

**Quarterly Securities Report**  
**for the Three-Month Period Ended June 30, 2023**

English translation of certain items disclosed in the Quarterly Securities Report for the three-month period ended June 30, 2023, which were filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on August 9, 2023.

**Mitsui & Co., Ltd.**

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

## 1. Overview of Mitsui and Its Subsidiaries

### 1. Selected Financial Data

As of or for the periods ended June 30, 2023 and 2022 and as of or for the year ended March 31, 2023

	In millions of Yen, except amounts per share and other		
	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022	As of or for the year ended March 31, 2023
<b>Consolidated financial data</b>			
Revenue	¥ 3,149,131	3,720,531	14,306,402
Gross profit	¥ 300,730	313,430	1,396,228
Profit for the period attributable to owners of the parent	¥ 252,850	275,000	1,130,630
Comprehensive income for the period attributable to owners of the parent	¥ 591,102	312,406	1,224,588
Total equity attributable to owners of the parent	¥ 6,784,161	5,770,927	6,367,750
Total assets	¥ 16,311,377	15,786,648	15,380,916
Basic earnings per share attributable to owners of the parent (Yen)	¥ 166.43	172.44	721.82
Diluted earnings per share attributable to owners of the parent (Yen)	¥ 166.35	172.37	721.41
Equity attributable to owners of the parent ratio	% 41.59	36.56	41.40
Cash flows from operating activities	¥ 366,830	280,937	1,047,537
Cash flows from investing activities	¥ (194,255)	(111,607)	(178,341)
Cash flows from financing activities	¥ (339,097)	(129,792)	(634,685)
Cash and cash equivalents at end of period	¥ 1,281,311	1,219,135	1,390,130

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

### 2. Business Overview

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

There has been no significant change in our business for the three-month period ended June 30, 2023.

## 2. Operating and Financial Review and Prospects

### 1. Risk Factors

For the three-month period ended June 30, 2023, there is no significant change in risk factors which were described on our Annual Securities Report for the year ended March 31, 2023.

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

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

Forward-looking statements were made as of June 30, 2023, unless otherwise indicated.

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

In the three-month period ended June 30, 2023, the US economy slowed somewhat but was generally firm, while growth in Europe stalled. The momentum of China's recovery after the lifting of the zero-COVID policy slowed down. As a result, the overall global economy continued to slow.

In the US, the effects of rapid monetary tightening appeared in areas such as the real estate market, but the economy showed overall strength, supported by persistent consumer spending against a backdrop of excess demand in the labor market. Looking ahead, consumer spending is expected to continue to support the economy, but the economy is expected to gradually slow due to the effects of the monetary tightening carried out so far. In Europe, high inflation weighed on consumer spending, bringing the economy to a standstill. Looking ahead, stagnation is expected to continue due to high inflation, continued monetary tightening, and a slow recovery in China, a major export destination for the region. In Japan, the economy recovered moderately as normalization of economic activity continued and consumer spending, including eating out and travel, continued to recover. In addition, inbound demand picked up. Looking ahead, the economy is expected to continue to recover moderately due to expected growth in personal consumption and inbound demand. In China, the lifting of the zero-COVID policy at the end of last year brought about a temporary pickup in the economy, especially in services consumption, but it did not last long and the tempo of economic recovery remained moderate, partly due to exports and investment in real estate development being sluggish. Looking ahead, with both domestic and foreign demand lacking momentum, the focus will be on future stimulus measures. In Brazil, monetary tightening over the past year is expected to weigh on the economic recovery. In Russia, economic activity is expected to remain stagnant due to economic sanctions imposed by the international community.

Looking ahead, the global economy is expected to pick up moderately due to prolonged high inflation and continued tight monetary policy in the US, Europe, and other developed countries, as well as the slow economic recovery in China.

## (2) Results of Operations

### 1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		3,149.1	3,720.5	(571.4)
Gross Profit		300.7	313.4	(12.7)
Selling, General and Administrative Expenses		(184.2)	(155.9)	(28.3)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	47.5	11.6	+35.9
	Impairment Reversal (Loss) of Fixed Assets—Net	(2.5)	(0.3)	(2.2)
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	1.6	6.9	(5.3)
	Other Income (Expense)—Net	0.8	8.3	(7.5)
Finance Income (Costs)	Interest Income	15.8	7.0	+8.8
	Dividend Income	27.7	34.6	(6.9)
	Interest Expense	(38.6)	(16.4)	(22.2)
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		143.0	138.8	+4.2
Income Taxes		(53.2)	(59.6)	+6.4
Profit for the Period		258.7	288.4	(29.7)
Profit for the Period Attributable to Owners of the Parent		252.9	275.0	(22.1)

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

### Revenue

Revenue for the three-month period ended June 30, 2023 (“current period”) was ¥3,149.1 billion, a decrease of ¥571.4 billion from ¥3,720.5 billion for the corresponding three-month period of the previous year (“previous period”). The decrease was mainly in the Energy Segment and the Chemicals Segment.

### Gross Profit

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

## Selling, General and Administrative Expenses

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

	Billions of Yen		
	Current Period	Previous Period	Change
Personnel .....	¥ (99.1)	¥ (85.7)	¥ (13.4)
Welfare .....	(3.9)	(3.1)	(0.8)
Travel .....	(7.5)	(4.9)	(2.6)
Entertainment .....	(1.7)	(1.3)	(0.4)
Communication .....	(14.6)	(12.7)	(1.9)
Rent .....	(3.2)	(2.6)	(0.6)
Depreciation .....	(11.7)	(9.6)	(2.1)
Fees and Taxes .....	(3.5)	(4.8)	+1.3
Loss Allowance .....	(5.5)	(2.7)	(2.8)
Others .....	(33.5)	(28.5)	(5.0)
Total .....	¥ (184.2)	¥ (155.9)	¥ (28.3)

\*Negative amounts in the “Change” column displayed in parentheses represent an increase in expenses.

## Other Income (Expenses)

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

For the current period, a valuation gain was recorded mainly in the Lifestyle Segment.

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

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

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

### *Other Income (Expense)—Net*

The Lifestyle Segment recorded a valuation loss on an options contract, whereas the Energy Segment recorded an increase due to derivative profit.

## Finance Income (Costs)

### *Dividend Income*

Mainly the Energy Segment recorded a decrease.

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

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

## Income Taxes

Income taxes were ¥53.2 billion, a decrease of ¥6.4 billion from ¥59.6 billion for the previous period.

The effective tax rate for the current period was 17.0%, a decrease of 0.1 points from 17.1% for the previous period. A deferred tax liability was not recognized in response to a fair value gain recorded in the Lifestyle Segment, and due to this and other factors income taxes decreased.

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

As a result, profit for the period attributable to owners of the parent was ¥252.9 billion, a decrease of ¥22.1

billion from the previous period.

## 2) Operating Results by Operating Segment

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

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

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

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	77.9	119.8	(41.9)	
Gross Profit	75.0	107.4	(32.4)	<ul style="list-style-type: none"> <li>• Mitsui Resources -22.0 (lower metallurgical coal prices)</li> <li>• Iron ore mining operations in Australia -6.9 (lower prices)</li> </ul>
Profit (Loss) of Equity Method Investments	23.4	42.8	(19.4)	<ul style="list-style-type: none"> <li>• Decrease due to sale of Stanmore SMC</li> <li>• Japan Collahuasi Resources*<sup>1</sup> -4.2 (volume decrease)</li> <li>• INNER MONGOLIA ERDOS ELECTRIC POWER AND METALLURGY GROUP -3.6 (lower prices in ferroalloys and chemicals businesses)</li> </ul>
Dividend Income	7.8	7.3	+0.5	
Selling, General and Administrative Expenses	(8.5)	(8.2)	(0.3)	
Others	(19.8)	(29.5)	+9.7	

\*1 An investor in Compañía Minera Doña Inés de Collahuasi, a copper mining company in Chile.

### Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	26.7	23.7	+3.0	
Gross Profit	35.4	17.1	+18.3	<ul style="list-style-type: none"> <li>• Increase in LNG trading (absence of derivative valuation losses in the previous period)</li> <li>• Mitsui E&amp;P Australia -7.5 (volume decrease)</li> <li>• Mitsui E&amp;P USA -3.4 (lower gas prices)</li> </ul>
Profit (Loss) of Equity Method Investments	22.6	24.8	(2.2)	
Dividend Income	6.8	16.2	(9.4)	• 4 LNG projects* <sup>1</sup> -9.4 (current period 6.8, previous period 16.2)
Selling, General and Administrative Expenses	(15.4)	(15.5)	+0.1	
Others	(22.7)	(18.9)	(3.8)	• MOEX North America +4.4 (derivative related profit and loss)

\*1 Abu Dhabi, Oman, Qatargas 3, and Sakhalin II.

### Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	52.6	38.9	+13.7	
Gross Profit	51.2	43.9	+7.3	
Profit (Loss) of Equity Method Investments	57.0	42.8	+14.2	<ul style="list-style-type: none"> <li>• East Anglia*<sup>1</sup> +3.3 (resumption of earnings contribution following book value recovery)</li> <li>• IPP -7.4 (impairment loss of fixed assets at Mainstream -9.0*<sup>2</sup>, weak performance at Mainstream's projects in Chile, mark-to-market valuation gain of power derivatives in Australia +3.3)</li> </ul>
Dividend Income	2.8	1.6	+1.2	
Selling, General and Administrative Expenses	(44.4)	(35.8)	(8.6)	
Others	(14.0)	(13.6)	(0.4)	• Absence of impairment loss of MT Falcon in the previous period* <sup>3</sup> +3.1

\*1 A passenger rail franchise business in the UK.

\*2 Recorded an equity method loss of ¥9.0 billion due to reassessment of recoverable amount related to Mainstream's projects in Chile.

\*3 For the previous period, an impairment loss of ¥3.1 billion was recorded, based on the revision of a sale and purchase agreement for the shares of MT Falcon Holdings.



**Chemicals Segment**

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	15.5	23.1	(7.6)	
Gross Profit	52.3	59.5	(7.2)	<ul style="list-style-type: none"> <li>• Novus International -3.3 (lower prices)</li> <li>• Decrease in fertilizer trading (lower prices)</li> <li>• Increase in basic chemicals trading (swing back effect from the previous period)</li> </ul>
Profit (Loss) of Equity Method Investments	12.9	7.2	+5.7	<ul style="list-style-type: none"> <li>• Hexagon Composites +6.5 (mainly a valuation gain due to one of its subsidiaries becoming an equity method investee)</li> </ul>
Dividend Income	1.5	1.5	0.0	
Selling, General and Administrative Expenses	(37.3)	(32.0)	(5.3)	
Others	(13.9)	(13.1)	(0.8)	

**Iron & Steel Products Segment**

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	5.6	7.0	(1.4)	
Gross Profit	10.2	9.1	+1.1	
Profit (Loss) of Equity Method Investments	4.9	6.6	(1.7)	
Dividend Income	1.5	1.1	+0.4	
Selling, General and Administrative Expenses	(7.6)	(6.6)	(1.0)	
Others	(3.4)	(3.2)	(0.2)	

### Lifestyle Segment

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	60.3	26.5	+33.8	
Gross Profit	50.0	52.7	(2.7)	<ul style="list-style-type: none"> <li>• Foreign exchange impact in coffee trading business -9.1</li> <li>• Aim Services becoming a subsidiary +5.1</li> </ul>
Profit (Loss) of Equity Method Investments	17.4	9.8	+7.6	<ul style="list-style-type: none"> <li>• WILSEY FOODS +4.8 (good performance at Ventura Foods, a manufacturer of processed oil food)</li> </ul>
Dividend Income	4.3	3.1	+1.2	
Selling, General and Administrative Expenses	(43.6)	(35.5)	(8.1)	<ul style="list-style-type: none"> <li>• Aim Services becoming a subsidiary -4.4</li> </ul>
Others	32.2	(3.6)	+35.8	<ul style="list-style-type: none"> <li>• Aim Services fair value gain*<sup>1</sup> +43.4</li> <li>• Foreign exchange hedging profit in coffee trading +8.6</li> <li>• Put option related to R-Pharm*<sup>2</sup> -14.0 (Current period -0.8, absence from the previous period -13.2)</li> </ul>

\*1 Revaluation gain on previously held equity interest due to Aim Services being reclassified from an equity-method investee to a consolidated subsidiary.

\*2 A valuation gain/loss was recorded for the foreign exchange translation of a put option in relation to R-Pharm.

### Innovation & Corporate Development Segment

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	8.1	20.4	(12.3)	
Gross Profit	25.2	19.9	+5.3	
Profit (Loss) of Equity Method Investments	4.6	4.7	(0.1)	
Dividend Income	2.5	3.2	(0.7)	
Selling, General and Administrative Expenses	(21.9)	(19.3)	(2.6)	
Others	(2.3)	11.9	(14.2)	<ul style="list-style-type: none"> <li>• Absence of gain on sale of real estate business in Singapore in the previous period*<sup>1</sup></li> <li>• Absence of gain on sale of real estate in the US in the previous period*<sup>2</sup> -7.0</li> </ul>

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

\*2 A fixed asset sale of a property in the US.

### (3) Financial Condition and Cash Flows

#### 1) Financial Condition

(Billions of Yen)	June 30, 2023	March 31, 2023	Change
Total Assets	16,311.4	15,380.9	+930.5
Current Assets	5,871.7	5,674.8	+196.9
Non-current Assets	10,439.7	9,706.1	+733.6
Current Liabilities	3,800.1	3,766.6	+33.5
Non-current Liabilities	5,511.9	5,049.1	+462.8
<i>Net Interest-bearing Debt</i>	3,329.1	3,212.7	+116.4
Total Equity Attributable to Owners of the Parent	6,784.2	6,367.8	+416.4
Net Debt-to-Equity Ratio (times)	0.49	0.50	(0.01)

(\*) “Net Debt-to-Equity Ratio” (“Net DER”) is comprised of “net interest bearing debt” divided by total equity attributable to owners of the parent. We define “net interest bearing debt” as follows:

- calculate Interest-bearing debt by excluding lease liability from short-term debt and long-term debt.
- calculate net interest bearing debt by subtracting cash and cash equivalents and time deposits with maturities within one year after three months from interest bearing debt

#### Assets

##### Current Assets:

(Billions of Yen)	June 30, 2023	March 31, 2023	Change	Description
Current Assets	5,871.7	5,674.8	+196.9	
Cash and cash equivalents	1,281.3	1,390.1	(108.8)	
Trade and other receivables	2,112.9	2,191.2	(78.3)	<ul style="list-style-type: none"> <li>● Loan receivables -54.4 BAF*2 -70.0</li> <li>● Trade receivables -19.8 (MM*1, IC*1) Decrease in trading volume, seasonal factors</li> </ul>
Other financial assets	914.1	773.0	+141.1	<ul style="list-style-type: none"> <li>● (MM*1, MI*1) Increase in dividends receivable</li> <li>● (Corporate) Increase in margin deposits</li> </ul>
Inventories	961.2	940.5	+20.7	● (IC*1) Increase in inventories
Advance payments to suppliers	286.8	226.7	+60.1	● (MI*1) Increase in trading volume
Assets held for sale	131.2	-	+131.2	● BAF*2 +131.2
Other Current assets	184.2	153.3	+30.9	

\*1 MM: Mineral & Metal Resources Segment, IC: Innovation & Corporate Development Segment, MI: Machinery & Infrastructure Segment.

\*2 Due to the agreement for 20% of the shares of Bussan Auto Finance, a consolidated subsidiary in the Machinery & Infrastructure Segment (Mitsui’s equity ratio: 65%), to be transferred to JA Mitsui Leasing, related assets have been reclassified to “Assets held for sale”.

