Un-inco JV*):
    Formulating Mitsui's goal of achieving net-zero emissions (Fig. 1) 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 (target: 17 million tons or less), as the path to achieve the above goal.
  - (b) Scope 1 and 2 GHG emissions of the Company and its consolidated subsidiaries (except for Un-inco JV*):
    Halving GHG emissions by 2030 compared to the fiscal year ended March 2020.
  - (c) Ratio of renewable energy in power generation business:
    Increasing to over 30% by 2030.

  *Un-inco JV: Un-incorporated Joint Venture

- In the Medium-term Management Plan 2026, we have set the following milestones for achieving the above goals: Reduce GHG impact to 27 million tons as of the fiscal year ending March 31, 2026, and increase the ratio of renewable energy in our power generation business to 27% by the fiscal year ending March 31, 2026.
- In April 2020, we introduced an internal carbon pricing system to improve the medium- to long-term resilience of businesses that emit large amounts of GHGs and to promote businesses that contribute to GHG emission reductions at the Company and in society.
- The following table shows trends in our GHG emissions.

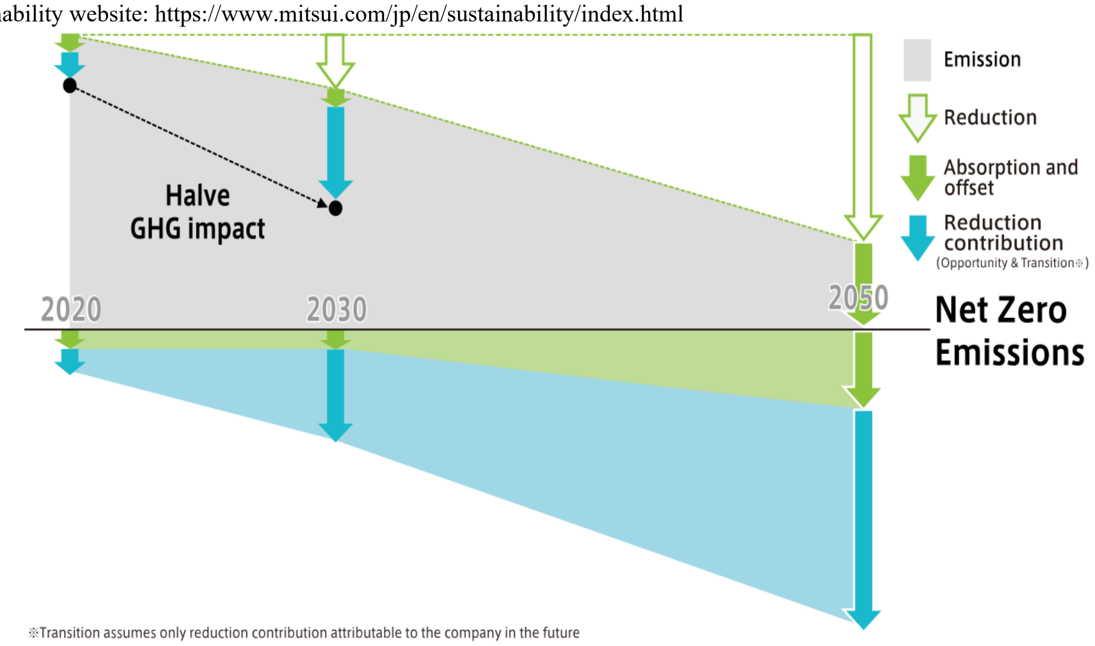
Unit: Kt-CO2e

	FYE Mar/2021	FYE Mar/2022	FYE Mar/2023
Scope 1 + 2	4,336	4,183	3,406
Scope 3 Category 15 (Investments)	35,000	36,000	*1

An independent practitioner's assurance has been obtained in the 2021 and 2022 Sustainability Reports for Scopes 1 and 2, and some Scope 3 (Domestic transportation*2 within Category 4 (transportation)) GHG emissions for the fiscal years ended March 2021 and 2022, respectively. For more information on the scope of the assurance for the fiscal year ended March 2022, please refer to Sustainability Report 2022 (https://www.mitsui.com/jp/en/sustainability/sustainabilityreport/2022/pdf/en_sustainability_2022.pdf).

*1 GHG emissions data for the fiscal year ended March 31, 2023, including Scope 3 Category 15 (Investments), will be disclosed on our Sustainability website in August 2023.

*2 Mitsui & Co. (as a non-consolidated entity) is subject to independent practitioner's assurance
Sustainability website: https://www.mitsui.com/jp/en/sustainability/index.html



(5) Information Security

The Mitsui & Co. group has established the following Information Security Policy, and performs risk management related to information security.

- Information Security Policy
  (a) Approach toward Information Security
  Mitsui recognizes the importance of information security, and shall implement appropriate management of information assets, including information and ICT assets, for the purpose of timely and effective use of information in compliance with "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles", while striving to continuously improve such management on a global and group-wide basis.
  (b) Compliance with Regulations (Establishing Compliance)
  Mitsui shall comply with regulations, established standards, and other codes related to information security, and shall work towards the establishment and maintenance of compliant and suitable information security.
  (c) Protection of Information Assets
  Mitsui shall implement appropriate management for ensuring the confidentiality, integrity and availability of information assets, and work to protect its information assets from all possible threats.
  (d) Response to Accidents
  While working to prevent the occurrence of any accidents related to information security, in the unlikely event of an accident, Mitsui shall promptly take appropriate response measures including preventative steps against the reoccurrence of such an accident.

The specific 1) governance, 2) strategy, 3) risk management and 4) metrics and targets related to information security are as follows.

1) 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 which was established pursuant to the “Rules on the Information Strategy Committee,” and is chaired by the Chief Digital Information Officer (CDIO).

The Information Strategy Committee met nine times in total in the fiscal year ended March 2023. The Committee monitored the progress of the “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 discussed various initiatives such as structure expansion/inspection/training to respond to cyber-attack, policies on next-generation human resources systems and trade operating systems, the vision of group companies data that should be utilized and the vision for the data management system, and the IT tools and knowledge Mitsui employees should acquire and educational measures.

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 Protection” : Rules for the handling of personal information required for business execution (applied only in Japan).

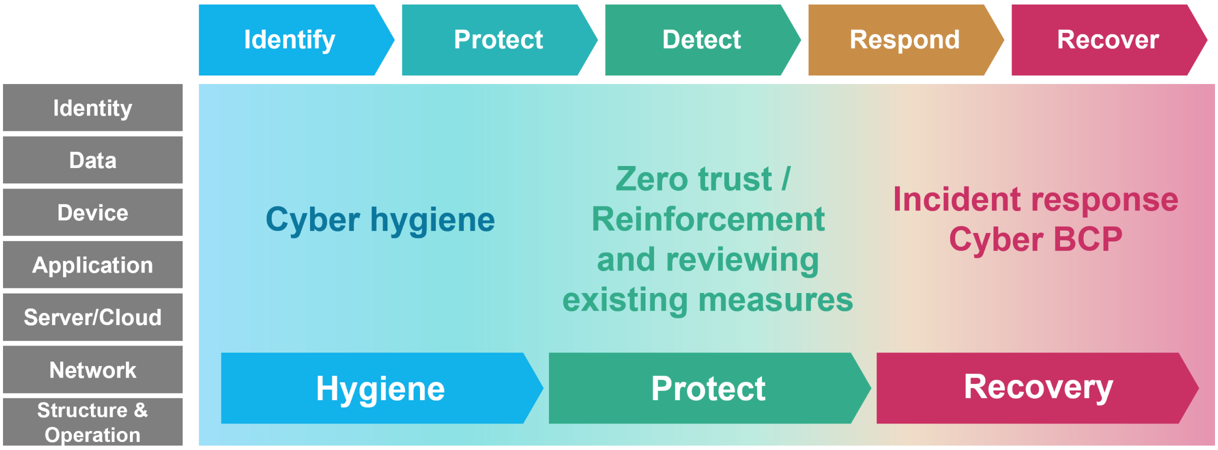
“Rules on Cybersecurity Countermeasures” : Rules for preventive measures against cyber-attacks and emergency countermeasures in the event of incident.

“Mitsui & Co. Group Cybersecurity Standards” : Basic cyber security measures aimed at being implemented in common across Mitsui Group companies.

Furthermore, the importance of cyber security measures in Mitsui’s global group is increasing as cyber-attacks occurring day to day become more sophisticated, advanced and severe, such as targeted attacks targeting specific companies and organizations, ransomware (encrypting files and demanding ransom in exchange for their decryption), BEC (Business Email Compromise), and indiscriminate email attacks that aimed at unspecified targets, and once a year, a report is made to the Board of Directors after deliberation in the Information Strategy Committee and the Corporate Management Committee.

2) Strategy

Mitsui drafts and executes measures in accordance with the cyber security framework of the National Institute of Standards and Technology of U.S., and takes measures separated into the three steps of "Hygiene", "Protect", and "Recovery" while utilizing the knowledge of Mitsui Bussan Secure Directions, which is a dedicated cyber security subsidiary.



(a) Hygiene

Mitsui believes in the importance of cyber hygiene, and aims to maintain a healthy ICT environment, and also aims to raise the security awareness of officers and employees. From a system perspective, we engage in appropriate management of inventory for ascertaining the status of IT assets, and vulnerability management to determine and fix the cause of attacks. Furthermore, in educational activities with focus on people, we have launched a "Cybersecurity Portal" for officers and employees including those of affiliates for the purpose of raising cyber security awareness and preventing the spread of damage from cyberattacks, and provide them with a variety of information such as the latest trends, case studies and appropriate actions and measures against cyberattacks to be taken by officers and employees. In addition, we prepare and utilize "Cybersecurity e-Learning" for end-users and security personnel respectively.

(b) Protect

Mitsui is shifting from "perimeter security" (security measures centered on the perimeter between the internal network and the external network based on the idea that "within the company is secure, but outside is dangerous") to "zero trust" (security measures that perform verification without trusting any access to information and systems to be protected regardless of whether inside or outside the network), and is strengthening security measures in various IT areas such as devices, data, network and the cloud etc. Furthermore, we are building, maintaining and expanding a system for around-the-clock global security monitoring and responding in the event of an incident.

(c) Recovery

Mitsui has established the MBK-CSIRT (Computer Security Incident Response Team) as the center of security measures, working with cyber-security leaders in each division to establish reporting and supporting systems, perform organized and continuous incident responses, and prevent recurrences. Furthermore, we have formulated response policies in the event of a security incident occurring according to the scale and severity of damage, and periodically conduct training to confirm effectiveness as needed.

3) Risk Management

Risk related to information systems and information security is positioned as an important risk on "3. Risk Factors," and the following steps are taken.

We establish relevant rules for safety of information systems and strengthening information security, appropriately ensure the confidentiality, integrity and availability of information and information systems owned by Mitsui and its subsidiaries, and manage risks such as information leaks by continuously indicating guidelines for improving the level of risk management.

We have established the "Mitsui & Co. Group Cybersecurity Standards" to be followed by Group companies to strengthen cyber security measures in the Mitsui global group. Furthermore, a "Cybersecurity Baseline Survey" is conducted once per year in each affiliate to self-assess the state of compliance with the standards and third-party evaluation is also performed through a "Cybersecurity Assessment".

Mitsui has formulated response policies to security incidents in advance according to the scale and severity of damage as a cyber BCP (business continuity plan).

4) Metrics and Targets

We established the "Mitsui & Co. Group Cybersecurity Standards" in the fiscal year ended March 31, 2023 as basic cyber security measures aimed at being implemented in common across Mitsui Group companies. Mitsui designates significant affiliates for cyber security every year and monitors the state of compliance with the standards.

(6) Human Resources Strategy

The specific 1) Governance, 2) Strategy, 3) Risk Management and 4) Metrics and Targets related to human recourses strategy are as follows.

1) Governance

(a) Diversity Committee

As an advisory committee to the Corporate Management Committee, the committee is chaired by the Chief Human Resources Officer (CHRO), and is made up of members including the General Manager of Human Resources & General Affairs Div., the General Manager of Corporate Planning & Strategy Div. and members separately designated by the chair. In the fiscal year ended March 31, 2023, five people (including three women and one foreign national) including an officer of an overseas local subsidiary (locally hired Executive Vice President) and heads of Business Units were designated as "members separately designated by the chair," and a total of eight members with diverse backgrounds discussed diversity on the themes listed below. The minutes are published for employees on the intranet.

	Dates	Main Topics
1st meeting	July 29, 2022	Annual activity plan, measures to promote active roles for women and promote overseas hiring of employees, measures related to LGBTQ
2nd meeting	November 2, 2022	Discussion on measures to enhance D&I such as the development and promotion of participation of diverse leaders, employee engagement measures, priority D&I measures for the Group, overseas and by Business Unit, etc., and a review of the Medium-term Management Plan
3rd meeting	February 15, 2023	Presentations and discussion on promotion of D&I by members, establishment of an environment that will enable the promotion of woman

(b) Human Resources Strategy Meeting

This is an annual Human Resources Strategy Meeting attended by the President, the CHRO, the General Manager of the Human Resources & General Affairs Div., the heads of each Business Unit, and the General Managers of departments in the Corporate Staff Division. This meeting holds discussion on succession management for key positions in the Group, and confirms the status of activities and policies on development of women and employees, etc., hired in overseas offices.

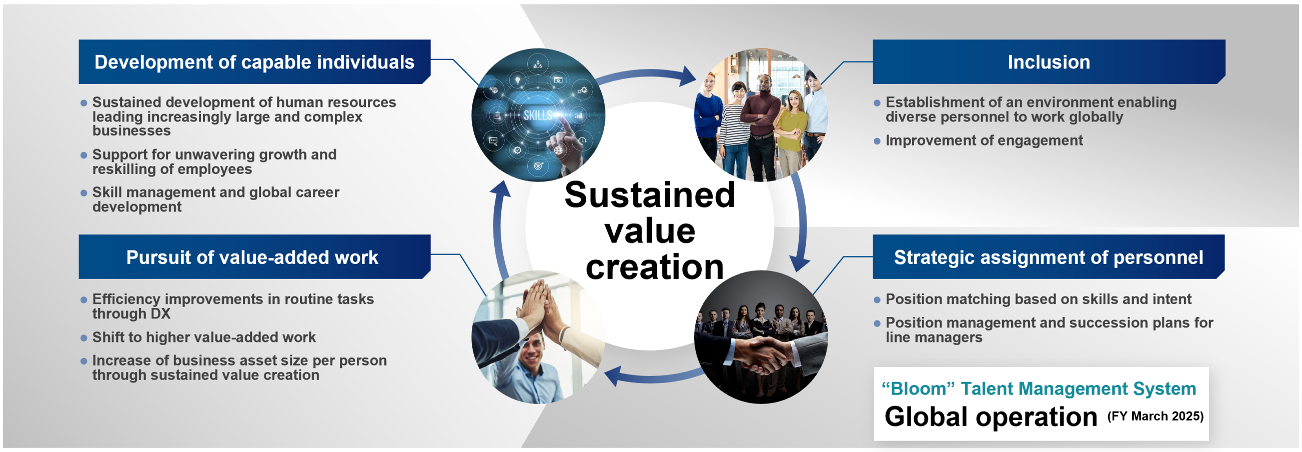
2) Strategy

The Mitsui Group has inherited DNA to "challenge and innovate," and created new businesses in a variety of areas and countries by constantly anticipating trends. Human resources are the source of Mitsui's competitiveness and sustained growth, and encouraging participation by global human resources with diverse backgrounds is the foundation of the Group's human resources strategy. The human resources strategy is positioned as one of the key measures in Medium-term Management Plan 2026[*1]. We will support autonomous career development (challenge, experience, learning) and promote further investment for establishing measures and an environment for supporting the activities of each employee.

*1 See 1. Management Policies, Operating Environment and Management Issues, (3) New Medium-term Management Plan for details of the Medium-term Management Plan.

Promotion of Globally Diverse Individuals

Accelerate investments to support autonomous career formation (challenge, experience, learning)



Shifting focus to employee development and higher value-added work support the growth of business portfolio

(a) Development of strong individuals

To achieve the Mitsui Group's mission to "build brighter futures, everywhere," it is vital for each employee to lead innovation and utilize their own strengths to produce results at a global standard. The Mitsui Group is an organization that considers human resources development to be critical, and develops strong individuals by focusing on OJT (on the job training) in each workplace while providing systematic human resources development programs to supplement these, and various systems and infrastructure for global career development starting with the intentions of employees.

(i) Human resources development of the global group

The Mitsui Group implements extensive human resources development programs such as job position-oriented training, optional programs and training for selected employees from new employees to management-level employees.

At Mitsui (non-consolidated), we offer young employees an overseas training program for developing experts in each region and a training program to enhance expertise, and to mid-level employees that have been worked at Mitsui for several years a business school dispatch program, in addition to supporting human resources development and the creation of networking through the implementation of grade-based training and optional training such as the Bussan Academy for Group employees based in Japan.

Furthermore, in addition to implementing leadership programs and skills-based training for the employees of overseas branches and trading subsidiaries outside Japan that are provided in accordance with local circumstances, we have established the short-term Japan Trainee Program, and longer Japanese Language & Business Program and Japan Business Integration Program that span one to two years, all of which are dispatch programs to Mitsui in Japan.

In addition, we have expanded access to include key partner companies and have established our own Global Management Academy Program developed with the cooperation of Harvard Business School for the purpose of developing global leaders who exhibit leadership for overcoming difficult situations in business by creating businesses that resolve social issues. In 2022, 41 people participated from 18 countries including Japan, and a total of 355 people have participated over the past ten programs.

(ii) Diverse career plans

During the period covered by the previous Medium-term Management Plan, we revised part of the personnel system and implemented (1) a career challenge system enabling suitable personnel to take challenges in larger roles and jobs in higher positions regardless of the prescribed appointment and promotion requirements, (2) a multi-track career path expert band for personnel with advanced expertise in addition to the jobs assuming conventional line managers, and (3) a stock-based compensation system for employees. Furthermore, we increased the number of uses of the Human Resources Bulletin Board System that is a system for matching human resources needs within the company, and expanded it to enable employees to autonomously develop careers, and assign personnel to the appropriate locations more flexibly.

(b) Inclusion

The Mitsui Group aims to be a company in which employees with diverse individuality can be themselves in society and the organization, and fully exhibit their capabilities. Mitsui will establish an environment for accelerating the promotion of inclusion, and also support the fostering of awareness of inclusion of each employee to ensure there is no unconscious tacit exclusion of differentiation, to realize inclusion throughout the global group. Each employee acknowledges each other regardless of where they were hired or gender, constantly brings in different ideas and new ways of thinking to fully exhibit capabilities, and producing innovation that creates new value in business, leading to the enhancement of corporate value of the Mitsui Group.

(i) Number of personnel hired by Mitsui (non-consolidated)

Placing emphasis on diversity, Mitsui (non-consolidated) was quick to adopt mid-career hiring. Of the 203 career-track employees (total of new graduate and mid-career hires) who joined Mitsui (non-consolidated) in the fiscal year ended March 31, 2023, 75 (36.9%) were women.

	Male	Female	Ratio of female employees
New graduates joining	67	44	39.6%
Career hires	61	22	26.5%
Reemployment post cross-border assignment of the spouse	0	9	100%
	128	75	36.9%

(ii) Promoting active roles for women

We conduct a variety of activities to further accelerate the promotion of active roles for women. In the fiscal year ended March 31, 2020, we established the Women Leadership Initiative for female managerial personnel to strengthen the development of line manager candidates. In addition, since the fiscal year ended March 31, 2022, we have implemented the Sponsorship Program leading to stretch assignments (provision of work opportunities with a higher level of challenges) in which members of the Corporate Management Committee serve as sponsors to provide advice and guidance on careers to female senior leader candidates. Through this initiative, we will steadily promote female managerial staff to line managers and senior managers.

(iii) Promotion of overseas hires to managerial positions

In order to conduct business deeply rooted in each country and region, the Mitsui Group is focusing on promoting active roles for human resources in its overseas sites (local subsidiaries and overseas offices). Since the fiscal year ended March 31, 2019, we have held our Change Leader Program to develop employees selected worldwide into leaders who can actively promote transformation. The fiscal year ended March 31, 2023 is the fourth year of the initiative, and we held an online session in addition to a face-to-face session including members of the Corporate Management Committee in Japan. Furthermore, Mitsui & Co. HRD Institute provides education and training planning and operations not only for the Group's overseas sites, but also employees worldwide working in Group companies.

(iv) Employee engagement

We have been conducting the Mitsui Engagement Survey (MES) since 2018 to heighten awareness of each employee, leading to strength as an organization. The fourth survey conducted in 2022, was conducted for a total of 12,000 employees with participation by Mitsui (non-consolidated), its overseas local subsidiaries, and also 20 major consolidated subsidiaries in Japan and overseas. The results of the survey are being utilized for the creation of better organizations in each workplace, in addition to being reported to the Corporate Management Committee and the Board of Directors as key management data for “making diversity a strength” and being utilized for the formulation of human resources strategy. Furthermore, the year-on-year change in positive responses in “employee engagement” is an element in the compensation system for directors (excluding External Directors). See “4. Corporate Information 4. Corporate Governance (4) Remuneration of Directors and Audit & Supervisory Board Members” for details on the Directors’ remuneration.

(Results of Mitsui Engagement Survey)

	2020	2021	2022
Employee engagement*1	70%	71%	72%
Environment Utilizing Employees*2	69%	69%	69%

*1 Positive response rate on multiple questions related to “Having motivation to contribute or loyalty to the company, and the desire to make voluntary efforts”

*2 Positive response rate on multiple questions related to “Whether there are opportunities to utilize one’s own skills and capabilities, and whether there is a friendly working environment”

(c) Strategic assignment of appropriate personnel

Mitsui (non-consolidated) conducts global operations centered on 16 business units, and employs a global matrix system along the two axes of business and region to exhibit its strengths in each country and region. We provide places for participation linked to business strategy, and employees gain skills and expertise through the challenges in new work, growing together with the company. We will promote the global implementation of such strategic assignment of appropriate personnel and autonomous career development.

(i) Introduction of Global People Data Platform (Bloom)

Bloom was introduced in the Asia Pacific Business Unit, the East Asia Block and South Korea in October 2022 as a global data platform for developing field where the appropriate personnel work in the appropriate position, and supporting the autonomous career building by employees by utilizing human resources data such as the experience, skills, knowledge and career aspirations of each employee. There are plans for a global roll-out in the fiscal year ending March 31, 2025.

(ii) Utilization of human resources at overseas sites

We established the Global Mobility Program in October 2022 to standardize the transfer process for employees hired overseas in order to strategically assign personnel who drive business, and implemented it worldwide for transferees from April 2023. Prior to its implementation, the conditions for transfers were individually determined for each transferee, and processes were complex and required time for coordination. However, the introduction of unified rules reduces the difficulty of transferring employees hired overseas across borders, and strategic assignment will be implemented on a global basis.

3) Risk Management

- Mitsui recognizes the risks related to constraints on human resources, and is taking steps accordingly. See “3. Risk Factors” for details. Steps are also taken for the following points.

(a) Health Management, and Occupational Health & Safety

In conducting the business activities of the Mitsui & Co. group in countries and regions around the world, we will develop workplace environments in which employees and officers can work to their full potential, and where each individual can work energetically, in good health and safely. At the same time we will foster a culture in which employees can fulfil their responsibility of creating a safe, secure and healthy working environment for themselves and each other in our business activities. In the fiscal year ended March 31, 2023, reports on health management, and occupational health & safety and discussions on improvements were carried out twice.

(b) Basic policy on working hours

Mitsui (non-consolidated) will expand working style options while avoiding excessively long working hours through appropriate working hours management in compliance with the Labor Standards Act and the Industrial Safety and Health Act. In addition, we will further promote the establishment of a workplace environment in which employees can continue to work with peace of mind while properly maintaining safety and health. Globally, we implement working hours management in accordance with the laws and regulations of each country.

4) Metrics and Targets

We have set the following environmental indicators and targets, and continuously monitors them.

(a) Number of Proportion of Female Managers in Mitsui (Non-consolidated)

	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Target (Mar. 31, 2025)
Number of female managers	252	267	284	-
Proportion of managerial positions	7.5%	8.0%	8.5%	10.0%

Proportion of female managers in the Mitsui & Co. group (Mitsui & Co. and global subsidiaries) companies was 18.8% as of March 31, 2023.

(b) Occupational Health & Safety Data (Non-consolidated)

	FY Mar/ 2021	FY Mar/ 2022	FY Mar/ 2023	Target
Number of lost time injuries	0	0	0	0
Number of fatalities	0	0	0	0

(c) Paid Leave Days Taken and Usage Ratio in the Company (Non-consolidated)

	FY Mar/ 2021	FY Mar/ 2022	FY Mar/ 2023	Target
Average annual paid leave taken (days)	11.5	12.5	13.8	-
Average annual paid leave usage ratio (%)	60.0%	64.9%	71.4%	70%

Employees at the Tokyo Head Office and branches in Japan (excluding contract employees)

3. 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 relative increase in geopolitical risks is expected to significantly change the business environment for the Company and its consolidated subsidiaries operating in various countries and regions around the world. This may have a wide range of effects on future business, therefore, a new “(2) Geopolitical Risks” has been added from the current fiscal year.
The major risks as of March 31, 2023 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 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 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 of each purpose of all investments and our determining turnaround plans or exit policies for unprofitable businesses and businesses conflicting with exit alert criteria. 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) Geopolitical Risks

Increased political and social tensions between countries and regions, such as the situation in Russia and Ukraine and relations between the United States and China, pose the risk that may deteriorate the business performance of the Company and its consolidated subsidiaries which operate in such regions and countries, that may consequently make it difficult to continue operations.
Due to geopolitical uncertainties, the environment surrounding the businesses of the Company and its consolidated subsidiaries has significantly changed, there is an increasing need for more challenging organizational management and responsible and proactive action, and close communication with the stakeholders involved in each business is also essential. In order to respond flexibly in this uncertain climate caused by these heightened geopolitical risks, the Company has adopted the following risk hedging measures, but it is difficult to avoid all geopolitical risks, which may have a significant impact on the Company’s business

performance.

- We regularly monitor the political and economic conditions and other trends in the countries and regions in which we operate, and carefully assess the risks and changes in the business environment.
- When expanding business to regions where geopolitical risks are considered high, we reduce risks through financial means such as insurance and financing from Export Credit Agencies (ECA) in each country.
- The Company has accumulated know-how in responding to emergencies, and has established a system in which multiple local subsidiaries across countries and regions collaborate to ensure the safety of employees and continue business in Japan or overseas.

Concerning the 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, 2023 is ¥ 362.5 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. Investments, loans and guarantees to Ukraine are immaterial. For further information about the impact for the current fiscal year, see Note 29, “IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS”.

(3) Country Risks

Various types of businesses worldwide sometimes expose us to risks that could cause our receivables from our business partners located in such countries, investment, loans and other claimable assets related to investees or on-going project 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 are 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 insurance and usage of financing from Export Credit Agencies (ECA).

Additionally, we periodically grasp risk exposures such as receivables, investments, loans, and guarantees by every country that we hold positions as well as conduct qualitative and quantitative monitoring for the country risk situation for each country except, in principle, for developed countries, and formulate a country 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.

(4) Risks Regarding Climate Changes

To establish a more robust business portfolio by identifying the future impact of climate change and incorporating associated growth opportunities, we have set a goal of achieving net-zero emissions by 2050, with a 2030 milestone of reducing GHG impact by 50% compared to 2020.

Transition risks that are likely to occur in the medium- to long-term include:
- Policy and Legal Risks: Changes in the energy and power source mix due to government policies in each country, and the introduction of government-imposed greenhouse gas emission restrictions including carbon taxes, could have a significant adverse effect on our operating results and the financial condition of our businesses that use fossil fuels and emit large amounts of greenhouse gases.
- Technology Risks: The introduction of new technologies that respond to climate change may cause changes in the supply and demand of existing products and services or render existing production equipment and facilities obsolete.

- Fund Procurement Risks: Low-carbon/de-carbonization policies of financial institutions and insurance companies may cause risks that affect the procurement of funds.

Using various climate change scenarios offered by the International Energy Agency, etc. as a reference, we 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 due to the deterioration in value of our interests.

Major physical risks facing assets owned by Mitsui include the potential for localized storms, particularly strong tropical hurricanes and cyclones arising in the Atlantic and South Pacific, which could cause negative impacts on operations in our mineral and metal resources and energy projects. Furthermore, in cases of severe damage to production plants, facilities or infrastructure, such as roads, railways, and ports used for shipments, there is a risk that production or shipments could be suspended for long periods until these facilities are restored. On top of Mitsui's own investments, in cases where Mitsui suppliers suffer significant damage, there is a possibility of the risk of the overall supply chain failing, including being unable to receive supplies of raw materials. 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.

Moreover, we have introduced an internal carbon pricing system to increase resilience and accelerate the development of projects that contribute to reducing GHG emissions, and have integrated it into our project screening process.

For further information about our initiatives related to climate change, see “2 Disclosure of Sustainability-related Financial Information, (4) Climate Change Response”.

(5) 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, 2024, 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 ¥2.6 billion and ¥2.7 billion respectively. For further information about the impact of commodity price fluctuations on our operating results, see “1. Management Policies, Operating Environment, and Management Issues, (5) Forecasts for the Year Ending March 31, 2024” and “4. 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, 2023 and 2022.”

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 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.

(6) 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, 2024, 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 ¥3.9 billion and ¥2.7 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, 2024” and “4. 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, 2023 and 2022.”

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, please see Note 8, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS (6) Risk-related matters" and "(7) Derivative instruments and hedging accounting."

(7) Stock Price Risks of Listed Stock We Hold

We also invest in 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, 2023, our marketable equity financial assets recognized to designate as FVTOCI were carried at a fair value of ¥1,140.7 billion, representing 7.4% 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, please see Note 8, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS (6) Risk-related matters."

(8) 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. As of March 31, 2023, the balance of current trade and other receivables (less loss allowance － current) was ¥2,191.2 billion, representing 14.2% of our total assets. The balance of loss allowance － current was ¥22.6 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.

(9) 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 “4. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (5) Liquidity and Capital Resources.”

(10) 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.

(11) 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 naturally 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.

(12) 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 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. In addition, we have insurance against damages caused by external cyber-attacks to the extent possible and appropriate; however, they may not be able to cover all the damages.
For further information about our initiatives related to information systems and information security, please refer to “2. Disclosure of Sustainability-related Financial Information (5) Information Security.”

(13) 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.

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, 2023, 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 our businesses, we are investing into human resources that are capable of planning and evaluating business, executing projects and managing and supervising workforce. However, we may have a shortage of required human resources, which could cause a loss of opportunities in certain business areas, which in turn may adversely affect our future business, operating results and financial condition.

For further information about our initiatives related to human resources strategy, please see “2 Disclosure of Sustainability-related Financial Information, (6) Human resources strategy”.

- **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 “4. 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, please see “4. 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 “4. 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.

4. 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 "3. 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) Review of the Previous 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, 2023 and 2022, 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, 2023 and 2022," 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 "3. 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 in relation to mineral & metal resources and energy, please see the following.

(a) Mineral & metal resources

Steel and non-ferrous metals are core industrial materials and demand for these materials is likely to be steady as the global economy grows. In the medium- to long-term, steel production is expected to remain at a high level, with a flat to declining trend

in China, while an increase in India and other Asian countries. In addition, demand for nonferrous metals is expected to grow steadily, especially for EVs and renewable energy, although there are risk factors for growth. In terms of supply, 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 raw materials will continue to be required.
Additionally, in the pursuit of sustainability in society, changing values for raw materials, such as the growing need for high-grade resources, recycled raw materials, low-carbon/green materials, and raw materials that can reduce GHG emissions throughout the value chain, based on perspectives such as climate change response, human rights, biodiversity, circular economy, water resources and coexistence with local communities, are expected to affect the supply & demand and commodity prices of mineral & metal resources.

(b) Energy

Although it is important to carefully monitor supply and demand trends such as cooperative production cuts among major oil-producing countries and geopolitical risk, energy demand is expected to increase along with population and economic growth around the world in the medium- to long-term. 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 decarbonized society.
In respect of the medium- to long-term outlook for crude oil, there is a concern of slow-down in development by restrained new upstream investment. 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 an economic recovery in major countries from of COVID-19 impact and market expansion in emerging importing countries, in addition to expectation as an optimal solution to achieve energy transition. At the same time, there are some delays in new project development plans and final investment decisions across the board due to COVID-19 impact and concerns on high inflation, 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, 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.

3) Cash Flows, Capital Efficiency, and Financial Leverage

In the Medium-term Management Plan 2026 (announced in May 2023), 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, 2023 and 2022

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Year	Previous Year	Change
Revenue		14,306.4	11,757.6	+2,548.8
Gross Profit		1,396.2	1,141.4	+254.8
Selling, General and Administrative Expenses		(702.8)	(596.3)	(106.5)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	59.5	8.7	+50.8
	Impairment Reversal (Loss) of Fixed Assets—Net	(30.0)	(19.1)	(10.9)
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	19.4	14.5	+4.9
	Other Income (Expense)—Net	9.2	14.9	(5.7)
Finance Income (Costs)	Interest Income	47.8	20.0	+27.8
	Dividend Income	154.9	196.5	(41.6)
	Interest Expense	(114.6)	(47.3)	(67.3)
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		555.5	431.3	+124.2
Income Taxes		(240.7)	(226.8)	(13.9)
Profit for the Year		1,154.6	937.7	+216.9
Profit for the Year Attributable to Owners of the Parent		1,130.6	914.7	+215.9

* 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, 2023 (“current year”) was ¥14,306.4 billion, an increase of ¥2,548.8 billion from ¥11,757.6 billion for the year ended March 31, 2022 (“previous year”). The increase was mainly in the Energy Segment and the Lifestyle Segment.

Gross Profit

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

Selling, General and Administrative Expenses

・Mainly the Machinery & Infrastructure Segment and the Chemicals Segment recorded an increase in 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	¥ (384.0)	¥ (333.6)	¥ (50.4)
Welfare	(13.4)	(11.8)	(1.6)
Travel	(25.2)	(10.6)	(14.6)
Entertainment	(6.4)	(3.2)	(3.2)
Communication	(55.3)	(48.6)	(6.7)
Rent	(11.7)	(9.0)	(2.7)
Depreciation	(41.2)	(35.0)	(6.2)
Fees and Taxes	(17.3)	(12.9)	(4.4)
Loss Allowance	(18.9)	(20.2)	+1.3
Others	(129.4)	(111.4)	(18.0)
Total	¥ (702.8)	¥ (596.3)	¥ (106.5)

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	¥ (33.4)	¥ (30.2)	¥ (3.2)
Energy	(57.9)	(53.1)	(4.8)
Machinery & Infrastructure	(163.6)	(127.7)	(35.9)
Chemicals	(137.4)	(112.8)	(24.6)
Iron & Steel Products	(27.6)	(23.6)	(4.0)
Lifestyle	(142.0)	(130.7)	(11.3)
Innovation & Corporate Development	(82.7)	(67.8)	(14.9)
All Other and Adjustments and Eliminations	(58.2)	(50.4)	(7.8)
Consolidated Total	¥ (702.8)	¥ (596.3)	¥ (106.5)

Other Income (Expenses)

Gain (loss) on Securities and Other Investments—Net

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

Impairment Reversal (Loss) of Fixed Assets—Net

・For the current year, mainly the Machinery & Infrastructure Segment recorded impairment losses on fixed assets.
・For the previous year, mainly the Energy Segment recorded impairment losses on fixed assets.