Non-current Assets:

(Billions of Yen)	June 30, 2023	March 31, 2023	Change	Description
Non-current Assets	10,439.7	9,706.1	+733.6	
Investments accounted for using the equity method	4,220.6	3,929.6	+291.0	<ul style="list-style-type: none"> <li>● Foreign exchange fluctuations +285.8</li> <li>● Changes from equity method investments profit +143.0</li> <li>● Offshore wind power project in Taiwan +60.9 (YECL becoming a subsidiary)</li> <li>● Dividends from equity accounted investees -175.1</li> </ul>
Other investments	2,235.4	2,134.1	+101.3	<ul style="list-style-type: none"> <li>● Foreign exchange fluctuations +32.1</li> <li>● Fair value of FVTOCI financial assets +23.0 (including +14.4 from equity interest in Sakhalin II project)</li> <li>● Acquisition of Alvotech convertible bonds +10.5</li> </ul>
Trade and other receivables	306.2	320.0	(13.8)	● BAF* <sup>1</sup> -53.3
Other financial assets	224.0	208.0	+16.0	● (MI* <sup>2</sup> ) Increase in trading volume
Property, plant and equipment	2,474.5	2,300.6	+173.9	<ul style="list-style-type: none"> <li>● Oil and gas projects +80.7 (including foreign exchange fluctuations +42.7)</li> <li>● Iron ore mining operations in Australia +31.0 (including foreign exchange fluctuations +28.0)</li> <li>● Intercontinental Terminals Company +11.0 (including foreign exchange fluctuations +11.5)</li> </ul>
Investment property	287.0	282.5	+4.5	
Intangible assets	433.1	277.3	+155.8	● Aim Services becoming a subsidiary +127.4
Deferred tax assets	109.2	105.2	+4.0	
Deferred tax assets	149.7	148.8	+0.9	

\*1 Due to the agreement for 20% of the shares of Bussan Auto Finance, a consolidated subsidiary in the Machinery & Infrastructure Segment (Mitsui's equity ratio: 65%), to be transferred to JA Mitsui Leasing, related assets have been reclassified to "Assets held for sale".

\*2 MI: Machinery & Infrastructure Segment

## Liabilities

(Billions of Yen)	June 30, 2023	March 31, 2023	Change	Description
Current Liabilities	3,800.1	3,766.6	+33.5	
Short-term debt	483.1	432.2	+50.9	● Borrowing and repayments, as well as BAF* <sup>1</sup> -21.6
Current portion of long-term debt	453.9	811.0	(357.1)	● Reclassification from non-current debt and repayments, as well as BAF* <sup>1</sup> -28.4
Trade and other payables	1,602.1	1,510.4	+91.7	● Increase in trade payables, accrued expenses
Other financial liabilities	704.2	622.0	+82.2	● Increase in derivative liabilities
Income tax payables	44.7	49.3	(4.6)	
Advances from customers	280.3	234.9	+45.4	● Corresponding to increase in advance payments
Provisions	59.7	59.0	+0.7	
Liabilities directly associated with assets held for sale	107.9	-	+107.9	● BAF* <sup>1</sup> +107.9
Other current liabilities	64.2	47.8	+16.4	
Non-current Liabilities	5,511.9	5,049.1	+462.8	
Long-term debt, less the current portion	4,154.7	3,797.3	+357.4	● Reclassification to current portion and borrowings, as well as BAF* <sup>1</sup> -43.8
Other financial liabilities	261.1	223.4	+37.7	● Increase in derivative liabilities
Retirement benefit liabilities	39.1	37.0	+2.1	
Provisions	331.7	310.5	+21.2	● (EN* <sup>2</sup> ) Increase in asset retirement obligations due to weak yen
Deferred tax liabilities	689.0	648.3	+40.7	
Other non-current liabilities	36.3	32.6	+3.7	

\*1 Due to the agreement for 20% of the shares of Bussan Auto Finance, a consolidated subsidiary in the Machinery & Infrastructure Segment (Mitsui's equity ratio: 65%), to be transferred to JA Mitsui Leasing, related liabilities have been reclassified to "Liabilities directly associated with assets held for sale".

\*2 EN: Energy Segment

## Equity

(Billions of Yen)	June 30, 2023	March 31, 2023	Change	Description
Common stock	342.8	342.6	+0.2	
Capital surplus	382.9	381.9	+1.0	
Retained earnings	4,978.8	4,840.5	+138.3	
Other components of equity	1,207.5	869.0	+338.5	
<breakdown>				
Financial assets measured at FVTOCI	228.3	215.6	+12.7	
Foreign currency translation adjustments	973.1	638.5	+334.6	<ul style="list-style-type: none"> <li>● USD +165.7 (June-23 JPY144.99/USD, up from Mar-23 JPY133.53/USD)</li> <li>● AUD +72.7 (June-23 JPY95.77/AUD, up from Mar-23 JPY89.69/AUD)</li> </ul>
Cash flow hedges	6.1	14.9	(8.8)	
Treasury stock	(127.8)	(66.2)	(61.6)	● Share repurchase -61.7
Total Equity Attributable to Owners of the Parent	6,784.2	6,367.8	+416.4	
Non-controlling interests	215.2	197.4	+17.8	

## 2) Cash Flows

(Billions of Yen)	Current Period	Previous Period	Change
Cash Flows from Operating Activities	366.8	280.9	+85.9
Cash Flows from Investing Activities	(194.3)	(111.6)	(82.7)
Free Cash Flow	172.5	169.3	+3.2
Cash Flows from Financing Activities	(339.1)	(129.8)	(209.3)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	57.8	51.8	+6.0
Change in Cash and Cash Equivalents	(108.8)	91.3	(200.1)

\*1 Includes the effect of Cash and Cash Equivalents Included in Assets Held for Sale.

### Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash Flows from Operating Activities	a	366.8	280.9	+85.9
Cash Flows from Change in Working Capital	b	92.9	(33.0)	+125.9
Repayments of Lease Liabilities	c	(18.0)	(13.5)	(4.5)
Core Operating Cash Flow	a-b+c	255.9	300.4	(44.5)

- Cash flows from change in working capital (changes in operating assets and liabilities) was ¥92.9 billion of net cash inflow. Repayments of lease liabilities was ¥18.0 billion of net cash outflow. Core Operating Cash Flow, which equals cash flows from operating activities excluding changes in working capital and repayments of lease liabilities, amounted to ¥255.9 billion.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥159.9 billion, an increase of ¥10.9 billion from ¥149.0 billion for the previous period; and
- Depreciation and amortization for the current period was ¥69.3 billion, an increase of ¥3.3 billion from ¥66.0 billion for the previous period.

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

(Billions of Yen)		Current Period	Previous Period	Change
Mineral & Metal Resources		91.1	142.2	(51.1)
Energy		55.3	52.4	+2.9
Machinery & Infrastructure		60.2	35.6	+24.6
Chemicals		20.3	32.0	(11.7)
Iron & Steel Products		2.5	2.9	(0.4)
Lifestyle		21.5	22.3	(0.8)
Innovation & Corporate Development		7.1	11.9	(4.8)
All Other and Adjustments and Eliminations		(2.1)	1.1	(3.2)
Consolidated Total		255.9	300.4	(44.5)

The following table shows Depreciation and amortization by operating segment.

(Billions of Yen)		Current Period	Previous Period	Change
Mineral & Metal Resources		15.4	13.9	+1.5
Energy		21.5	23.3	(1.8)
Machinery & Infrastructure		8.4	7.2	+1.2
Chemicals		7.8	7.3	+0.5
Iron & Steel Products		0.4	0.3	+0.1
Lifestyle		7.2	5.3	+1.9
Innovation & Corporate Development		4.2	4.7	(0.5)
All Other and Adjustments and Eliminations		4.4	4.0	+0.4
Consolidated Total		69.3	66.0	+3.3

**Cash Flows from Investing Activities**

(Billions of Yen)	Current Period	Previous Period	Description
Cash flows from investing activities	(194.3)	(111.6)	
Net change in investments to equity accounted investees	(17.1)	(94.3)	
Cash outflow	(34.2)	(125.9)	
Cash inflow	17.1	31.6	
Net change in other investments	(13.8)	(17.5)	
Cash outflow	(29.5)	(30.9)	<ul style="list-style-type: none"> <li>● Bussan Animal Health<sup>*1</sup></li> <li>● Acquisition of Alvotech convertible bonds -10.5</li> </ul>
Cash inflow	15.7	13.4	
Net change in property, plant, and equipment	(46.9)	(53.9)	
Cash outflow	(63.1)	(54.2)	<ul style="list-style-type: none"> <li>● Oil and gas projects -17.1</li> <li>● Iron ore mining operations in Australia -12.5</li> </ul>
Cash inflow	16.2	0.3	<ul style="list-style-type: none"> <li>● M&amp;T Aviation sale of owned aircraft +12.4</li> </ul>
Net change in investment property	(1.4)	21.5	
Cash outflow	(1.4)	(0.9)	
Cash inflow	-	22.4	
Net change in loan receivables	(7.7)	(2.0)	
Net change in time deposits	(11.8)	34.6	<ul style="list-style-type: none"> <li>● Mitsui Mineral Resources Development Latin America time deposits -11.3</li> </ul>
Acquisition of subsidiaries or other businesses	(95.6)	-	<ul style="list-style-type: none"> <li>● Aim Services becoming a subsidiary -58.8 (Net amount of: acquisition cost -68.8, cash and deposits +10.0)</li> <li>● Acquisition of interest in South Texas Vaquero -36.8</li> </ul>

\*1 After acquiring all shares in Sumitomo Pharma Animal Health, the company name changed to Bussan Animal Health in June, 2023.



**Cash Flows from Financing Activities**

(Billions of Yen)	Current Period	Previous Period	Description of Current Period
Cash flows from financing activities	(339.1)	(129.8)	
Net change in short-term debt	56.0	(1.1)	
Net change in long-term debt	(196.0)	61.6	
(Proceeds from long-term debt)	426.2	237.9	
(Repayments of long-term debt)	(622.2)	(176.3)	
Repayments of lease liabilities	(18.0)	(13.5)	
Purchase and sales of treasury stock-net	(61.7)	(51.0)	
Dividends paid	(114.3)	(96.1)	
Transactions with non-controlling interest shareholders	(5.1)	(29.7)	

**(4) Management Issues**

For the three-month period ended June 30, 2023, there is no significant change in management issues. The forecasts we announced on May 2, 2023 in Consolidated Financial Results for the Year Ended March 31, 2023, were ¥880.0 billion for Profit Attributable to Owners of the Parent and ¥870.0 billion for Core Operating Cash Flow. No revisions have been made to these forecasts.

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

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

**(6) Research & Development**

There are no contracts for which disclosure is required.

**3. Material Contracts**

There are no contracts for which disclosure is required.

### 3. Condensed Consolidated Financial Statements

**Condensed Consolidated Statements of Financial Position**  
**Mitsui & Co., Ltd. and subsidiaries**  
**June 30, 2023 and March 31, 2023**

	Millions of Yen	
	June 30, 2023	March 31, 2023
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents .....	¥ 1,281,311	¥ 1,390,130
Trade and other receivables .....	2,112,945	2,191,181
Other financial assets (Note 14) .....	914,053	772,984
Inventories (Note 14) .....	961,180	940,543
Advance payments to suppliers .....	286,814	226,692
Assets held for sale (Note 4) .....	131,170	-
Other current assets .....	184,182	153,303
Total current assets .....	5,871,655	5,674,833
<b>Non-current Assets:</b>		
Investments accounted for using the equity method(Note 17) .....	4,220,647	3,929,636
Other investments (Notes 14 and 17).....	2,235,353	2,134,103
Trade and other receivables (Notes 14 and 17) .....	306,165	320,040
Other financial assets (Note 14) .....	224,036	208,021
Property, plant and equipment (Note 7) .....	2,474,541	2,300,607
Investment property .....	287,028	282,497
Intangible assets .....	433,081	277,316
Deferred tax assets .....	109,204	105,197
Other non-current assets .....	149,667	148,666
Total non-current assets .....	10,439,722	9,706,083
<b>Total assets</b> .....	¥ 16,311,377	¥ 15,380,916

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

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

**June 30, 2023 and March 31, 2023**

	Millions of Yen	
	June 30, 2023	March 31, 2023
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term debt .....	¥ 483,137	¥ 432,233
Current portion of long-term debt (Note 9) .....	453,914	810,999
Trade and other payables .....	1,602,115	1,510,391
Other financial liabilities (Notes 13 and 14) .....	704,231	621,979
Income tax payables .....	44,655	49,335
Advances from customers .....	280,305	234,946
Provisions .....	59,710	58,952
Liabilities directly associated with assets held for sale(Note 4).....	107,873	-
Other current liabilities .....	64,117	47,802
Total current liabilities .....	<u>3,800,057</u>	<u>3,766,637</u>
<b>Non-current Liabilities:</b>		
Long-term debt, less current portion (Notes 9 and 14) .....	4,154,728	3,797,328
Other financial liabilities (Notes 13, 14 and 17) .....	261,105	223,381
Retirement benefit liabilities .....	39,117	36,998
Provisions .....	331,738	310,513
Deferred tax liabilities .....	689,013	648,263
Other non-current liabilities .....	36,257	32,648
Total non-current liabilities .....	<u>5,511,958</u>	<u>5,049,131</u>
Total liabilities .....	<u>9,312,015</u>	<u>8,815,768</u>
<b>Equity:</b>		
Common stock .....	342,813	342,560
Capital surplus .....	382,894	381,869
Retained earnings .....	4,978,793	4,840,510
Other components of equity (Note 10) .....	1,207,424	868,963
Treasury stock .....	(127,763)	(66,152)
Total equity attributable to owners of the parent .....	<u>6,784,161</u>	<u>6,367,750</u>
Non-controlling interests .....	215,201	197,398
Total equity .....	<u>6,999,362</u>	<u>6,565,148</u>
<b>Total liabilities and equity</b> .....	<u>¥ 16,311,377</u>	<u>¥ 15,380,916</u>

## Condensed Consolidated Statements of Income and Comprehensive Income

### Condensed Consolidated Statements of Income Mitsui & Co., Ltd. and subsidiaries For the Three-Month Periods Ended June 30, 2023 and 2022

	Millions of Yen	
	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022
<b>Revenue (Notes 5, 6 and 14)</b> .....	¥ 3,149,131	¥ 3,720,531
<b>Cost (Note 14)</b> .....	(2,848,401)	(3,407,101)
<b>Gross Profit (Note 5)</b> .....	300,730	313,430
<b>Other Income (Expenses):</b>		
Selling, general and administrative expenses .....	(184,234)	(155,949)
Gain (loss) on securities and other investments-net (Notes 3 and 14) .....	47,541	11,559
Impairment reversal (loss) of fixed assets-net .....	(2,521)	(271)
Gain (loss) on disposal or sales of fixed assets-net .....	1,624	6,929
Other income (expense)-net (Note 14) .....	771	8,285
Total other income (expenses) .....	(136,819)	(129,447)
<b>Finance Income (Costs):</b>		
Interest income .....	15,819	6,963
Dividend income .....	27,686	34,575
Interest expense .....	(38,589)	(16,401)
Total finance income (costs) .....	4,916	25,137
<b>Share of Profit (Loss) of Investments Accounted for Using the Equity Method (Note 5)</b>	142,987	138,837
<b>Profit before Income Taxes</b> .....	311,814	347,957
<b>Income Taxes</b> .....	(53,155)	(59,598)
<b>Profit for the Period</b> .....	¥ 258,659	¥ 288,359
 <b>Profit for the Period Attributable to:</b>		
Owners of the parent (Note 5).....	¥ 252,850	¥ 275,000
Non-controlling interests .....	5,809	13,359
 <b>Earnings per Share Attributable to Owners of the Parent (Note 12):</b>		
Basic .....	¥ 166.43	¥ 172.44
Diluted .....	¥ 166.35	¥ 172.37

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

**Condensed Consolidated Statements of Comprehensive Income  
Mitsui & Co., Ltd. and subsidiaries  
For the Three-Month Periods Ended June 30, 2023 and 2022**