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

・For the current and previous years, mainly the Innovation & Corporate Development Segment recorded gains on sales of fixed assets.

Other Income (Expense)—Net

- For the current and previous years, the Energy Segment recorded a provision while the Lifestyle Segment recorded a valuation profit of a put option, and the Chemicals Segment recorded insurance proceeds.

Finance Income (Costs)

Dividend Income

- Mainly the Mineral & Metal Resources Segment recorded a decrease.

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

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

Income Taxes

- Income taxes for the current year were ¥240.7 billion, an increase of ¥13.9 billion from ¥226.8 billion for the previous year.
- The effective tax rate for the current year was 17.2%, a decrease of 2.3 points from 19.5% for the previous year. The effective tax rate decreased due to the tax effect of a portion of equity method profit - which increased, not being recognized, and other factors.

Profit for the Year Attributable to Owners of the Parent

- As a result, profit for the year attributable to owners of the parent was ¥1,130.6 billion, an increase of ¥215.9 billion from the previous year.

2) Operating Results by Operating Segment

The fluctuation analysis for the results by operating segment is as follows.
Note, “Others” includes income taxes, but generally, the impact of income taxes is not included in the explanations in the “Description” column relation to each account title.

Mineral & Metal Resources Segment

(Billions of Yen)	Current Year	Previous Year	Change	Description
Profit for the Year Attributable to Owners of the Parent	438.8	497.6	(58.8)	
Gross Profit	355.8	392.5	(36.7)	● Iron ore mining operations in Australia -60.2 (lower prices) ● Coal mining operations in Australia +20.2 (higher prices)
Profit (Loss) of Equity Method Investments	127.6	145.3	(17.7)	● Iron ore mining operations in Australia -12.2 (lower prices) ● Oriente Copper Netherlands*[1] -8.8 (lower prices) ● Japan Collahuasi Resources*[2] -8.7 (lower prices) ● Inner Mongolia Erdos Electric Power & Metallurgical -3.2 (lower prices in ferroalloys and chemicals businesses) ● Increase in coal mining operations in Australia (higher prices)
Dividend Income	74.3	124.3	(50.0)	● Lower dividend from Vale and iron ore mining operations in Australia
Selling, General and Administrative Expenses	(33.4)	(30.2)	(3.2)	
Others	(85.5)	(134.3)	+48.8	● Gain on sale of Stanmore SMC +36.7 ● Increase due to copper price hedge transactions ● Japan Collahuasi Resources -6.2 (absence of a deferred tax liability reversal in the previous year*[3])

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

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

*3 A deferred tax liability reversal related to the restructuring of Japan Collahuasi Resources.

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

For the year ending March 31, 2024, a change of US$1 per ton in the iron ore price is estimated to have an effect of ¥2.7 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, 2023, the equity share of production amounted to 58.3 million tons of iron ore (including 19.4 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, 2024, in line with our holdings through our iron ore mining operations after the year ended March 31, 2023, 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	Description
Profit for the Year Attributable to Owners of the Parent		309.4	114.0	+195.4	
	Gross Profit	316.4	145.4	+171.0	● Increase in LNG Trading ● Mitsui E&P USA +41.3 (higher gas prices) ● Mitsui E&P Australia +35.1 (higher oil prices) ● Mitsui E&P Italia B +14.4 (cost improvements) ● Mitsui E&P Middle East +10.8 (higher oil prices) ● MEP Texas Holdings +9.6 (higher oil and gas prices) ● MOEX North America +7.2 (higher oil prices) ● Decrease in fuel supply related business -7.7
	Profit (Loss) of Equity Method Investments	108.5	32.3	+76.2	● Increase in Japan Australia LNG (MIMI) (higher oil and gas prices) ● Japan Arctic LNG +10.2 (oil price and foreign exchange valuation profit) ● Mitsui & Co. LNG Investment USA+5.2 (increase in volume) ● Mitsui Oil Exploration +3.1 (changes to lease accounting, other factors) ● Mitsui E&P Mozambique Area 1 -3.5 (recorded provision on a financial asset)
	Dividend Income	58.7	53.6	+5.1	● 4 LNG projects*1 +3.9 (current year +56.7, previous year +52.8)
	Selling, General and Administrative Expenses	(57.9)	(53.1)	(4.8)	● Absence of provision loss in relation to valuation allowance of a loan for Japan Arctic LNG recorded in the previous year, other factors +4.5
	Others	(116.3)	(64.2)	(52.1)	● Mitsui Oil Exploration -13.6 (recorded provision) ● Mitsui E&P Australia -8.8 (recorded provision) ● Impairment loss in biomass power generation business -3.3 ● Absence of provision loss in relation to valuation allowance of a guarantee for Arctic LNG2 project guarantees recorded in previous year, other factors +12.4 ● Foreign exchange hedge related profit in fuel supply business, other factors +6.4 ● Absence of valuation loss*2 in Mitsui Oil Exploration Block M-3 exploration project in previous year +4.6

*1 Sakhalin II, Abu Dhabi, Oman and Qatargas 3. Includes Qatargas 1 for which interest expired during the previous year.

*2 For the previous year, Mitsui Oil Exploration recorded an impairment loss of ¥7.3 billion for Block M-3 exploration project and profit of ¥2.7 billion in relation to a reversal of reserve for an overseas investment loss.

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

For the year ending March 31, 2024, a change of US$1 per barrel in crude oil prices is estimated to have an effect of ¥2.6 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, 2023 was 216 thousand barrels per day (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).

Machinery & Infrastructure Segment

(Billions of Yen)	Current Year	Previous Year	Change	Description
Profit for the Year Attributable to Owners of the Parent	171.9	120.8	+51.1	
Gross Profit	199.9	142.9	+57.0	● Construction & industrial machinery businesses+12.4 (good sales performance) ● Inversiones Mitta consolidation +7.7 ● Bussan Auto Finance +7.7 (increase in interest income due to an accumulation of operating assets) ● Position Partners consolidation +5.1 ● Hino Mexico +3.7 (good sales performance)
Profit (Loss) of Equity Method Investments	197.3	146.0	+51.3	● MBK USA Commercial Vehicles +18.9 (good performance of truck leasing and rental business) ● Tanker owning company (increase in vessel related revenue) ● Penske Automotive Group +9.1 (good sales performance) ● FPSO +7.8 (increase due to MV30/31 operations starting) ● Canadian automobile company (increase in unit sales, decrease in sales promotion expenses) ● Gas distribution business +6.4 (steady gas demand) ● VLI -6.5 (impairment loss of fixed assets, other factors*1 -8.6) ● IPP -13.1 (impairment loss of Hezhou project in China*2 -6.5, weak performance at Mainstream's projects in Chile, weak performance in Ontario, Canada, impact of steep rise in electricity and gas prices in Australia, increase due to a portion of Thai business becoming operational)
Dividend Income	4.2	4.1	+0.1	
Selling, General and Administrative Expenses	(163.6)	(127.7)	(35.9)	● Position Partners consolidation -5.1 ● Bussan Auto Finance -3.6 (increase of provisions due to an accumulation of operating assets)
Others	(65.9)	(44.5)	(21.4)	● Fixed assets valuation loss in Brazilian passenger railway business*3 -15.1 ● MT Falcon impairment loss*4 current year: -3.1, previous year: -9.7 ● Decrease in corporate income tax burden resulting from the sale of Lucid Group shares +7.2*5

*1 VLI recorded a fixed assets impairment loss of ¥6.7 billion and a reversal of deferred tax assets of ¥1.9 billion due to the reassessment of a recoverable amount of some assets related to a Brazilian freight railway concession.

*2 An equity method loss of ¥6.5 billion was recorded due to the reassessment of a recoverable amount of assets of Hezhou Power Plant Project.

*3 A fixed assets impairment loss was recorded based on the latest estimation regarding the decrease in revenue and the increased discount rate for the passenger railway business in Brazil.

*4 For the current year, an impairment loss of ¥3.1 billion was recorded based on the conclusion of a sale and purchase agreement for the shares of MT Falcon Holdings. For the previous year, an impairment loss of ¥9.7 billion was recorded based on the conclusion of a sale and purchase agreement for the shares of MT Falcon Holdings.

*5 The corporate income tax burden was reduced due to tax expenses being recognized as other comprehensive income resulting from the sale of financial assets in Lucid Group shares measured at FVTOCI.

Chemicals Segment

(Billions of Yen)	Current Year	Previous Year	Change	Description
Profit for the Year Attributable to Owners of the Parent	70.9	68.9	+2.0	
Gross Profit	209.3	183.0	+26.3	● Mitsui AgriScience International*1 +6.4 (strong crop protection demand) ● Increase in fertilizer related trading (higher prices) ● Intercontinental Terminals Company +3.3 (good performance) ● MMTX -6.8 (higher raw material prices, lower sales prices)
Profit (Loss) of Equity Method Investments	27.4	20.7	+6.7	● MVM Resources +5.1 (higher phosphate ore prices)
Dividend Income	3.8	3.3	+0.5	
Selling, General and Administrative Expenses	(137.4)	(112.8)	(24.6)	● Mitsui AgriScience International*1 -4.7 (costs related to business integration)
Others	(32.2)	(25.3)	(6.9)	● Intercontinental Terminals Company incident*2

*1 Due to a merger, the combined total of Mitsui AgriScience International and its affiliate Certis Belchim have been used for figures for the previous year.

*2 Insurance proceeds and costs were recorded in Intercontinental Terminals Company both for the current year and previous year. (Current year: ¥7.3 billion of profit)

Iron & Steel Products Segment

(Billions of Yen)		Current Year	Previous Year	Change	Description
Profit for the Year Attributable to Owners of the Parent		22.5	26.9	(4.4)	
	Gross Profit	40.7	35.5	+5.2	● Mitsui & Co. Steel +4.3 (good trading performance in first half) ● Overseas trading subsidiary -3.7 (lower prices)
	Profit (Loss) of Equity Method Investments	24.7	26.0	(1.3)	● NuMit*1 -4.6 (inventory valuation loss, lower prices)
	Dividend Income	3.0	1.7	+1.3	
	Selling, General and Administrative Expenses	(27.6)	(23.6)	(4.0)	
	Others	(18.3)	(12.7)	(5.6)	

*1 An investment company of Steel Technologies.

Lifestyle Segment

(Billions of Yen)	Current Year	Previous Year	Change	Description
Profit for the Year Attributable to Owners of the Parent	54.8	61.5	(6.7)	
Gross Profit	153.7	143.0	+10.7	● Good performance in grain trading +5.8 ● Foreign exchange impact in coffee trading business +4.9 ● Foreign exchange impact in MITSUI & CO. COFFEE TRADING (Brazil) +3.5 ● Fair value valuation loss of drug discovery support fund*1 -6.1
Profit (Loss) of Equity Method Investments	50.7	41.1	+9.6	● IHH Healthcare +8.5 (good performance in the hospital business and asset recycling, etc.) ● WILSEY FOODS +5.5 (good performance at Ventura Foods, a manufacturer of processed oil food) ● PHC Holdings deconsolidation*2 -4.3
Dividend Income	6.2	5.6	+0.6	
Selling, General and Administrative Expenses	(142.0)	(130.7)	(11.3)	
Others	(13.8)	2.5	(16.3)	● Absence of valuation gain of Mitsui Bussan I-Fashion recorded in the previous year -10.7 ● Absence of PHC Holdings securities related profit recorded in the previous year -8.9 ● Foreign exchange hedging loss in coffee trading -4.5 ● Decrease in corporate income tax burden resulting from the sale of financial assets measured at FVTOCI*3 +12.2 ● Multigrain related tax refund +5.0 ● Put option related to JSC R-Pharm*4 current year +6.5, previous year -6.2

*1 Valuation loss of a drug investment from a drug discovery support fund made through MBK Pharma Partnering.

*2 Absence of equity method profit recorded in the previous year following the deconsolidation of PHC Holdings.

*3 The corporate income tax burden was reduced due to tax expenses being recognized as other comprehensive income resulting from the sale of financial assets measured at FVTOCI.

*4 A valuation gain was recorded for a put option in relation to JSC R-Pharm.

Innovation & Corporate Development Segment

(Billions of Yen)		Current Year	Previous Year	Change	Description
Profit for the Year Attributable to Owners of the Parent		66.7	57.6	+9.1	
	Gross Profit	112.6	97.7	+14.9	● Mitsui Bussan Commodities +15.3 (good performance of commodity derivative trading) ● Absence of sale of shares in Wise in the previous year -3.5
	Profit (Loss) of Equity Method Investments	18.9	19.7	(0.8)	● Peterson Ventures Partners -4.4 (fall in fair value of shares)
	Dividend Income	3.8	2.8	+1.0	
	Selling, General and Administrative Expenses	(82.7)	(67.8)	(14.9)	● Mitsui Bussan Commodities -6.4
	Others	14.1	5.2	+8.9	● Gain on sale of real estate business in Singapore*1 ● Gain on sale of part of Hibiya Fort Tower +5.9 ● Gain on sale of investment securities +4.0 ● Gain on sale of real estate in the US*2 +3.6 ● Absence of gain on sale of land recorded in the previous year -5.1

*1 A gain on sale of Southernwood Property, an investment vehicle that owns an office building in Singapore.

*2 Fixed asset sale of multiple property sales in the US.

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

The Russian LNG business in which we participate, is affected by the Russia-Ukraine situation. Based on discussions with each partner, we have evaluated its relevant assets and liabilities.

In relation to the investment in the Sakhalin II project, we undertook the ownership of Sakhalin Energy LLC (“SELLC”) on September 2, 2022, which was established based on Russian Presidential Decree (No.416) dated June 30, 2022, and Resolution of the Government of the Russian Federation dated August 2, 2022 (No.1369), through MIT SEL Investment, a newly established subsidiary. Consequently, we continue to invest in the Sakhalin II project and the reorganization does not materially impact the Consolidated Financial Statements. As of March 31, 2023, the situation still remains uncertain as the final LLC members composition is not yet decided, the LLC members agreement is not signed, etc.
Based on the current situation, the fair value was measured using the income approach by expected present value technique with the probability-weighted average considering a scenario where the continuous dividend income is predicted through an investment in SELLC and other scenarios. As a result, the investment balance in Sakhalin II project as of March 31, 2023 was ¥98.5 billion. Also, in the year ended March 31, 2023, a decrease of ¥126.0 billion in the fair value of the investment was recorded in Other Comprehensive Income. While the decision on the new LLC member has been acknowledged by Order of the Government of the Russian Federation dated April 11, 2023 (No.890), the Company has concluded there is no impact on the above fair value. The fair value may increase or decrease due to further changes in situation hereafter.

The Company did not recognize any significant profit and loss or Other Comprehensive Income in the current year with respect to the Arctic LNG2 project. The balance of the investments, loans and guarantees related to the Arctic LNG2 project was ¥239.2 billion (¥15.8 billion in investments and loans and ¥223.4 billion in guarantees) as of March 31, 2023. In addition, a provision for loss on guarantees of ¥18.2 billion has been recorded. For further detail, please refer to “1. Consolidated Financial Statement Notes 29 IMPACT OF THE RUSSIA-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, 2023	As of March 31, 2022
	(Billions of Yen)	(Billions of Yen)
Short-term debt	432.2	281.8
Long-term debt	4,608.3	4,595.6
Total debt	5,040.5	4,877.4
Less lease debt	(431.0)	(368.2)
Interest-bearing debt	4,609.5	4,509.2
Less cash and cash equivalents and time deposits	(1,396.8)	(1,170.3)
Net interest-bearing debt	3,212.7	3,338.9
Total equity attributable to owners of the parent	6,367.8	5,605.2
Net DER (times)	0.50	0.60

Cash Flow after Shareholder Returns

Our Management believes "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, 2023 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 commercial paper program in Japan, and Euro medium-term note ("MTN") program, 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, 2023 were ¥220 billion and ¥42.5 billion, respectively. For raising short-term funds overseas, Mitsui & Co. (U.S.A.), Inc. has a U.S. domestic commercial paper program and Mitsui & Co. Financial Services (Europe) Ltd. also has a 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, which include syndicated loans with subordinated agreement allowing early repayment within one year, to total interest-bearing debt on a consolidated basis was 25.5% as of March 31, 2023.

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 May 31, 2023 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

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 ¥1,390.1 billion as of March 31, 2023. 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, 2023 satisfy the liquidity requirements for the repayment of current maturities of Interest-bearing debt (¥1,176.2 billion). The current maturities of Interest-bearing debt include ¥350 billion of syndicated loans with subordinate agreement that allow early repayment within one year. On June 15, 2023, the Company executed fundraising through a subordinated syndicated loan agreement with major financial institutions, and repaid borrowings of ¥350 billion under the existing syndicated loan. For the details, see Note 30, "SUBSEQUENT EVENTS."

In the year ended March 31, 2023, the global economy slowed compared to the previous year due to rising inflation and rapid monetary tightening, mainly in the US, Europe and other developed countries, the ripple effects from the Russia-Ukraine situation, and the impact of turmoil in the Chinese economy stemming from the zero-COVID policy in China. In addition, new risk factors emerged at the end of the fiscal year, such as the collapse of regional financial institutions in the US. 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, 2023, totaled ¥4,609.5 billion, an increase of ¥100.3 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, 2023 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, 2023, see Note 15, "DISCLOSURES ABOUT FINANCIAL AND OTHER TRADE LIABILITIES."

Year ending March 31:	2024 (*)	2025	2026	2027	2028	Thereafter	Total
Billions of Yen	1,176.2	582.1	536.7	243.9	343.8	1,726.8	4,609.5

(*) It contains ¥350 billion of syndicated loans with subordinated agreement allowing early repayment during the fiscal year ending March 31, 2024.

Total equity attributable to owners of the parent as of March 31, 2023 was ¥6,367.8 billion, an increase of ¥762.6 billion from March 31, 2022. Also, net interest-bearing debt was ¥3,212.7 billion, a decrease of ¥126.2 billion, and as a result, the Net DER decreased to 0.50 times as of March 31, 2023 from 0.60 times as of March 31, 2022.

The ratio of current assets to current liabilities, which was 150.1% as of March 31, 2022, was 150.7% as of March 31, 2023.

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 ¥8.7 billion to our defined-benefit pension plans for the year ending March 31, 2024.

4) Investments and Loans, Financial Policies

Core Operating Cash Flow for the fiscal year ended March 31, 2023 was approximately ¥1,206.0 billion. Combined with approximately ¥392.0 billion obtained from progress in asset recycling, this produced cash-in of approximately ¥1,598.0 billion. Investment and Loans (*) totaled approximately ¥628.0 billion, influenced by factors such as investment in Mainstream, large-scale renewable energy project in India and Climate Friendly. With the addition of approximately ¥487.0 billion in shareholder returns, free cash flow (**) after shareholder returns was approximately positive ¥483.0 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, 2023.

(*) 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

(Bn JPY)		FY Mar/2021- FY Mar/2022 Results	FY Mar/2023 Results	MTMP period Results	Main accomplishments	
IN Cash-In	Core Operating Cash Flow	1,817	1,206	3,023	–	
	Asset Recycling*1	400	392	792	Loan collection in the Chilean copper business Australian metallurgical coal, SMC US & Singapore real estate properties FVTOCI financial assets	North American power generation Falcon power generation in Mexico Caserones copper mine in Chile San-ei Sucrochemical
OUT Cash-Out	Investments and Loans*1	-956	-628	-1,584	Sustaining existing iron ore and metallurgical coal LNG project Sustaining existing oil & gas project Additional acquisition of MOECO shares*4 Real estate	Mainstream CT Corp convertible bonds Large-scale renewable energy project in India Climate Friendly
	Share Repurchases	-239*2	-270*3	-509		
	Dividend	-313	-217	-530		

Mineral & Metal Resources
Energy
Machinery & Infrastructure
Chemicals
Iron & Steel Products
Lifestyle
Innovation & Corporate Development

*1. Excludes changes in time deposits
*2. Repurchased shares worth 39 Bn yen between Apr and Jun 2020, and 25 Bn yen between Feb and Mar 2021. Additionally, shares worth 6.9 Bn yen purchased for employee stock-based compensation. Repurchased shares worth 75 Bn yen between Apr and Jun 2021, and 50 Bn yen between Aug and Oct 2021, and 50 Bn yen between Dec 2021 and Mar 2022.
*3. Repurchased shares worth 100 Bn yen between May and Sep 2022, and 170 Bn yen between Nov 2022 and Mar 2023.
*4. Classified as "Cash Flows from Financing Activities" in cash flow statement

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, 2023	March 31, 2022	Change
Total Assets	15,380.9	14,923.3	+457.6
Current Assets	5,674.8	5,716.7	(41.9)
Non-current Assets	9,706.1	9,206.6	+499.5
Current Liabilities	3,766.6	3,808.6	(42.0)
Non-current Liabilities	5,049.1	5,319.2	(270.1)
Total Equity Attributable to Owners of the Parent	6,367.8	5,605.2	+762.6

Assets

Current Assets:

(Billions of Yen)	March 31, 2023	March 31, 2022	Change	Description
Current Assets	5,674.8	5,716.7	(41.9)	
Cash and cash equivalents	1,390.1	1,127.9	+262.2	
Trade and other receivables	2,191.2	2,303.1	(111.9)	● Trade receivables -164.5 (EN*[1]) Market fluctuation, decrease in trading volume ● Loan receivables +57.4 (MI*[1]) Increase in the current portion of long-term loan receivables
Other financial assets	773.0	997.9	(224.9)	● (IC*1, LI*1) Market fluctuation, decrease in derivative assets ● (EN*1) Market fluctuation, decrease in trading volume
Inventories	940.5	949.7	(9.2)	
Advance payments to suppliers	226.7	183.4	+43.3	● (MI*1) Increase in trading volume
Other Current assets	153.3	154.7	(1.4)	

*1 EN: Energy Segment, MI: Machinery & Infrastructure Segment, IC: Innovation & Corporate Development Segment, LI: Lifestyle Segment

Non-current Assets:

(Billions of Yen)	March 31, 2023	March 31, 2022	Change	Description
Non-current Assets	9,706.1	9,206.6	+499.5	
Investments accounted for using the equity method	3,929.6	3,387.4	+542.2	● Investments accounted for using the equity method +555.5 ● Foreign exchange fluctuations +216.2 ● Investment in the holding company of Mainstream Renewable Power +79.8 ● Investment in Climate Friendly ● Investment in Ouro Fino Saúde Animal ● Investment in FPSO (Libra MV31) +15.7 ● Investment in New Forests ● Investment in Mitsui E&P Mozambique Area 1 +10.6 ● Dividends from equity accounted investees -425.9 ● Sale of Stanmore SMC -15.1 (Sale -29.6, change in period +14.5) ● Sale of Southernwood Property -10.7
Other investments	2,134.1	2,347.4	(213.3)	● Fair value of FVTOCI financial assets -246.8 (including -126.0 from equity interest in Sakhalin II project) ● (LI*1) Sale of FVTOCI financial assets -42.5 ● Sale of shares in Lucid Group -25.1 ● Foreign exchange fluctuations +41.0 ● Investment in a large-scale renewable energy project in India
Trade and other receivables	320.0	320.0	0	
Other financial assets	208.0	167.8	+40.2	● (MI*1) Increase in trading volume
Property, plant and equipment	2,300.6	2,190.9	+109.7	● Oil and gas projects +48.8 (including foreign exchange fluctuations +7.6) ● MITSUI FOODS new logistics center +33.4 ● Intercontinental Terminals Company +11.0 (including foreign exchange fluctuations +11.1) ● M&T Aviation sale of owned aircraft -10.9 ● Sale of ships owned by OMC Shipping -10.6
Investment property	282.5	318.6	(36.1)	● Xingu Agri -22.1 (including sale of agricultural land -33.2, foreign exchange +13.4) ● MBK Real Estate Holdings -14.4(including sale of multiple properties -20.8)

(Billions of Yen)	March 31, 2023	March 31, 2022	Change	Description
Intangible assets	277.3	253.0	+24.3	● Consolidations (Position Partners, Lee Soon Seng Plastics Industries) ● Brazilian passenger railway business -13.2 (including impairment -15.1)
Deferred tax assets	105.2	100.7	+4.5	
Deferred tax assets	148.8	120.8	+28.0	● Increase in pension related assets (premium contributions)

*1 LI: Lifestyle Segment, MI: Machinery & Infrastructure Segment

The following table shows the details of Investments accounted for using the equity method as of March 31, 2023 and 2022 by operating segment.

	Billions of Yen		
	As of March 31,		Change
	2023	2022	
Mineral & Metal Resources	467.4	454.9	+12.5
Energy	521.4	430.4	+91.0
Machinery & Infrastructure	1,405.9	1,122.9	+283.0
Chemicals	246.7	213.7	+33.0
Iron & Steel Products	312.6	287.6	+25.0
Lifestyle	721.5	642.3	+79.2
Innovation & Corporate Development	255.9	237.7	+18.2
All Other and Adjustments and Eliminations	(1.8)	(2.1)	+0.3
Consolidated Total	**3,929.6**	**3,387.4**	**+542.2**

The following table shows the details of property, plant and equipment as of March 31, 2023 and 2022 by operating segment.

	Billions of Yen		
	As of March 31,		Change
	2023	2022	
Mineral & Metal Resources	513.9	516.6	(2.7)
Energy	717.5	661.8	+55.7
Machinery & Infrastructure	273.2	269.5	+3.7
Chemicals	255.8	230.2	+25.6
Iron & Steel Products	9.9	9.2	+0.7
Lifestyle	212.6	177.5	+35.1
Innovation & Corporate Development	133.2	138.1	(4.9)
All Other and Adjustments and Eliminations	184.5	188.0	(3.5)
Consolidated Total	**2,300.6**	**2,190.9**	**+109.7**

Liabilities

(Billions of Yen)	March 31, 2023	March 31, 2022	Change	Description
Current Liabilities	3,766.6	3,808.6	(42.0)	
Short-term debt	432.2	281.8	+150.4	
Current portion of long-term debt	811.0	410.3	+400.7	
Trade and other payables	1,510.4	1,739.1	(228.7)	● Decrease in trade payables
Other financial liabilities	622.0	1,003.2	(381.2)	● Decrease in derivative liabilities
Income tax payables	49.3	68.5	(19.2)	
Advances from customers	234.9	202.1	+32.8	● Corresponding to increase in advance payments
Provisions	59.0	48.6	+10.4	● (EN*1, CH*1) Increase in provisions
Other current liabilities	47.8	55.0	(7.2)	
Non-current Liabilities	5,049.1	5,319.2	(270.1)	
Long-term debt, less the current portion	3,797.3	4,185.4	(388.1)	
Other financial liabilities	223.4	147.0	+76.4	●Increase in derivative liabilities
Retirement benefit liabilities	37.0	38.0	(1.0)	
Provisions	310.5	266.2	+44.3	● (EN*1) Increase in asset retirement obligations
Deferred tax liabilities	648.3	654.0	(5.7)	
Other non-current liabilities	32.6	28.6	+4.0	

*1 EN: Energy Segment, CH: Chemicals Segment

Equity

(Billions of Yen)	March 31, 2023	March 31, 2022	Change	Description
Common stock	342.6	342.4	+0.2	
Capital surplus	381.9	376.5	+5.4	
Retained earnings	4,840.5	4,166.0	+674.5	
Other components of equity	869.0	827.4	+41.6	
<breakdown>				
Financial assets measured at FVTOCI	215.6	465.1	(249.5)	● Lower share prices, decrease in fair value of Sakhalin II project
Foreign currency translation adjustments	638.5	478.6	+159.9	● USD +123.7 (Mar-23 JPY133.53/USD, up from Mar-22 JPY122.39/USD) ● AUD -27.9 (Mar-23 JPY89.69/AUD, down from Mar-22 JPY92.00/AUD)
Cash flow hedges	14.9	(116.3)	+131.2	● Commodity price and interest rate hedge accounting
Treasury stock	(66.2)	(107.1)	+40.9	● Cancellation of treasury stock +310.7 ● Share repurchase -270.0
Total Equity Attributable to Owners of the Parent	6,367.8	5,605.2	+762.6	
Non-controlling interests	197.4	190.2	+7.2	

6) Cash Flows

(Billions of Yen)	Current Year	Previous Year	Change
Cash Flows from Operating Activities	1,047.5	806.9	+240.6
Cash Flows from Investing Activities	(178.3)	(181.2)	+2.9
Free Cash Flow	869.2	625.7	+243.5
Cash Flows from Financing Activities	(634.7)	(614.3)	(20.4)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	27.8	53.3	(25.5)
Change in Cash and Cash Equivalents	262.3	64.7	+197.6

Cash Flows from Operating Activities

(Billions of Yen)		Current Year	Previous Year	Change
Cash Flows from Operating Activities	a	1,047.5	806.9	+240.6
Cash Flows from Change in Working Capital	b	(223.5)	(407.4)	+183.9
Repayments of Lease Liabilities	c	(65.5)	(55.6)	(9.9)
Core Operating Cash Flow	a-b+c	1,205.5	1,158.7	+46.8

・Cash flows from change in working capital (changes in operating assets and liabilities) was ¥223.5 billion of net cash outflow. Repayments of lease liabilities was ¥65.5 billion of cash outflow. Core Operating Cash Flow, which equals cash flows from operating activities excluding changes in working capital and repayments of lease liabilities, amounted to ¥1,205.5 billion.

- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current year totaled ¥574.2 billion, an increase of ¥19.4 billion from ¥554.8 billion for the previous year.
- Depreciation and amortization for the current year was ¥272.7 billion, a decrease of ¥23.7 billion from ¥296.4 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	436.7	552.8	(116.1)
Energy	419.6	280.2	+139.4
Machinery & Infrastructure	182.9	144.0	+38.9
Chemicals	89.5	93.8	(4.3)
Iron & Steel Products	18.0	12.4	+5.6
Lifestyle	31.1	35.2	(4.1)
Innovation & Corporate Development	46.6	46.6	0
All Other and Adjustments and Eliminations	(18.9)	(6.3)	(12.6)
Consolidated Total	**1,205.5**	**1,158.7**	**+46.8**

The following table shows Depreciation and amortization by operating segment.

(Billions of Yen)	Current Year	Previous Year	Change
Mineral & Metal Resources	58.7	51.3	+7.4
Energy	88.2	138.5	(50.3)
Machinery & Infrastructure	34.8	23.9	+10.9
Chemicals	31.6	24.7	+6.9
Iron & Steel Products	1.5	1.4	+0.1
Lifestyle	23.2	21.8	+1.4
Innovation & Corporate Development	18.8	18.1	+0.7
All Other and Adjustments and Eliminations	15.9	16.7	(0.8)
Consolidated Total	**272.7**	**296.4**	**(23.7)**

Cash Flows from Investing Activities

(Billions of Yen)	Current Year	Previous Year	Description
Cash flows from investing activities	(178.3)	(181.2)	
Net change in investments to equity accounted investees	(103.4)	(27.1)	
Increase	(238.6)	(92.2)	● Mainstream Renewable Power holding company -79.8 ● Climate Friendly ● Ouro Fino Saúde Animal ● FPSO (Libra MV31) -15.7 ● New Forests ● Mit Power Capitals -11.5 ● Japan Arctic LNG ● Mitsui E&P Mozambique Area 1 -10.6
Decrease	135.2	65.1	● Stanmore SMC +54.9 ● Southernwood Property +20.1 ● MT Falcon Holdings +11.6
Net change in other investments	33.9	(43.8)	
Increase	(100.4)	(106.1)	● Large-scale renewable energy project in India
Decrease	134.3	62.3	● (LI*1) Sale of FVTOCI financial assets ● Lucid Group +25.1
Net change in property, plant, and equipment	(190.0)	(156.6)	
Increase	(228.0)	(185.5)	● Oil and gas projects -50.9 ● Iron ore mining operations in Australia -43.7 ● Coal mining operations in Australia -24.7 ● MyPower -17.0 ● Intercontinental Terminals Company -13.0
Decrease	38.0	28.9	● M&T Aviation sale of owned aircraft +10.9
Net change in investment property	48.4	(4.5)	
Increase	(12.3)	(26.4)	
Decrease	60.7	21.9	● Sale of multiple properties by MBK Real Estate Holdings +32.6 ● Sale of Xingu Agri agricultural land +17.9 ● Partial sale of Hibiya Fort Tower
Net change in loan receivables	(4.2)	50.0	
Net change in time deposits	37.0	0.8	

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	(17.6)	23.9
Energy	(110.4)	(74.0)
Machinery & Infrastructure	(89.9)	(16.5)
Chemicals	(70.3)	(21.7)
Iron & Steel Products	(1.2)	0.5
Lifestyle	37.9	(24.3)
Innovation & Corporate Development	40.0	(53.9)
All Other and Adjustments and Eliminations	33.2	(15.2)
Consolidated Total	**(178.3)**	**(181.2)**

Cash Flows from Financing Activities

(Billions of Yen)	Current Year	Previous Year	Description of Current Period
Cash flows from financing activities	(634.7)	(614.3)	
Net change in short-term debt	168.7	(82.5)	
Net change in long-term debt	(217.6)	(55.0)	
(Proceeds from long-term debt)	1,041.2	1,206.6	
(Repayments of long-term debt)	(1,258.8)	(1,261.6)	
Repayments of lease liabilities	(65.5)	(55.6)	
Purchase and sales of treasury stock-net	(270.2)	(174.9)	
Dividends paid	(198.1)	(148.2)	
Transactions with non-controlling interest shareholders	(52.0)	(98.1)	●Mainly payment of additional acquisition of shares in Mitsui Oil Exploration

See “2) Funding Sources” for funding during the year ended March 31, 2023.

(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.
The Russia-Ukraine situation and the resulting sanctions against Russia have a global impact and 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, 2023 and 2022, were ¥27.1 billion and ¥18.0 billion, respectively.

Reversal of impairment losses of the assets for the year ended March 31, 2023 and 2022 were immaterial. The carrying amounts of these assets, net of accumulated depreciation and impairment losses, as of March 31, 2023 and 2022, were ¥2,757.1 billion and ¥2,678.5 billion, respectively.