	Millions of Yen	
	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022
<b>Comprehensive Income:</b>		
Profit for the period .....	¥ 258,659	¥ 288,359
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI (Note 17).....	15,505	(314,730)
Remeasurements of defined benefit pension plans .....	267	(19)
Share of other comprehensive income of investments accounted for using the equity method .....	(3,299)	(613)
Income tax relating to items not reclassified .....	32	92,235
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments .....	62,893	22,963
Cash flow hedges .....	(1,018)	(48,239)
Share of other comprehensive income of investments accounted for using the equity method .....	284,929	301,282
Income tax relating to items that may be reclassified .....	(7,883)	(7,063)
Total other comprehensive income .....	351,426	45,816
<b>Comprehensive Income for the Period .....</b>	<b>¥ 610,085</b>	<b>¥ 334,175</b>
<b>Comprehensive Income for the Period Attributable to:</b>		
Owners of the parent .....	¥ 591,102	¥ 312,406
Non-controlling interests .....	18,983	21,769

**Condensed Consolidated Statements of Changes in Equity**  
**Mitsui & Co., Ltd. and subsidiaries**  
**For the Three-Month Periods Ended June 30, 2023 and 2022**

Millions of Yen	Attributable to owners of the parent							
	Common Stock	Capital Surplus	Retained Earnings (Note 11)	Other Components of Equity (Note 10)	Treasury Stock	Total	Non- controlling Interests	Total Equity
<b>Balance as at April 1, 2022</b>	¥ 342,384	¥ 376,516	¥4,165,962	¥ 827,441	¥ (107,098)	¥5,605,205	¥ 190,211	¥5,795,416
Profit for the period .....			275,000			275,000	13,359	288,359
Other comprehensive income for the period (Note 10).....				37,406		37,406	8,410	45,816
Comprehensive income for the period .....			275,000	37,406		312,406	21,769	334,175
Transaction with owners:								
Dividends paid to owners of the parent.....			(96,058)			(96,058)		(96,058)
Dividends paid to non-controlling interest shareholders (Note 11).....							(9,468)	(9,468)
Acquisition of treasury stock .....					(51,034)	(51,034)		(51,034)
Sales of treasury stock .....		(35)	(24)		59	0		0
Cancellation of treasury stock.....			-		-	-		-
Compensation costs related to share-based payment .....		672				672		672
Equity transactions with non-controlling interest shareholders (Note 10).....		(281)		17		(264)	7,240	6,976
Transfer to retained earnings (Note 10).....			2,982	(2,982)		-		-
<b>Balance as at June 30, 2022</b>	<b>¥ 342,384</b>	<b>¥ 376,872</b>	<b>¥4,347,862</b>	<b>¥ 861,882</b>	<b>¥ (158,073)</b>	<b>¥5,770,927</b>	<b>¥ 209,752</b>	<b>¥5,980,679</b>

Millions of Yen	Attributable to owners of the parent							
	Common Stock	Capital Surplus	Retained Earnings (Note 11)	Other Components of Equity (Note 10)	Treasury Stock	Total	Non- controlling Interests	Total Equity
<b>Balance as at April 1, 2023</b>	¥ 342,560	¥ 381,869	¥4,840,510	¥ 868,963	¥ (66,152)	¥6,367,750	¥ 197,398	¥6,565,148
Profit for the period .....			252,850			252,850	5,809	258,659
Other comprehensive income for the period (Note 10).....				338,252		338,252	13,174	351,426
Comprehensive income for the period .....			252,850	338,252		591,102	18,983	610,085
Transaction with owners:								
Dividends paid to owners of the parent.....			(114,325)			(114,325)		(114,325)
Dividends paid to non-controlling interest shareholders (Note 11).....							(7,191)	(7,191)
Acquisition of treasury stock .....					(61,686)	(61,686)		(61,686)
Sales of treasury stock .....		(42)	(33)		75	0		0
Cancellation of treasury stock.....			-		-	-		-
Compensation costs related to share-based payment .....	253	1,915				2,168		2,168
Equity transactions with non-controlling interest shareholders .....		(848)		-		(848)	6,011	5,163
Transfer to retained earnings (Note 10).....			(209)	209		-		-
<b>Balance as at June 30, 2023</b>	<b>¥ 342,813</b>	<b>¥ 382,894</b>	<b>¥4,978,793</b>	<b>¥1,207,424</b>	<b>¥ (127,763)</b>	<b>¥6,784,161</b>	<b>¥ 215,201</b>	<b>¥6,999,362</b>

**Condensed Consolidated Statements of Cash Flows**  
**Mitsui & Co., Ltd. and subsidiaries**  
**For the Three-Month Periods Ended June 30, 2023 and 2022**

	Millions of Yen	
	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022
<b>Operating Activities:</b>		
Profit for the period .....	¥ 258,659	¥ 288,359
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization .....	69,310	66,002
Change in retirement benefit liabilities .....	(103)	1,920
Loss allowance.....	5,507	2,720
(Gain) loss on securities and other investments-net .....	(47,541)	(11,559)
Impairment (reversal) loss of fixed assets-net .....	2,521	271
(Gain) loss on disposal or sales of fixed assets-net .....	(1,624)	(6,929)
Interest income, dividend income and interest expense .....	(15,290)	(34,012)
Income taxes .....	53,155	59,598
Share of (profit) loss of investments accounted for using the equity method .....	(142,987)	(138,837)
Valuation (gain) loss related to contingent considerations and others .....	(1,001)	(9,340)
Changes in operating assets and liabilities:		
Change in trade and other receivables .....	60,323	(79,335)
Change in inventories .....	30,982	26,885
Change in trade and other payables .....	21,975	45,823
Other-net .....	(20,298)	(26,389)
Interest received .....	24,858	14,550
Interest paid .....	(32,172)	(10,999)
Dividends received .....	159,936	148,987
Income taxes paid .....	(72,828)	(63,760)
Income taxes refunded .....	13,448	6,982
Cash flows from operating activities .....	366,830	280,937
<b>Investing Activities:</b>		
Change in time deposits .....	(11,788)	34,594
Investments in equity accounted investees .....	(34,226)	(125,902)
Proceeds from sales of investments in equity accounted investees.....	17,165	31,560
Purchases of other investments .....	(29,434)	(30,865)
Proceeds from sales and maturities of other investments .....	15,653	13,381
Increases in loan receivables .....	(10,923)	(4,722)
Collections of loan receivables .....	3,204	2,744
Purchases of property, plant and equipment.....	(63,111)	(54,200)
Proceeds from sales of property, plant and equipment.....	16,249	305
Purchases of investment property .....	(1,439)	(946)
Proceeds from sales of investment property .....	-	22,444
Acquisition of subsidiaries or other businesses (Note 3) .....	(95,605)	-
Cash flows from investing activities .....	(194,255)	(111,607)
<b>Financing Activities:</b>		
Change in short-term debt .....	55,951	(1,117)
Proceeds from long-term debt .....	426,228	237,912
Repayments of long-term debt .....	(622,223)	(176,304)
Repayments of lease liabilities (Note 5).....	(17,970)	(13,532)
Purchases and sales of treasury stock .....	(61,685)	(51,033)
Dividends paid .....	(114,325)	(96,058)
Transactions with non-controlling interests shareholders .....	(5,073)	(29,660)
Cash flows from financing activities .....	(339,097)	(129,792)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents .....</b>	59,719	51,729
<b>Effect of Cash and Cash Equivalents Included in Assets Held for Sale .....</b>	(2,016)	-
<b>Change in Cash and Cash Equivalents .....</b>	(108,819)	91,267
<b>Cash and Cash Equivalents at Beginning of Period .....</b>	1,390,130	1,127,868
<b>Cash and Cash Equivalents at End of Period .....</b>	¥ 1,281,311	¥ 1,219,135



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

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

***1. REPORTING ENTITY***

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

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

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

**I. BASIS OF PREPARATION**

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

**II. USE OF ESTIMATES AND JUDGMENTS**

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

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

- Note 14 “FAIR VALUE MEASUREMENT”

**III. MATERIAL ACCOUNTING POLICIES**

Material accounting policies applied in the Condensed Consolidated Financial Statements for the period ended June 30, 2023 are the same as those applied in the Consolidated Financial Statements of the previous fiscal year.