The amount of impairment losses of investments in equity accounted investees for the years ended March 31, 2023 and 2022, were ¥4.3 billion and ¥11.9 billion, respectively. There was no reversal of impairment losses of the assets for the year ended March 31, 2023 and 2022. The carrying amounts of investments in equity accounted investees as of March 31, 2023 and 2022, were ¥3,929.6 billion and ¥3,387.4 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, 2023 and 2022 were ¥0.4 billion and ¥0.8 billion, respectively. The carrying amounts as of March 31, 2023 and 2022 were ¥87.5 billion and ¥71.9 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, 2023 and 2022 were ¥634.3 billion and ¥732.4 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 business of the Company and its consolidated subsidiaries that is affected by climate change and of which related assets and liabilities are material is the business in the Energy Segment. The assets and liabilities may be affected by future situations.
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 were to decline 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, a decrease in the investment of the equity accounted investee, and a decrease in the fair value of other investments in existing projects. 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	¥717,545 million
Investments accounted for using the equity method	¥521,420 million
Other investments	¥256,805 million
Provisions (Non-current)	¥217,991 million

5. Material Contracts

The Company does not have any contracts that is significantly dependent on; significantly restricted in its operation; containing any material financial covenants attached to loans and bonds or any material management covenants, such as agreements for the management or disposal of material assets; or including agreements regarding the governance of the Company or the disposal or purchase of additional shares of the Company's stock. For details of the financial covenants, please refer to “4. Management’s Discussion and Analysis of Financial Position, Operating Results and Cash Flows (5) Liquidity and Capital Resources (3) Liquidity Management”.

6. 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, 2023, see "4. 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 and equipment for the year ended March 31, 2023 mainly included expenditure for the oil and gas projects of ¥50.9 billion in the Energy Segment, expenditures for the iron ore mining operations in Australia of ¥43.7 billion and for the coal mining operations in Australia of ¥24.7 billion in the Mineral & Metal Resources Segment, total expenditures for the power generating businesses of ¥17.7 billion in the Energy Segment and Machinery & Infrastructure Segment and expenditure for the tank terminal business of ¥13.0 billion in the Chemicals 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 (㎡)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Energy		Long-term charter(lease)	Chiyoda-ku, Tokyo	-	-	-	-	2	151,554	
Innovation & Corporate Development		Multi-purpose office complex	Chiyoda-ku, Tokyo	-	-	-	-	-	100,486	
Other	Head Office	Office building	Chiyoda-ku, Tokyo	3,217	6,500	31,327	63,160	239	6,021	
	Kansai Office	Office building	Kita-ku, Osaka-shi, Osaka	71	3,038	2,161	5,770	-	2	Partially leased
		Human Resource Development Center	Atami-shi, Shizuoka	-	15,655	2,045	760	-	4	
		Global Human Resource Development Center	Tsuzuki-ku, Yokohama-shi, Kanagawa	-	15,000	2,417	690	-	1	

(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 production facility and others	Thailand, Gulf of Thailand and others	112	108,753	7	669	8,204	11,676	Including mineral rights
Lifestyle	MITSUI FOODS CO., LTD.	East Metropolitan Center	Nagareyama-shi, Chiba	1,011	113,511	13,060	60,656	3,096	10,584	Including investment property
	PRIFOODS CO., LTD.	Hosoya Factory and others	Misawa-shi, Aomori and others	1,726	3,829,240	3,471	9,197	8,638	1,466	
Innovation & Corporate Development	MITSUI & CO. REAL ESTATE LTD.	Hibiya Fort Tower	Minato-ku, Tokyo	44	-	-	366	190	58,451	Including investment property
	Mitsui & Co. Global Logistics, Ltd.	Higashihama Logistic Center and others	Ichikawa-shi, Chiba	768	60,364	15,067	8,715	1,488	12,588	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	-	411	107,705	95,308	680	※
	Mitsui Iron Ore Corporation Pty. Ltd.	Mining equipment for iron ore	Pilbara, Western Australia, Australia	7	-	-	13,758	50,162	7,517	Including mineral rights
	Mitsui-Itochu Iron Pty. Ltd.	Mining equipment for iron ore	Pilbara, Western Australia, Australia	-	-	-	20,320	89,992	25,130	※
	Mitsui Resources Pty. Ltd.	Mining equipment for coal	Emerald, Queensland, Australia and others	18	-	-	5,766	77,240	19,800	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 Australia Holdings Pty Ltd	Crude oil / gas production facility and others	Western Australia, Australia and others	90	59,730,500	1,313	-	65,154	98,851	Including mineral rights
	Mitsui E&P Italia B	Crude oil / gas production facility and others	Basilicata, Italy	5	67,500	761	-	90,091	68,657	Including mineral rights
	Mitsui E&P USA LLC	Gas production plant and others	Pennsylvania and Texas, U.S.A.	46	-	-	38	82,091	8,521	Including mineral rights
	Mitsui E&P Middle East B.V.	Crude oil / gas production facility and others	Oman and others	23	-	-	3	34,047	1,535	Including mineral rights
	MEP Texas Holdings LLC	Crude oil / gas production facility and others	Texas, U.S.A.	-	-	-	-	24,145	2,273	Including mineral rights
	MyPower Corp.	Solar power plant and others	California, U.S.A.	149	-	-	-	7,097	27,631	
Machinery & Infrastructure	Mitsui Rail Capital Europe B.V.	Rolling stock	Amsterdam, Netherlands	109	-	-	418	77,410	3,994	Including property leased to others
	M&T AVIATION LIMITED	Aircraft	Dublin, Ireland	9	-	-	-	4	39,367	Including property leased to others
	OMC SHIPPING PTE. LTD.	Ships	Singapore	-	-	-	31	2	23,646	Including property leased to others
	Inversiones Mitta SpA	Automotive	Chile	978	-	-	5,272	34,802	33	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 (m²)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Chemicals	Inter-continental Terminals Company LLC	Chemical tank terminal	Deer Park, Texas, U.S.A.	461	1,800,851	4,334	127,029	692	1,634	Including property leased to others
	MMTX Inc.	Methanol production facility	Houston, Texas, U.S.A.	6	-	-	1,317	38,041	2,643	
	Shark Bay Salt Pty. Ltd	Salt manufacturing facility	Shark Bay, Western Australia, Australia and others	160	-	613	15,951	5,192	1,715	
Lifestyle	XINGU AGRI AG	Tabuleiro farm	Bahia, Brazil	32	-	-	4	7	28,776	Including investment property
	KASET PHOL SUGAR LIMITED	Sugar production equipment	Udon Thani Province, Thailand	438	-	626	11,931	28,600	349	Including investment property
Innovation & Corporate Development	MBK Real Estate Holdings Inc.	Senior living, multi-family properties, and industrial properties	Bellevue, Washington, U.S.A. and others	2,671	-	14,236	66,764	589	31,897	Including property leased to others and investment property

(Notes) 1. Notes are the same as Notes 1. to 5. in (1) Mitsui & Co., Ltd.
2. ※Book value of mineral rights is zero.

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, 2023)	Number of shares outstanding as of issuance date of this report (June 21, 2023)	Names of stock exchanges on which Mitsui is listed or names of authorized financial instruments firms association	Description
Common stock	1,544,660,544	1,544,789,968	Tokyo Stock Exchange (Prime Market), Nagoya Stock Exchange (Premier Market) Sapporo, Fukuoka	The number of shares constituting a unit is 100.
Total	1,544,660,544	1,544,789,968	-	-

(Note) The number of shares issued was increased by 129,424 dated April 28, 2023 due to the issuance of new shares as post-delivery restricted-stock-based remuneration under the remuneration system of tenure-linked restricted stock unit for Directors and Managing Officers based on the resolution of the meeting of the Board of Directors held on April 6, 2023.

(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, 2023	As of May 31, 2023
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	174	117
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	17,400 (Note 1)	11,700 (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, 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, 2023	As of May 31, 2023
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	164	164
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	16,400 (Note 1)	16,400 (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 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, 2023	As of May 31, 2023
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	688	688
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	68,800 (Note 1)	68,800 (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, 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, 2023	As of May 31, 2023
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	1,563	1,563
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	156,300 (Note 1)	156,300 (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, 2023	As of May 31, 2023
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	1,513	1,513
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	151,300 (Note 1)	151,300 (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 10, 2020
(Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2023	As of May 31, 2023
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).

vii) 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, 2023	As of May 31, 2023
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)	13,400 (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 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, 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
From April 1, 2022 to March 31, 2023 (Notes 8, 9, 10)	(97,695)	1,544,660	176	342,560	176	368,837

(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.
8. The number of shares issued was increased by 111,000 and the balance of common stock and balance of additional paid-in capital were increased by ¥176 million each dated July 29, 2022 due to issuance of new shares under the remuneration system of tenure-linked restricted stock for Directors and Managing Officers based on the resolution of the meeting of the Board of Directors held on July 7, 2022.
   Issue price: ¥3,181
   Amount incorporated into common stock: ¥1,590.5
9. The number of shares issued was decreased by 50,000,000 dated August 31, 2022 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 2, 2022.

10. The number of shares issued was decreased by 47,806,100 dated March 13, 2023 due to the cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on November 1, 2022 and February 3, 2023.

(5) Status of Shareholders

As of March 31, 2023

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)	2	225	65	2,350	932	606	274,370	278,550	-
Number of shares held (units)	110	5,629,734	739,144	708,158	5,002,561	5,814	3,347,683	15,433,204	1,340,144
Ratio (%)	0.00	36.47	4.78	4.58	32.41	0.03	21.69	100.00	-

(Notes) 1. Regarding treasury stock of 16,561,563 shares, 165,615 units (16,561,500 shares) are included in “Individuals and other,” and 63 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, 2023

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	248,457	16.25
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)	115,800	7.57
Custody Bank of Japan, Ltd. (trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	95,425	6.24
Nippon Life Insurance Company (Standing agent: The Master Trust Bank of Japan, Ltd.)	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo)	35,070	2.29
JP MORGAN CHASE BANK 385632 (Standing agent: Mizuho Bank, Ltd.)	25 BANK STREET CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (15-1, Konan 2-chome, Minato-ku, Tokyo)	33,227	2.17
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)	24,527	1.60
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)	19,723	1.29
Mitsui Sumitomo Insurance Company, Limited	9, Kanda-Surugadai 3-chome, Chiyoda-ku, Tokyo	15,725	1.02
TAIJU LIFE INSURANCE COMPANY LIMITED (Standing agent: Custody Bank of Japan, Ltd.)	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	15,400	1.00

Name of shareholders	Location	Number of shares held (Thousands)	Percentage of common stock issued (%)
SSBTC CLIENT OMNIBUS ACCOUNT (Standing agent: The Hong Kong & Shanghai Banking Corporation Limited, Tokyo Branch)	ONE LINCOLN STREET, BOSTON, MA 02111, U.S.A. (11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo)	14,906	0.97
Total	-	618,260	40.40

(Notes) 1. In addition to the shares listed above, the Company holds treasury stock of 16,561 thousand shares.
2. The number of shares is rounded down to the nearest thousand.
3. Percentage of common stock issued excluding treasury stock is rounded down to two decimal places.
4. 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 and from April 1, 2023 through the date of submission of this annual securities report are as follows. The status of major shareholders shown above does not include the followings, as it is not possible for us to confirm the actual status of the shareholding ratio as of March 31, 2023. Reports by large volume shareholders include portions held by joint holders.

Name of shareholders	Ownership as of	Number of shares owned	Holding ratio (%)
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
BlackRock Japan Co., Ltd.	August 31, 2022	103,757,434	6.52
National Indemnity Company	November 14, 2022	105,380,200	6.62
Mitsubishi UFJ Financial Group, Inc.	November 14, 2022	70,696,520	4.44
National Indemnity Company	June 12, 2023	125,022,300	8.09

(7) Status of Voting Rights

1) Shares Issued

As of March 31, 2023

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 16,561,500	-	-
	(Cross-holding stock) Common stock 120,700	-	-
Shares with full voting rights (Others)	Common stock 1,526,638,200	15,266,382	-
Shares under one unit	Common stock 1,340,144	-	Shares under one unit (100 shares)
Total shares issued	1,544,660,544	-	-
Total voting rights held by all shareholders	-	15,266,382	-

(Notes) 1. Other than the numbers provided in the column “Shares with full voting rights (Treasury stock, etc.),” there are 3,768,576 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),” 37,685 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),” “1,526,638,200 shares in common stock” and “15,266,382 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,” “1,340,144 shares in common stock” include 63 shares of treasury stock (under one unit) held by Mitsui, 50 shares of cross-holding stock (under one unit) held by FEED ONE CO., 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, 2023

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	16,561,500	-	16,561,500	1.07
Feed one Co., Ltd. (Cross-holding stock)	23-2, Tsuruyacho, 2-chome, Kanagawa-ku, Yokohama-shi, Kanagawa	120,700	-	120,700	0.00
Total	-	16,682,200	-	16,682,200	1.07

(Note) In addition to the abovementioned, there are 63 shares of treasury stock (under one unit), 50 shares of cross-holding stock (under one unit) and 3,768,576 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 (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	31,608,000	99,999,815,855
Number of shares and total amount of outstanding shares of resolution	18,392,000	184,145
Ratio of non-exercised portion at the end of the current fiscal year (%)	36.78	0.00
Treasury stock acquired during the current period for acquisition	-	-
Ratio of non-exercised portion as of issuance date of this report (%)	36.78	0.00

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (November 1, 2022 and February 3, 2023) (Note 1) (Acquisition period: November 2, 2022 to July 31, 2023)	80,000,000	240,000,000,000
Treasury stock acquired before the current fiscal year	-	-
Treasury stock acquired during the current fiscal year	45,337,900	170,000,038,241
Number of shares and total amount of outstanding shares of resolution	34,662,100	69,999,961,759
Ratio of non-exercised portion at the end of the current fiscal year (%)	43.32	29.16
Treasury stock acquired during the current period for acquisition	7,662,000	33,511,839,791
Ratio of non-exercised portion as of issuance date of this report (%) (Note 2)	33.75	15.20

(Notes) 1. Details of the resolution of the meeting of the Board of Directors held on November 1, 2022 were revised based on the resolution of the meeting of the Board of Directors held on February 3, 2023.

2. "Treasury stock acquired during the current period for acquisition" does not include shares acquired during the period from June 1, 2023, 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	7,239	24,820,313
Treasury stock acquired during the current period for acquisition (Note)	1,218	2,875,325

(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, 2023, to the issuance date of this report.

Acquisition falling under Article 155, Item 13 of the Companies Act of Japan (Note 1)

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury stock acquired during the current fiscal year	3,965	-
Treasury stock acquired during the current period for acquisition (Note 2)	-	-

(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, 2023, 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	97,806,100	310,284,064,060	-	-
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)	128,923	103,921,852	5,805	5,202,205
Number of shares of treasury stock held (Note 2)	16,561,563	-	24,279,567	-

(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: 128,700 / Total disposition amount: ¥103,181,500) and (ii) Sold due to demand for sale of shares constituting less than one full unit (Number of shares: 223 / Total disposition amount: ¥740,352), 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: 5,700/ Total disposition amount: ¥4,770,900) and (ii) Sold due to demand for sale of shares constituting less than one full unit (Number of shares: 105/ Total disposition amount: ¥431,305). 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, 2023, 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, 2023, 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 meeting demand for capital in our core and growth areas through reinvestment of our retained earnings, and – based on the level of stable cash generation – directly provide returns to shareholders by paying out cash dividends.

・In addition to the above, regarding share repurchases which are done to improve capital efficiency amongst other things, the amount and timing will be decided upon in a prompt and flexible manner taking into consideration the business environment. Such considerations include balance between share repurchases and growth investments, cash flow level after accounting for shareholder returns, 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 Board of Directors, where September 30th of each year is set as 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, 2023 was ¥75 per share. The full-year dividend for the year ended March 31, 2023 was ¥140, including the interim dividend of ¥65 per share.

Regarding dividends in the new Medium-term Management Plan, we are placing importance on stability and continuity, and based on the level of Core Operating Cash Flow that we have determined can be stably generated, we have set a minimum dividend of ¥150 per share. In addition, we introduced a progressive dividend that will have the dividend level maintained or increased. Furthermore, we have set a shareholder returns policy (dividends and share repurchases) of around 37% of Core Operating Cash Flow on a three-year cumulative basis for the new Medium-term Management Plan.

Dividends for the year ended March 31, 2023 were as follows:

(a) The interim dividend which the Board of Directors resolved on November 1, 2022
Total dividend amount of ¥102,271 million; ¥65 per share

(b) The year-end dividend which Ordinary General Meeting of Shareholders resolved on June 21, 2023
Total dividend amount of ¥114,607 million; ¥75 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 the oversight activities and executive activities of the management.”
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 the oversight activities and executive activities of the management,” 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 Members participate, Mitsui achieves highly effective corporate governance to secure “improved transparency and accountability” and “the clarification of the division of roles between the oversight activities and executive activities of the management.” 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)
The page will be updated periodically, and the updated content and date will also be noted.

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.
(https://www.mitsui.com/jp/en/company/outline/governance/status/index.html)
The page will be updated periodically, and the updated content and date will also be noted.

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. Since the Ordinary General Meeting of Shareholders held in June 2015, five External Directors have been appointed, and in June 2023, six External Directors were appointed. As of the date of the issuance of this report, 15 Directors (including 4 female External Directors, and the percentage of female Directors is 26.7%) 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 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, 2023, 15 meetings were held. Number of proposals and reports to the Board of Directors Meeting are as follows:

Type of Proposals and Reports	Total
Corporate strategy, sustainability, and governance related matters	26
Financial results and other related matters	19
Matters related to Audit & Supervisory Board Members and Independent Auditors	4
Matters related to risk management, internal controls, and compliance	9
Matters related to human resources	5
Individual projects/matters	16
Total	79

- 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 12 times in the year ended March 31, 2023, where information and opinions were exchanged regarding matters such as Market Reaction of the Financial Results, Business Overviews of the several Business Units, and Mitsui Engagement Survey in the fiscal year ended March 31, 2022 (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 its corporate governance structure 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 15 members as of the date of issuance of this report:

Name	Full-time/ External	Attendance at Board of Directors meetings in FYE March 2023 (total of 15 meetings)	Membership of Advisory Committees to Board of Directors
Tatsuo Yasunaga	Full-time	15 times	Governance Committee, Nomination Committee
Kenichi Hori	Full-time	15 times	Governance Committee, Nomination Committee
Motoaki Uno	Full-time	15 times	
Yoshiaki Takemasu	Full-time	15 times	Remuneration Committee
Kazumasa Nakai	Full-time	11 times (*1)	
Tetsuya Shigeta	Full-time	11 times (*1)	Remuneration Committee
Makoto Sato	Full-time	11 times (*1)	Governance Committee
Toru Matsui	Full-time	11 times (*1)	
Tetsuya Daikoku (*2)	Full-time	-	
Samuel Walsh	External	15 times	Governance Committee
Takeshi Uchiyamada	External	15 times	Nomination Committee
Masako Egawa	External	15 times	Governance Committee, Remuneration Committee
Fujiyo Ishiguro (*2)	External	-	Nomination Committee
Sarah L. Casanova (*2)	External	-	Governance Committee
Jessica Tan Soon Neo (*2)	External	-	Remuneration Committee

(*1) Mr. Kazumasa Nakai, Mr. Tetsuya Shigeta, Mr. Makoto Sato and Mr. Toru Matsui participated in all 11 Board of Directors meetings held during the fiscal year ended March 31, 2023, after they were elected as Director in June 2022.
(*2) Mr. Tetsuya Daikoku, Ms. Fujiyo Ishiguro, Ms. Sarah L. Casanova and Ms. Jessica Tan Soon Neo were newly elected at the Ordinary General Meeting of Shareholders held on June 21, 2023. Mr. Yoshio Kometani, Ms. Izumi Kobayashi and Ms. Jenifer Rogers who retired at the close of the Ordinary General Meeting of Shareholders held on June 21, 2023 participated in all 15 Board of Directors meetings held during the fiscal year ended March 31, 2023.

- 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 (Samuel Walsh, Masako Egawa, Sarah L. Casanova), 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 (Takeshi Uchiyamada) Members Chair of the Board of Directors (Tatsuo Yasunaga), President and Chief Executive Officer (Kenichi Hori), one External Director (Fujiyo Ishiguro), one External Audit & Supervisory Board Member (Makoto Hayashi)
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 (Masako Egawa, Jessica Tan Soon Neo)
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, 2023 is as described in 4) Enhancements of Corporate Governance in the year ended March 31, 2023 i) Implementation for strengthening corporate governance (a) Evaluation of effectiveness of the Board of Directors.

ii) Status of the Audit & Supervisory Board

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.

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

- 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 and Audit & Supervisory Board members 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, which is 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.

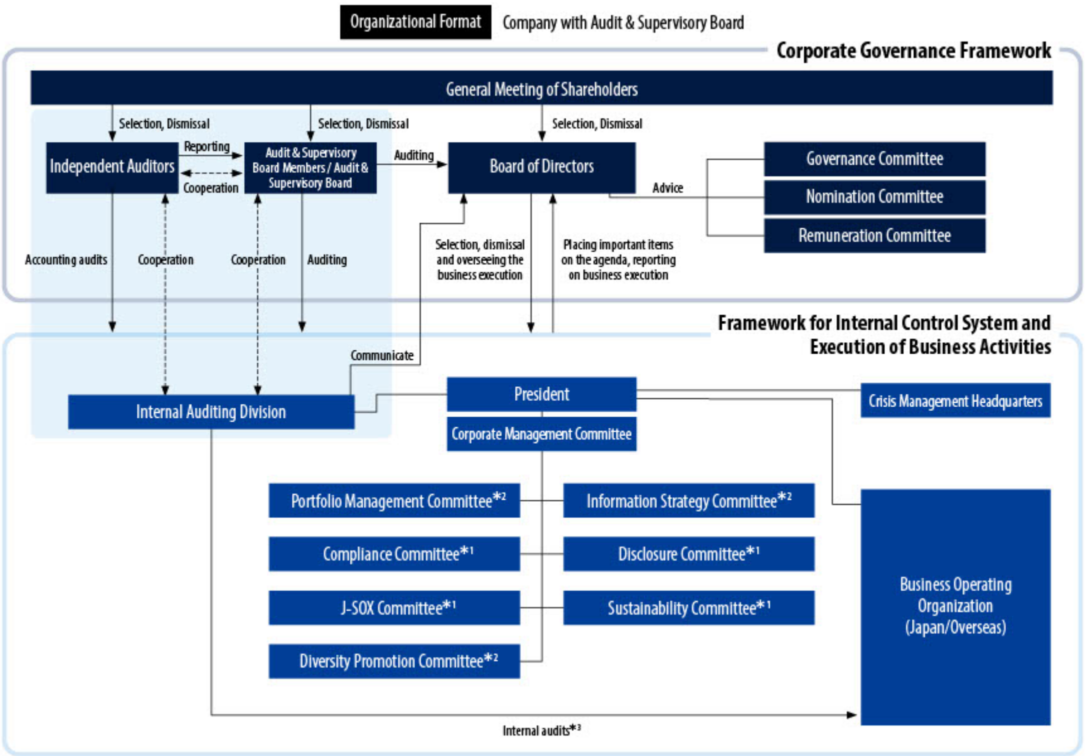
・Sustainability Committee
As an organization under the Corporate Management Committee, this committee aims to promote the sustainability management at Mitsui related to Mitsui's sustainability and environmental, social, and governance (ESG) issues.

・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 the Corporate Governance Framework>



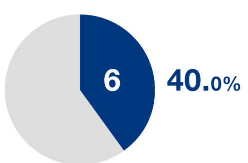
*1. Sub-committees to the Corporate Management Committee *2. Advisory committee to the Corporate Management Committee *3 During regular audits, items to be audited are identified based on risk, and an independent and objective evaluation is carried out in accordance with international internal audit standards. Continuous efforts are made to maintain and improve the standards of these internal auditing activities through measures such as quality evaluations by external specialists.

<History of the Corporate Governance System>

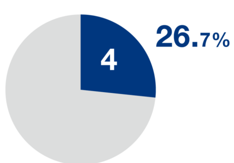
	Main Events	Number of Directors*	Number of Audit & Supervisory Board Members*
2002	Introduced the Managing Officer System to separate the management and execution, reduced the number of Directors to a number that can participate in deliberations	11(0)	4(2)
2003	Appointment of the first External Director	11(1)	5(3)
2004	Established Governance Committee, Nomination Committee and Remuneration Committee as advisory committees to the Board of Directors	11(2)	5(3)
2006	• Appointment of the first female External Director • Established Corporate Governance and Internal Control Principles	11(3)	6(4)
2015	• Commencement of External Members Meetings • Commencement of evaluation of the effective of the Board of Directors • Ratio of External Directors exceeds 1/3 • Appointment of the first Non-Japanese External Director	14(5)	5(3)
2018	Commencement of Free Discussion by all Directors and Audit & Supervisory Board Members		
2019	Commencement of evaluation of the effectiveness of the Audit & Supervisory Board		
2023	Current	15(6)	5(3)

*Numbers in ( ) indicates the number of External Directors / Audit & Supervisory Board Members. The ratio of Directors are as follows.

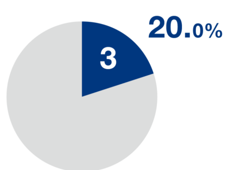
Ratio of External Directors



Ratio of Female Directors



Ratio of Non-Japanese Directors



<Skill Matrix for Directors and Audit & Supervisory Board Members>

Main areas of expertise and knowledge the Company expects of Directors and Audit & Supervisory Board Members are presented.

Name	Position, etc.	Experience in the Company	Committee Member	Corporate Management	Innovation & DX	Finance and accounting Internal control	Legal/ risk management
Tatsuo Yasunaga	Representative Director, Chair of the Board of Directors	Machinery & Infrastructure Corporate Staff	Governance Nomination	●		●	
Kenichi Hori	Representative Director, President	Chemicals Innovation & Corporate Development Corporate Staff	Governance Nomination	●	●	●	
Motoaki Uno	Representative Director, Executive Vice President	Mineral & Metal Resources Iron & Steel Products		●			
Yoshiaki Takemasu	Representative Director, Executive Vice President, CHRO and CCO	Chemicals Corporate Staff	Remuneration	●		●	●
Kazumasa Nakai	Representative Director, Senior Executive Managing Officer	Machinery & Infrastructure Lifestyle		●	●		
Tetsuya Shigeta	Representative Director, Senior Executive Managing Officer, CFO	Corporate Staff	Remuneration	●		●	●
Makoto Sato	Representative Director, Senior Executive Managing Officer, CSO	Mineral & Metal Resources Corporate Staff	Governance	●	●		
Toru Matsui	Representative Director, Senior Executive Managing Officer, CDIO	Energy Corporate Staff		●	●		
Tetsuya Daikoku	Representative Director, Senior Executive Managing Officer	Machinery & Infrastructure		●	●		
Samuel Walsh	Director	Independent External	Governance	●	●	●	
Takeshi Uchiyamada	Director	Independent External	Nomination	●	●	●	
Masako Egawa	Director	Independent External	Governance Remuneration	●		●	
Fujiyo Ishiguro	Director	Independent External	Nomination	●	●	●	
Sarah L. Casanova	Director	Independent External	Governance	●	●	●	
Jessica Tan Soon Neo	Director	Independent External	Remuneration	●	●	●	
Kimiro Shiotani	Full-time Audit & Supervisory Board Member	Corporate Staff		●		●	●
Hirotatsu Fujiwara	Full-time Audit & Supervisory Board Member	Energy		●		●	●
Kimitaka Mori	Audit & Supervisory Board Member	Independent External	Remuneration			●	●
Yuko Tamai	Audit & Supervisory Board Member	Independent External	Governance			●	●
Makoto Hayashi	Audit & Supervisory Board Member	Independent External	Nomination			●	●

In selecting the Director and Audit & Supervisory Board Member, the Company considers overall character based on the expertise and background of each member from the standpoint of the balance of the Board of Directors.

The above chart does not present all of the expertise and knowledge possessed by the members of the Board of Directors. Furthermore, the areas of ESG and Global are not included in the matrix in that the Company expects corresponding expertise and knowledge of all board members.

When white text is used for the committee name in the Committee Member column, it indicates that the relevant individual serves as the chair of that committee.

Special note on experience and track records, etc. of Directors and Audit & Supervisory Board Members are as follows.

Name	Special note on experience and track records [Overseas posting and other experience]	Industrial field/ expertise	Roles in the Company
Tatsuo Yasunaga	Mr. Yasunaga spent eight (8) years first as President and subsequently as Chair of the Board of Directors of the Company. During this time, he showed his excellent managerial skills and made a contribution to the Company's growth. In addition to his track record and expertise in overseas plant and infrastructure businesses, he has experience in roles including secondment to the World Bank and in developing company-wide policies as General Manager of Corporate Planning & Strategy Division. [United States and Taiwan]	Machinery & Infrastructure	Representative Director, Chair of the Board of Directors Committee chair of the Governance Committee; Member of the Nomination Committee
Kenichi Hori	Mr. Hori has exercised his excellent managerial skills and demonstrated solid leadership since he was appointed President in 2021. In addition to his track record and expertise in the Chemicals area and Corporate Development Business Unit (Corporate Development Division, General Manager of Commodity Trading & Risk Management Division, etc.), he has extensive experience in roles including General Manager of Corporate Planning & Strategy Division, and General Manager of Investor Relations Division. [United States]	Chemicals Innovation & Corporate Development	Representative Director, President, CEO Member of the Governance Committee; Member of the Nomination Committee
Motoaki Uno	Mr. Uno exercised his excellent managerial skills as CEO of MITSUI & CO. (ASIA PACIFIC) PTE. LTD., COO of the Asia Pacific Business Unit and President & CEO of P.T. Mitsui Indonesia and made a contribution to business growth in the Asia Pacific region. He possesses a track record and expertise in the Iron & Steel Products area. [Singapore, Indonesia, United States, United Kingdom and Ireland]	Mineral & Metal Resources Iron & Steel Products	Representative Director, Executive Vice President
Yoshiaki Takemasu	Mr. Takemasu has a track record and expertise in the Chemicals area. In addition, he spent ten (10) years in Europe to fulfill roles including secondment to an operating company. He possesses experience in developing and implementing global human resources management, diversity promotion and other company-wide policies as General Manager of the Human Resources & General Affairs Division. [Singapore, Germany, Belgium and France]	Chemicals	Representative Director, Executive Vice President, CHRO and CCO Member of the Remuneration Committee
Kazumasa Nakai	Mr. Nakai exercised his excellent managerial skills aiming to facilitate decarbonization as COO of Infrastructure Projects Business Unit. He has extensive experience and a track record in the Company's businesses, including the transformation of the power business portfolio as well as the promotion of consumer business projects as Operating Officer of the Nutrition & Agriculture Business Unit. [United States and Mexico]	Machinery & Infrastructure Lifestyle	Representative Director, Senior Executive Managing Officer
Tetsuya Shigeta	Mr. Shigeta has expertise across the areas of finance, accounting and internal control accumulated through his many years of experience in the Global Controller Division. In addition, he possesses extensive business experience in Brazil and the United States. He exercised his managerial skills as General Manager of Global Controller Division and CFO of an operating company in Brazil. [Brazil and United States]	Finance and accounting	Representative Director, Senior Executive Managing Officer, CFO Member of the Remuneration Committee
Makoto Sato	Mr. Sato has an excellent track record and superior expertise in the Mineral & Metal Resources area. He has exercised his skills in promoting company-wide business portfolio management as General Manager of Planning & Administrative Division (Metals) and General Manager of Investment Administrative Division. [Singapore, United States, Malaysia and Australia]	Mineral & Metal Resources	Representative Director, Senior Executive Managing Officer, CSO Member of the Governance Committee
Toru Matsui	Mr. Matsui has extensive experience and a track record in the LNG and E&P businesses, with twelve (12) years of experience in managing operating companies in the Energy area. He has led a company-wide energy transition strategy as COO of Energy Solutions Business Unit. Furthermore, he possesses experience in developing and executing strategies, including company-wide management strategy, innovation strategy, DX strategy as General Manager of Corporate Planning & Strategy Division. [United States and Australia]	Energy	Representative Director, Senior Executive Managing Officer, CDIO
Tetsuya Daikoku	Mr. Daikoku has an excellent track record and superior expertise in the Machinery and Mobility area. He has developed managerial skills through his experience in roles including secondment to an operating company in Indonesia, General Manager of Planning & Administrative Division (Machinery & Infrastructure) and COO of Mobility Business Unit I. [Indonesia and Thailand]	Machinery & Infrastructure	Representative Director, Senior Executive Managing Officer
Samuel Walsh	Mr. Walsh has extensive management experience and superior insight as former CEO of Rio Tinto (United Kingdom), an international natural resources company. He also has experience as a director of one of Australia's leading integrated media companies.[United Kingdom and Australia]	Natural resources Automobile Media	External Director Member of the Governance Committee
Takeshi Uchiyamada	Mr. Uchiyamada has an outstanding track record and expertise especially in research and development on environmental and safety technologies at Toyota Motor Corporation. He possesses a wealth of management experience and knowledge cultivated through serving as Chairman of the Board of Directors of Toyota Motor Corporation, a company pursuing global business development.	Automobile	External Director Committee chair of the Nomination Committee
Masako Egawa	Ms. Egawa has in-depth expertise gained through her research on management and corporate governance at Japanese companies. Moreover, she possesses extensive knowledge based on her many years of experience working at global financial institutions, and her experience of management as a director of the University of Tokyo, and the chancellor of School Juridical Person Seikei Gakuen. [United States]	Academia (Governance, etc.)	External Director Member of the Governance Committee; Member of the Remuneration Committee
Fujiyo Ishiguro	Ms. Ishiguro has an outstanding track record and expertise in the IT/DX area, as well as deep insights about business management, gained through her many years of experience as an IT entrepreneur and as a top executive of her company. [United States]	IT/DX Startups	External Director Member of the Nomination Committee
Sarah L. Casanova	Ms. Casanova demonstrated outstanding management skills as CEO of McDonald's Company (Japan) and possesses global consumer business acumen gained through diverse experience in North America, the CIS, and Southeast Asia. [Canada, CIS, Malaysia and Singapore]	Consumer business IT/DX	External Director Member of the Governance Committee
Jessica Tan Soon Neo	Ms. Tan has many years of business experience in Asia at IBM and Microsoft, with outstanding management skills and extensive knowledge in the IT/DX field. She serves as a Member of Parliament of Singapore as well as a director of companies and has a keen insight into Asian region. [Singapore]	IT/DX	External Director Member of the Remuneration Committee

Kimiro Shiotani	Mr. Shiotani has expertise in the Finance, Accounting & Internal Control area accumulated through his many years of experience in the accounting and tax fields. In addition, he possesses a track record of participating in the deliberations of the Company's important matters as a member of the Portfolio Management Committee and Council on Investment Proposals. [United States and United Kingdom]	Finance and accounting	Full-time Audit & Supervisory Board Member
Hirotatsu Fujiwara	Mr. Fujiwara has many years of experience and a track record in the Energy area. Moreover, he possesses profound knowledge and a track record of advancing the effective instillation of integrity and compliance awareness and implementing diversity driven measures, including work style innovation, gained through his roles as CHRO and CCO. [Qatar, Singapore, United Kingdom and United Arab Emirates]	Energy	Full-time Audit & Supervisory Board Member
Kimitaka Mori	Mr. Mori has advanced expertise and profound insights into corporate accounting and accounting audit activities through his many years of experience as Chairman and President of The Japanese Institute of Certified Public Accountants, and also as a certified public accountant.	Finance and accounting	External Audit & Supervisory Board Member Committee chair of the Remuneration Committee
Yuko Tamai	Ms. Tamai has advanced expertise and profound insights into corporate transactions and corporate governance cultivated through her many years of experience in legal affairs as a lawyer. [United States and Germany]	Legal	External Audit & Supervisory Board Member Member of the Governance Committee
Makoto Hayashi	Mr. Hayashi has advanced expertise and profound insights into legal affairs and governance cultivated through his many years of experience as a public prosecutor and Attorney General, as well as through his experience in legal administration at the Ministry of Justice. [France]	Legal	External Audit & Supervisory Board Member Member of the Nomination Committee

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, 2023.

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 rules, necessary in light of development and operation of information systems and information security. For details on internal controls regarding construction and management of information systems and information security, please refer to 2. Operating and Financial Review and Prospects 2. Disclosure of Sustainability-related Financial Information (5) Information Security.

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. Compliance Administrator is also designated in each business unit, who assists Compliance Supervising Officers, namely COO of each business unit, in the execution of his/her duties, and accelerates efforts to ensure compliance and promote integrity in a more practical manner.

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 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. In the fiscal year ended March 31, 2023, in accordance with the revised Whistleblower Protection Act in Japan, Mitsui has strengthened handling of whistleblowing reports. 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 and any retaliation 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, 2023

i) Implementation for strengthening corporate governance

Implementation for strengthening corporate governance during the year ended March 31, 2023 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, 2023, and the method and results of that evaluation are summarized below.

＜Evaluation method＞
(1) In January 2023, a survey ("the FYE 3/2023 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 2, 2023 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 3/2023 Survey.
(3) The results of the FYE 3/2023 Survey and the External Members Meeting were discussed at a Governance committee meeting held on February 22, 2023.
(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 27, 2023.
(5) Based on all the discussions listed above, at a meeting held on April 6, 2023, the Board of Directors confirmed the evaluation of the effectiveness of the Board of Directors in the year ended March 31, 2023.

＜Questionnaire items＞
Questions in the FYE 3/2023 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 individual Board of Directors and Audit & Supervisory Board members
VII. Support for the Board of Directors and Audit & Supervisory Board members
VIII. General

＜Effectiveness Improvement Initiatives in the year ended March 31, 2023＞
Based on the results of the evaluation of the effectiveness of the Board of Directors in the year ended March 31, 2022, the Board of Directors and Board of Directors Secretariat worked to address the following issues in the year ended March 31, 2023.

Continuous review of optimal number of directors, ratio of internal and external directors, number of internal directors, and institutional design
Given the opinions put forward in the effectiveness evaluation for FYE March 2022 that there was a need for ongoing consideration of the number of directors, the role and ratio of internal directors, based on the existing business executive structure and governance systems, the Governance Committee discussed Mitsui & Co.'s business executive structure and the institutional design at meetings on May 17 and October 5, 2022, conducting the hearing sessions regarding the external members' experiences.
Participants in the FYE 3/2023 survey commented that we are not only affirming the current state of our governance, but also discussing future reform options from a multifaceted perspective, the Board of Directors, including the support from the Secretariat, is very effective and has been devised for this purpose and that the Company is continuously reviewing its operations and ensuring its effectiveness.

＜Outline of Evaluation Results＞
The evaluation of the effectiveness of the Board of Directors in the year ended March 31, 2023 was confirmed on the basis of the FYE 3/2023 Survey, discussions at the External Members Meeting, and deliberations by the Governance Committee, Corporate Management Committee and Board of Directors.
・The management of the Board of Directors is conducted in a manner that respects the monitoring function, and I believe that management's awareness of sound governance is evident. The current operation is conducted appropriately based on the external directors' and the Audit & Supervisory Board members' opinions.
・In addition to individual projects, appropriate items were selected for discussion at the Board of Directors, such as topics on company-wide initiatives and management issues.
・I think that we are one of the top companies in Japan in terms of the diversity of the knowledge of directors, the openness of

expressions of opinions, and the response of executions to proposals. Since becoming a director, the quality of governance has steadily improved.

・The Board of Directors is functioning in a healthy manner and being run efficiently.

・The effectiveness of Mitsui & Co.'s Board of Directors has been ensured, and has been highly evaluated, even when compared with other companies, not just in terms of the content of discussions but also from the preparation perspective. The Board of Directors has been functioning extremely well within the current framework.

Based on the preceding summary, the Board of Directors determined that an appropriate level of effectiveness was achieved in the year ended March 31, 2023. 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) Continuous review on the number and diversity of directors, the ratio of internal and external directors, and institutional design

The following views were expressed in the FYE 3/2023 Survey, during discussions in the External Members Meeting, and at Governance Committee meetings.

・When our institutional design is a company with the Audit & Supervisory Board, it is a challenge to have a large number of agenda items due to the large number of members attending the Board of Directors, including the Audit & Supervisory Board members, and the need for certain resolutions for execution. However, I believe that the Company is continuously reviewing its operations and ensuring its effectiveness.

・Governance as a whole is good, but it may be hard to come up with a conclusion when we discuss the board composition, the number of directors, and so on. The number of directors should be discussed in combination with a review of the board's role.

・Since the best form of governance for us can vary depending on a variety of factors, we need to keep monitoring based on the trends of other companies and market evaluations.

In light of these views, with the aim of further enhancing the deliberation at the Board of Directors, the Governance Committee to discuss continuously the number and diversity of directors and the ratio of internal and external directors and institutional design.

(2) Consideration of efforts to improve both effectiveness and efficiency of deliberation at the Board of Directors

Effectiveness of deliberation at the Board of Directors has been improved by taking actions such as selecting agenda, managing operation, and providing information to the external members. On the other hand, some participants commented that it is necessary to review whether the time required for the discussions is longer than that for the content of the discussions and meetings of the Board of Directors should be scheduled more flexibly. Based on these opinions, we will continue to make efforts to improve both effectiveness and efficiency of deliberations at meetings of the Board of Directors and to improve Board of Directors meeting scheduling and operations, including briefing sessions.

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, 2023 by the three Committees that are advisory bodies to the Board of Directors is as follows:
  ・The Governance Committee was held three times, and carried out discussion in relation to (i) Institutional design based on our frameworks for business execution taking into account the external members' experiences and opinions in the fields of corporate governance and (ii) Evaluation of Effectiveness of the Board of Directors, etc.
  ・The Nomination Committee was held six times, 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, 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.

"Governance Committee"

Position at the Company	Name	Attendance in FYE March 2023
Chair of the Board of Directors, Committee Chair	Tatsuo Yasunaga	3/3
President and Chief Executive Officer	Kenichi Hori	3/3
Chief Strategy Officer	Makoto Sato	3/3
External Director	Jenifer Rogers Samuel Walsh Masako Egawa	3/3 3/3 3/3
External Audit & Supervisory Board Member	Yuko Tamai	2/2

"Nomination Committee"

Position at the Company	Name	Attendance in FYE March 2023
External Director, Committee Chair	Izumi Kobayashi	6/6
Chair of the Board of Director	Tatsuo Yasunaga	5/6
President and Chief Executive Officer	Kenichi Hori	6/6
External Director	Takeshi Uchiyamada	6/6
External Audit & Supervisory Board Member	Hiroshi Ozu	6/6

"Remuneration Committee"

Position at the Company	Name	Attendance in FYE March 2023
External Audit & Supervisory Board Member, Committee Chair	Kimitaka Mori	7/7
Chief Financial Officer	Tetsuya Shigeta	7/7
Chief Human Resources Officer	Yoshiaki Takemasu	7/7
External Director	Izumi Kobayashi Masako Egawa	7/7 7/7

- The External Members Meetings:

  The External Members Meetings were held 12 times in the year ended March 31, 2023, 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, Business Overviews of the several Business Units, and Mitsui Engagement Survey in the fiscal year ended March 31, 2023 (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, 2023 are as follows:

- At the meeting of the Compliance Committee three 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 2022, Mitsui established the With Integrity Month with the theme of "build an organization with integrity," carried out company-wide initiatives such as (1) Teams Live Event between CEO and Mitsui employees, (2) article distribution of Integrity Discussion between CCO and Business Unit COOs, (3) video streaming to review corporate scandals and think about integrity, 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 find out an indication of potential compliance issues at an early stage and solve such issues promptly and to strengthen our compliance structure. In addition to familiarizing Mitsui & Co. Group Conduct Guidelines-With Integrity, Mitsui has also collaborated with 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 continuously 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, Legal Division of Mitsui's head office.

- The Disclosure Committee was held 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 was held two times. The Committee understood the company-wide status of internal control over financial reporting for the year ended March 31, 2023 and studied company-wide measures to keep and improve the effectiveness of internal control.

- The Portfolio Management Committee was held nine 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 was held nine times. For details on the Information Strategy Committee's activities in the year ended March 31, 2023, please refer to 2 Operating and Financial Review and Prospects 2 Disclosure of Sustainability-related Financial Information (5) Information Security.

- The Sustainability Committee was held 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 Forests.

- In this fiscal year ended March 31, 2023, 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. Discussions regarding to gender related data and development opportunities for women were also held. Committee members also secured time with some employees, joined activities related to leadership development and issued messages directed to transform our organization. The committee 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 Audit & Supervisory Board Members (and other officers)

1) List of Directors and Audit & Supervisory Board Members

15 male Directors and Audit & Supervisory Board Members and 5 female Directors and an Audit & Supervisory Board Member (percentage of female: 25%)

Directors

Name ***Tatsuo Yasunaga (1)***
Date of Birth December 13, 1960
Shareholdings as of March 31, 2023 322,561

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, 2023 117,325

Prior Positions		
	・1984/4	Joined Mitsui & Co., Ltd.
	・2014/4	Managing Officer, General Manager of Corporate Planning & Strategy Division and Director of Mitsui & Co. Korea Ltd.
	・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 ***Motoaki Uno (1)***
Date of Birth August 18, 1960
Shareholdings as of March 31, 2023 66,650 *(5)*

Prior Positions		
	・1984/4	Joined Mitsui & Co., Ltd.
	・2016/4	Managing Officer, President & Chief Executive Officer of P.T. Mitsui Indonesia
	・2019/4	Executive Managing Officer, President & Chief Executive Officer of P.T. Mitsui Indonesia
	・2020/4	Executive Managing Officer, Chief Operating Officer of Asia Pacific Business Unit and Chief Executive Officer of MITSUI & CO. (ASIA PACIFIC) PTE. LTD.
	・2021/4	Senior Executive Managing Officer
	・2021/6	Representative Director, Senior Executive Managing Officer
	・2023/4	Representative Director, Executive Vice President (current position)

Name ***Yoshiaki Takemasu (1)***
Date of Birth August 30, 1962
Shareholdings as of March 31, 2023 39,747

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
	・2023/4	Representative Director, Executive Vice President, Chief Human Resources Officer, Chief Compliance Officer (current position)

Name ***Kazumasa Nakai (1)***
Date of Birth August 29, 1963
Shareholdings as of March 31, 2023 40,504

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
	・2023/4	Representative Director, Senior Executive Managing Officer (current position)

Name ***Tetsuya Shigeta (1)***
Date of Birth October 31, 1963
Shareholdings as of March 31, 2023 45,013

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
	・2023/4	Representative Director, Senior Executive Managing Officer, Chief Financial Officer (current position)

Name ***Makoto Sato (1)***
Date of Birth May 19, 1966
Shareholdings as of March 31, 2023 34,216

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
	・2023/4	Representative Director, Senior Executive Managing Officer, Chief Strategy Officer (current position)

Name ***Toru Matsui (1)***
Date of Birth February 24, 1967
Shareholdings as of March 31, 2023 35,070

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
	・2023/4	Representative Director, Senior Executive Managing Officer, Chief Digital Information Officer (current position)

Name ***Tetsuya Daikoku (1)***
Date of Birth June 18, 1962
Shareholdings as of March 31, 2023 36,470 *(6)*

Prior Positions	・1986/4	Joined Mitsui & Co., Ltd.
	・2019/4	Managing Officer, Chief Operating Officer of Mobility Business Unit I
	・2022/4	Executive Managing Officer, Chief Operating Officer of Mobility Business Unit I
	・2023/4	Senior Executive Managing Officer
	・2023/6	Representative Director, Senior Executive Managing Officer (current position)

Name ***Samuel Walsh (1)***
Date of Birth December 27, 1949
Shareholdings as of March 31, 2023 12,400

Prior Positions	・1972/2	Joined General Motors-Holden's Limited
	・1987/6	Joined Nissan Motor Australia
	・1991/9	Joined Rio Tinto Limited
	・2008/12	Non-Executive Director, Seven West Media Limited
	・2013/1	Chief Executive Officer, Rio Tinto Limited
	・2016/7	Retired from 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, 2023 15,685

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
	・2019/6	External Director, Mitsui & Co., Ltd. (current position)
	・2023/4	Member of the Board of Directors, Executive Fellow, Toyota Motor Corporation
	・2023/6	Executive Fellow, Toyota Motor Corporation (current position)

Name ***Masako Egawa (1)***
Date of Birth September 7, 1956
Shareholdings as of March 31, 2023 5,271

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. (scheduled to retire in June 2023)
	・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)

Name ***Fujiyo Ishiguro (1)***
Date of Birth February 1, 1958
Shareholdings as of March 31, 2023 0

Prior Positions	・1981/1	Joined BROTHER INDUSTRIES, LTD.
	・1988/1	Joined Swarovski Japan Ltd.
	・1994/9	President, Alphametrics, Inc.
	・1999/1	Director, Netyear Group, Inc.
	・1999/7	Director, Netyear Group Corporation
	・2000/5	President & Chief Executive Officer, Netyear Group Corporation
	・2013/6	External Audit & Supervisory Board Member, Sompo Japan Insurance Inc. (currently Sompo Japan Insurance Inc.)
	・2014/3	External Director, Hotto Link, Inc.
	・2014/6	External Director, Monex Group, Inc. (current position)
	・2015/6	External Director, Sompo Japan Nipponkoa Insurance Inc. (currently Sompo Japan Insurance Inc.)
	・2021/5	External Director, WingArc1st Inc.
	・2021/6	Director, Chief Evangelist, Netyear Group Corporation (current position)
	・2021/6	Director of the Board (External), SEGA SAMMY HOLDINGS INC. (current position)
	・2023/6	External Director, Mitsui & Co., Ltd. (current position)

Name	***Sarah L. Casanova (1)***		
Date of Birth	April 6, 1965		
Shareholdings as of March 31, 2023			0

Prior Positions	・1991/1	Joined McDonald’s Canada
	・1997/1	Senior Director, Marketing, McDonald’s Russia/Ukraine
	・2001/7	Senior Director, Marketing, McDonald’s Canada
	・2004/10	Vice President, Marketing, McDonald’s Company (Japan), Ltd.
	・2007/4	Senior Vice President, Business Development, McDonald’s Company (Japan), Ltd.
	・2009/7	Managing Director, McDonald’s Malaysia
	・2012/5	Managing Director, McDonald’s Malaysia Regional Manager, McDonald’s Singapore and Malaysia
	・2013/8	Representative Director, President and Chief Executive Officer, McDonald’s Company (Japan), Ltd.
	・2014/3	Representative Director, President and Chief Executive Officer, McDonald’s Holdings Company (Japan), Ltd.
	・2019/3	Representative Director, Chairperson, McDonald’s Company (Japan), Ltd. (current position)
	・2021/3	Representative Director, Chairperson, McDonald’s Holdings Company (Japan), Ltd. (current position)
	・2023/6	External Director, Mitsui & Co., Ltd. (current position)

Name	***Jessica Tan Soon Neo (1)***		
Date of Birth	May 28, 1966		
Shareholdings as of March 31, 2023			0

Prior Positions	・1989/6	Joined IBM Singapore
	・2002/10	Director, Networking Services Asia Pacific, IBM Global Services
	・2003/10	General Manager, Enterprise and Partner Group, Microsoft Operations Asia Pacific and Greater China Regions
	・2006/5	Member of Parliament in Singapore for the East Coast Group Representation Constituency (current position)
	・2008/7	Managing Director, Microsoft Singapore
	・2011/7	General Manager, Enterprise & Partner Group, Microsoft Asia Pacific
	・2013/7	Managing Director, Microsoft Singapore
	・2017/4	Non-Executive Independent Board Director, SATS Ltd. (current position)
	・2017/5	Non-Executive Independent Board Director, Capital and Commercial Trust Management Limited
	・2017/6	Director, Group Commercial, Raffles Medical Group
	・2020/8	Deputy Speaker of the Parliament of Singapore (current position)
	・2020/11	Non-Executive Independent Board Director, CapitaLand India Trust Management Pte. Ltd. (current position)
	・2023/6	External Director, Mitsui & Co., Ltd. (current position)

Audit & Supervisory Board Members

Name	***Kimiro Shiotani (2)***		
Date of Birth	October 14, 1960		
Shareholdings as of March 31, 2023			31,718
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	***Hirotatsu Fujiwara (2)***		
Date of Birth	January 10, 1961		
Shareholdings as of March 31, 2023			77,887
Prior Positions	・1984/4	Joined Mitsui & Co., Ltd.	
	・2014/4	Managing Officer, General Manager of Energy Planning & Administrative Division	
	・2015/4	Managing Officer, Chief Operating Officer of Energy Business Unit II	
	・2017/4	Executive Managing Officer, Chief Operating Officer of Energy Business Unit II	
	・2019/4	Senior Executive Managing Officer, Chief Compliance Officer	
	・2019/6	Representative Director, Senior Executive Managing Officer, Chief Compliance Officer	
	・2020/4	Representative Director, Senior Executive Managing Officer, Chief Human Resources Officer, Chief Compliance Officer	
	・2021/4	Representative Director, Executive Vice President	
	・2022/4	Director	
	・2022/6	Counselor	
	・2023/6	Full-time Audit & Supervisory Board Member (current position)	

Name	***Kimitaka Mori (3)***		
Date of Birth	June 30, 1957		
Shareholdings as of March 31, 2023			7,492
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, 2023 0

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
	・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)

Name ***Makoto Hayashi (2)***
Date of Birth July 30, 1957
Shareholdings as of March 31, 2023 0

Prior Positions	・1983/4	Appointed to Public Prosecutor
	・1991/4	First Secretary to Japanese Embassy in France
	・2012/4	Director of General Affairs Division, Supreme Public Prosecutors Office
	・2013/7	Chief Prosecutor, Sendai District Public Prosecutors Office
	・2014/1	Director-General of Criminal Affairs Bureau, Ministry of Justice
	・2018/1	Prosecutor-General, the Nagoya High Public Prosecutors Office
	・2020/5	Prosecutor-General, the Tokyo High Public Prosecutors Office
	・2020/7	Attorney General
	・2022/6	Resigned from Attorney General
	・2022/8	Registered as Attorney at Law. Joined Mori Hamada & Matsumoto (current position)
	・2023/6	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 21, 2023.
(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 21, 2023.
(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 18, 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 22, 2022.
(5) In addition, Mr. Uno holds 15,665 shares delivered on April 28, 2023 based on the tenure-linked Restricted Stock Units.
(6) In addition, Mr. Daikoku holds 15,200 shares delivered on April 28, 2023 based on the tenure-linked Restricted Stock Units.
(7) Mr. Samuel Walsh, Mr. Takeshi Uchiyamada, Ms. Masako Egawa, Ms. Fujiyo Ishiguro, Ms. Sarah L. Casanova and Ms. Jessica Tan Soon Neo are External Directors.
Mr. Kimitaka Mori, Ms. Yuko Tamai and Mr. Makoto Hayashi are External Audit & Supervisory Board Members.
Mr. Kimiro Shiotani and Mr. Hirotatsu Fujiwara are Full-time Audit & Supervisory Board Members.

Mitsui introduced the Managing Officer System in April 2002. Managing Officers as of June 21, 2023 are as follows: (* Serves concurrently as Director)

Managing Officers

Name	Title and Principal Positions / Areas Overseen
Kenichi Hori *	President and Chief Executive Officer; Head of Crisis Management Headquarters
Motoaki Uno*	Executive Vice President; 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*	Executive Vice President; 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; Japan Bloc; Regional Blocs (Europe Bloc, Middle East and Africa Bloc); Chair of Compliance Committee; Chair of Diversity Committee; Head of Emergency Management Headquarters
Sayu Ueno	Executive Vice President; Chief Operating Officer of Americas Business Unit
Kazumasa Nakai*	Senior Executive Managing Officer; Nutrition & Agriculture Business Unit; Food Business Unit; Retail Business Unit; Wellness Business Unit
Tetsuya Shigeta*	Senior 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
Makoto Sato*	Senior Executive Managing Officer; Chief Strategy Officer; Corporate Staff Units (Corporate Planning & Strategy Division, Investment Administrative Division, Corporate Communications Division, Corporate Sustainability Division); Chair of Portfolio Management Committee; Chair of Sustainability Committee
Toru Matsui*	Senior Executive Managing Officer; Chief Digital Information Officer; Integrated Digital Strategy Division; Energy Business Unit I; Energy Business Unit II; Basic Materials Business Unit; Performance Materials Business Unit; IT & Communication Business Unit; Americas Business Unit; Chair of Information Strategy Committee
Yoshiki Hirabayashi	Senior Executive Managing Officer; General Manager of Human Resources & General Affairs Division
Motoyasu Nozaki	Senior Executive Managing Officer; Chief Operating Officer of Energy Business Unit II
Tetsuya Daikoku*	Senior Executive Managing Officer; Energy Solutions Business Unit; Infrastructure Projects Business Unit; Mobility Business Unit I; Mobility Business Unit II
Takeo Kato	Executive Managing Officer; President of Mitsui & Co. (Thailand) Ltd.
Yuki Kodera	Executive Managing Officer; President of Mitsui & Co. (Brasil) S.A.
Shinichi Kikuchihara	Executive Managing Officer; President & Chief Executive Officer of P.T. Mitsui Indonesia
Takashi Furutani	Executive Managing Officer; Chief Operating Officer of Asia Pacific Business Unit
Shinichi Hori	Executive Managing Officer; General Manager of Osaka Office
Yuji Mano	Executive Managing Officer; General Manager of Integrated Digital Strategy Division
Yoichiro Endo	Executive Managing Officer; Chief Operating Officer of Food Business Unit
Yuichi Takano	Executive Managing Officer; General Manager of Legal Division
Hiroshi Kakiuchi	Executive Managing Officer; Chief Operating Officer of Performance Materials Business Unit
Tetsuya Fukuda	Executive Managing Officer; Chief Operating Officer of Mineral & Metal Resources Business Unit
Kiyoshi Mori	Executive Managing Officer; Deputy Chief Strategy Officer (Energy Business Unit I; Energy Business Unit II)
Masaharu Okubo	Managing Officer; Country Chairperson in India
Masato Sugahara	Managing Officer; Chair & Chief Executive Officer of Mitsui & Co. (Australia) Ltd.
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

Name	Title and Principal Positions / Areas Overseen
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
Kenichiro Yamaguchi	Managing Officer; General Manager of Investment Administrative Division
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
Hidemi Takani	Managing Officer; President & Chief Executive Officer of Mitsui Global Strategic Studies Institute
Masao Kurihara	Managing Officer; General Manager of Global Controller Division
Junji Fukuoka	Managing Officer; Chief Operating Officer of Basic Materials Business Unit
Masaya Tokutani	Managing Officer; Chief Representative of East Asia Bloc
Yukinobu Nakano	Managing Officer; Chief Representative of Europe Bloc
Maroshi Tokoyoda	Managing Officer; Chief Operating Officer of Mobility Business Unit I
Takuya Shirai	Managing Officer; Chief Operating Officer of Mobility Business Unit II
Chisato Onda (Eiki)	Managing Officer; General Manager of Corporate Sustainability Division

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 six External Directors that were appointed at the Ordinary General Meeting of Shareholders held on June 21, 2023, their relationships with Mitsui, and the reasons for their appointment are as follows. Regarding shareholdings of External Directors, see "(2) Information about Directors and Audit & Supervisory Board Members (and other officers) 1) List of Directors and Audit & Supervisory Board Members."

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, 2023, 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.
Takeshi Uchiyamada (Since June 2019)	Mitsui and its consolidated subsidiaries sell automobile components to Toyota Motor Corporation, at which Mr. Uchiyamada served as Director; however, the yearly amount of sales in each of the last three (3) fiscal years is less than 1% 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 1% 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 and development 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, 2023, 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, and External Director.

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 and the chancellor of School Juridical Person Seikei Gakuen, 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, 2023, 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 executive remuneration.
Fujiyo Ishiguro (Since June 2023)	There is no special interest between Ms. Ishiguro and Mitsui. Therefore, Ms. Ishiguro is deemed to appropriately carry out her duties as the independent and neutral External Director.	In addition to advanced knowledge of business management and the IT/DX sector gained through her many years of experience as an IT entrepreneur, Ms. Ishiguro has also developed profound insights about business management through her experience as an external director of listed companies. She has also made extensive contributions to the public interest, including serving as a committee member of Industrial Structure Council of Ministry of Economy, Trade and Industry. We have appointed Ms. Ishiguro as a new External Director with the expectation that she will apply her extensive knowledge of business management and IT/DX to advise and supervise the Company's management from diverse perspectives.
Sarah L. Casanova (Since June 2023)	Mitsui and its consolidated subsidiaries have contracted import agency services, etc. to McDonald's Company (Japan), Ltd., for which Ms. Casanova serves as a director, but the yearly amount of sales in each of the last three (3) fiscal years is less than 1% of the annual consolidated transaction volume of McDonald's Company (Japan), Ltd. and the Mitsui. From the above, Mitsui has determined that there is nothing that would affect the independence of Ms. Casanova as External Director. Other than the above, there is no special interest between Ms. Casanova and Mitsui. Therefore, Ms. Casanova is deemed to appropriately carry out her duties as the independent and neutral External Director.	Ms. Casanova amassed extensive knowledge of the international consumer business through her experience working for McDonald's in North America, the CIS, and Southeast Asia. She served as Chief Executive Officer of McDonald's Company (Japan) from 2013 to 2019 and demonstrated her management acumen by pursuing growth strategies that have yielded a dramatic improvement in the company's performance. We have appointed Ms. Casanova as a new External Director with the expectation that she will use her profound knowledge of the international consumer business and her management experience in a global business corporation to advise and supervise the Company's management from diverse perspectives.

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Director at Mitsui
Jessica Tan Soon Neo (Since June 2023)	There is no special interest between Ms. Tan and Mitsui. Therefore, Ms. Tan is deemed to appropriately carry out her duties as the independent and neutral External Director.	In addition to knowledge of the IT/DX sector gained through her experience working for IBM and Microsoft, Ms. Tan has also developed profound knowledge of business management through her role as an external director of listed companies in Singapore. In parallel with her business career, she was elected as a Member of Parliament of Singapore in 2006 and is currently serving as the Deputy Speaker of the Parliament of Singapore, making a wide range of contributions to the public interest. We have appointed Ms. Tan as a new External Director with the expectation that she will use her knowledge of managing global corporations and her profound insights about society in general to advise and supervise the Company's management from diverse perspectives.

(*) 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
Samuel Walsh	Chairman of the Board, Gold Corporation (Australia) the Perth Mint
Takeshi Uchiyamada	Executive Fellow, Toyota Motor Corporation External Director, JTEKT CORPORATION (scheduled to retire in June 2023) JTEKT CORPORATION is an equity accounted associated companies of Toyota Motor Corporation.
Masako Egawa	External Director, Tokio Marine Holdings, Inc. (scheduled to retire in June 2023) Chancellor, School Juridical Person Seikei Gakuen
Fujiyo Ishiguro	External Director, Monex Group, Inc. Director, Chief Evangelist, Netyear Group Corporation Director of the Board (External), SEGA SAMMY HOLDINGS INC.
Sarah L. Casanova	Representative Director, Chairperson, McDonald's Company (Japan), Ltd. Representative Director, Chairperson, McDonald's Holdings Company (Japan), Ltd.
Jessica Tan Soon Neo	Non-Executive Independent Board Director, SATS Ltd. Non-Executive Independent Board Director, CapitaLand India Trust Management Pte. Ltd. Member and Deputy Speaker of the Parliament of Singapore

ii) Activities of External Directors in the year ended March 31, 2023

The activities of External Directors in the year ended March 31, 2023 were as follows:

Name	Major activities
Izumi Kobayashi	Ms. Kobayashi has participated in all 15 Board of Directors meetings held during the year ended March 31, 2023. She has applied her deep insight related to organizational management for generating innovation, and risk management, gained from her experience serving as a representative of private sector financial institutions and a multilateral development bank. At the Board of Directors meetings, she speaks out actively from diverse perspectives, making a significant contribution to deepening the discussion. In the year ended March 31, 2023, she served as chair of the Nomination Committee (attending all 6 such meetings), and exercised strong leadership in enhancing the transparency and effectiveness of the procedures for the appointment of executives, including the Chief Executive Officer and External Directors. 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 system.
Jenifer Rogers	Ms. Rogers has participated in all 15 Board of Directors meetings held during the year ended March 31, 2023. At the Board of Directors meetings, she has made many useful comments concerning risk control from her global perspective and based on her deep insight related to risk management gained from her work experience at international financial institutions and experience in legal operations as a corporate attorney. As such, she makes a significant contribution to enhancing the supervision function of the Board of Directors. In the year ended March 31, 2023, she has served as a member of the Governance Committee (attending all 3 such meetings), and actively provided her opinions with the aim of creating a highly transparent governance system.
Samuel Walsh	Mr. Walsh has participated in all 15 Board of Directors meetings held during the year ended March 31, 2023. He has offered proposals and suggestions from a broadminded standpoint based on his global expertise, outstanding managerial skills, and abundant business management experience cultivated through his long years working in upper management within the automotive industry and as chief executive officer of an international mining and resource company. He has made significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of the said meetings. In the year ended March 31, 2023, he has served as a member of the Governance Committee (attending all 3 such meetings), and actively contributed his opinions for the creation of a highly transparent governance system.
Takeshi Uchiyamada	Mr. Uchiyamada has participated in all 15 Board of Directors meetings held during the year ended March 31, 2023. He has long been involved in research at Toyota Motor Corporation on environmental and safety technologies development that could realize a mobility society called for by today's society, as well as in the development of products demanded by consumers, and is exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. At the Board of Directors meetings, he makes numerous proposals and suggestions from diverse perspectives, based on his management experience in a global company and deep insight into society in general. He makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of the said meetings. In the year ended March 31, 2023, he served as a member of the Nomination Committee (attending all 6 such meetings) and contributed to the discussions with the aim of enhancing the transparency and effectiveness of the procedures for the appointment of executives, including the Chief Executive Officer and External Directors.

Name	Major activities
Masako Egawa	Ms. Egawa has participated in all 15 Board of Directors meetings held during the year ended March 31, 2023. She has made significant contributions to reviving the discussions at the meetings of the Board of Directors and improving its effectiveness, based on her deep insight in finance and corporate management gained through her management experience as a director of The University of Tokyo and School Juridical Person Seikei Gakuen, her many years of experience working at global financial institutions, and through her research on management and corporate governance at Japanese companies. In the year ended March 31, 2023, she served as a member of the Governance Committee (attending all 3 such meetings) and actively expressed her opinions toward building a highly transparent governance system. She also served as a member of the Remuneration Committee (attending all 7 such meetings) and contributed to discussions related to the redesign of executive remuneration 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 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 Audit & Supervisory Board Members (and other officers) 1) List of Directors and Audit & Supervisory Board Members.”

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Audit & Supervisory Board Member at Mitsui
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 has deep insight in corporate accounting, accounting audit activities and risk management gained through his many years of experience as a certified public accountant. Since he took his office as an External Audit & Supervisory Board Member in June 2017, at the Board of Directors meetings and Audit & Supervisory Board Members meetings, he has made his valuable remarks based on his expertise and from his objective and neutral standpoint and made significant contributions to improvement of the supervising functions of the Board of Directors meetings and Audit & Supervisory Board meetings. Since he took his office as an External Audit & Supervisory Board Member, he has served as a member of the Remuneration Committee, and since June 2020, he has served as a chairman of that Committee. He exercised his strong leadership in improving transparency in executive remuneration and in deepening effective operation of evaluation system. Although Mr. Mori has no direct experience in corporate management, considering the above, we appoint Mr. Mori as an External Audit & Supervisory Board Member.

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)	The amount of transactions in the past three (3) fiscal years between Nagashima Ohno & Tsunematsu, Ms. Tamai's law office, and Mitsui does not exceed the amount established by the Mitsui's Criteria of Independence for External Members. In addition, the yearly transaction amount paid by Mitsui to Nagashima Ohno & Tsunematsu in each of the last three (3) fiscal years is less than 1% of the yearly amount of sales and the yearly amount of the consolidated sales of the law office and Mitsui. From the above, Mitsui has determined that there is nothing that would affect the independence of Ms. Tamai as External Audit & Supervisory Board Member. Other than the above, 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. We deem her capable of performing her duties as an External Audit & Supervisory Board Member appropriately by giving valuable opinions, advice, and so forth regarding the Company's management utilizing her experience and knowledge.
Makoto Hayashi (Since June 2023)	The amount of transactions in the past three (3) fiscal years between Mori Hamada & Matsumoto, Mr. Hayashi's law office, and Mitsui does not exceed the amount established by the Mitsui's Criteria of Independence for External Members. In addition, the yearly transaction amount paid by Mitsui to Mori Hamada & Matsumoto in each of the last three (3) fiscal years is less than 1% of the yearly amount of sales and the yearly amount of the consolidated sales of the law office and Mitsui. From the above, Mitsui has determined that there is nothing that would affect the independence of Mr. Hayashi as External Audit & Supervisory Board Member. Other than the above, there is no personal, capital, business or other relationship between Mr. Hayashi and Mitsui. Therefore, Mr. Hayashi is deemed to appropriately carry out his duties as the independent and neutral External Audit & Supervisory Board Member.	Mr. Hayashi is appointed as an External Audit & Supervisory Board Member in expectations of the possession of his advanced insight into governance and risk management cultivated through his many years of experience as a public prosecutor. We deem him capable of performing his duties as an External Audit & Supervisory Board Member appropriately by giving valuable opinions, advice, and so forth regarding the Company's management utilizing his experience and knowledge.