The companies applied the following new standards for Condensed Consolidated Financial Statements from April 1, 2023. Impacts from the application of these on the Condensed Consolidated Financial Statements are immaterial.

IFRS	Title	Summaries
IFRS 17	Insurance Contracts	Fundamental amendment of accounting for insurance contracts
IAS 12	Income Taxes (amended in May 2021)	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)	Accounting treatment and disclosures about income taxes arising from tax law enacted to implement the Pillar Two model rules published by the OECD.

### 3. BUSINESS COMBINATIONS

For the three-month period ended June 30, 2023

#### 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.

	<b>Millions of Yen</b>
Consideration paid .....	68,790
Fair value of the previously held equity interest .....	53,656
Total .....	¥ 122,446
Fair values of the assets acquired and liabilities assumed:	
Current assets .....	32,513
Intangible assets .....	60,836
Other non-current assets .....	13,166
Total assets acquired .....	¥ 106,515
Current liabilities .....	(29,003)
Non-current liabilities .....	(22,339)
Total liabilities assumed .....	¥ (51,342)
Net assets acquired .....	¥ 55,173
Goodwill .....	67,273
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 has recognized ¥43,449 million as the revaluation gain in the Lifestyle Segment in the head "Gain (loss) on securities and other investments-net" in the Condensed Consolidated Statements of Income for the three-month periods ended June 30, 2023. 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.

	<b>Millions of Yen</b>	
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

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

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

### 4. ASSETS HELD FOR SALE

In order to ensure the sustainable growth of Bussan Auto Finance, a subsidiary in which Mitsui holds 65% ownership, Mitsui has agreed to transfer 20% of the shares to JA Mitsui Leasing, which is well-versed in finance and leasing. The share transfer agreement was signed on June 29, 2023. Consequently, the assets and liabilities of Bussan Auto Finance are now presented as single line items under "Assets held for sale" and "Liabilities directly associated with assets held for sale" in the Consolidated Statements of Financial Position. These accounts primarily include "Trade and other receivables," "Short-term debt," "Current portion of long-term debt," and "Long-term debt, less current portion." The transfer of the shares is expected to occur within the current fiscal year, after which Mitsui will no longer have control over Bussan Auto Finance, resulting in the company being classified as an affiliated company. This transaction is included in the Machinery & Infrastructure segment.

## 5. SEGMENT INFORMATION

Millions of Yen

Three-month period ended June 30, 2023:	Mineral & Metal Resources		Energy	Machinery & Infrastructure		Chemicals	Iron & Steel Products		Lifestyle	Innovation & Corporate Development		Total
Revenue.....	¥ 484,984	¥ 692,187	¥ 287,938	¥ 682,368	¥ 167,622	¥ 772,913	¥ 60,778	¥ 3,148,790				
Gross Profit.....	¥ 74,985	¥ 35,418	¥ 51,237	¥ 52,274	¥ 10,248	¥ 49,994	¥ 25,232	¥ 299,388				
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 23,428	¥ 22,618	¥ 57,040	¥ 12,939	¥ 4,873	¥ 17,379	¥ 4,612	¥ 142,889				
Profit (Loss) for the Period Attributable to Owners of the Parent.....	¥ 77,868	¥ 26,708	¥ 52,567	¥ 15,492	¥ 5,594	¥ 60,293	¥ 8,110	¥ 246,632				
Core Operating Cash Flow.....	¥ 91,069	¥ 55,318	¥ 60,174	¥ 20,323	¥ 2,501	¥ 21,518	¥ 7,117	¥ 258,020				
Total Assets at June 30, 2023.....	¥ 2,941,757	¥ 3,123,464	¥ 3,590,260	¥ 1,856,009	¥ 812,979	¥ 2,675,785	¥ 1,674,982	¥ 16,675,236				

Millions of Yen

Three-month period ended June 30, 2023:	Adjustments and Eliminations		Consolidated Total
	All Other		
Revenue.....	¥ 341	¥ -	¥ 3,149,131
Gross Profit.....	¥ 851	¥ 491	¥ 300,730
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ -	¥ 98	¥ 142,987
Profit (Loss) for the Period Attributable to Owners of the Parent.....	¥ (279)	¥ 6,497	¥ 252,850
Core Operating Cash Flow.....	¥ 3,581	¥ (5,723)	¥ 255,878
Total Assets at June 30, 2023.....	¥ 8,446,918	¥ (8,810,777)	¥ 16,311,377

Millions of Yen

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

Millions of Yen

Three-month period ended June 30, 2022:	Adjustments and Eliminations		Consolidated Total
	All Other		
Revenue.....	¥ 247	¥ -	¥ 3,720,531
Gross Profit.....	¥ 1,013	¥ 2,898	¥ 313,430
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ (46)	¥ 128	¥ 138,837
Profit for the Period Attributable to Owners of the Parent.....	¥ 237	¥ 15,288	¥ 275,000
Core Operating Cash Flow.....	¥ 5,700	¥ (4,532)	¥ 300,421
Total Assets at March 31, 2023.....	¥ 8,215,000	¥ (8,819,918)	¥ 15,380,916

Notes:(1)“All Other” includes of the Corporate Staff Unit which provides financing services and operations services to the companies and affiliated companies. Total Assets of “All Other” at June 30, 2023 and March 31, 2023 includes cash, cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.

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

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

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

## 6. REVENUE

Among "Revenue", the disaggregation of revenue recognized from contracts with customers by business segment is as follows. The following business segment categories are same as in Note. 5 "SEGMENT INFORMATION". Revenue other than revenue recognized from contracts with customers includes revenue related to lease and financial instruments, etc.

Three-month period ended June 30, 2023:	Millions of Yen								
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	All Other	Total
Revenue recognized from contracts with customers	¥ 408,099	¥ 242,361	¥ 258,873	¥ 673,053	¥ 167,622	¥ 587,869	¥ 44,762	¥ 367	2,383,006

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

## 7. ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

The amount of acquisitions (excluding acquisitions through business combinations) of property, plant and equipment for the three-month period ended June 30, 2023 was ¥76,690 million and the amount of disposals was not material.

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

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

## 8. IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES FOR ASSETS

The amounts of impairment losses for assets for the three-month period ended June 30, 2023 and 2022 were not material.

The amounts of reversals of impairment losses for assets for the three-month period ended June 30, 2023 and 2022 were not material.

## 9. BONDS AND LOANS

### Bonds

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

The total amount of issued bonds for the three-month period ended June 30, 2023 was none.

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

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

### Loans

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

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

## 10. EQUITY

Changes in other components of equity for the three-month periods ended June 30, 2023 and 2022 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022
<b>Financial Assets Measured at FVTOCI:</b>		
Balance at beginning of period .....	¥ 215,612	¥ 465,091
Increase (decrease) during the period .....	12,309	(223,182)
Transfer to retained earnings .....	393	(2,920)
Balance at end of period .....	¥ 228,314	¥ 238,989
<b>Remeasurements of Defined Benefit Pension Plans:</b>		
Balance at beginning of period .....	¥ -	¥ -
Increase (decrease) during the period .....	184	62
Transfer to retained earnings .....	(184)	(62)
Balance at end of period .....	¥ -	¥ -
<b>Foreign Currency Translation Adjustments:</b>		
Balance at beginning of period .....	¥ 638,502	¥ 478,584
Increase (decrease) during the period .....	334,544	277,232
Balance at end of period .....	¥ 973,046	¥ 755,816
<b>Cash Flow Hedges:</b>		
Balance at beginning of period .....	¥ 14,849	¥ (116,234)
Increase (decrease) during the period .....	(8,785)	(16,689)
Balance at end of period .....	¥ 6,064	¥ (132,923)
<b>Total:</b>		
Balance at beginning of period .....	¥ 868,963	¥ 827,441
Increase (decrease) during the period .....	338,252	37,423
Transfer to retained earnings .....	209	(2,982)
Balance at end of period .....	¥ 1,207,424	¥ 861,882

## 11. DIVIDENDS

During the three-month periods ended June 30, 2023 and 2022, the Company paid dividends of ¥75 per share (total dividend of ¥114,325 million) and ¥60 per share (total dividend of ¥96,058 million), respectively.