(*) 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
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

Name	Concurrent positions held in other organizations
Yuko Tamai	Attorney at Law Partner, Nagashima Ohno & Tsunematsu
Makoto Hayashi	Attorney of Law Special Counsel, Mori Hamada & Matsumoto Outside Director, AEON CO., LTD.

iv) Activities of External Audit & Supervisory Board Members in the year ended March 31, 2023

The activities of External Audit & Supervisory Board Members in the year ended March 31, 2023 were as follows:

Name	Major activities
Hiroshi Ozu	Mr. Ozu participated in all 15 Board of Directors meetings, and all 21 Audit & Supervisory Board meetings held during the year ended March 31, 2023. 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, 2023, as a member of the Nomination Committee (attending all 6 such meetings), he contributed to the discussions with the aim of enhancing the transparency and effectiveness of the appointment of executives, including the procedures for the Chief Executive Officer and External Directors.
Kimitaka Mori	Mr. Mori participated in all 15 Board of Directors meetings, and all 21 Audit & Supervisory Board meetings held during the year ended March 31, 2023. He offered advice and expressed opinions based on his knowledge and experience gained as a certified public accountant. In the year ended March 31, 2023, as the chair of the Remuneration Committee (attending all 7 such meetings), he demonstrated strong leadership in discussions related to the redesign of executive remuneration system.
Yuko Tamai	Ms. Tamai participated in all 11 Board of Directors meetings, and 12 of the 13 Audit & Supervisory Board meetings, held since she became an Audit & Supervisory Board Member in June 2022. She offered advice and expressed opinions based on her knowledge and experience gained as an attorney at law. In the year ended March 31, 2023, as a member of the Governance Committee (attending all 2 such meetings), she has actively provided opinions that contribute to developing transparent and objective governance.

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 Management Committee, 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, 2023, when necessary, Mitsui holds the meetings of the Board of Directors and the meetings of Audit & Supervisory Board Members as partially remote meetings using web conference system. 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.

- Sufficient information on certain important matters is provided with External Members before such matters are discussed 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 2023 (total of 15 meetings)	Attendance at Audit & Supervisory Board meetings in FYE March 2023 (total of 21 meetings)	Membership of Board of Directors advisory committees
Kimiro Shiotani	Full-time	Yes (*3)	15 times	21 times	
Hirotatsu Fujiwara (*1)	Full-time		-	-	
Kimitaka Mori	External	Yes (*3)	15 times	21 times	Remuneration Committee
Yuko Tamai (*4)	External		11 times	12 times	Governance Committee
Makoto Hayashi (*2)	External		-	-	Nomination Committee

*1 Mr. Hirotatsu Fujiwara was elected at the General Meeting of Shareholders held on June 21, 2023. His predecessor, Mr. Makoto Suzuki, attended 15 Board of Directors meetings and 21 Audit & Supervisory Board meetings in FYE March 2023.

*2 Mr. Makoto Hayashi was elected at the General Meeting of Shareholders held on June 21, 2023. His predecessor, Mr. Hiroshi Ozu, attended 15 Board of Directors meetings and 21 Audit & Supervisory Board meetings in FYE March 2023.

*3 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.

*4 Ms. Yuko Tamai was elected at the General Meeting of Shareholders held on June 22, 2022. She attended all 11 Board of Directors meetings and 12 of 13 Audit & Supervisory Board meetings held since she took her position.

・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 five full-time employees, including employees with the knowledge and abilities on finance, accounting, law and corporate governance. Such Division provides the Audit & Supervisory Board Members with supports including, preparing an audit policy and plan, checking their progress, making necessary arrangements with our divisions and subsidiaries under audits, gathering information from our Independent Auditors or our divisions like Internal Auditing Division, providing training opportunities for newly-appointed Audit & Supervisory Board Members, and offering internally information on activities by Audit & Supervisory Board Members.

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 resolution passed and main items discussed by the Audit & Supervisory Board in the fiscal year ended March 31, 2023 were as follows.

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 sustainability 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 and reappointment of Independent Auditors Agreement on remuneration 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 when the Audit & Supervisory Board resolves on the reappointment of the Independent Auditors. 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. When agreeing to remuneration of the Independent Auditors, the Audit & Supervisory Board receives the explanation by the Independent Auditors on what they plan and achieve in their audit of financial statement and internal control.
Audit Report	Based on progresses on the audit plan established the relevant year and audit result on audit priority, the Audit & Supervisory Board and the Audit & Supervisory Board Member prepare their respective audit report.
Consent to the proposal of the election of the Audit & Supervisory Board Member	In relation to the replacement of Full-time and External members of Audit & Supervisory Board, Audit & Supervisory Board members agreed on a resolution to nominate candidate of their successors to executive officers 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 experiences and capabilities, balances on skill matrix of the Audit & Supervisory Board Members. Executive officers makes a proposal of the candidates based on the above nomination, which the Audit & Supervisory Board consents.

Matters discussed	Specific content
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. The Audit & Supervisory Board has meetings for exchange of opinions with corporate divisions which compose of cores of our internal control.
Communication with the Independent Auditors concerning Key Audit Matters (KAMs)	In this fiscal year, the Audit & Supervisory Board had discussions on, in particular, accounting estimates, based on volatilities in commodity price due to geopolitical risks. There were frequent discussions with the Independent Auditors concerning such matters as business risks to Sakhalin II project 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.

Matters discussed	Specific content
Sharing of information about audit activities and discussion of audit-related matters at meetings of the Audit & Supervisory Board, the Independent Auditors, and the Internal Auditing Div.	In this fiscal year, the Audit & Supervisory Board hold this meeting twice. In the first meeting, the agenda were respective audit plan and audit priority, and in the second meeting the agenda were respective progresses. Additionally, there were open discussions in both meetings. In the first meeting, collaboration on disclosures related to sustainability issues was discussed, and, in the second meeting, collaboration against fraud risks.
Evaluation of the effectiveness of the Audit & Supervisory Board	An effectiveness evaluation of the Audit & Supervisory Board was conducted in the form of self-evaluation, through individual interviews with all of its 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, including domestic and oversea visits, as well as supports for the Audit & Supervisory Board. The results indicate that an appropriate level of effectiveness is generally being achieved.
Prior approval by the Audit & Supervisory Board on non-assurance services to be provided by the Independent Auditors	In this fiscal year, the Audit & Supervisory Board considered and agreed with the Independent Auditors to framework of prior approval by the Audit & Supervisory Board on non-assurance services to be provided by the Independent Auditors, based on the revisions to International Code of Ethics for Professional Accountants issued by IESBA.

Main Activities of Audit & Supervisory Board Members:

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

- In the current fiscal year, the Audit & Supervisory Board Members increased a number of actual visits, including, interviews with managements, verifications of status of offices, factories and facilities, and interviews with employees as COVID-19 infections in Japan and oversea decreased. In such visits, the Audit & Supervisory Board Member put their particular emphasis on HSE matters, which was one of our audit priorities. In the current fiscal year, the Audit & Supervisory Board emphasized the importance of obtaining feedback from the full-time members of audit & supervisory board in our Japanese affiliate companies, and, in actual visits, the Audit & Supervisory Board Members had face-to-face meetings individually with them.

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	(*2)
Obtaining reports and information from full-time members of affiliate companies' Audit & Supervisory Boards (reports on the audit activities of affiliate companies' Audit & Supervisory Boards, meetings with affiliate companies' Audit & Supervisory Boards or individual members thereof, individual meetings with full-time members of audit & supervisory board in our Japanese affiliate companies in actual visits thereto)	Yes	Yes
Surveys of the development and administration of internal control systems (e.g., through attendance at the internal audit review meetings and J-SOX Committee meetings, and perusal of documents related to important resolutions)	Yes	
Visits to domestic and overseas offices, branches, overseas trading subsidiaries, Affiliated Companies to be Monitored Designated etc. by the Audit & Supervisory Board (Oversea countries visited are the United States of America, Mexico, Italy, Morocco, United Arab Emirates, Indonesia, Malaysia, Australia, Singapore, Thailand, India, Bangladesh and Brazil.)	Yes	Yes
Communication with Independent Auditors on their audit and review activities (monthly meetings with the Independent Auditors)	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 External Members of the Audit & Supervisory Board participated to part of information-sharing meetings with corporate divisions.

2) Status of the Internal Auditing

- Based on the instruction 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, 2023, is as follows: of a total of 70 people, which includes one General Manager, 31 internal auditors (including 13 re-employed retired contract employees), 28 auditing managers, and 10 staff members; 62 people are stationed in the Internal Auditing Division in the Head Office and 8 people are stationed 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 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. Internal audit activities are directly communicated on a regular basis to the Board of Directors and to the Audit & Supervisory Board Members.

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
    - ・50 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
  ・Yoichi Matsushita
  ・Yoshio Oka

- The members of assistants involved in auditing work
  ・The number of assistants involved in auditing work is 124 people as of March 31, 2023, and this number is comprised of 31 certified public accountants, 22 members who passed the Certified Public Accountants examination, and 71 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, 2023, 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, 2024.

- 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 Global Controller Division and Internal Auditing Division, and interviews with managers, persons in charge, and other related persons of such Divisions

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 among the Global Controller Division, Internal Auditing Division 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, 2023 and 2022.

Classification	Year ended March 31, 2023		Year ended March 31, 2022	
	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	805	14	810	4
Consolidated subsidiaries	750	7	726	14
Total	1,555	21	1,536	18

(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, 2023 and 2022.

Classification	Year ended March 31, 2023		Year ended March 31, 2022	
	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	9	156	7	127
Consolidated subsidiaries	2,698	431	2,284	200
Total	2,707	587	2,291	327

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.

- When the Internal Auditing Division prepares its draft internal audit report, Full-time Audit & Supervisory Board Members attend the session for exchanging opinions with the Internal Auditing Division based on the draft report. In addition, Full-time Audit & Supervisory Board Members hold monthly meetings and on an ad-hoc basis with the Internal Auditing Division for implementing efficient audits. Furthermore, Full-time Audit & Supervisory Board Members in principle attend all of the feedback sessions on regular internal audits by the Internal Auditing Divisions. 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. When necessary, the Audit & Supervisory Board and the Internal Auditing Division jointly conduct site visits.

- 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.

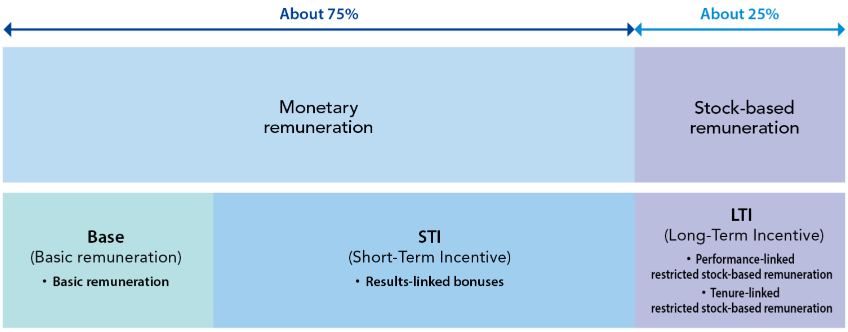
(4) Remuneration of Directors and Audit & Supervisory Board Members

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 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 level, proportions, etc. 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 fiscal year ended March 31, 2023, 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 remuneration for Directors of the Company is comprised of basic fixed remuneration, results-linked bonuses based on important management indicators for the Company, and performance-linked restricted stock-based remuneration and tenure-linked and 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. The summary of our executive remuneration for the fiscal year is as follows.

<table>
<tr><th>Eligible Persons</th><th>Type of Remuneration</th><th>Consideration</th><th>Maximum Amount</th><th>Overview</th></tr>
<tr><td rowspan="3">Directors (excluding External Directors)</td><td>Long-term Incentive
Variable Stock-based Remuneration
Performance-linked restricted stock-based remuneration</td><td>Stock</td><td>¥300mil</td><td>• Performance linkage conditions: The initial evaluation period consists of the three fiscal years from the fiscal year ended March 31, 2023, which is the initial applicable fiscal year, to the fiscal year ending March 31, 2025. During the initial evaluation period, the amount of the remuneration will be linked to achievement of each of the management indicators (i.e., ROE and ESG elements, including response to climate change) within a variation range of 80%-120%.
• Restriction on Transfer Period: 30 years
• Lifting of the Restriction on Disposal: At the end of the Restriction on Transfer Period or upon the retirement as a director and managing officer
• Clawback provisions</td></tr>
<tr><td>Long-term Incentive
Fixed Stock-based Remuneration
Tenure-linked restricted stock-based remuneration</td><td>Stock</td><td>¥500mil</td><td>• The number of shares of common stock determined according to rank is provided.
• Restriction on Transfer Period: 30 years
• Lifting of the Restriction on Disposal: At the end of the Restriction on Transfer Period or upon the retirement as a director and managing officer
• Clawback provisions</td></tr>
<tr><td>Short-term Incentive
Variable Monetary Remuneration
Results-linked bonuses</td><td>Monetary</td><td>¥1,500mil</td><td>• Total payment amount = (Consolidated profit for the year (attributable to owners of the parent) x 50% x 0.12%) + (Core Operating Cash Flow x 50% x 0.12%)
• Amount individually paid = Total payment amount x (Position points / Sum of position points)
<table><tr><td>Position</td><td>Chair</td><td>President</td><td>Exective Vice President</td><td>Senior Exective Managing Officer</td><td>Exective Managing Officer</td></tr><tr><td>Points</td><td>10</td><td>20</td><td>7</td><td>6</td><td>5</td></tr></table></td></tr>
<tr><td>Directors</td><td>Fixed Monetary Remuneration
Fixed basic remuneration</td><td>Monetary</td><td>¥1,000mil</td><td>• The amount determined according to rank is paid
• Purchase of the Company's stocks from the director's fixed basic remuneration through Mitsui Executives' Shareholding Association</td></tr>
<tr><td>Audit & Supervisory Board Members</td><td>Fixed basic remuneration</td><td>Monetary</td><td>¥240mil</td><td>• The amount determined by discussions among the Audit & Supervisory Board Members is paid.</td></tr>
</table>

(*)No retirement compensation to Directors and Audit & Supervisory Board Members.

The portion of remuneration for Directors (excluding External Directors) for the fiscal year ended March 31, 2023 is approximately 3:1 for monetary remuneration: stock-based remuneration, and approximately 1:2:1 for basic remuneration: short-term incentive: long-term incentive.



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 (starting from the fiscal year ended March 31, 2023, the calculation was revised to the following formula as decided by the Board of Directors after receiving a report from the Remuneration Committee affirming that the revision is appropriate).

b) Total payment amount = (Consolidated profit for the year (attributable to owners of the parent) x 50% x 0.12%) + (Core Operating Cash Flow x 50% x 0.12%)

* The maximum total payment amount to be paid has changed to ¥1.5 billion starting in the fiscal year ended 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	20	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, 2024 (consolidated profit (attributable to owners of the parent) of ¥880 billion and Core Operating Cash Flow of ¥870 billion), the amounts that may be paid for each position are as follows:

Sum of position points	=	10 points × 1 person + 20 points × 1 person + 7 points × 2 persons + 6 points × 5 persons	=	74 points
Total Payment amount	=	(Consolidated profit for the year (attributable to owners of the parent) ¥880.0 billion x 50% x 0.12%)+(Core Operating Cash Flow ¥870.0 billion x 50% x 0.12%)	=	¥1,050.0 million
Chair	=	¥1,050.0 million × 10 points / 74 points	=	¥141.89 million
President	=	¥1,050.0 million × 20 points / 74 points	=	¥283.78 million
Executive Vice President	=	¥1,050.0 million × 7 points / 74 points	=	¥99.32 million
Senior Executive Managing Officer	=	¥1,050.0 million × 6 points / 74 points	=	¥85.14 million

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

a) As an incentive to continuously improve our medium- to long-term performance and corporate value while fulfilling our social responsibilities, the shares of the Company's common stock, with an established transfer restriction period, are delivered ex post according to the level of achievement of the Company's key management indicators as of the end of the evaluation period. The evaluation period is three fiscal years, and the initial evaluation period consists of the three fiscal years from the fiscal year ended March 31, 2023, which is the initial applicable fiscal year, to the fiscal year ending March 31, 2025. After the initial evaluation period, the evaluation period is the three fiscal years immediately preceding the granting year, and the shares of the common stock granted every 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 (i.e., ¥300 million).

(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, within a range that is not especially advantageous to the Directors.

(c) Details of performance linkage conditions

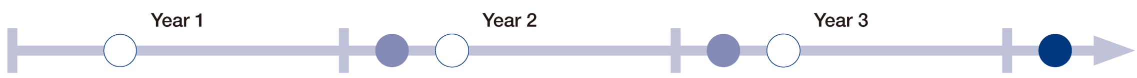
For the performance indicators during the initial evaluation period, as the management indicators that the Company focuses on, the Company selects ESG elements, including the response to climate change, and ROE as explained below, and the amount of remuneration varies within a range from 80% to 120% according to the level of achievement of each indicator for the targets established by the Company. Since this system was introduced in the fiscal year ended March 31, 2023, and the initial evaluation period ends in the fiscal year ending March 31, 2025, there are no actual performance indicators for this evaluation period. Considering the accelerating pace of change in the surrounding global business environment, the Company needs to constantly review the management indicators, etc. that the Company must focus on. Accordingly, the appropriateness of the management indicators, targets, etc., the progress in achieving them and other related matters are regularly reviewed by the Remuneration Committee and the Board of Directors and are revised as necessary. In addition, during the evaluation period, the Company will not provide this stock-based remuneration if the Board of Directors determines that the provision of the stock-based remuneration would be inappropriate, particularly in the event of a mishap or impropriety deemed critical from the perspective of the Company's key management indicators (clawback provisions).

Performance-linked remuneration conditions for the fiscal year ended March 31, 2023

	Elements	Indicators for Evaluation (FY ended March 31, 2023)
ESG (20%)	E	• Progress made in the business initiatives for halving the GHG impact by 2030 (compared to 2020) and achieving net-zero emissions by 2050. • Evaluation in the range of 80-120 points according to the level of achievement for each indicator. • Consideration of improvement in evaluation by third-party organizations, contribution to external initiatives and improvement in disclosure when conducting comprehensive evaluation.
	S	• Change in the positive response rate regarding "employee engagement" in Mitsui Engagement Survey compared with the previous fiscal year. • Evaluation in the range of 80-120 points according to the change in the positive response. • Consideration of progress on Diversity & Inclusion when conducting comprehensive evaluation.
	G	• Average score of the responses (five-point scale) by all External Members regarding important questions in the evaluation of effectiveness of the Board of Directors. • In principle, evaluation in the range of 80-120 points according to the average score. However, the score will be determined by comprehensive consideration after factor analysis if the average score is less than two points out of five. • Consideration of improvement in evaluation by third-party organizations and improvement in disclosure when conducting comprehensive evaluation.
ROE (80%)	• Evaluation in the range of 80-120 points according to the level of achievement, referring to the ROE target set as a KPI in the Medium-term Management Plan.	

Final Evaluation	• Final score = ROE ×ROE evaluation ratio+ (E+S+G) ÷3×ESG evaluation ratio (For the fiscal year ended March 31, 2023, evaluation ratio is 80% for ROE and 20% for ESG) • The final score will be determined by the Board of Directors based on deliberations by the Remuneration Committee, considering the progress during the three-year period.

Decision-making process of performance-linkage conditions and evaluation



Beginning of each fiscal year

Each evaluation indicator and evaluation method is referred to the Corporate Management Committee and approved by the Board of Directors after the deliberations by the Remuneration Committee.

End of each fiscal year

The interim evaluation for the purpose of progress check is referred to the Corporate Management Committee after end of each fiscal year and reported to the Board of Directors after the deliberations by the Remuneration Committee.

After 3 years

Final evaluation result proposal is determined by the Corporate Management Committee considering the progress during the three-year period and finalized by the resolution of Board of Directors after the deliberations by the Remuneration Committee.

(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 and 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) Tenure-linked restricted stock-based remuneration (restricted stock):

a) As a medium- to long term incentive to maximize the value of our shares, a tenure-linked restricted stock-based remuneration will be issued. The purpose is to call medium- to long-term attention of Directors to improve our corporate value.

b) Number of shares granted:
The number of shares of common stock determined according to rank.

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 (i.e., ¥500 million).

(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, 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 and 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.

(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).

Share Ownership Guidelines

<table>
<tr><th colspan="2">Eligible persons</th><th>Target for the ownership of the Company's shares</th></tr>
<tr><td rowspan="2">Directors (excluding External Directors)</td><td>President and Chief Executive Officer</td><td>Ownership of the Company's shares equivalent to three times the basic remuneration (annual amount)</td></tr>
<tr><td>Other Directors</td><td>Ownership of the Company's shares equivalent to the basic remuneration (annual amount)</td></tr>
</table>

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.

<table>
<tr><th></th><th colspan="2">Basic remuneration</th><th>Bonus</th><th>Performance-linked and restricted-stock-based remuneration</th><th>Tenure-linked and restricted-stock-based remuneration</th></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>¥300 million</td><td>¥500 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, 2023 was as follows:

Category of position	Number of recipients	Basic remuneration	Bonus	Stock compensation (Performance-linked)	Stock compensation (Tenure-linked)	Total remuneration
Directors (Excluding External Directors)	13	¥685 million	¥1,402 million	¥ 256 million	¥ 353 million	¥2,696 million
Audit & Supervisory Board Members (Excluding External Audit & Supervisory Board Members)	2	¥150 million	-	-	-	¥150 million
External Directors	5	¥109 million	-	-	-	¥109 million
External Audit & Supervisory Board Members	4	¥62 million	-	-	-	¥62 million
Total	24	¥1,007 million	¥1,402 million	¥ 256 million	¥ 353 million	¥3,017 million

(Notes) 1. Bonuses shown above are not paid yet on the date of the issuance of this report.

2. The Stock Compensation (Performance-linked) above shows the amount recognized as expenses during the fiscal year ended March 31, 2023 because the initial evaluation period for the performance-linked restricted stock-based remuneration is the three fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025 and the amount has not been determined at this time.

3. In addition to the amounts shown above, Mitsui paid pensions (resolution for payments made prior to the abolition of such program) of ¥399 million to 89 retired Directors (excluding External Directors), and a total of ¥37 million to 11 retired Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members) in the fiscal year ended March 31, 2023.

4. 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, 2023.
The individual amount of remuneration earned by all 9 of the Internal Directors.

Name	Category of position	Payer	Basic remuneration	Bonus	Stock compensation (Performance-linked)	Stock compensation (Tenure-linked)	Total remuneration
Tatsuo Yasunaga	Director	Mitsui	¥114 million	¥203 million	¥43 million	¥68 million	¥428 million
Kenichi Hori	Director	Mitsui	¥131 million	¥406 million	¥51 million	¥80 million	¥668 million
Yoshio Kometani	Director	Mitsui	¥76 million	¥142 million	¥29 million	¥37 million	¥284 million
Motoaki Uno	Director	Mitsui	¥63 million	¥122 million	¥23 million	¥30 million	¥238 million
Yoshiaki Takemasu	Director	Mitsui	¥62 million	¥122 million	¥23 million	¥30 million	¥238 million
Kazumasa Nakai (Note 1)	Director	Mitsui	¥42 million	¥102 million	¥21 million	¥27 million	¥192 million
Tetsuya Shigeta (Note 1)	Director	Mitsui	¥42 million	¥102 million	¥21 million	¥27 million	¥192 million

Name	Category of position	Payer	Basic remuneration	Bonus	Stock compensation (Performance-linked)	Stock compensation (Tenure-linked)	Total remuneration
Makoto Sato (Note 1)	Director	Mitsui	¥42 million	¥102 million	¥21 million	¥27 million	¥192 million
Toru Matsui (Note 1)	Director	Mitsui	¥42 million	¥102 million	¥21 million	¥27 million	¥193 million

(Notes) 1. The remuneration amounts for Mr. Kazumasa Nakai, Mr. Tetsuya Shigeta, Mr. Makoto Sato and Mr. Toru Matsui, who were newly elected at the 103rd Ordinary General Meeting of Shareholders held on June 22, 2022, were limited to the Directors' remuneration paid during 9 months after the election.

2. The Stock Compensation (Performance-linked) above shows the amount recognized as expenses during the year ended March 31, 2023 because the initial evaluation period for the performance-linked restricted stock-based remuneration is the three fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025 and the amount has not been determined at this time.

3. The remuneration paid for each of the External Directors, Audit & Supervisory Board Members and directors who retired at the 103rd Ordinary General Meeting of Shareholders held on June 22, 2022 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, 2023 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, 2023 were as follows.

Initial plan: ¥800.0 billion for consolidated profit for the period attributable to owners of the parent, ¥950.0 billion for Core Operating Cash Flow

Results: ¥1,130.6 billion for consolidated profit for the period attributable to owners of the parent, ¥1,205.5 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, 2023 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, 2023

Eligible stock options	Stock options based on a resolution of the Board of Directors on July 3, 2019
Stock price conditions achieved	Growth rate of Mitsui's share price (including dividends): 199.40% TOPIX growth: 120.65% Exercisable stock options: 100% of the options granted

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 February 3, 2023 (see 1), ii) above). After deliberating on this formula, the Remuneration Committee reported to the meeting of the Board of Directors held on February 3, 2023 that the formula 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

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 are as follows.

(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. Based on such business model, our criterion for the classification of stocks for investment held for pure investment purposes is “Investment held for the purposes of realizing gains solely arising from changes in the value of shares or dividends thereon”. We define 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.

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 50 stocks listed as Specified Investment Shares (Amount on balance sheet for the current business year: ¥384,085 million), the purpose for holding the major investees and the amount on balance sheet are as follows, the total amount of which is ¥176,379 million.

1. Seven & i Holdings Co., Ltd. (Amount on balance sheet: ¥96,929 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: ¥55,030 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 brand & retail business area. Through engaging in transactions in the development, manufacturing and supply of sports apparel-related materials and products, and in co-exploration to seek opportunities for new business creation 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: ¥24,419 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	246	53,880
Stocks excluding unlisted stocks	105	408,415

(Issues which number of shares increased in the year ended March 31, 2023)

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	19	14,489	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	2	1,603	Same as above

(Issues which number of shares decreased in the year ended March 31, 2023)

Classification	Number of issues (Issue)	Sales proceed associated to the decrease in shares (Millions of Yen)
Unlisted stocks	15	9,999
Stocks excluding unlisted stocks	20	14,680

(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 Specified Investment Shares and Deemed Stockholdings

Specified Investment Shares

Issue	2023	2022	Purpose of holding, outline of business alliance, etc., 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)		
Seven & i Holdings	16,222,480	16,222,480	Refer to the 2)-i) above for the purpose of holding.	no
	96,929	94,301		
GOLDWIN	4,367,504	4,367,504	Same as above	yes
	55,030	27,122		
Yamato Kogyo	4,573,000	4,573,000	Same as above	no
	24,419	16,988		
Yamaha Motor	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
	14,853	11,831		

Issue	2023	2022	Purpose of holding, outline of business alliance, etc., 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)		
TOYOTA MOTOR	7,500,000	7,500,000	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.	yes
	14,100	16,668		
Mitsui Chemicals	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
	11,846	10,734		
MODEC	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., and has entered into a business alliance agreement to jointly promote such business by mutually utilizing management resources, know-how, brands, customer bases, etc. as a strategic partner.	no
	11,725	10,693		
KATO SANGYO	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
	11,067	9,995		
Toray Industries	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
	10,420	8,800		
TBS HOLDINGS	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
	8,168	7,662		

Issue	2023	2022	Purpose of holding, outline of business alliance, etc., 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)		
BIPROGY	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
	7,957	7,627		
NIPPON STEEL	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
	7,675	5,340		
Mitsui Fudosan	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
	7,452	7,860		
Sumitomo Metal Mining	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
	7,341	8,961		
J-OIL MILLS	4,175,422	4,175,422	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.	yes
	6,350	6,709		
NIPPN	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 and processed food businesses.	yes
	5,559	5,569		

Issue	2023 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	2022 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
TOYO ENGINEERING	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 renewable power plants, carbon neutral related plants, ammonia / urea fertilizer chemical plants, petrochemical plants, etc.	yes
	4,946	5,576		
Nippon Soda	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 business and agrochemicals business.	yes
	4,684	3,420		
TOSOH	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
	4,036	4,075		
AIR WATER	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 the overseas industrial gas market, and entered into a strategic alliance agreement aimed at global collaboration centered on the industrial gas business.	no
	3,960	4,103		
Showa Sangyo	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 businesses.	no
	3,906	4,031		
Kaneka	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
	3,824	3,930		

Issue	2023 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
ZEON	2,352,000 3,290	2,352,000 3,208	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
IHI	939,500 3,119	939,500 2,771	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
Denka	1,087,400 2,974	1,087,400 3,697	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
Mitsuboshi Belting	750,000 2,951	750,000 1,520	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
MS & AD Insurance Group Holdings	684,900 2,812	904,900 3,599	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
Morinaga	686,200 2,576	686,200 2,614	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 and confectionary ingredients businesses.	no

Issue	2023 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	2022 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
GODO STEEL	730,882	*	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
	2,481	*		
TV TOKYO Holdings	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
	2,479	1,994		
KYOEI STEEL	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 resource recycling business, etc.	no
	2,363	1,968		
Shin Nippon Air Technologies	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
	2,361	2,442		
ISHIHARA SANGYO KAISHA	2,019,200	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-related products and titanium ore.	no
	2,251	2,174		
Tayca	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
	2,094	2,303		

Issue	2023 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
DaikyoNishikawa	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
	2,078	1,740		
TAKARA HOLDINGS	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
	2,044	2,202		
S Foods	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
	2,009	2,314		
Mitsubishi UFJ Financial Group	2,326,000	2,326,000	The Company holds shares mainly for the purpose of building, maintaining or strengthening financial business relationships.	yes
	1,972	1,768		
Yantai north Andre juice	17,570,000	18,340,000	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
	1,948	1,721		
JK Holdings	1,679,454	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
	1,731	3,821		

Issue	2023 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
Hankuk Carbon	1,318,822	1,318,822	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
	1,669	1,569		
ADEKA	737,600	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
	1,665	1,994		
Sumitomo Mitsui Financial Group	296,550	593,100	The Company holds shares mainly for the purpose of building, maintaining or strengthening financial business relationships.	yes
	1,571	2,317		
IINO KAIUN KAISHA	1,500,000	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 shipping business.	no
	1,506	1,239		
Khonburi Sugar	66,666,666	*	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 sugar.	no
	1,459	*		
Lhyfe	1,269,842	-	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 hydrogen production and related areas. In addition, the number of shares increased due to exercise of conversion rights of bonds.	no
	1,363	-		

Issue	2023	2022	Purpose of holding, outline of business alliance, etc., 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)		
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
	1,313	2,072		
Perusahaan Sadur Timah Malaysia	9,362,500	*	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
	1,294	*		
RIKEN TECHNOS	2,101,000	*	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 PVC resin, PVC compounds, etc.	yes
	1,237	*		
CENTRAL SECURITY PATROLS	445,335	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
	1,207	1,115		
JFE Holdings	-	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. All of the shares were sold during the current fiscal year.	no
	-	2,333		
T&D Holdings	-	1,177,000	The Company holds shares mainly for the purpose of building, maintaining or strengthening financial business relationships. All of the shares were sold during the current fiscal year.	yes
	-	1,966		

Issue	2023 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
Japan Airlines	*	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		
Nitto Denko	-	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. All of the shares were sold during the current fiscal year.	no
	-	1,532		
Shochiku	*	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	*	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		

(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, 2023. The shares not held as of March 31, 2023 are based on the register of shareholders as of March 31, 2022. 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.

Deemed Stockholdings

Issue	2023 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	2022 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
TOYOTA MOTOR	11,231,000	11,231,000	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
	21,114	24,960		
Mitsui Chemicals	3,474,000	3,474,000	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
	11,846	10,734		
MS & AD Insurance Group Holdings	2,030,100	2,030,100	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
	8,335	8,075		
Mitsui Fudosan	2,801,000	2,801,000	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
	6,957	7,338		
Mitsui O.S.K. Lines	1,999,500	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. In addition, the number of shares increased due to a stock split.	yes
	6,618	2,279		
Toyo Suisan Kaisha	994,000	994,000	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.	no
	5,516	4,343		

Issue	2023	2022	Purpose of holding, outline of business alliance, etc., 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)		
Katakura Industries	2,200,000	2,200,000	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.	no
	4,083	4,903		
NIPPON STEEL	910,000	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
	2,839	1,975		
TAKARA HOLDINGS	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
	2,217	2,389		
SANYO SHOKAI	757,800	*	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
	1,179	*		

(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.
In addition, as for notes 1 through 3 for Specified Investment Shares, Deemed Stockholdings are treated in the same manner.

3) Stocks for investment held for pure investment purposes

Classification	Year ended March 31, 2023		Year ended March 31, 2022	
	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	9	91,279	8	81,145
Stocks excluding unlisted stocks	9	697,181	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, 2023		
	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	26,420	0	(Note 1)
Stocks excluding unlisted stocks	46,137	66,102	324,109 [(17,166)](Note 2)

(Notes) 1. For unlisted stocks, “Total amount of valuation gain or loss” has not been provided because they have no market price, and thus their fair value is extremely difficult to determine.

2. The figure shown in square brackets in “Total amount of valuation gain or loss” represents the amount of impairment recognized in the current fiscal year that is included in the total.