## 12. EARNINGS PER SHARE

The following is a reconciliation of basic earnings per share attributable to owners of the parent to diluted earnings per share attributable to owners of the parent for the three-month periods ended June 30, 2023 and 2022:

	Three-month Period Ended June 30, 2023			Three-month Period Ended June 30, 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
<b>Basic earnings per share attributable to owners of the parent:</b>	¥ 252,850	1,519,218	¥ 166.43	¥ 275,000	1,594,775	¥ 172.44
<b>Effect of dilutive securities:</b>						
Adjustment of effect of:						
Dilutive securities of associated companies.	(2)	-		(3)	-	
Share-based remuneration.....	-	779		-	575	
<b>Diluted earnings per share attributable to owners of the parent:</b>	¥ 252,848	1,519,997	¥ 166.35	¥ 274,997	1,595,350	¥ 172.37

## 13. CONTINGENT LIABILITIES

### I. GUARANTEES

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

The table below summarizes the maximum potential amount of future payments, amount outstanding and recourse provisions/collateral of the companies' guarantees as of June 30, 2023 and March 31, 2023. The maximum potential amount of future payments represents the amount without consideration of possible recovery under recourse provisions or from collateral held or pledged that the companies could be obliged to pay if there were defaults by guaranteed parties. Such amounts bear no relationship to the anticipated losses on these guarantees and indemnifications and, in the aggregate, they greatly exceed anticipated losses.

The companies evaluate risks involved for each guarantee through an internal screening procedure before issuing a guarantee and regularly monitor outstanding positions and record adequate allowance to cover losses expected from probable performance under these agreements. The companies believe that the likelihood of performing guarantees which would materially affect the consolidated financial position, operating results, or cash flows of the companies is remote at June 30, 2023.



**Millions of Yen**

	<b>Maximum potential amount of future payments</b>	<b>Amount outstanding (a)</b>	<b>Recourse provisions/ Collateral (b)</b>	<b>Net amount outstanding (a)-(b)</b>
<b>June 30, 2023</b>				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties .....	¥ 394,124	¥ 143,532	¥ 2,451	¥ 141,081
Guarantees for investments accounted for using the equity method .....	833,331	558,076	221,765	336,311
Performance guarantees				
Guarantees for third parties .....	32,242	29,470	25,271	4,199
Guarantees for investments accounted for using the equity method .....	54,878	48,338	17	48,321
Total .....	<u>¥ 1,314,575</u>	<u>¥ 779,416</u>	<u>¥ 249,504</u>	<u>¥ 529,912</u>

**Millions of Yen**

	<b>Maximum potential amount of future payments</b>	<b>Amount outstanding (a)</b>	<b>Recourse provisions/ Collateral (b)</b>	<b>Net amount outstanding (a)-(b)</b>
<b>March 31, 2023</b>				
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 .....	<u>¥ 1,296,758</u>	<u>¥ 795,373</u>	<u>¥ 233,633</u>	<u>¥ 561,740</u>

### *Guarantees for third parties*

The companies guarantee, severally or jointly with others, indebtedness of certain customers and suppliers in the furtherance of their trading activities. Most of these guarantees outstanding as of June 30, 2023 and March 31, 2023 will expire through 2028.

### *Guarantees for investments accounted for using the equity method*

The companies, severally or jointly with others, issue guarantees for investments accounted for using the equity method for the purpose of furtherance of their trading activities and enhancement of their credit for securing financing. Most of these guarantees outstanding as of June 30, 2023 and March 31, 2023 will expire through 2031.

The table below summarizes the maximum potential amount of future payments for the companies' guarantees by the remaining contractual period as of June 30, 2023 and March 31, 2023.

	<b>Millions of Yen</b>	
	<b>June 30, 2023</b>	<b>March 31, 2023</b>
Within 1 year .....	¥ 424,143	¥ 348,755
After 1 to 5 years .....	591,322	671,321
After 5 years .....	299,110	276,682
Total .....	¥ 1,314,575	¥ 1,296,758

## **II. LITIGATION**

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

## **14. FAIR VALUE MEASUREMENT**

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

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

### Level 1:

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

### Level 2:

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

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

### Level 3:

Unobservable inputs for the assets or liabilities.

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

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

#### Other Investments

- Other investments other than measured at amortized cost are measured at fair value.
- Publicly-traded other investments are measured using quoted market prices and classified as level 1.
- Non-marketable other investments are measured at fair value principally using the discounted cash flow method, the market comparison approach and other appropriate valuation techniques considering various assumptions, including expected future cash flows and discount rates reflecting the related risks of the investee. They are classified as level 3, considering the degree to which these inputs are observable in the relevant markets.

#### Derivative Instruments

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

### Inventories

- Inventories acquired with the purpose of being sold in the near future and a profit from fluctuations in price are measured at fair value based on quoted prices with certain adjustment and classified as level 2. The amounts of costs to sell as of June 30, 2023 and March 31, 2023 were not material.

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

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

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

#### Information by fair value hierarchy

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2023 and March 31, 2023 were as follows. No assets or liabilities were transferred between level 1 and 2 for the three-month period ended June 30, 2023 and for the three-month period ended June 30, 2022.

June 30, 2023	Millions of Yen				
	Fair value measurements using			Netting adjustments (Note1)	Total fair value
Level 1	Level 2	Level 3			
<b>Assets (Note2):</b>					
Other investments:					
Financial assets measured at FVTPL.....	¥ 6,797	-	¥ 380,977		
Financial assets measured at FVTOCI.....	1,134,713	-	700,884		
Total other investments	¥ 1,141,510	-	¥ 1,081,861	-	¥ 2,223,371
Derivative assets:					
Foreign exchange contracts.....	-	¥ 225,314	-		
Interest rate contracts.....	-	44,482	-		
Commodity contracts.....	¥ 99,807	1,322,091	¥ 6,952		
Others.....	-	-	31,295		
Total derivative assets	¥ 99,807	¥ 1,591,887	¥ 38,247	¥ (1,166,297)	¥ 563,644
Inventories.....	-	¥ 178,244	-	-	¥ 178,244
Total assets.....	¥ 1,241,317	¥ 1,770,131	¥ 1,120,108	¥ (1,166,297)	¥ 2,965,259
<b>Liabilities (Note3):</b>					
Derivative liabilities:					
Foreign exchange contracts.....	-	¥ 335,908	-		
Interest rate contracts.....	-	29,029	-		
Commodity contracts.....	¥ 62,874	1,291,865	¥ 1,709		
Others.....	-	-	15,204		
Total derivative liabilities	¥ 62,874	¥ 1,656,802	¥ 16,913	¥ (1,139,860)	¥ 596,729
Total liabilities.....	¥ 62,874	¥ 1,656,802	¥ 16,913	¥ (1,139,860)	¥ 596,729

Millions of Yen

March 31, 2023	Fair value measurements using			Netting adjustments (Note1)	Total fair value
	Level 1	Level 2	Level 3		
<b>Assets (Note2):</b>					
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
<b>Liabilities (Note3):</b>					
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

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 three-month period ended June 30, 2023 and 2022 were as follows:

	<b>Millions of Yen</b>	
	<b>Three-month period ended June 30, 2023</b>	<b>Three-month period ended June 30, 2022</b>
Balance at beginning of period .....	¥ 340,625	¥ 259,795
Gains (losses) .....	10,880	10,343
Purchases .....	22,923	18,837
Sales/Redemptions .....	(1,670)	(2,468)
Transfers into Level 3 .....	-	-
Transfers out of Level 3 .....	-	-
Others (Note1) .....	8,219	7,255
Balance at end of period .....	¥ 380,977	¥ 293,762
Net change in unrealized gains (losses) still held at end of period	¥ 10,817	¥ 9,790

Note1: "Others" includes the effect of changes in foreign exchange rates (including in the foreign currency translation adjustments), in scope of consolidation and others.

Gains (losses) related to financial assets measured at FVTPL for the three-month period ended June 30, 2023 and 2022 were included in "Revenue" and "Gain (loss) on securities and other investments-net" in the Condensed Consolidated Statements of Income.

The reconciliation of financial assets measured at FVTOCI for the three-month period ended June 30, 2023 and 2022 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022
Balance at beginning of period .....	¥ 634,342	¥ 732,436
Other comprehensive income (Note1)..	54,763	(76,151)
Purchases .....	4,609	2,144
Sales .....	(7,483)	(5,193)
Transfers into Level 3 .....	-	-
Transfers out of Level 3 .....	-	-
Others (Note2) .....	14,653	3,905
Balance at end of period .....	¥ 700,884	¥ 657,141

Note 1: "Other comprehensive income" for the three-month period ended June 30, 2023 increased mainly due to the effect of change in foreign exchange rates and increase of fair value in investment in LNG project. "Other comprehensive income" for the three-month period ended June 30, 2022 decreased mainly due to the decrease of fair value in investment in LNG project by the uncertainty arising from the Russian LNG business, in spite of the positive effect of change in foreign exchange rates. Regarding the Russian LNG business, please refer to Note 17 "IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS".

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

Other comprehensive income related to financial assets measured at FVTOCI for the three-month period ended June 30, 2023 and 2022 were included in "Financial assets measured at FVTOCI" and "Foreign currency translation adjustments" in Condensed Consolidated Statements of Comprehensive Income.

The reconciliation of derivative assets for the three-month period ended June 30, 2023 and 2022 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022
Balance at beginning of period .....	¥ 38,104	¥ 35,013
Gains (losses) (Note1).....	(4,335)	18,795
Other comprehensive income .....	943	837
Purchases .....	3,535	-
Set off .....	-	(193)
Balance at end of period .....	¥ 38,247	¥ 54,452
Net change in unrealized gains (losses) still held at end of period	¥ (4,335)	¥ 18,795

Note 1: "Gain (losses)" for the three-month period ended June 30, 2022 increased mainly due to the effect of change in foreign exchange rates.

The reconciliation of derivative liabilities for the three-month period ended June 30, 2023 and 2022 were as follows:

	Millions of Yen			
	Three-month period ended		Three-month period ended	
	June 30, 2023		June 30, 2022	
Balance at beginning of period .....	¥	15,711	¥	9,872
Gains (losses) .....		(2,775)		4,436
Other comprehensive income .....		1,497		969
Purchases .....		2,480		-
Set off .....		-		-
Balance at end of period .....	¥	16,913	¥	15,277
Net change in unrealized gains (losses) still held at end of period	¥	(2,775)	¥	4,436

Gains (losses) of above table in relation to the derivative assets and liabilities for the three-month period ended June 30, 2023 and 2022 have been recorded in “Revenue”, “Cost” and “Other income (expense) - net” in the Condensed Consolidated Statements of Income. Other comprehensive income has been recorded in “Foreign currency translation adjustments” and “Cash flow hedges” in Condensed Consolidated Statements of Comprehensive Income.

*Quantitative information about level 3 fair value measurements*

Information about valuation techniques and significant unobservable inputs used for level 3 assets measured at fair value on a recurring basis as of June 30, 2023 and March 31, 2023 were as follows:

June 30, 2023	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL	Income approach	Discount rate	6.8% ~ 34.4%
Financial assets measured at FVTOCI			
March 31, 2023	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL	Income approach	Discount rate	6.8% ~ 34.1%
Financial assets measured at FVTOCI			

In addition to the above, the price of crude oil is one of the significant unobservable inputs used in measuring the fair value of non-marketable equity securities related to LNG business. The Company forecasts that Brent Crude price will increase from the recent US\$75/bbl to US\$80/bbl in the short term and remain at US\$80/bbl after then, considering the recent market price and several third parties’ forecasts. Regarding the Russian LNG business, please refer to Note 17“IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS”.



Information about sensitivity to changes in significant unobservable inputs

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

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

The fair values of financial instruments as of June 30, 2023 and March 31, 2023 were as follows. The fair values of current financial assets and current financial liabilities are not disclosed because the carrying amounts reasonably approximate their fair values.

	Millions of Yen			
	June 30, 2023		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Other investments measured at amortized cost	¥ 11,982	¥ 11,936	¥ 11,553	¥ 11,550
Non-current receivables				
Trade and other receivables (Note 1) and other financial assets (excluding derivative assets) (Note 2) .....	386,798	386,746	424,745	424,734
Non-current liabilities				
Long-term debt, less current portion (Note 1) and other financial liabilities (excluding derivative liabilities) (Note 2) .....	¥ 4,245,313	¥ 4,310,046	¥ 3,916,737	¥ 3,962,729

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

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

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

## **15. 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. On July 6, 2023, U.S. Chemical Safety and Hazard Investigation Board released its final investigation report with respect to the fire incident, and determined that the fire was caused by the release of a flammable naphtha product from a failure of the Tank 80-8 circulation pump, which accumulated in the area and ignited.

The profit and loss related to this incident recognized in the three-month period ended June 30, 2023 and 2022, and the outstanding balance of related provision as of June 30, 2023 are immaterial.

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

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

The Company participates in the Mozambique LNG Project through Mitsui E&P Mozambique Area 1, 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 on April 26, 2021, the project operator, TotalEnergies of France, announced that it had declared force majeure under the Joint Operating Agreement.

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

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

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

The Russian LNG business in which the Company, its subsidiary, and the equity accounted investee in the Energy Segment have invested, financed and guaranteed, is affected by the Russia-Ukraine situation that has been ongoing since February 2022 and the resulting sanctions against Russia, 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 held by MIT SEL Investment, a subsidiary of the Company that invests in Sakhalin Energy LLC (“SELLC”), while the decision on the new LLC member of SELLC has been acknowledged by Order of the Government of the Russian Federation dated April 11, 2023 (No.890), the situation still remains uncertain as 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 increased by ¥14,363 million from the balance as of March 31, 2023, and it is recorded in “Financial assets measured at FVTOCI” in the Condensed Consolidated Statements of Comprehensive Income. The outstanding balances of “Other investments” in the Condensed Consolidated Statements of Financial Position related to this project as of June 30, 2023 and March 31, 2023 were ¥121,874 million and ¥98,505 million, respectively. 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, 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 June 30, 2023 and March 31, 2023 were ¥17,088 million and ¥15,759 million, respectively. The balance of financial guarantees as contingent liabilities were ¥ 234,271 million and ¥223,415 million, respectively, and the provision for loss on guarantees included in "Other financial liabilities" were ¥ 18,322 million and ¥18,213 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 Condensed Consolidated Financial Statements for the next quarter period and thereafter.

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

## ***18. SUBSEQUENT EVENTS***

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

On July 11, 2023, the Board of Directors of the Company resolved to issue new shares under the remuneration system of tenure-linked restricted stock, and the payment of new shares have been completed on July 26, 2023. The details are as follows.

- (1) Class and number of shares issued : Common stock of the Company, 96,700 shares
- (2) Issue price : 5,157 yen per share
- (3) Total value of issue : 498,681,900 yen
- (4) Pay-in date : July 26, 2023
- (5) Categories and numbers of persons eligible for allocations, numbers of shares allocated :  
Directors (excluding external director) 9 persons, 96,700 shares

### Continuation of Share-Based Compensation Plan for Employees

The Company decided to extend the duration of the share-based compensation plan for its employees based on an Employee Stock Ownership Plan trust (the "ESOP Trust"). The Company also decided to entrust additional funds to trustees used to acquire additional shares of the Company. Based on the decisions, the Company entrusted the additional funds on July 12, 2023, and completed the acquisition of common stock of the Company by July 31, 2023, of a total of ¥19,231 million. End of trust period is planned the end of August 2026.

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

The issue of Condensed Consolidated Financial Statements was authorized by Kenichi Hori, Representative Director, President and CEO, and Tetsuya Shigeta, Representative Director, Senior Executive Managing Officer and CFO, on August 9, 2023.