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)
LanzaTech Global	6,310,884	3,269

(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, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2023	2022	2023
ASSETS			
Current Assets:			
Cash and cash equivalents (Notes 2 and 16)	¥ 1,390,130	¥ 1,127,868	$ 10,374
Trade and other receivables (Notes 2, 7, 8, 9, 16 and 21)	2,191,181	2,303,140	16,352
Other financial assets (Notes 2, 8 and 24)	772,984	997,862	5,769
Inventories (Notes 2, 8, 10 and 24)	940,543	949,663	7,019
Advance payments to suppliers	226,692	183,370	1,692
Other current assets	153,303	154,780	1,144
Total current assets	5,674,833	5,716,683	42,350
Non-current Assets:			
Investments accounted for using the equity method (Notes 2, 5, 6, 16 and 29)	3,929,636	3,387,371	29,326
Other investments (Notes 2, 8, 16, 24 and 29)	2,134,103	2,347,414	15,926
Trade and other receivables (Notes 2, 7, 8, 9, 16, 21, 24 and 29)	320,040	319,977	2,388
Other financial assets (Notes 2, 8 and 24)	208,021	167,845	1,552
Property, plant and equipment (Notes 2, 9, 11, 14 and 16)	2,300,607	2,190,902	17,169
Investment property (Notes 2, 9 and 12)	282,497	318,570	2,108
Intangible assets (Notes 2 and 13)	277,316	253,039	2,070
Deferred tax assets (Notes 2 and 23)	105,197	100,743	785
Other non-current assets	148,666	120,746	1,109
Total non-current assets	9,706,083	9,206,607	72,433
Total assets	¥ 15,380,916	¥ 14,923,290	$ 114,783

Consolidated Statements of Financial Position—(Continued)
Mitsui & Co., Ltd. and subsidiaries
March 31, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2023	2022	2023
LIABILITIES AND EQUITY			
Current Liabilities:			
Short-term debt (Notes 15, 16 and 26)	¥ 432,233	¥ 281,831	$ 3,226
Current portion of long-term debt (Notes 8, 9, 15, 16 and 26)	810,999	410,257	6,052
Trade and other payables (Notes 2 and 15)	1,510,391	1,739,149	11,272
Other financial liabilities (Notes 2, 8, 15, 24 and 25)	621,979	1,003,156	4,642
Income tax payables (Notes 2 and 23)	49,335	68,456	368
Advances from customers (Note 21)	234,946	202,074	1,753
Provisions (Notes 2 and 17)	58,952	48,589	440
Other current liabilities	47,802	55,114	356
Total current liabilities	3,766,637	3,808,626	28,109
Non-current Liabilities:			
Long-term debt, less current portion (Notes 8, 9, 15, 16 and 26)	3,797,328	4,185,375	28,338
Other financial liabilities (Notes 2, 8, 15, 24, 25 and 29)	223,381	147,031	1,667
Retirement benefit liabilities (Notes 2 and 18)	36,998	38,045	276
Provisions (Notes 2 and 17)	310,513	266,161	2,317
Deferred tax liabilities (Notes 2 and 23)	648,263	653,979	4,838
Other non-current liabilities	32,648	28,657	244
Total non-current liabilities	5,049,131	5,319,248	37,680
Total liabilities	8,815,768	9,127,874	65,789
Equity: (Note 19)			
Common stock	342,560	342,384	2,556
Capital surplus	381,869	376,516	2,850
Retained earnings	4,840,510	4,165,962	36,123
Other components of equity (Notes 2 and 8)	868,963	827,441	6,486
Treasury stock	(66,152)	(107,098)	(494)
Total equity attributable to owners of the parent	6,367,750	5,605,205	47,521
Non-controlling interests (Note 2)	197,398	190,211	1,473
Total equity	6,565,148	5,795,416	48,994
Total liabilities and equity	¥ 15,380,916	¥ 14,923,290	$ 114,783

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Mitsui & Co., Ltd. and subsidiaries

Years Ended March 31, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2023	2022	2023
Revenue (Notes 2, 5, 6, 8, 21 and 24)	¥ 14,306,402	¥ 11,757,559	$ 106,764
Cost (Notes 2, 5, 8 and 24)	(12,910,174)	(10,616,188)	(96,345)
Gross Profit (Note 6)	1,396,228	1,141,371	10,419
Other Income (Expenses):			
Selling, general and administrative expenses (Notes 2, 7, 13, 18 and 22)	(702,809)	(596,311)	(5,245)
Gain (loss) on securities and other investments-net (Notes 2, 5, 8 and 24)	59,524	8,705	444
Impairment reversal (loss) of fixed assets-net (Notes 2, 11, 13 and 14)	(29,975)	(19,117)	(224)
Gain (loss) on disposal or sales of fixed assets-net (Notes 11 and 13)	19,436	14,480	145
Other income (expense)-net (Notes 2, 14 and 24)	9,248	14,909	70
Total other income (expenses)	(644,576)	(577,334)	(4,810)
Finance Income (Costs) (Notes 2 and 8)**:**			
Interest income	47,757	19,999	356
Dividend income	154,942	196,505	1,157
Interest expense (Note 17)	(114,582)	(47,324)	(855)
Total finance income (costs)	88,117	169,180	658
Share of Profit (Loss) of Investments Accounted for Using the Equity Method (Notes 2, 5, and 6)	555,526	431,263	4,146
Profit before Income Taxes	1,395,295	1,164,480	10,413
Income Taxes (Notes 2 and 23)	(240,668)	(226,810)	(1,796)
Profit for the Year	¥ 1,154,627	¥ 937,670	$ 8,617
Profit for the Year Attributable to:			
Owners of the parent (Note 6)	¥ 1,130,630	¥ 914,722	$ 8,438
Non-controlling interests	23,997	22,948	179

	Yen		U.S. Dollars (Note 2)
Earnings per Share Attributable to Owners of the Parent (Notes 2 and 20):			
Basic	¥ 721.82	¥ 561.61	$ 5.39
Diluted	¥ 721.41	¥ 561.38	$ 5.38

Consolidated Statements of Income and Comprehensive Income—(Continued)
Consolidated Statements of Comprehensive Income
Mitsui & Co., Ltd. and subsidiaries
Years Ended March 31, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2023	2022	2023
Comprehensive Income:			
Profit for the year	¥ 1,154,627	¥ 937,670	$ 8,617
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Financial assets measured at FVTOCI (Notes 2, 8 and 29)	(238,455)	163,811	(1,780)
Remeasurements of defined benefit pension plans (Notes 2 and 18)	9,343	18,946	70
Share of other comprehensive income of investments accounted for using the equity method (Notes 5)	(12,811)	(19,631)	(96)
Income tax relating to items not reclassified (Note 19)	45,527	(55,126)	340
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments (Notes 2 and 8)	(24,268)	98,171	(181)
Cash flow hedges (Notes 2 and 8)	30,209	(68,334)	225
Share of other comprehensive income of investments accounted for using the equity method (Note 5)	297,685	331,753	2,222
Reclassification adjustments	6,477	10,352	48
Income tax relating to items that may be reclassified (Note 19)	(17,444)	(6,624)	(130)
Total other comprehensive income	96,263	473,318	718
Comprehensive Income for the Year	¥ 1,250,890	¥ 1,410,988	$ 9,335
Comprehensive Income for the Year Attributable to:			
Owners of the parent	¥ 1,224,588	¥ 1,370,647	$ 9,139
Non-controlling interests (Note 19)	26,302	40,341	196

Consolidated Statements of Changes in Equity
Mitsui & Co., Ltd. and subsidiaries
Years Ended March 31, 2023 and 2022

	Attributable to owners of the parent							
Millions of Yen	**Common Stock**	**Capital Surplus**	**Retained Earnings**	**Other Components of Equity**	**Treasury Stock**	**Total**	**Non-controlling Interests**	**Total Equity**
Balance as at April 1, 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
Profit for the year			1,130,630			1,130,630	23,997	1,154,627
Other comprehensive income for the year (Notes 2, 8 and 19)				93,958		93,958	2,305	96,263
Comprehensive income for the year			1,130,630	93,958		1,224,588	26,302	1,250,890
Transaction with owners:								
Dividends paid to the owners of the parent (per share ¥125)			(198,082)			(198,082)		(198,082)
Dividends paid to non-controlling interest shareholders							(22,380)	(22,380)
Acquisition of treasury stock					(270,257)	(270,257)		(270,257)
Sales of treasury stock		(252)	(284)		537	1		1
Cancellation of treasury stock			(310,666)		310,666	-		-
Compensation costs related to share-based payment	176	3,906				4,082		4,082
Equity transactions with non-controlling interest shareholders (Notes 2 and 19)		1,699		514		2,213	3,265	5,478
Transfer to retained earnings (Notes 2 and 19)			52,950	(52,950)		-		-
Balance as at March 31, 2023	¥ 342,560	¥ 381,869	¥ 4,840,510	¥ 868,963	¥ (66,152)	¥ 6,367,750	¥ 197,398	¥ 6,565,148

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, 2022	$ 2,555	$ 2,810	$ 31,089	$ 6,175	$ (799)	$ 41,830	$ 1,419	$ 43,249
Profit for the year			8,438			8,438	179	8,617
Other comprehensive income for the year (Notes 2, 8 and 19)				701		701	17	718
Comprehensive income for the year			8,438	701		9,139	196	9,335
Transaction with owners:								
Dividends paid to the owners of the parent (per share $0.93)			(1,478)			(1,478)		(1,478)
Dividends paid to non-controlling interest shareholders							(166)	(166)
Acquisition of treasury stock					(2,017)	(2,017)		(2,017)
Sales of treasury stock		(2)	(2)		4	0		0
Cancellation of treasury stock			(2,318)		2,318	-		-
Compensation costs related to share-based payment	1	29				30		30
Equity transactions with non-controlling interest shareholders (Notes 2 and 19)		13		4		17	24	41
Transfer to retained earnings (Notes 2 and 19)			394	(394)		-		-
Balance as at March 31, 2023	$ 2,556	$ 2,850	$ 36,123	$ 6,486	$ (494)	$ 47,521	$ 1,473	$ 48,994

Consolidated Statements of Cash Flows
Mitsui & Co., Ltd. and subsidiaries
Years Ended March 31, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2023	2022	2023
Operating Activities:			
Profit for the year	¥ 1,154,627	¥ 937,670	$ 8,617
Adjustments to reconcile profit for the year to cash flows from operating activities:			
Depreciation and amortization	272,689	296,396	2,035
Change in retirement benefit liabilities	(11,708)	6,689	(87)
Loss allowance	18,857	20,238	141
(Gain) loss on securities and other investments-net	(59,524)	(8,705)	(444)
Impairment (reversal) loss of fixed assets-net	29,975	19,117	224
(Gain) loss on disposal or sales of fixed assets-net	(19,436)	(14,480)	(145)
Interest income, dividend income and interest expense	(123,867)	(199,875)	(924)
Income taxes	240,668	226,810	1,796
Share of (profit) loss of investments accounted for using the equity method	(555,526)	(431,263)	(4,146)
Valuation (gain) loss related to contingent considerations and others	(2,137)	(4,624)	(16)
Changes in operating assets and liabilities:			
Change in trade and other receivables	216,139	(416,102)	1,613
Change in inventories	53,699	(291,352)	401
Change in trade and other payables	(295,922)	369,080	(2,208)
Change in accounts payable-other	(79,430)	113,238	(593)
Change in derivative assets and liabilities	(40,011)	(85,478)	(299)
Other-net	(77,895)	(96,784)	(584)
Interest received	84,250	50,824	629
Interest paid	(96,668)	(49,278)	(721)
Dividends received	574,208	554,764	4,285
Income taxes paid	(264,980)	(215,598)	(1,977)
Income taxes refunded	29,529	25,609	220
Cash flows from operating activities	1,047,537	806,896	7,817
Investing Activities (Note 26):			
Change in time deposits	37,048	794	276
Investments in equity accounted investees	(238,613)	(92,131)	(1,781)
Proceeds from sales of investments in equity accounted investees	135,185	65,064	1,009
Purchases of other investments	(100,431)	(106,017)	(749)
Proceeds from sales and maturities of other investments	134,297	62,256	1,002
Increases in loan receivables	(27,875)	(28,759)	(208)
Collections of loan receivables	23,689	78,764	177
Purchases of property, plant and equipment	(228,065)	(185,525)	(1,702)
Proceeds from sales of property, plant and equipment	38,022	28,889	284
Purchases of investment property	(12,303)	(26,428)	(92)
Proceeds from sales of investment property	60,705	21,902	453
Cash flows from investing activities	(178,341)	(181,191)	(1,331)
Financing Activities (Note 26):			
Change in short-term debt	168,678	(82,522)	1,259
Proceeds from long-term debt	1,041,157	1,206,573	7,770
Repayments of long-term debt	(1,258,804)	(1,261,549)	(9,394)
Repayments of lease liabilities (Note 6)	(65,454)	(55,630)	(488)
Purchases and sales of treasury stock	(270,246)	(174,915)	(2,017)
Dividends paid	(198,082)	(148,206)	(1,478)
Transactions with non-controlling interests shareholders	(51,934)	(98,076)	(388)
Cash flows from financing activities	(634,685)	(614,325)	(4,736)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	27,751	53,338	207
Change in Cash and Cash Equivalents	262,262	64,718	1,957
Cash and Cash Equivalents at Beginning of Year	1,127,868	1,063,150	8,417
Cash and Cash Equivalents at End of Year	¥ 1,390,130	¥ 1,127,868	$ 10,374

"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, 2023 is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥134=U.S. $1, the approximate rate of exchange at March 31, 2023. 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. The Russia-Ukraine situation and the resulting sanctions against Russia have a global impact and 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 management or, if the business plan is not available, it is based on the operating plan reflecting the most recent condition of the non-financial asset. 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 remain at US$80/bbl level during and after the next fiscal year, 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 business of the Company and its consolidated subsidiaries that is affected by climate change and of which related assets and liabilities are material is the business in the Energy Segment. The assets and liabilities may be affected by future situations.

  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, a decrease in the investment of the equity accounted investee, and a decrease in the fair value of other investments in existing projects. 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	¥717,545 million
Investments accounted for using the equity method	¥521,420 million
Other investments	¥256,805 million
Provisions (Non-current)	¥217,991 million

Changes in judgments based on assumptions and estimates which could affect the accompanying consolidated financial statements are mainly as follows.

- Impairment losses for intangible assets (See Note 13 "INTANGIBLE ASSETS")
- Revaluation of financial instruments (See Note 24 "FAIR VALUE MEASUREMENT" and Note 29 "IMPACT OF THE RUSSIA-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

<u>*Non-derivative financial assets*</u>

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.

<u>*Non-derivative financial liabilities*</u>

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 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.

<u>*Impairment of financial assets*</u>

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 mainly 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 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 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.
If 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 identifying 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, 2023 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
IAS 12	Income Taxes (amended in May 2023)	January 1, 2023	March 31, 2024	Accounting treatment and disclosures about income taxes arising from tax law enacted to implement the Pillar Two model rules published by the OECD.
IAS 1	Presentation of Financial Statements (amended in October 2022)	January 1, 2024	March 31, 2025	Disclosures about liabilities with covenants
IAS 7 IFRS 7	Statement of Cash Flows (amended in May 2023) Financial Instruments: Disclosures (amended in May 2023)	January 1, 2024	March 31, 2025	Disclosures about supplier finance arrangements

Impacts from the application of IFRS 17 "Insurance Contracts" and IAS 12 "Income Taxes" amended in May 2021 on the consolidated financial statements will be immaterial. Also, the potential impacts of that application of IAS 1 "Presentation of Financial Statements" amended in October 2022, IAS 7 "Statement of Cash Flows" amended in May 2023 and IFRS 7 "Financial Instruments: Disclosures" amended in May 2023 will have on the consolidated financial statements cannot be reasonably estimated at this time.

The potential impacts of that application of IAS 12 "Income taxes" amended in May 2023 will have on the consolidated financial statements are under investigation and cannot be reasonably estimated at this time. For the year ended March 31 2023, the companies have retrospectively applied the temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

VII. RECLASSIFICATION

Certain reclassifications and format changes have been made to amounts of the Consolidated Statements of Cash Flows for the year ended March 31, 2022 to confirm to the current period presentation.

3. BUSINESS COMBINATIONS

No material business combinations were completed during the year ended March 31, 2022 and 2023.

After the reporting period but before the financial statements are issued, the following business combinations occurred.

Acquisition of Additional Shares in AIM SERVICES CO., LTD.

On April 6, 2023, the Company acquired 50% equity share (equivalent to 277 stocks) of AIM SERVICES CO., LTD. ("Aim") from Aramark, a U.S. based company. The acquisition price was ¥68,790 million (USD535 million), which was paid in cash and cash equivalents on hand.
Aim was established in 1976 as a joint venture between Mitsui Group companies and Aramark. Since opening its first location as an employee cafeteria in the Company's former head office building, Aim has expanded its client base in many sectors such as offices, factories, hospitals, welfare facilities, schools, stadiums, and training facilities. Today, Aim supplies a total of around 1.3 million meals daily to approximately 3,900 facilities nationwide. The Company will continue to accelerate Aim's further growth by leveraging its comprehensive strengths and will establish "Integrated Hospitality Service" business centered on Aim, which solves clients' issues by providing diverse services, such as enhancement of health & productivity management and improvement in employee engagement.
The following table summarized the consideration paid, the fair values of the previously held equity interest, and the fair values of the assets acquired and liabilities assumed at the acquisition date. The purchase price allocation has not been completed and the fair values of the assets acquired and liabilities assumed are provisional.

		Millions of Yen
Consideration paid		68,790
Fair value of the previously held equity interest		53,656
Total	¥	122,446
Fair values of the assets acquired and liabilities assumed:		
Current assets		33,618
Intangible assets		60,853
Other non-current assets		10,816
Total assets acquired	¥	105,287
Current liabilities		(24,803)
Non-current liabilities		(21,967)
Total liabilities assumed	¥	(46,770)
Net assets acquired	¥	58,517
Goodwill		63,929
Total	¥	122,446

The Company should also recognize the revaluation gain on the previously held equity interest of 50% shares in Aim under the IFRS. Pursuant to the acquisition, the fair values of the previously held equity interest is expected to be ¥53,656 million, and the Company will recognize ¥43,449 million as the revaluation gain in the Lifestyle Segment in the head "Gain (loss) on securities and other investments-net" in the Consolidated Statements of Income for the first quarter of the year ending March 31, 2024.
Goodwill primarily consists of excess earning power and synergies with existing operations, and is non-deductible for tax purposes.

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

The Company, through its U.S. based subsidiary MEP South Texas, has completed the acquisition of approx. 92% working interest in an unconventional gas asset in Texas, U.S. from the operator, Silver Hill Eagle Ford E&P, a subsidiary of Silver Hill Energy Partners. The total consideration paid in cash was ¥35,345 million (USD263 million) which consists of the bid price and adjustments of CAPEX, costs and revenue incurred between the effective date and the closing date.
This asset (a part of the Hawkville field, approx. gross 8,500 acre) is in South Texas with access to the Gulf Coast industrial area, which includes LNG export terminals and ammonia plants. Additional gas production is expected from this asset with further development and Mitsui E&P USA, a wholly owned subsidiary of the Company, will develop and operate the asset on behalf of MEP South Texas, aiming for stable gas production of over 200 million cubic feet per day from the field, while maintaining a focus on the safety of employees, the community, and the environment.
The following table summarized the consideration paid and the fair values of the assets acquired at the acquisition date. The purchase price allocation has not been completed and the fair values of the assets acquired and liabilities assumed are provisional.

	Millions of Yen
Consideration paid	¥ 35,345
Total	¥ 35,345
Fair values of the assets acquired:	
Property, plant and equipment	¥ 35,345
Total assets acquired	¥ 35,345
Net assets acquired	¥ 35,345

4. CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries

Major consolidated subsidiaries as of March 31, 2023 were as follows:

Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of voting shares (%)
Mitsui-Itochu Iron	Mining and sales of Australian iron ore	Australia Perth	70.0
Mitsui Iron Ore Development	Mining and sales of Australian iron ore	Australia Perth	100.0
Mitsui Iron Ore Corporation	Mining and sales of Australian iron ore	Australia Perth	100.0
Mitsui & Co. Iron Ore Exploration & Mining	Mining and sales of Australian iron ore	Australia Perth	100.0
Mitsui Resources	Investments in Australian coal business	Australia Brisbane	100.0
Mitsui Oil Exploration	Exploration, development and production of oil, natural gas and geothermal energy resources	Japan Tokyo	100.0
Mitsui E&P Australia Holdings	Exploration, development and production of oil and natural gas	Australia Perth	100.0
Mitsui E&P USA	Exploration, development and production of oil and natural gas	U.S.A. Houston	100.0
MBK USA Commercial Vehicles	Investment in Penske Truck Leasing	U.S.A. Wilmington	100.0
Mitsui Bussan Commodities	Trading of energy and metals derivatives	United Kingdom London	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, 2023 and 2022.

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 mainly 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, 2023 and 2022 were as follows:

March 31, 2023:

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**
¥ 2,130,151	¥ 103,724	-	¥ 103,724

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

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, 2023 and 2022, respectively.

The companies did not provide any financial support to the SEs for the years ended March 31, 2023 and 2022.

Consolidated Structured Entities (Consolidated SEs)
There is no consolidated SE as of March 31, 2023 and 2022.

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 19.29% of Penske Automotive Group, Inc. ("PAG"). The companies entered into a shareholder's agreement with the largest shareholder group owning 50.88% 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 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, 2023 and 2022, consisted of the following:

	Millions of Yen	
	2023	**2022**
Associated companies	¥ 2,351,889	¥ 1,990,980
Joint ventures	1,577,747	1,396,391
Total	¥ 3,929,636	¥ 3,387,371

Share of profit and other comprehensive income of the equity accounted investees for the years ended March 31, 2023 and 2022 were as follows:

	Millions of Yen			
	2023		2022	
Profit (loss) for the year				
Associated companies	¥	357,563	¥	310,008
Joint ventures		197,963		121,255
Total	¥	555,526	¥	431,263
Other comprehensive income (loss)				
Associated companies	¥	116,353	¥	187,766
Joint ventures		146,883		130,696
Total	¥	263,236	¥	318,462
Total comprehensive income (loss)	¥	818,762	¥	749,725

Dividends received from the equity accounted investees for the years ended March 31, 2023 and 2022 were as follows:

	Millions of Yen			
	2023		2022	
Associated companies	¥	243,622	¥	229,086
Joint ventures		177,262		125,140
Total	¥	420,884	¥	354,226

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, 2023 and 2022 were as follows:

	Millions of Yen			
	2023		2022	
Associated companies	¥	487,256	¥	366,072
Joint ventures		149,984		114,010
Total	¥	637,240	¥	480,082

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 ¥774,710 million and ¥643,926 million at March 31, 2023 and 2022, respectively. Corresponding aggregate quoted market values were ¥969,263 million and ¥834,804 million, respectively.

The amounts of impairment losses on investments in equity accounted investees for the years ended March 31, 2023 and 2022 were ¥4,348 million and ¥11,857 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, 2023 and 2022 were as follows:
The assets mainly consisted of trade receivables, loans, accounts receivable-other and other investments and the liabilities mainly consisted of trade payables, loan payables and other financial liabilities.

	Millions of Yen			
	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Associated companies	¥ 149,592	¥ 78,695	¥ 140,224	¥ 83,120
Joint ventures	211,212	75,573	162,180	49,744
Total	¥ 360,804	¥ 154,268	¥ 302,404	¥ 132,864

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, 2023, 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 ¥610 billion at maximum. Of the total residual hire amount, approximately ¥300 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, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	2022
Revenues		
Associated companies	¥ 141,002	¥ 132,906
Joint ventures	54,388	44,067
Total	¥ 195,390	¥ 176,973
Purchases		
Associated companies	¥ 335,255	¥ 277,161
Joint ventures	166,343	122,148
Total	¥ 501,598	¥ 399,309

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, 2023 and 2022 were as follows:

Segment information

Year ended March 31, 2023:	Millions of Yen Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total
Revenue	¥ 2,220,316	¥ 3,517,077	¥ 1,115,192	¥ 3,160,663	¥ 726,180	¥ 3,306,954	¥ 259,489	¥ 14,305,871
Gross Profit	¥ 355,820	¥ 316,446	¥ 199,900	¥ 209,298	¥ 40,699	¥ 153,736	¥ 112,591	¥ 1,388,490
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 127,550	¥ 108,476	¥ 197,313	¥ 27,368	¥ 24,735	¥ 50,712	¥ 18,931	¥ 555,085
Profit (Loss) for the Year Attributable to Owners of the Parent	¥ 438,785	¥ 309,382	¥ 171,908	¥ 70,945	¥ 22,484	¥ 54,849	¥ 66,677	¥ 1,135,030
Total Assets at March 31, 2023	¥ 3,062,836	¥ 3,009,472	¥ 3,216,794	¥ 1,773,664	¥ 776,531	¥ 2,504,078	¥ 1,642,459	¥ 15,985,834
Investments accounted for using the equity method at March 31, 2023	¥ 467,389	¥ 521,420	¥ 1,405,868	¥ 246,702	¥ 312,637	¥ 721,499	¥ 255,854	¥ 3,931,369
Core Operating Cash Flow	¥ 436,661	¥ 419,583	¥ 182,901	¥ 89,531	¥ 17,995	¥ 31,099	¥ 46,588	¥ 1,224,358
Capital additions to Non-current assets	¥ 68,469	¥ 71,017	¥ 24,577	¥ 27,717	¥ 1,291	¥ 19,759	¥ 18,548	¥ 231,378
Depreciation and amortization	¥ 58,692	¥ 88,174	¥ 34,834	¥ 31,550	¥ 1,535	¥ 23,215	¥ 18,773	¥ 256,773

Year ended March 31, 2023:	Millions of Yen All Other	Adjustments and Eliminations	Consolidated Total
Revenue	¥ 531	¥ 0	¥ 14,306,402
Gross Profit	¥ 2,009	¥ 5,729	¥ 1,396,228
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ (48)	¥ 489	¥ 555,526
Profit (Loss) for the Year Attributable to Owners of the Parent	¥ (8,291)	¥ 3,891	¥ 1,130,630
Total Assets at March 31, 2023	¥ 8,215,000	¥ (8,819,918)	¥ 15,380,916
Investments accounted for using the equity method at March 31, 2023	¥ 203	¥ (1,936)	¥ 3,929,636
Core Operating Cash Flow	¥ (567)	¥ (18,288)	¥ 1,205,503
Capital additions to Non-current assets	¥ 8,989	¥ 1	¥ 240,368
Depreciation and amortization	¥ 15,915	¥ 1	¥ 272,689

Year ended March 31, 2022:	Millions of Yen							
	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

Year ended March 31, 2022:	Millions of Yen		
	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

(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, 2023 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 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.

Geographic area information

	Millions of Yen					
	Japan	Singapore	United States	Australia	All Other	Consolidated Total
Year ended March 31, 2023:						
Revenue …………………………	¥ 7,580,269	¥ 2,275,884	¥ 1,310,682	¥ 884,741	¥ 2,254,826	¥ 14,306,402
Year ended March 31, 2022:						
Revenue …………………………	¥ 6,376,171	¥ 1,779,376	¥ 953,853	¥ 799,911	¥ 1,848,248	¥ 11,757,559

(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, 2023:						
Non-current assets ………	¥ 828,254	¥ 741,011	¥ 591,136	¥ 184,431	¥ 584,289	¥ 2,929,121
At March 31, 2022:						
Non-current assets ………	¥ 868,374	¥ 698,720	¥ 564,424	¥ 173,712	¥ 578,027	¥ 2,883,257

There were no individual material customers with respect to revenues for the years ended March 31, 2023 and 2022.

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, 2023:	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, 2022	10,373	8,414	1,229	28,212	546	4,972	25,116	78,862
Change during the year (Recognition and derecognition)	(564)	754	295	15,132	257	(93)	927	16,708
Decrease during the year (charge-offs)	-	(1,193)	(51)	(13,904)	-	-	(2,552)	(17,700)
Others	(4,925)	550	1,676	6,675	284	(325)	677	4,612
Balance as at March 31, 2023	4,884	8,525	3,149	36,115	1,087	4,554	24,168	82,482

* 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, 2023, were immaterial.

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.

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, 2023:	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	628,434	1,822,662	22,337	50,591	2,524,024
Other financial assets	496,072	-	41,277	65,998	603,347
Total	1,124,506	1,822,662	63,614	116,589	3,127,371

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

Financial assets that are purchased or originated credit-impaired as of March 31, 2022 and March 31, 2023 were 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	
	2023	2022
Trade and other receivables	2,238	3,763
Other financial assets	1,093	222
Total	3,331	3,985

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, 2023 and 2022 were measured at amortized cost and FVTPL, except for derivative assets, and consisted of the following:

	Millions of Yen	
	2023	**2022**
Current		
Trade and other receivables		
Accounts and notes	¥ 2,000,334	¥ 2,170,467
Lease receivables	9,610	8,138
Loans	203,859	146,452
Other financial assets		
Time deposits	6,692	42,455
Accounts receivable-other	162,142	127,959
Derivative assets	344,037	545,921
Other	260,113	281,527
Loss allowances	¥ (22,622)	¥ (21,917)
Total	¥ 2,964,165	¥ 3,301,002
Non-current		
Trade and other receivables		
Accounts and notes	¥ 30,929	¥ 27,942
Lease receivables	44,955	46,323
Loans	304,032	302,494
Other financial assets		
Time deposits	2,398	2,592
Accounts receivable-other	64,461	33,105
Derivative assets	103,316	97,973
Other	37,846	34,175
Loss allowances	¥ (59,876)	¥ (56,782)
Total	¥ 528,061	¥ 487,822

Note: Receivable from accounted equity investees included in trade and other receivables carried at ¥238,206 million and ¥195,068 million at March 31, 2023 and 2022, respectively.

(2) Other investments

The carrying amounts of other investments as of March 31, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	**2022**
Other investments		
Financial assets measured at FVTPL	¥ 347,545	¥ 267,758
Financial assets measured at FVTOCI	1,775,005	2,067,958
Amortized cost	11,553	11,698
Total	¥ 2,134,103	¥ 2,347,414

Note: Preferred stock issued by equity method investees, which was included in financial assets measured at FVTOCI as of March 31, 2023 and 2022, were ¥43,574 million and ¥43,596 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, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	2022
Marketable	¥ 1,140,663	¥ 1,335,522
Non-marketable	634,342	732,436
Total	¥ 1,775,005	¥ 2,067,958

The fair value of major items of these marketable financial assets measured at FVTOCI as of March 31, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	2022
VALE	¥ 602,627	¥ 702,162
Seven & i Holdings	97,556	94,833
GOLDWIN	55,031	27,122
Sims	46,532	66,349
PHC Holdings	31,318	39,541
Yamato Kogyo	24,420	16,989
Yamaha Motor	14,854	11,832
TOYOTA MOTOR	14,100	16,669
Mitsui Chemicals	11,850	10,737
MODEC	11,725	10,694
KATO SANGYO	11,067	9,995
Toray Industries	10,411	8,800
Recruit Holdings	9,159	64,968
INPEX	8,901	14,036
TBS HOLDINGS	8,169	7,663
BIPROGY	7,958	7,627
NIPPON STEEL	7,675	5,341
Mitsui Fudosan	7,452	7,860
Sumitomo Metal Mining	7,341	8,961
J-OIL MILLS	6,390	6,751

Non-marketable financial assets measured at FVTOCI were mainly composed of investments in LNG projects (Sakhalin II, Abu Dhabi, Oman and Qatargas 3) and mineral & metal resources projects, including the Jimblebar iron ore project. LNG projects as of March 31, 2022 includes Qatargas 1 for which mining rights have been expired.

The fair value of investments in the LNG projects as of March 31, 2023 and 2022 were ¥211,221 million and ¥305,281 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, 2023 and 2022 were ¥153,157 million and ¥161,484 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, 2023 and 2022 were as follows:

	Millions of Yen			
	2023		2022	
Fair value of the financial assets at the date of derecognition	¥	117,617	¥	28,227
Cumulative gains and losses on disposition	¥	73,488	¥	(4,997)
Dividends received from derecognized financial assets	¥	2,003	¥	1,447

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 ¥50,341 million and ¥(9,819) million for the years ended March 31, 2023 and 2022, respectively.

(3) Gain (loss) on securities and other investments-net

Gain (loss) on securities and other investments-net for the years ended March 31, 2023 and 2022 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, 2023 and 2022 were ¥1,668 million and ¥13,687 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, 2023 and 2022 that the companies recognized were as follows:

	Millions of Yen			
	2023		2022	
Interest income				
Amortized cost	¥	54,414	¥	21,934
Derivatives		(6,657)		(1,935)
Total	¥	47,757	¥	19,999
Dividend income				
Financial assets measured at FVTOCI	¥	154,942	¥	196,505
Interest expense				
Amortized cost	¥	(118,763)	¥	(49,748)
Derivatives		4,181		2,424
Total	¥	(114,582)	¥	(47,324)

In addition to those shown in the table above, interest income of ¥52,662 million and ¥42,117 million on financial assets measured at amortized cost were included in "Revenue" and interest expenses of ¥10,596 million and ¥8,551 million on financial liabilities measured at amortized cost were included in "Cost" for the years ended March 31, 2023 and 2022, 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, 2023 and 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			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Other investments measured at amortized cost	¥ 11,553	¥ 11,550	¥ 11,698	¥ 11,930
Non-current receivables				
Trade and other receivables (Note 1) and other financial assets (excluding derivative assets) (Note 2)	¥ 424,745	¥ 424,734	¥ 389,849	¥ 389,838
Non-current liabilities				
Long-term debt, less current portion (Note 1) and other financial liabilities (excluding derivative liabilities) (Note 2)	¥ 3,916,737	¥ 3,962,729	¥ 4,272,785	¥ 4,322,656

(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	146,100 Millions of Yen as of March 31, 2023 93,724 Millions of Yen as of March 31, 2022
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.
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, 2023 and 2022 were 18.9% and 18.0%, 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, 2023 and 2022 were 0.50 times and 0.60 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).

<u>Risk management</u>

・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, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	2022
Cash and cash equivalents	¥ 1,390,130	¥ 1,127,868
Short-term debt	432,233	281,831
Current portion of long-term debt	810,999	410,257
Long-term debt, less current portion	3,797,328	4,185,375

・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, 2023 and 2022, assuming a 100 basis point rise in interest rates as of March 31, 2023 and 2022, were ¥(29,428) million and ¥(27,698) million, respectively. These are calculated by multiplying the balance of floating-rate financial instruments held by the companies as of March 31, 2023 and 2022, 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, 2023 and 2022, assuming a 1% appreciation of the Yen, the impacts on profit before income taxes would have been ¥(1,394) million from USD, ¥(15) million from BRL and ¥(54) million from AUD as of March 31, 2023 and ¥(817) million from USD, ¥(37) million from BRL and ¥(40) million from AUD as of March 31, 2022. Based on the same assumption, the impacts on other comprehensive income would be ¥(628) million from USD, ¥(6,039) million from BRL and ¥(134) million from AUD as of March 31, 2023 and ¥(988) million from USD, ¥(7,034) million from BRL and ¥(268) million from AUD as of March 31, 2022. 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, 2023 and 2022 were ¥62,087 million and ¥45,654 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, 2023 and 2022, 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 ¥103,716 million and ¥125,801 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, 2023 and 2022. The significant interest rate benchmarks to which the companies' hedging relationships are exposed are US dollar LIBOR at March 31, 2023, and 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, 2023 and 2022, 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, 2023		
	Carrying amount (Billions of Yen)		
	Uncertainty arising from IBOR reform remain (*1)	Uncertainty arising from IBOR reform eliminated	Total
Non-derivative financial assets	19	34	53
Non-derivative financial liabilities	1,233	237	1,470

	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

Derivatives

Hedge accounting	March 31, 2023		
	Nominal amount (Billions of Yen)		
	Uncertainty arising from IBOR reform remain (*1)	Uncertainty arising from IBOR reform eliminated (*2)	Total
Not applicable	672	-	672
Designated in fair value hedge which hedged item was long-term financial liabilities with fixed interest rate	-	-	-
Designated in cash flow hedge which hedged item was long-term financial liabilities with floating interest rate	73	27	100
Total	745	27	772

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

(*1) Plan to take necessary measures following the timeline set by the transition committees including Cross-Industry Committee on US dollar Interest Rate Benchmarks, and the relevant organizations by each currency
(*2) Main 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.

<u>Commodity price risk</u>

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, 2023 and 2022 were as follows:

	Billions of Yen					
	March 31, 2023			March 31, 2022		
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	¥ 37	¥ 396	¥ 2,661	¥ 87	¥ 489	¥ 1,934
Interest rate	982	227	-	938	216	-
Commodity price	-	333	-	0	340	-
Total nominal amounts	¥ 1,019	¥ 956	¥ 2,661	¥ 1,025	¥ 1,045	¥ 1,934

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, 2023 and 2022:

		Millions of Yen					
		March 31, 2023			March 31, 2022		
Risk category	Line item in the Consolidated Statements of Financial Position	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	Other financial assets - Current	¥ 28	¥ 4,768	¥ 435	¥ 142	¥ 5,034	¥ -
	Other financial assets - Non-current	16	1,694	1,475	-	11,008	223
Interest rate	Other financial assets - Current	92	674	-	1	197	-
	Other financial assets - Non-current	26,479	7,033	-	41,122	5,418	-
Commodity price	Other financial assets - Current	-	54,946	-	38	60,732	-
	Other financial assets - Non-current	-	896	-	-	4,937	-
Total		¥ 26,615	¥ 70,011	¥ 1,910	¥ 41,303	¥ 87,326	¥ 223

		Millions of Yen					
		March 31, 2023			March 31, 2022		
Risk category	Line item in the Consolidated Statements of Financial Position	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	Current portion of long-term debt	¥ 3,602	¥ 17,380	¥ 145,306	¥ 6,953	¥ 15,916	¥ 180,298
	Other financial liabilities - Current	65	1,339	29,068	337	1,888	53,364
	Long-term debt, less current portion	20,009	172,642	1,106,220	29,240	162,994	996,779
	Other financial liabilities - Non-current	962	323	37,918	408	3,783	26,522
Interest rate	Other financial liabilities - Current	-	-	-	-	53	-
	Other financial liabilities - Non-current	25,334	284	-	10,731	810	-
Commodity price	Other financial liabilities - Current	-	46,980	-	37	103,554	-
	Other financial liabilities - Non-current	-	1,087	-	-	18,329	-
Total		¥ 49,972	¥ 240,035	¥ 1,318,512	¥ 47,706	¥ 307,327	¥ 1,256,963

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, 2023 and 2022, 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, 2023		**March 31, 2022**	
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	¥ 128,113	¥ 6,996	¥ 143,316	¥ 6,299
Interest rate	Current portion of long-term debt	10,092	92	3,001	1
	Long-term debt, less current position	994,364	1,145	970,892	30,397

The accumulated amounts of fair value hedge adjustments remaining in the Consolidated Statements of Financial Position as of March 31, 2023 and 2022 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, 2023 and 2022.

		Millions of Yen	
		Balance in the cash flow hedges which were recognized by applying the hedge accounting	
Risk category	The situation of hedge accounting	**March 31, 2023**	**March 31, 2022**
Foreign currency exchange rate …	Continuing hedges	¥ (28,508)	¥ (10,361)
	Hedging relationships for which hedge accounting is no longer applied	1,827	-
Interest rate………………………	Continuing hedges	5,098	3,158
	Hedging relationships for which hedge accounting is no longer applied	590	(491)
Commodity price…………………	Continuing hedges	79,706	(77,739)
	Hedging relationships for which hedge accounting is no longer applied	(85,519)	(298)

The Company has applied "portfolio hedge" to commodity risk for some transactions that had applied cash flow hedge from this fiscal year. As a result, the amount of discontinuation of hedge accounting has been occurred by change of risk management objective.

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, 2023 and 2022.

		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, 2023**	**March 31, 2022**
Foreign currency exchange rate …	Continuing hedges	¥ (240,016)	¥ (154,255)
	Hedging relationships for which hedge accounting is no longer applied	(77,143)	(69,486)
Total ……		¥ (317,159)	¥ (223,741)

The effects of hedge accounting on the Consolidated Statements of Income and Comprehensive Income

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, 2023 and 2022.

	Millions of Yen			
	2023		**2022**	
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	¥ 2,213	¥ (1,866)	¥ 4,994	¥ (4,918)
Interest rate	29,161	(29,161)	19,712	(19,712)

The following amounts included in the Consolidated Statements of Income and Comprehensive Income for the years ended March 31, 2023 and 2022 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, 2023 and 2022. 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			
	2023			
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..................	¥ (10,910)	¥ (11,421)	Other income (expense)-net	¥ 6,122
Interest rate..	7,112	7,112	Interest expense	3,850
Commodity price.......................................	37,479	36,263	Revenue (Cost)	(36,688)

	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)

The amounts of hedge ineffectiveness which were recognized in profit for the years ended March 31, 2023 and 2022 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, 2023 and 2022. 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			
	2023			
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	¥ (153,163)	¥ (143,639)	Gain (loss) on securities and other investments-net	¥ 9,965

	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)

The amounts of hedge ineffectiveness which were recognized in profit for the years ended March 31, 2023 and 2022 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, 2023 and 2022. These amounts of financial assets and liabilities except derivative assets, derivative liabilities and collateral as of March 31, 2023 and 2022 were immaterial.

March 31, 2023:	Millions of Yen Financial Assets	Millions of Yen Financial Liabilities
Gross amounts of recognized financial assets and liabilities	¥ 1,780,934	¥ 1,620,097
Gross amounts of financial assets and liabilities set off in the Consolidated Statements of Financial Position	(1,106,871)	(1,106,871)
Net amounts of financial assets and liabilities presented in the Consolidated Statements of Financial Position	674,063	513,226
Related amounts not set off in the Consolidated Statements of Financial Position (including collateral)	(124,834)	(124,834)
Exposure on a net basis	¥ 549,229	¥ 388,392

March 31, 2022:	Millions of Yen Financial Assets	Millions of Yen 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

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 ocean transport vessels, 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, 2023 and 2022.

	Millions of Yen 2023	Millions of Yen 2022
Land and buildings	¥ 173,997	¥ 179,498
Equipment and fixtures	116,087	104,220
Vessels and aircrafts	53,271	84,956
Total	¥ 343,355	¥ 368,674

Consolidated statements of income include lease revenues from operating lease of ¥94,564 million for the year ended March 31, 2023, and ¥73,186 million for the year ended March 31, 2022.

The following is a schedule of future minimum lease payments to be received from finance leases as of March 31, 2023 and 2022.

	Millions of Yen		
	Gross investment in the lease	Gross investment in the lease	The present value of future minimum lease payments to be received
Year ended March 31:	2023	2022	2022
Not later than 1 year ………………………	¥ 11,428	¥ 10,226	¥ 8,138
Later than 1 year and not later than 2 years …	10,399	9,377	6,904
Later than 2 years and not later than 3 years …	8,819	8,438	6,213
Later than 3 years and not later than 4 years …	7,412	7,578	5,579
Later than 4 years and not later than 5 years …	6,654	6,418	4,725
Later than 5 years ……………………………	29,287	31,108	22,902
Total ………………………………………	¥ 73,999	¥ 73,145	¥ 54,461
Unearned income ……………………………	(19,434)	(18,684)	
The present value of future minimum lease payments to be received……………………	¥ 54,565	¥ 54,461	

“The present value of future minimum payments to be received by year” is omitted from the year ended March 31, 2023 onwards.

The following is a schedule of future minimum lease payments to be received from operating leases as of March 31, 2023 and 2022.

	Millions of Yen	Millions of Yen
Year ended March 31:	2023	2022
Not later than 1 year	¥ 83,919	¥ 71,899
Later than 1 year and not later than 2 years	49,067	46,100
Later than 2 years and not later than 3 years	32,698	32,385
Later than 3 years and not later than 4 years	22,568	22,172
Later than 4 years and not later than 5 years	16,908	14,400
Later than 5 years	43,019	44,047
Total	¥ 248,179	¥ 231,003

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 2023**	**Millions of Yen 2022**
Land and buildings	¥ 123,151	¥ 96,030
Equipment and fixtures	46,678	15,415
Vessels and aircrafts	166,199	170,900
Others	710	530
Total	¥ 336,738	¥ 282,875

Additions to right-of-use assets for the year ended March 31, 2023 was ¥63,019 million and for the year ended March 31, 2022 was ¥53,807 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:	**2023**	**2022**	**2022**
Not later than 1 year	¥ 75,768	¥ 58,308	¥ 51,263
Later than 1 year and not later than 5 years	203,657	162,265	143,688
Later than 5 years	211,969	195,724	173,316
Total	¥ 491,394	¥ 416,297	¥ 368,267
Future financial cost	(60,357)	(48,030)	
The present value of future minimum lease payments	¥ 431,037	¥ 368,267	

"The present value of future minimum lease payments by year" is omitted from the year ended March 31, 2023 onwards.

The component of lease liability

Year ended March 31:	**Millions of Yen 2023**	**Millions of Yen 2022**
Lease liabilities current	¥ 67,019	¥ 51,263
Lease liabilities non-current	364,018	317,004
Total	¥ 431,037	¥ 368,267

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 2023**	**Millions of Yen 2022**
Land and buildings	¥ 20,188	¥ 20,938
Equipment and fixtures	13,779	8,107
Vessels and aircrafts	18,543	17,590
Others	537	125
Total	¥ 53,047	¥ 46,760

Total cash outflow from leases for the year ended March 31, 2023 was ¥76,117 million and for the year ended March 31, 2022 was ¥64,947 million.

10. INVENTORIES

Inventories as of March 31, 2023 and 2022 were comprised of the following:

	Millions of Yen	
	2023	2022
Commodities and finished goods	¥ 846,915	¥ 886,896
Property for sale	8,207	4,056
Raw materials, work in progress and others	85,421	58,711
Total	¥ 940,543	¥ 949,663

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, 2023 and 2022 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, 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
Additions	55,567	77,188	14,523	165	145,432	292,875
Disposals	(32,833)	(554,045)	(36,189)	(14,525)	(16,722)	(654,314)
Foreign currency translation	32,027	98,641	11,591	19,377	2,893	164,529
Others	783	153,328	404	5,214	(136,580)	23,149
Balance at March 31, 2023	¥ 1,290,725	¥ 2,768,456	¥ 334,921	¥ 379,426	¥ 176,957	¥ 4,950,485

"Others" includes the effects of transfers from projects in progress to other property, plant and equipment.
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, 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
Depreciation expenses ………		53,116		145,383		24,199		16,182		-		238,880
Disposals ……………………		(20,872)		(544,611)		(10,636)		(14,525)		(6,178)		(596,822)
Impairment losses ……………		3,834		4,840		1,648		-		851		11,173
Foreign currency translation …		9,177		63,652		2,298		9,878		89		85,094
Others ………………………		(19,318)		2,696		737		(1,207)		(4,699)		(21,791)
Balance at March 31, 2023	¥	478,271	¥	1,829,947	¥	109,412	¥	214,077	¥	18,171	¥	2,649,878

[Carrying amount]

	Millions of Yen											
	Land and buildings		Equipment and fixtures		Vessels and aircrafts		Mineral rights		Projects in progress		Total	
Balance at March 31, 2022	¥	782,847	¥	835,357	¥	253,426	¥	165,446	¥	153,826	¥	2,190,902
Balance at March 31, 2023	¥	812,454	¥	938,509	¥	225,509	¥	165,349	¥	158,786	¥	2,300,607

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, 2023 and 2022 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, 2023 and 2022 by segment is as follows:

	Millions of Yen			
	2023		2022	
Mineral & Metal Resources ……………………………………………	¥	(574)	¥	(186)
Energy …………………………………………………………………		(5,137)		(13,363)
Machinery & Infrastructure ……………………………………………		(1,823)		(790)
Chemicals ………………………………………………………………		-		(5)
Iron & Steel Products ………………………………………………		-		(62)
Lifestyle ………………………………………………………………		(2,898)		(2,730)
Innovation & Corporate Development ………………………………		(741)		(160)
All Other ………………………………………………………		-		-
Consolidated Total ……………………………………………………	¥	(11,173)	¥	(17,296)

The impairment loss on property, plant and equipment for the years ended March 31, 2023 and 2022 were immaterial.

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, 2023 and 2022 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, 2021..................	¥	330,403	¥	55,556
Balance at March 31, 2022..............	¥	402,663	¥	84,093
Balance at March 31, 2023..............	¥	367,712	¥	85,215

[Carrying amount and fair value]

	Millions of Yen			
	Carrying amount		Fair value	
Balance at March 31, 2022..............	¥	318,570	¥	674,629
Balance at March 31, 2023..............	¥	282,497	¥	657,480

The amounts of disposal for the year ended March 31, 2023 were ¥58,734 million, mainly due to the decrease of ¥32,929 million for the sale of agricultural land owned by XINGU AGRI AG.
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.

Rental income from investment property was ¥24,232 million and direct operating expenses arising from investment property was ¥15,070 million for the year ended March 31, 2023. 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.

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, 2023 and 2022 were as follows:

[Acquisition cost]

	Millions of Yen			
	Goodwill	Software	Others	Total
Balance at April 1, 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
Additions	-	5,448	21,132	26,580
Disposals	(335)	(3,858)	(8,499)	(12,692)
Foreign currency translation	8,286	1,559	14,310	24,155
Others	12,891	6,699	8,445	28,035
Balance at March 31, 2023	¥ 172,441	¥ 85,741	¥ 320,221	¥ 578,403

In connection with the urban passenger rail business in Brazil, balance of Others in Acquisition cost at March 31, 2023 and 2022 includes operating rights of ¥69,106 million and ¥64,602 million, respectively.

[Accumulated amortization and impairment losses]

	Millions of Yen			
	Goodwill	Software	Others	Total
Balance at April 1, 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
Amortization expense	-	9,611	14,684	24,295
Impairment losses	392	379	18,093	18,864
Disposals	-	(2,479)	(7,378)	(9,857)
Foreign currency translation	4,086	1,130	7,402	12,618
Others	752	1,472	(6,343)	(4,119)
Balance at March 31, 2023	¥ 84,948	¥ 64,418	¥ 151,721	¥ 301,087

[Carrying amount]

	Millions of Yen			
	Goodwill	Software	Others	Total
Balance at March 31, 2022	¥ 71,881	¥ 21,588	¥ 159,570	¥ 253,039
Balance at March 31, 2023	¥ 87,493	¥ 21,323	¥ 168,500	¥ 277,316

In connection with the urban passenger rail business in Brazil, balance of Others in Carrying amount at March 31, 2023 and 2022 includes operating rights of ¥41,264 million(the remaining amortization period is 26 years at March 31, 2023) and ¥54,573 million, respectively.

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, 2023, a subsidiary in the Machinery & Infrastructure Segment engaged in the urban passenger rail business in Brazil, recognized an impairment loss of ¥15,080 million in "Impairment reversal (loss) of fixed assets - net" in the Consolidated Statements of Income by reducing the carrying amount of the operating rights to the recoverable amount of ¥41,264 million. The impairment loss was mainly related to a decrease in revenue and an increase in the discount rate. The recoverable amount above represented the value in use. The discount rate used to calculate the value in use is deemed to reflect the market average profit margin and the risks inherent to the cash-generating unit.

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, 2023 and 2022.

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, 2023 and 2022.

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, 2023 and 2022 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	
	2023	2022
Balance at beginning of year	10,221	18,257
Acquisitions / Additions	1,583	14,433
Impairment and write-down of capitalized exploration expenses	(384)	(13,562)
Reclassification	(2,550)	(9,331)
Foreign currency translation	406	608
Others	(119)	(184)
Balance at end of year	9,157	10,221

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, 2023 and 2022 were as follows:
Regarding exploration and evaluation expenses, 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	
	2023	2022
Exploration and evaluation expenses	(5,326)	(18,634)
Cash flows from operating activities	(5,052)	(5,583)
Cash flows from investing activities	(1,603)	(13,115)

15. DISCLOSURES ABOUT FINANCIAL AND OTHER TRADE LIABILITIES

(1) Short-term debt

Short-term debt as of March 31, 2023 and 2022 consisted of the following:

	Millions of Yen					
	2023			2022		
			Interest rate			Interest rate
Short-term bank loans and others	¥	432,233	4.7%	¥	281,831	1.8%
Total	¥	432,233		¥	281,831	

The interest rates represent weighted-average rates in effect as of March 31, 2023 and 2022 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, 2023 and 2022 consisted of the following:

	Millions of Yen	
	2023	2022
Long-term debt with collateral (Note 16):		
Banks and insurance companies, maturing serially through 2037—principally 0.3% to 5.6%	¥ 49,016	¥ 60,417
Government-owned banks and government agencies, maturing serially through 2037—principally 0.1% to 6.3%	51,957	35,047
Bonds:		
Indonesian Rupiah bonds (fixed rate 3.8% to 8.3%, due 2022–2025)	25,383	33,772
Brazil Real non-convertible bonds (floating rate 8.2% to 8.3%, due 2028)	1,406	1,575
Total	127,762	130,811
Long-term debt without collateral:		
Banks and others (principally insurance companies):		
Principally 0.0% to 6.4%, maturing serially through 2076	1,807,692	1,899,439
Principally 0.2% to 7.7%, maturing serially through 2036 (payable in foreign currencies)	1,904,729	1,872,196
Bonds and notes:		
Japanese yen bonds (fixed rate 0.2% to 2.4%, due 2024–2040)	213,732	217,585
Japanese yen bonds (fixed and floating rate 1.7% to 2.2%, due 2024)	10,000	10,000
USD bonds (fixed rate 2.2%, due 2027)	61,463	58,786
Notes under medium-term note programme (fixed and floating rate 1.1% to 5.7% due 2023–2030)	40,342	38,548
Indonesian Rupiah bonds (fixed rate 4.1% to 7.8%, due 2023–2025)	11,570	-
Lease liability (0.0% to 13.5%, maturing serially through 2073)	431,037	368,267
Subtotal	4,480,565	4,464,821
Total	4,608,327	4,595,632
Less current portion	810,999	410,257
Long-term debt, less current portion	¥ 3,797,328	¥ 4,185,375

Long-term debt includes subordinated syndicated loans of ¥350.0 billion and ¥205.0 billion. The former maturity date was June 15, 2076, but it was repaid in advance on June 15, 2023. For the details, please refer to Note 30 "SUBSEQUENT EVENTS". The latter maturity date is August 15, 2076. Prepayments will be enabled from August 15, 2028.

(3) Trade and other payables, and other financial liabilities

Trade and other payables, and other financial liabilities as of March 31, 2023 and 2022 consisted of the following:

	Millions of Yen	
	2023	2022
Current:		
Trade and other payables		
Notes payable-trade	¥ 30,358	¥ 34,449
Accounts payable-trade	1,306,829	1,557,595
Accrued expenses	173,204	147,105
Other financial liabilities		
Accounts payable-other	170,051	226,987
Derivative liabilities	329,038	616,039
Other	122,890	160,130
Total	¥ 2,132,370	¥ 2,742,305
Non-current:		
Other financial liabilities		
Accounts payable-other	¥ 12,893	¥ 10,078
Derivative liabilities	103,972	59,621
Other	106,516	77,332
Total	¥ 223,381	¥ 147,031

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, 2023 and 2022 were ¥45,367 million and ¥48,942 million, respectively.

(4) Liquidity risk analysis

Non-derivative financial liabilities

Contractual balances of non-derivative financial liabilities by maturity as of March 31, 2023 and 2022 were as follows:

March 31, 2023	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	¥ 1,506,951	¥ 3,121	¥ 319	¥ 1,510,391
Accounts payable-other	170,051	11,780	1,113	182,944
Long-term debt (including current portion)	810,999	1,884,890	1,912,438	4,608,327

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

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 and other factors estimated in reference to the yield curve as of March 31, 2023 and 2022.

March 31, 2023		**Millions of Yen**			
		Within 1 year	More than 1 year and not more than 5 years	More than 5 years	Total
Foreign exchange	Receipts	¥ 71,856	¥ 42,897	¥ 1,149	¥ 115,902
contracts	Payments	(76,571)	(71,874)	(10,352)	(158,797)
Interest rate	Receipts	12,538	21,566	4,289	38,393
contracts	Payments	(3,449)	(10,833)	(20,203)	(34,485)
Commodity	Receipts	308,377	1,041,254	4,472	1,354,103
contracts	Payments	(285,415)	(1,018,858)	-	(1,304,273)

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)

The amounts of future payments of other derivative instruments not included in the table were immaterial as of March 31, 2023 and 2022.

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, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	**2022**
Cash and deposits	¥ 276,203	¥ 299,553
Trade and other receivables (current and non-current)	24,409	28,765
Investments	378,883	314,054
Property, plant and equipment	67,501	74,045
Others	289	-
Total	¥ 747,285	¥ 716,417

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, 2023 were as follows:

	Millions of Yen		
	Asset retirement obligation	**Other provisions**	**Total**
Balance at April 1, 2022	¥ 282,725	32,025	314,750
Additional provisions recognized	59,641	77,809	137,450
Provisions used	(24,190)	(76,159)	(100,349)
Unwinding of discount and effects of change in discount rate	4,296	-	4,296
Others*	12,710	608	13,318
Balance at March 31, 2023	¥ 335,182	34,283	369,465

* "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.
These expenses are expected to be paid until up to 2085.
"Other provisions" includes provision related to the fire incident of International Terminals Company LLC ("ITC") (Note 27), etc.

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	
	2023	**2022**
Change in defined benefit obligation:		
Defined benefit obligation at beginning of year	¥ 349,887	¥ 361,814
Service cost	12,714	8,197
Interest cost	3,525	2,940
Actuarial gain (loss)	(27,144)	(8,368)
Benefits paid from plan assets	(14,872)	(16,602)
Others	2,304	1,906
Defined benefit obligation at end of year	326,414	349,887
Change in plan assets:		
Fair value of plan assets at beginning of year	375,883	375,562
Interest income	4,081	2,947
Return (loss) on plan assets (excluding interest income)	(17,801)	10,578
Contributions by the employer	19,805	2,174
Benefits paid from plan assets	(14,872)	(16,602)
Others	2,137	1,224
Fair value of plan assets at end of year	369,233	375,883
Net defined benefit liability at end of year (*)	¥ 42,819	¥ 25,996

(*) 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, 2023 and 2022 included the following components:

	Millions of Yen	
	2023	**2022**
Service cost – benefits earned during the period	¥ 12,714	¥ 8,197
Net interest expense (revenue)	(556)	(7)
Others	38	(108)
Net periodic pension costs	¥ 12,196	¥ 8,082

Assumptions

The weighted-average assumptions used to determine the companies' defined benefit obligations as of March 31, 2023 and 2022 are set forth as follows:

	2023	2022
Discount rate …………………………………………………………	1.6%	1.2%
Rate of increase in future compensation levels ………………………	0.9%	0.8%

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, 2023
50 basis point decrease in discount rate ………………………………………………………	¥20,241 million increase
50 basis point increase in discount rate ………………………………………………………	¥18,022 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, 2023 and 2022 by asset class are set forth as follows:

	Millions of Yen					
	2023			2022		
	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) ………………	¥ 72,854	¥ 17,381	¥ 90,235	¥ 74,406	¥ 16,074	¥ 90,480
Equity financial instruments (non-Japan) ………	1,753	111,840	113,593	3,110	90,540	93,650
Debt securities (Japan) …………………………	1,173	4,539	5,712	1,126	4,557	5,683
Debt securities (non-Japan) ……………………	7,149	99,696	106,845	9,836	122,872	132,708
Life insurance company general accounts …………………	-	29,317	29,317	-	28,784	28,784
Cash and deposits ………………	21,883	-	21,883	22,260	-	22,260
Other ……………………………	879	769	1,648	1,520	798	2,318
Total …………………………	¥ 105,691	¥ 263,542	¥ 369,233	¥ 112,258	¥ 263,625	¥ 375,883

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 ¥8,694 million to their defined benefit pension plans for the year ending March 31, 2024. 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, 2023 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, 2022 and 2021 were as follows:

	Millions of Yen	
	2022	**2021**
Plan assets, net of current payables	¥ 26,163	¥ 25,621
Actuarial reserve under pension actuarial valuation	21,406	20,745
Net amount	4,757	4,876

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, 2023 and 2022 were as follows:

	Number of shares	
	2023	**2022**
Authorized:		
Common stock – no par value ………………………………………..	2,500,000,000	2,500,000,000
Issued:		
Balance at beginning of year ……………………………………….....	1,642,355,644	1,717,104,808
Increase (decrease) during the year …………………………………..	(97,695,100)	(74,749,164)
Balance at end of year ………………………………………………..	1,544,660,544	1,642,355,644

The number of treasury stock held as of March 31, 2023 and 2022 included in the number of shares issued shown above was 20,361,049 and 41,423,291 shares, respectively. The number of treasury stock held as of March 31, 2023 and 2022 includes 3,768,576 and 3,852,902 shares in regard to a share-based compensation plan for employees.
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. For the year ended March 31, 2023, the Board of Directors resolved to issue new shares under the remuneration system of tenure-linked restricted stock at a meeting held on July 7, 2022 and the number of shares issued was increased by 111,000 shares dated on July 29, 2022. The number of shares issued was decreased by 50,000,000 and 47,806,100 shares dated on August 31, 2022 and March 13, 2023 due to cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on August 2, 2022, November 1, 2022 and February 3, 2023.

(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, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	**2022**
Balance at beginning of year…………………………………………	¥ 376,516	¥ 396,238
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 ………………	2,728	98
Increase (decrease) due to transfers of owners of parent's ownership interests in its subsidiaries from non-controlling interests ……………	(1,002)	(9,607)
Put options granted to noncontrolling interests………………	(27)	(11,861)
Sales of treasury stock…………………………………………………	(252)	(234)
Compensation costs related to share-based payment…………………	3,906	1,882
Balance at end of year…………………………………………………	¥ 381,869	¥ 376,516

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 ¥1,674,943 million at March 31, 2023.

The total amount of dividends based on the resolution of the ordinary general meeting of shareholders held on June 22, 2022 and the meeting of the Board of Directors held on November 1, 2022 are ¥96,289 million and ¥102,271 million respectively. In the total amount of dividends, ¥231 million and ¥247 million dividends on shares in regard to a share-based compensation plan for employees are included.

(3) Other components of equity

Changes in other components of equity for the years ended March 31, 2023 and 2022 were as follows:

	Millions of Yen			
		2023		2022
Financial Assets Measured at FVTOCI:				
Balance at beginning of year	¥	465,091	¥	367,227
Increase (decrease) during the year		(199,138)		87,329
Transfer to retained earnings		(50,341)		10,535
Balance at end of year	¥	215,612	¥	465,091
Remeasurements of Defined Benefit Pension Plans:				
Balance at beginning of year	¥	-	¥	-
Increase (decrease) during the year		2,609		19,250
Transfer to retained earnings		(2,609)		(19,250)
Balance at end of year	¥	-	¥	-
Foreign Currency Translation Adjustments:				
Balance at beginning of year	¥	478,584	¥	81,847
Increase (decrease) during the year		159,918		396,737
Balance at end of year	¥	638,502	¥	478,584
Cash Flow Hedges:				
Balance at beginning of year	¥	(116,234)	¥	(75,288)
Increase (decrease) during the year		131,083		(40,946)
Balance at end of year	¥	14,849	¥	(116,234)
Total:				
Balance at beginning of year	¥	827,441	¥	373,786
Increase (decrease) during the year		94,472		462,370
Transfer to retained earnings		(52,950)		(8,715)
Balance at end of year	¥	868,963	¥	827,441

(4) Income tax relating to other comprehensive income

Income taxes included in each component of other comprehensive income for the years ended March 31, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	2022
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	¥ 50,949	¥ (50,211)
Remeasurements of defined benefit pension plans	(5,285)	(4,237)
Share of other comprehensive income of investments accounted for using the equity method	(137)	(678)
Total	¥ 45,527	¥ (55,126)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	¥ 34,600	¥ 44,024
Cash flow hedges	2,475	(3,364)
Share of other comprehensive income of investments accounted for using the equity method	(54,519)	(47,284)
Total	¥ (17,444)	¥ (6,624)

(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, 2023 and 2022 was as follows:

	Millions of Yen	
	2023	2022
Financial assets measured at FVTOCI	¥ 111	¥ 503
Remeasurements of defined benefit pension plans	22	31
Foreign currency translation adjustments	3,635	16,115
Cash flow hedges	(1,463)	744
Total	¥ 2,305	¥ 17,393

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, 2023 and 2022:

	2023			2022		
	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:	¥ 1,130,630	1,566,367	¥ 721.82	¥ 914,722	1,628,744	¥ 561.61
Effect of dilutive securities:						
Adjustment of effect of: Dilutive securities of associated companies…...	(10)	-		(1)	-	
Share-based remuneration………………..........	-	877		-	667	
Diluted earnings per share attributable to owners of the parent:	¥ 1,130,620	1,567,244	¥ 721.41	¥ 914,721	1,629,411	¥ 561.38

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, 2023 and 2022 were 41,619,314 shares and 33,149,695 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, 2023:	**Mineral & Metal Resources**	**Energy**	**Machinery & Infrastructure**	**Chemicals**	**Iron & Steel Products**	**Lifestyle**	**Innovation & Corporate Development**	**All Other**	**Total**
Revenue recognized from contracts with customers	¥ 1,917,475	¥ 1,685,819	¥ 1,000,262	¥ 3,130,560	¥ 722,820	¥ 2,143,801	¥ 181,162	¥ 683	¥ 10,782,582

	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

(2) Contract balances

The balances of receivables from contracts with customers and contract liabilities are as follows.

		Millions of Yen		
		Balance at March 31, 2023	**Balance at March 31, 2022**	**Balance at April 1, 2021**
Receivables from contracts with customers.......	¥	1,770,660	1,793,630	1,420,521
Contract liabilities..		223,753	177,484	120,847

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, 2023 and 2022, the amount included in contract liabilities as of the beginning of the fiscal year is ¥82,552 million and ¥74,952 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	
		2023	**2022**
Within 1 year………………………………	¥	1,358,506	1,287,741
More than 1 year and Within 2 year………		1,273,659	982,037
More than 2 year and Within 3 year………		791,375	714,812
More than 3 year……………………………		3,841,371	3,936,418
Total………………………………………	¥	7,264,911	6,921,008

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, 2023, 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, 2023 and 2022 consisted of the following:

	Millions of Yen	
	2023	**2022**
Personnel expenses	¥ 384,032	¥ 333,558
Traveling expenses	25,156	10,624
Communication expenses	55,252	48,571
Service Fee	16,148	15,785
Depreciation	41,160	34,994
Loss allowance	18,857	20,238
Fees and Taxes	17,317	12,898
Other	144,887	119,643
Total	¥ 702,809	¥ 596,311

Remuneration of the Company's Directors and Audit & Supervisory Board Members for the years ended March 31, 2023 and 2022 were ¥3,017 million and ¥2,046 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, 2023 and 2022 was summarized as follows:

	%	
	2023	**2022**
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	(0.8)	3.1
Tax effects on dividends	(2.5)	(3.4)
Effect of the recoverability of deferred tax assets	(4.2)	(6.8)
Higher tax rates for resource related taxes	1.5	0.8
Tax effects on investments accounted for using the equity method	(6.3)	(5.1)
Controlled Foreign Company taxation in Japan	0.4	1.5
Other	(1.9)	(1.6)
Effective income tax rate	17.2%	19.5%

The tax effects of significant temporary differences and carryforwards which result in deferred tax assets and liabilities as of March 31, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	**2022**
Deferred Tax Assets:		
Retirement benefit liabilities	¥ 4,868	¥ 4,972
Estimated losses	30,622	19,372
Fixed assets	79,376	82,130
Loss carryforwards	156,315	171,802
Foreign currency translation	94,656	66,212
Derivatives	13,933	3,429
Total deferred tax assets	379,770	347,917
Deferred Tax Liabilities:		
Inventories	4,343	22,246
Fixed assets	155,462	146,855
Other investments	283,014	349,218
Undistributed earnings	320,604	280,261
Foreign currency translation	144,894	88,346
Other	14,519	14,227
Total deferred tax liabilities	¥ 922,836	¥ 901,153

Deferred tax assets recognized by taxable entities that have suffered a loss in either the current or preceding period were ¥10,400 million and ¥4,814 million as of March 31, 2023 and 2022, 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 ¥2,540,915 million and ¥2,646,734 million as of March 31, 2023 and 2022, respectively.

Taxable temporary differences associated with investments in subsidiaries for which deferred tax liabilities were not recognized were ¥2,126,264 million and ¥2,260,686 million as of March 31, 2023 and 2022, 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, 2023 and 2022 were as follows:

	Millions of Yen			
	2023		2022	
Inventories	¥	17,903		(21,942)
Fixed assets		(9,546)		12,552
Loss carryforwards		(18,373)		20,080
Other investments		2,452		(3,393)
Undistributed earnings		(40,343)		(42,698)
Estimated losses		11,927		1,925
Other		9,436		(8,149)
Total	¥	(26,544)	¥	(41,625)

Unused tax loss carryforwards for which no deferred tax assets have been recognized as of March 31, 2023 and 2022 were ¥510,657 million and ¥568,029 million, respectively. If not utilized, such tax loss carryforwards will expire as follows:

	Millions of Yen			
	2023		2022	
Within 5 years	¥	123,978	¥	200,001
After 5 to 10 years		206,608		185,084
After 10 to 15 years		25,711		526
After 15 years		154,361		182,418
Total	¥	510,657	¥	568,029

Income tax expenses in the consolidated statements of income for the years ended March 31, 2023 and 2022 were as follows:

	Millions of Yen			
	2023		2022	
Current	¥	(214,124)	¥	(185,185)
Deferred	¥	(26,544)	¥	(41,625)
Total	¥	(240,668)	¥	(226,810)

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 were immaterial for the year ended March 31, 2023 and 2022.

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, 2023 and 2022 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. The Company engages independent external experts of valuation to assist in the valuation process for certain assets over a specific amount, and their results of valuations are reviewed by the responsible personnel of the Company. All of the valuations, including those performed by the external experts, are reviewed and approved by the responsible personnel of the Company.

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

<u>Information by fair value hierarchy</u>

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2023 and 2022 were as follows. No assets or liabilities were transferred between level 1 and 2 for the years ended March 31, 2023 and 2022.

March 31, 2023	Millions of Yen				
	Fair value measurements using				
	Level 1	Level 2	Level 3	Netting adjustments (Note1)	Total fair value
Assets (Note2):					
Other investments:					
Financial assets measured at FVTPL…………………………	¥ 6,920	-	¥ 340,625		
Financial assets measured at FVTOCI………………………	1,140,663	-	634,342		
Total other investments	¥ 1,147,583	-	¥ 974,967	-	¥ 2,122,550
Derivative assets:					
Foreign exchange contracts……………………………………	-	¥ 115,974	-		
Interest rate contracts…………………………………………	-	39,974	-		
Commodity contracts…………………………………………	¥ 77,123	1,271,248	¥ 9,711		
Others…………………………………………………………	-	-	28,393		
Total derivative assets	¥ 77,123	¥ 1,427,196	¥ 38,104	¥ (1,095,070)	¥ 447,353
Inventories……………………………………………………………	-	¥ 174,470	-	-	¥ 174,470
Total assets…………………………………………………………	¥ 1,224,706	¥ 1,601,666	¥ 1,013,071	¥ (1,095,070)	¥ 2,744,373
Liabilities (Note3):					
Derivative liabilities:					
Foreign exchange contracts……………………………………	-	¥ 158,823	-		
Interest rate contracts…………………………………………	-	28,818	-		
Commodity contracts…………………………………………	¥ 80,272	1,221,013	¥ 3,680		
Others…………………………………………………………	-	-	12,031		
Total derivative liabilities	¥ 80,272	¥ 1,408,654	¥ 15,711	¥ (1,071,627)	¥ 433,010
Total liabilities………………………………………………………	¥ 80,272	¥ 1,408,654	¥ 15,711	¥ (1,071,627)	¥ 433,010

March 31, 2022	Millions of Yen				
	Fair value measurements using				
	Level 1	Level 2	Level 3	Netting adjustments (Note1)	Total fair value
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 (Note3):					
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 Trade and other receivables measured at FVTPL were immaterial.

Note3: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 years ended March 31, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	**2022**
Balance at beginning of year	¥ 259,795	¥ 114,944
Classification change (Note 1)	-	33,922
Gains (losses)	15,187	23,290
Purchases (Note 1)	77,904	101,076
Sales/Redemptions	(16,550)	(7,672)
Transfers into Level 3	-	-
Transfers out of Level 3 (Note 2)	-	(10,095)
Others (Note 3)	4,289	4,330
Balance at end of year	¥ 340,625	¥ 259,795
Net change in unrealized gains (losses) still held at end of year	¥ 13,931	¥ 23,969

Note 1: During the fiscal year ended March 31, 2022, the corporate bond denominated in JPY 33,000 million issued by CT Corpora has been replaced to the convertible bond and the other convertible bond denominated in JPY 67,000 million newly issued by 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 (included in the foreign currency translation adjustments), in scope of consolidation and others.

Gains (losses) related to financial assets measured at FVTPL for the year ended March 31, 2023 and 2022 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, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	**2022**
Balance at beginning of year	¥ 732,436	¥ 709,166
Other comprehensive income (Note 1)	(104,714)	8,344
Purchases	26,382	24,099
Sales	(29,095)	(8,384)
Transfers into Level 3 (Note 2)	-	528
Transfers out of Level 3(Note 3)	-	(11,098)
Others (Note 4)	9,333	9,781
Balance at end of year	¥ 634,342	¥ 732,436

Note 1: "Other comprehensive income" for the year ended March 31, 2023 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 of the decrease of fair value in investment in LNG project by the uncertainty arising from the Russian LNG business, please refer to Note 29 "IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS". "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.

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 and others.

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

The reconciliation of derivative assets for the years ended March 31, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	**2022**
Balance at beginning of year	¥ 35,013	¥ 18,561
Gains (losses)	3,079	17,828
Other comprehensive income	549	2,682
Purchases	169	-
Set off	(706)	(3,598)
Transfers out of Level 3 (Note 1)	-	(460)
Balance at end of year	¥ 38,104	¥ 35,013
Net change in unrealized gains (losses) still held at end of year	¥ 3,079	¥ 17,828

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, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	**2022**
Balance at beginning of year	¥ 9,872	¥ 6,053
Gains (losses)	4,676	2,835
Other comprehensive income	569	1,462
Purchases	1,723	-
Set off	(1,129)	(104)
Transfers out of Level 3 (Note 1)	-	(374)
Balance at end of year	¥ 15,711	¥ 9,872
Net change in unrealized gains (losses) still held at end of year	¥ 4,676	¥ 2,835

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 years ended March 31, 2023 and 2022 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" 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, 2023 and 2022 were as follows:

March 31, 2023	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL Financial assets measured at FVTOCI	Income approach	Discount rate	6.8% ~ 34.1%

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

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 remain at US$80/bbl level during and after the next fiscal year, considering the recent market price and several third parties' forecasts. Regarding the Russian LNG business, please refer to Note 29 "IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS".

Information about sensitivity to changes in significant unobservable inputs

For recurring fair value measurements of financial assets measured at FVTOCI 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.

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, 2023 and 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 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, 2023.

	Millions of Yen							
	Maximum potential amount of future payments		Amount outstanding (a)		Recourse provisions/ Collateral (b)		Net amount outstanding (a)-(b)	
March 31, 2023								
Type of guarantees:								
Financial guarantees								
Guarantees for third parties …………………	¥	386,108	¥	149,959	¥	2,723	¥	147,236
Guarantees for investments accounted for using the equity method ……………..		825,769		570,010		201,926		368,084
Performance guarantees								
Guarantees for third parties …………………		38,676		35,220		28,882		6,338
Guarantees for investments accounted for using the equity method ……………..		46,205		40,184		102		40,082
Total ……………..	¥	1,296,758	¥	795,373	¥	233,633	¥	561,740

	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

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, 2023 and 2022 will expire through 2028.

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, 2023 and 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 March 31, 2023 and 2022.

	Millions of Yen			
	2023		2022	
Within 1 year	¥	348,755	¥	389,343
After 1 to 5 years		671,321		229,310
After 5 years		276,682		586,368
Total	¥	1,296,758	¥	1,205,021

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, 2023 and 2022 were as follows:

	Millions of Yen	
	2023	2022
Non-cash investing and financing activities:		
Acquisition of assets related to leases……………………………………	¥ 69,429	¥ 53,999
Other payables for acquisition of Property, plant and equipment, Investment property and asset retirement obligations…………..	48,062	22,073
Other receivables for sales of Property, plant and equipment, Investment property……………………………………………………	12,992	4,322
Conversion of long-term loan receivables…………………………	-	13,013

The changes in liabilities arising from financing activities for the years ended March 31, 2023 and 2022 were as follows:

	Millions of Yen						
	Balance at April 1, 2022	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Change in fair value	Non-cash changes: New lease contracts	Non-cash changes: Others	Balance at March 31, 2023
Short-term debt	¥ 281,831	¥ 168,678	¥ 20,664	¥ -	¥ -	¥ (38,940)	¥ 432,233
Long-term debt (Note1)	4,595,632	(283,101)	196,909	(29,161)	69,808	58,240	4,608,327
Total	¥ 4,877,463	¥ (114,423)	¥ 217,573	¥ (29,161)	¥ 69,808	¥ 19,300	¥ 5,040,560

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						
	Balance at April 1, 2021	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Change in fair value	Non-cash changes: New lease contracts	Non-cash changes: 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.

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 ("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, 2023 and 2022, and the outstanding balance of related provision as of March 31, 2023 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.

28. 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, 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 of France, announced that it had declared force majeure under the Joint Operating Agreement.
Progress has been seen in the restoration of order, stability and security in the region, and project partners are working with the government and relevant stakeholders for an early restart of the construction, while the exact restart date is still being reviewed.
The Company does not expect a significant impact on our consolidated financial position, operating results and cash flow at this stage.

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

The Russian LNG business in which the Company, its subsidiary, and the equity accounted investee in the Energy Segment have invested, financed and guaranteed, is affected by the Russia-Ukraine situation that has been ongoing since February 2022 and the resulting sanctions against Russia, etc. Based on discussions with each partner, the Company has evaluated its relevant assets and liabilities.
In relation to the investment in Sakhalin II project that was held by Mitsui Sakhalin Holdings, a subsidiary of the Company, all the rights and obligations of Sakhalin Energy Investment Company, an original operator of the project, have been transferred to Sakhalin Energy LLC (“SELLC”) established based on Russian Presidential Decree (No. 416) dated June 30, 2022 and Resolution of the Government of the Russian Federation dated August 2, 2022 (No. 1369). Accordingly, we submitted to the Government of the Russian Federation the notice of consent to take the ownership of SELLC. The notice of consent was approved and MIT SEL Investment, a newly established subsidiary of the Company, undertook ownership on September 2, 2022. Consequently, we continue to invest in the Sakhalin II project before and after the aforementioned reorganization and it does not materially impact on the Consolidated Financial Statements.
On the other hand, the situation as of March 31, 2023 still remains uncertain as the final LLC members composition is not yet decided and the relevant LLC members agreement is not signed, etc. Under this situation, the fair value of our investment in the Sakhalin II project 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 expected from SELLC and other scenarios. As a result, the fair value decreased by ¥125,970 million from the balance as of March 31, 2022, and the valuation difference is recorded in “Financial assets measured at FVTOCI” in the Consolidated Statements of Comprehensive Income. The outstanding balances of “Other investments” in the Consolidated Statements of Financial Position related to this project as of March 31, 2023 and 2022 were ¥98,505 million and ¥208,154 million, respectively. While the decision on the new LLC member has been acknowledged by Order of the Government of the Russian Federation dated April 11, 2023 (No. 890), the Company has concluded there is no impact on the above fair value. The fair value may increase or decrease due to further changes in situation hereafter.
In addition, the carrying amount of the investments in Japan Arctic LNG, an equity accounted investee that invests in and finances the Arctic LNG 2 project, and the assets value held by Japan Arctic LNG were revaluated during the current period based on the rating of the Russian Federation, however the profit and loss and comprehensive income recognized in the current period were immaterial. The outstanding balances of the investments and loans (*) as of March 31, 2023 and 2022 were ¥15,759 million and ¥14,374 million, respectively. The balance of financial guarantees as contingent liabilities were ¥223,415 million and ¥182,160 million, respectively, and the provision for loss on guarantees included in "Other financial liabilities" were ¥18,213 million and ¥18,097 million,

respectively.
These estimates may be affected by uncertain future developments in Russia and Ukraine, and any further changes in the credit 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 fiscal year.
(*) Investments and loans are the sum of "Investments accounted for using the equity method", and loans (net of loss allowance) included in "Trade and other receivables" in the Consolidated Statements of Financial Position.

30. SUBSEQUENT EVENTS

Refinancing of Borrowings
On June 15, 2023, the Company executed fundraising through a subordinated syndicated loan agreement with major financial institutions ("Syndicated Loan"), and repaid borrowings of ¥350 billion under the existing syndicated loan.

(1) Objectives
Utilizing the Syndicate Loan, the Company aims to support the key initiatives of growth strategy in accelerating the enhancement of its earnings base, to balance financial stability and enhancement of capital efficiency, and to reinforce the flexibility of its financial strategy.

(2) Overview of Syndicated Loan

1) Financing amount	¥215 billion
2) Arranger	Sumitomo Mitsui Banking Corporation
3) Contract date	May 31, 2023
4) Drawdown date	June 15, 2023
5) Maturity date	June 15, 2083 The Syndicated Loan is callable on September 25, 2030 and each interest payment date thereafter at the discretion of the Company.
6) Interest restriction	Optional deferral of interest payment is applicable at the discretion of the Company.
7) Subordination	If a subordinate event such as liquidation or bankruptcy occurs, the Syndicated Loan will be subordinated to all senior indebtedness of the Company.
8) Interest rate	The interest rate will increase by 0.25% from June 15, 2033 to September 25, 2050, and additionally by 0.75% for subsequent periods from September 25, 2050.

Issuance of New Shares as Post-Delivery Restricted-Stock-Based Remuneration
On April 6, 2023, the Board of Directors of the Company resolved to issue new shares as post-delivery restricted-stock-based remuneration under the remuneration system of tenure-linked restricted stock unit, and the payment of new shares was completed on April 28, 2023. The details are as follows.

(1) Class and number of shares issued : Common stock of the Company, 129,424 shares
(2) Issue price : 3,906 yen per share
(3) Total value of issue : 505,530,144 yen
(4) Pay-in date : April 28, 2023
(5) Categories and numbers of persons eligible for allocations, numbers of shares allocated :
Managing Officers 7 persons, 113,759 shares
(including retired Managing Officers 6 persons, 98,559 shares)
Directors 1 person, 15,665 shares

Dividend
On June 21, 2023, the shareholders approved the payment of cash dividend to shareholders as of March 31, 2023, of ¥75 per share or a total of ¥114,607 million at the Company's Ordinary General Meeting of Shareholders.

31. 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, Senior Executive Managing Officer and CFO, on June 21, 2023.

2. Others

Quarterly data for the year ended March 31, 2023

	Millions of Yen, Except Amounts per Share			
	Year ended March 31, 2023	**Nine-month period ended December 31, 2022**	**Six-month period ended September 30, 2022**	**Three-month period ended June 30, 2022**
Revenue	¥ 14,306,402	¥ 11,036,515	¥ 7,423,815	¥ 3,720,531
Profit before Income Taxes	1,395,295	1,064,819	687,807	347,957
Profit for the Period (Year) Attributable to Owners of the Parent	1,130,630	840,787	539,104	275,000
Basic Earnings per Share Attributable to Owners of the Parent (Yen)	¥ 721.82	¥ 533.17	¥ 339.69	¥ 172.44

	Three-month period ended March 31, 2023	**Three-month period ended December 31, 2022**	**Three-month period ended September 30, 2022**	**Three-month period ended June 30, 2022**
Basic Earnings per Share Attributable to Owners of the Parent (Yen)	¥ 188.94	¥ 193.70	¥ 167.28	¥ 172.44

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, 2023 and the issuance date (June 21, 2023) 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 103rd) From April 1, 2021 to March 31, 2022 Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 22, 2022

(2) Related to Quarterly Securities Reports

Quarterly Securities Reports and Its Confirmation Notes

(The 1st quarter of the 104th period) (From April 1, 2022 to June 30, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on August 10, 2022

(The 2nd quarter of the 104th period) (From July 1, 2022 to September 30, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on November 10, 2022

(The 3rd quarter of the 104th period) (From October 1, 2022 to December 31, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on February 13, 2023

(3) Securities Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on July 7, 2022
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on April 6, 2023

(4) Internal Control Report

Fiscal Year (the 103rd) (From April 1, 2021 to March 31, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 22, 2022

(5) Extraordinary Reports

1) Extraordinary Reports

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 23, 2022
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 January 16, 2023
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 February 16, 2023
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 January 16, 2023
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on February 16, 2023

(7) Related to Share Buyback Reports

1) Share Buyback Reports

(From June 1, 2022 to June 30, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on July 5, 2022
(From July 1, 2022 to July 31, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on August 5, 2022
(From August 1, 2022 to August 31, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on September 8, 2022
(From September 1, 2022 to September 30, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on October 4, 2022
(From November 1, 2022 to November 30, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on December 8, 2022
(From December 1, 2022 to December 31, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on January 10, 2023
(From January 1, 2023 to January 31, 2023) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on February 2, 2023
(From February 1, 2023 to February 28, 2023) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on March 7, 2023
(From March 1, 2023 to March 31, 2023) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on April 5, 2023
(From April 1, 2023 to April 30, 2023) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on May 9, 2023
(From May 1, 2023 to May 31, 2023) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 6, 2023

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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, 2023, 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, 2023, 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, 2023, are as follows: • Investments accounted for using the equity method: 521,420 million yen (see Note 6, SEGMENT INFORMATION, to the consolidated financial statements) • Main components of investments measured at fair value through other comprehensive income ("FVTOCI Investments"): 211,221 million yen (see Note 8, DISCLOSURES ABOUT FINANCIAL INSTRUMENT AND RELATED MATTERS, to the consolidated financial statements) • Property, plant and equipment: 717,545 million yen (see Note 2 IV, USE OF ESTIMATES AND JUDGMENT, to the consolidated financial statements) As disclosed in Note 2 IV, USE OF ESTIMATES AND JUDGMENT, 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 IV, USE OF ESTIMATES AND JUDGMENT, and 24, FAIR VALUE MEASUREMENT, 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 impact of the external environment, including environmental regulations for a decarbonized society and heightened geopolitical risks associated with Russia-Ukraine situation, on future oil price forecast, we made inquires of the management and relevant personnel. 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 appropriateness 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 relevance and reliability 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 appropriate. • Assessed the appropriateness 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 appropriate. • With the assistance of our valuation specialists, independently developed an appropriate future oil price range, considering third-party organizations' reports obtained, quotation prices of the future market, the effects of climate changes and Russia-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 IV, USE OF ESTIMATES AND JUDGMENT, and 24, FAIR VALUE MEASUREMENT, to the consolidated financial statements.

Impact of the Russia-Ukraine situation, the Russian Presidential Decree, and the Resolution of the Government of the Russian Federation on the Sakhalin II project
Key Audit Matter Description
The situation in Russia and Ukraine that began in 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 investment in Russia, difficulty in fund settlement due to the exclusion of certain Russian banks from the Society for Worldwide Interbank Financial Telecommunication ("SWIFT"), countermeasures by Russia, and increased volatility in commodity prices. Regarding the investment in the Sakhalin II project that was held by Mitsui Sakhalin Holdings B.V. ("MSH"), a subsidiary of Mitsui & Co., Ltd. (the "Company"), under these circumstances, all the rights and obligations of Sakhalin Energy Investment Company Ltd. ("SEIC"), an original operator of the project, have been transferred to Sakhalin Energy LLC ("SELLC") established based on Russian Presidential Decree dated June 30, 2022 (No. 416) and Resolution of the Government of the Russian Federation dated August 2, 2022 (No. 1369). Accordingly, the Group submitted to the Government of the Russian Federation the notice of consent to take the ownership of SELLC. The notice of consent was approved and MIT SEL Investment Ltd. ("MITSEL"), a newly established subsidiary of the Company, undertook ownership on September 2, 2022. In addition, the decision on the new LLC member of SELLC has been acknowledged by Order of the Resolution of the Government of the Russian Federation dated April 11, 2023 (No. 890). However, the situation still remains uncertain, including the fact that the relevant LLC members' agreement is not signed. The above situation gives rise to the following issues with respect to the Group's investments in the Sakhalin II project: > Accounting for transfers of investments in the Sakhalin II project in response to the Russian Presidential Decree and Order of the Resolution of the Government of the Russian Federation (the "Presidential Decree and Government Resolution") > Valuation of financial assets measured at fair value through other comprehensive income ("Financial assets measured at FVTOCI") in relation to the Sakhalin II project For the year ended March 31, 2023, since the Group continues to invest in the Sakhalin II project before and after the aforementioned reorganization, the Group has determined that the reorganization has no material impact on the consolidated financial statements. Furthermore, the ownership interest in SELLC acquired through the reorganization is classified as an investment in equity instrument and designated as Financial assets measured at FVTOCI. The fair value of the investment in the Sakhalin II project is measured using the income approach by expected present value technique and the probability-weighted average of a scenario where the continuous dividend income is expected from SELLC and other scenarios. As a result, the fair value of Financial assets measured at FVTOCI decreased by 125,970 million yen from the balance as of March 31, 2022, which was recorded in "Financial assets measured at FVTOCI" in the consolidated statement of comprehensive income. The outstanding balance of "Other investments" in the consolidated statement of financial position related to this project as of March 31, 2023, was 98,505 million yen as described in Note 29, IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS, to the consolidated financial statements. Based on the material balance of the investment in the Sakhalin II project in the consolidated statement of financial position and the considerations described below, we have identified the impact of the Russia-Ukraine situation and the Presidential Decree and Government Resolution on the Sakhalin II project, including related subsequent events and disclosures, as a key audit matter.

> Accounting for transfers of investments in the Sakhalin II project in response to the Presidential Decree and Government Resolution

The accounting for transfers of investments in the Sakhalin II project involves complex judgments, including the determination of whether the commercial substance of the investment continues while all the rights and obligations of SEIC with respect to the Sakhalin II project have been transferred to SELLC in response to the Presidential Decree and Government Resolution. The main accounting issues for the transfers of the investments are as follows:

- Accounting for transfers of investments, including classification of financial assets of the ownership interest in SELLC
- Whether the accumulated foreign currency translation adjustments of MSH should be transferred to profit and loss
- Tax treatments

> Valuation of Financial assets measured at FVTOCI in relation to the Sakhalin II project determination of the following three factors is important in valuation of the Financial assets measured at FVTOCI related to the Sakhalin II project:

- Probability of occurrence of multiple scenarios, including uncertainty about whether the investment could continue
- Future cash flows under the scenario in which the continuous dividend income is expected from SELLC and other scenarios
- Discount rate reflecting the credit rating and other factors in Russia

Management's determination on these factors involves subjective judgment because these factors are affected by international sanctions against Russia, countermeasures against unfriendly countries by Russia, the withdrawal of the partners from the project, the withdrawal prices of the partners published by Russia, the status of discussions toward the conclusion of the relevant LLC members' agreement, and the market conditions for oil and natural gas prices.

How the Key Audit Matter Was Addressed in the Audit

We performed the following audit procedures in order to examine the appropriateness of the accounting treatments related to the transfers of investments in the Sakhalin II project and the valuation of the Financial assets measured at FVTOCI:

- We made inquiries of the management and the several relevant personnel of the Group and inspected the relevant documents to understand the impact of the Russia-Ukraine situation and the Presidential Decree and Government Resolution on the Sakhalin II project.

> Accounting for transfers of investments in the Sakhalin II project in response to the Presidential Decree and Government Resolution

- We made inquiries of the several relevant personnel of the Group and inspected the relevant documents to ascertain whether the subscription for SELLC ownership through MITSEL was in violation of sanctions against Russia by unfriendly countries.
- We made inquiries of the several relevant personnel of the Group and inspected the relevant documents to ascertain whether the commercial substance of investment activities related to the Sakhalin II project of the Group has changed due to the transfers of investments in the Sakhalin II project in response to the Presidential Decree and Government Resolution.
- We obtained the opinion of legal specialists appointed by the Group and examined the appropriateness of the classification of the ownership interest in SELLC as an investment in equity instrument with the assistance of our legal specialists.

- With respect to management's judgment on whether the accumulated foreign currency translation adjustments of MSH should be transferred to profit and loss, we made inquiries of the several relevant personnel of the Group and inspected the relevant documents to understand the investment activities related to the Sakhalin II project performed in the consolidated subsidiaries and whether the substance of the activities has changed due to the transfers of investments.
- We inspected the relevant documents of tax position of the Group and examined the appropriateness of the tax position for the transfers of investments and related accounting treatments with the assistance of our tax specialists.

> Valuation of Financial assets measured at FVTOCI in relation to the Sakhalin II project

We performed the following procedures in order to examine the appropriateness of the valuation methodology and assumptions underlying the fair value measurement, such as the probability of occurrence of multiple scenarios, estimated future cash flows under the scenario in which the continuous dividend income was expected from SELLC, estimated future cash flows under other scenarios, and discount rate:

- Valuation methodology—We examined the appropriateness of using income approach by expected present value technique and the probability-weighted average in determining the exit prices for the fair value measurement with the assistance of our valuation specialists. In addition, we tested whether the approach is appropriately incorporated into the valuation model and for mathematical accuracy.
- Probability of occurrence of multiple scenarios—We made inquiries of the several relevant personnel of the Group and comprehensively considered the Presidential Decree and Government Resolution as well as the global energy situation and energy strategy in Japan to examine the appropriateness of the probability of occurrence for each scenario reflecting uncertainty in the continuance of investment in the Sakhalin II project, such as the status of discussions toward the conclusion of the relevant LLC members' agreement.
- Estimated future cash flows under the scenario in which the continuous dividend income is expected from SELLC—We made inquiries of the several relevant personnel of the Group, inspected the relevant documents to examine the appropriateness of assumptions used in the future business plan underlying the estimation of future cash flows.
- Estimated future cash flows under other scenarios—We made inquiries of the several relevant personnel of the Group and read the Presidential Decree and Government Resolution to examine the appropriateness of assumptions used in the estimation of future cash flows under other scenarios. In addition, we assessed the impact of the decision on the new LLC member that has been acknowledged by the Resolution of the Government of the Russian Federation dated April 11, 2023 (No. 890) and the process led to the decision on the Group's future cash flows under other scenarios.
- Discount rate—We examined the appropriateness of assumptions used by the Group by comparing our independent estimates to the Group's estimates with the assistance of our valuation specialists. In addition, we examined whether the discount rate appropriately reflected Russia's credit rating, which took into account the impacts on business and development activities of the exclusion of some Russian banks from SWIFT, the withdrawal policy of the investors from the project, the restrictions imposed by various countries on import of crude oil and natural gas produced in Russia, and the risk of foreign currency restrictions imposed by Russia on unfriendly countries with the assistance of our valuation specialists and tested mathematical accuracy.

> Other audit procedures

- We made inquiries of the management and inspected relevant documents to identify subsequent events that occurred after the year end and should be adjusted to or disclosed in the consolidated financial statements.
- We examined the reasonableness of the disclosure of the impact of the Russia-Ukraine situation and the Presidential Decree and Government Resolution on the Sakhalin II project 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 21, 2023

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, Senior 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, 2023. 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, 2023.

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 21, 2023

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:

Yoichi Matsushita

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, 2023, 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, 2022 to March 31, 2023, 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, 2023, 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, 2023, are as follows: • Investments accounted for using the equity method:521,420 million yen (see Note 6, SEGMENT INFORMATION, to the consolidated financial statements) • Main components of investments measured at fair value through other comprehensive income ("FVTOCI Investments"): 211,221 million yen (see Note 8, DISCLOSURES ABOUT FINANCIAL INSTRUMENT AND RELATED MATTERS, to the consolidated financial statements) • Property, plant and equipment:717,545 million yen (see Note 2 IV, USE OF ESTIMATES AND JUDGMENT, to the consolidated financial statements) As disclosed in Note 2 IV, USE OF ESTIMATES AND JUDGMENT, 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 IV, USE OF ESTIMATES AND JUDGMENT, and 24, FAIR VALUE MEASUREMENT, 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 impact of the external environment, including environmental regulations for a decarbonized society and heightened geopolitical risks associated with Russia-Ukraine situation, on future oil price forecast, we made inquires of the management and relevant personnel. 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 appropriateness 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 relevance and reliability 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 appropriate.
- Assessed the appropriateness 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 appropriate.
- With the assistance of our valuation specialists, independently developed an appropriate future oil price range, considering third party organizations' reports obtained, quotation prices of the future market, the effects of climate changes and Russia-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 IV, USE OF ESTIMATES AND JUDGMENT, and 24, FAIR VALUE MEASUREMENT, to the consolidated financial statements.

Impact of the Russia-Ukraine situation, the Russian Presidential Decree, and the Resolution of the Government of the Russian Federation on the Sakhalin II project
Key Audit Matter Description
The situation in Russia and Ukraine that began in 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 investment in Russia, difficulty in fund settlement due to the exclusion of certain Russian banks from the Society for Worldwide Interbank Financial Telecommunication ("SWIFT"), countermeasures by Russia, and increased volatility in commodity prices. Regarding the investment in the Sakhalin II project that was held by Mitsui Sakhalin Holdings B.V. ("MSH"), a subsidiary of Mitsui & Co., Ltd. (the "Company"), under these circumstances, all the rights and obligations of Sakhalin Energy Investment Company Ltd. ("SEIC"), an original operator of the project, have been transferred to Sakhalin Energy LLC ("SELLC") established based on Russian Presidential Decree dated June 30, 2022 (No. 416) and Resolution of the Government of the Russian Federation dated August 2, 2022 (No. 1369). Accordingly, the Group submitted to the Government of the Russian Federation the notice of consent to take the ownership of SELLC. The notice of consent was approved and MIT SEL Investment Ltd. ("MITSEL"), a newly established subsidiary of the Company, undertook ownership on September 2, 2022. In addition, the decision on the new LLC member of SELLC has been acknowledged by Order of the Resolution of the Government of the Russian Federation dated April 11, 2023 (No. 890). However, the situation still remains uncertain, including the fact that the relevant LLC members' agreement is not signed. The above situation gives rise to the following issues with respect to the Group's investments in the Sakhalin II project: > Accounting for transfers of investments in the Sakhalin II project in response to the Russian Presidential Decree and Order of the Resolution of the Government of the Russian Federation (the "Presidential Decree and Government Resolution") > Valuation of financial assets measured at fair value through other comprehensive income ("Financial assets measured at FVTOCI") in relation to the Sakhalin II project For the year ended March 31, 2023, since the Group continues to invest in the Sakhalin II project before and after the aforementioned reorganization, the Group has determined that the reorganization has no material impact on the consolidated financial statements. Furthermore, the ownership interest in SELLC acquired through the reorganization is classified as an investment in equity instrument and designated as Financial assets measured at FVTOCI. The fair value of the investment in the Sakhalin II project is measured using the income approach by expected present value technique and the probability-weighted average of a scenario where the continuous dividend income is expected from SELLC and other scenarios. As a result, the fair value of Financial assets measured at FVTOCI decreased by 125,970 million yen from the balance as of March 31, 2022, which was recorded in “Financial assets measured at FVTOCI” in the consolidated statement of comprehensive income. The outstanding balance of "Other investments" in the consolidated statement of financial position related to this project as of March 31, 2023, was 98,505 million yen as described in Note 29, IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS, to the consolidated financial statements. Based on the material balance of the investment in the Sakhalin II project in the consolidated statement of financial position and the considerations described below, we have identified the impact of the Russia-Ukraine situation and the Presidential Decree and Government Resolution on the Sakhalin II project, including related subsequent events and disclosures, as a key audit matter. > Accounting for transfers of investments in the Sakhalin II project in response to the Presidential Decree and Government Resolution The accounting for transfers of investments in the Sakhalin II project involves complex judgments, including the determination of whether the commercial substance of the investment continues while all the rights and obligations of SEIC with respect to the Sakhalin II project have been transferred to SELLC in response to the Presidential Decree and Government Resolution. The main accounting issues for the transfers of the investments are as follows: · Accounting for transfers of investments, including classification of financial assets of the ownership interest in SELLC · Whether the accumulated foreign currency translation adjustments of MSH should be transferred to profit and loss · Tax treatments > Valuation of Financial assets measured at FVTOCI in relation to the Sakhalin II project determination of the following three factors is important in valuation of the Financial assets measured at FVTOCI related to the Sakhalin II project: · Probability of occurrence of multiple scenarios, including uncertainty about whether the investment could continue · Future cash flows under the scenario in which the continuous dividend income is expected from SELLC and other scenarios · Discount rate reflecting the credit rating and other factors in Russia

Management's determination on these factors involves subjective judgment because these factors are affected by international sanctions against Russia, countermeasures against unfriendly countries by Russia, the withdrawal of the partners from the project, the withdrawal prices of the partners published by Russia, the status of discussions toward the conclusion of the relevant LLC members' agreement, and the market conditions for oil and natural gas prices.

How the Key Audit Matter Was Addressed in the Audit

We performed the following audit procedures in order to examine the appropriateness of the accounting treatments related to the transfers of investments in the Sakhalin II project and the valuation of the Financial assets measured at FVTOCI:

- We made inquiries of the management and the several relevant personnel of the Group and inspected the relevant documents to understand the impact of the Russia-Ukraine situation and the Presidential Decree and Government Resolution on the Sakhalin II project.

> Accounting for transfers of investments in the Sakhalin II project in response to the Presidential Decree and Government Resolution

- We made inquiries of the several relevant personnel of the Group and inspected the relevant documents to ascertain whether the subscription for SELLC ownership through MITSEL was in violation of sanctions against Russia by unfriendly countries.
- We made inquiries of the several relevant personnel of the Group and inspected the relevant documents to ascertain whether the commercial substance of investment activities related to the Sakhalin II project of the Group has changed due to the transfers of investments in the Sakhalin II project in response to the Presidential Decree and Government Resolution.
- We obtained the opinion of legal specialists appointed by the Group and examined the appropriateness of the classification of the ownership interest in SELLC as an investment in equity instrument with the assistance of our legal specialists.
- With respect to management's judgment on whether the accumulated foreign currency translation adjustments of MSH should be transferred to profit and loss, we made inquiries of the several relevant personnel of the Group and inspected the relevant documents to understand the investment activities related to the Sakhalin II project performed in the consolidated subsidiaries and whether the substance of the activities has changed due to the transfers of investments.
- We inspected the relevant documents of tax position of the Group and examined the appropriateness of the tax position for the transfers of investments and related accounting treatments with the assistance of our tax specialists.

> Valuation of Financial assets measured at FVTOCI in relation to the Sakhalin II project

We performed the following procedures in order to examine the appropriateness of the valuation methodology and assumptions underlying the fair value measurement, such as the probability of occurrence of multiple scenarios, estimated future cash flows under the scenario in which the continuous dividend income was expected from SELLC, estimated future cash flows under other scenarios, and discount rate:

- Valuation methodology—We examined the appropriateness of using income approach by expected present value technique and the probability-weighted average in determining the exit prices for the fair value measurement with the assistance of our valuation specialists. In addition, we tested whether the approach is appropriately incorporated into the valuation model and for mathematical accuracy.
- Probability of occurrence of multiple scenarios—We made inquiries of the several relevant personnel of the Group and comprehensively considered the Presidential Decree and Government Resolution as well as the global energy situation and energy strategy in Japan to examine the appropriateness of the probability of occurrence for each scenario reflecting uncertainty in the continuance of investment in the Sakhalin II project, such as the status of discussions toward the conclusion of the relevant LLC members’ agreement.
- Estimated future cash flows under the scenario in which the continuous dividend income is expected from SELLC—We made inquiries of the several relevant personnel of the Group, inspected the relevant documents to examine the appropriateness of assumptions used in the future business plan underlying the estimation of future cash flows.
- Estimated future cash flows under other scenarios—We made inquiries of the several relevant personnel of the Group and read the Presidential Decree and Government Resolution to examine the appropriateness of assumptions used in the estimation of future cash flows under other scenarios. In addition, we assessed the impact of the decision on the new LLC member that has been acknowledged by the Resolution of the Government of the Russian Federation dated April 11, 2023 (No. 890) and the process led to the decision on the Group’s future cash flows under other scenarios.
- Discount rate—We examined the appropriateness of assumptions used by the Group by comparing our independent estimates to the Group's estimates with the assistance of our valuation specialists. In addition, we examined whether the discount rate appropriately reflected Russia's credit rating, which took into account the impacts on business and

development activities of the exclusion of some Russian banks from SWIFT, the withdrawal policy of the investors from the project, the restrictions imposed by various countries on import of crude oil and natural gas produced in Russia, and the risk of foreign currency restrictions imposed by Russia on unfriendly countries with the assistance of our valuation specialists and tested mathematical accuracy.

> Other audit procedures

- We made inquiries of the management and inspected relevant documents to identify subsequent events that occurred after the year end and should be adjusted to or disclosed in the consolidated financial statements.
- We examined the reasonableness of the disclosure of the impact of the Russia-Ukraine situation and the Presidential Decree and Government Resolution on the Sakhalin II project 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, 2023.

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, 2023, 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.

Notes to the Readers of Independent Auditor's Report

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.