Consolidated Financial Results for the Nine-Month Period Ended December 31, 2021 [IFRS]

Tokyo, February 3, 2022 - Mitsui & Co., Ltd. announced its consolidated financial results for the nine-month period ended December 31, 2021, based on International Financial Reporting Standards ("IFRS").

Mitsui & Co., Ltd. and subsidiaries
(Web Site : https://www.mitsui.com/jp/en/)

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1. Consolidated financial results

(1) Consolidated operating results information for the nine-month period ended December 31, 2021
(from April 1, 2021 to December 31, 2021)

		Nine-month period ended December 31,			
		2021	%	2020	%
Revenue	Millions of yen	8,589,429	49.6	5,740,568	(11.1)
Profit before income taxes	Millions of yen	832,204	205.3	272,613	(42.2)
Profit for the period	Millions of yen	650,436	210.4	209,556	(41.5)
Profit for the period attributable to owners of the parent	Millions of yen	633,256	218.3	198,937	(40.6)
Comprehensive income for the period	Millions of yen	711,263	38.1	515,179	115.4
Earnings per share attributable to owners of the parent, basic	Yen	387.17		118.01	
Earnings per share attributable to owners of the parent, diluted	Yen	387.00		117.95	

Note:
1. Percentage figures for Revenue, Profit before income taxes, Profit for the period, Profit for the period attributable to owners of the parent, and Comprehensive income for the period represent changes from the previous year.
2. As described in the Note in Condensed Consolidated Statements of Income, we have reconsidered the presentation of revenue from certain transactions, and have restated revenues for the nine month period ended December 31, 2020.

(2) Consolidated financial position information

		December 31, 2021	March 31, 2021
Total assets	Millions of yen	13,787,535	12,515,845
Total equity	Millions of yen	5,245,378	4,822,887
Total equity attributable to owners of the parent	Millions of yen	4,985,248	4,570,420
Equity attributable to owners of the parent ratio	%	36.2	36.5

2. Dividend information

		Year ended March 31,		Year ending March 31, 2022 (Forecast)
		2022	2021	
Interim dividend per share	Yen	45	40	
Year-end dividend per share	Yen		45	60
Annual dividend per share	Yen		85	105

Note :
Change from the latest released dividend forecast: Yes

3. Forecast of consolidated operating results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

		Year ending March 31, 2022
Profit attributable to owners of the parent	Millions of yen	840,000
Earnings per share attributable to owners of the parent, basic	Yen	515.76

Note :

Change from the latest released earnings forecast: Yes

4. Others

(1) Increase/decrease of important subsidiaries during the period : None

(2) Changes in accounting policies and accounting estimate :

(i) Changes in accounting policies required by IFRS None

(ii) Other changes None

(iii) Changes in accounting estimates Yes

Note :

For further details please refer to page 25 "4. Condensed Consolidated Financial Statements (6) Changes in Accounting Estimates".

(3) Number of shares :

	December 31, 2021	March 31, 2021
Number of shares of common stock issued, including treasury stock	1,642,355,644	1,717,104,808
Number of shares of treasury stock	25,877,232	48,628,466

	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
Average number of shares of common stock outstanding	1,635,614,343	1,685,732,426

This quarterly earnings report is not subject to quarterly review.

A Cautionary Note on Forward-Looking Statements:

This report contains forward-looking statements including those concerning future performance of Mitsui & Co., Ltd. ("Mitsui"), and those statements are based on Mitsui’s current assumptions, expectations and beliefs in light of the information currently possessed by it. Various factors may cause Mitsui’s actual results to be materially different from any future performance expressed or implied by these forward-looking statements.

Therefore, these statements do not constitute a guarantee by Mitsui that such future performance will be realized.

For cautionary notes with respect to forward-looking statements, please refer to the "Notice" section on page 19.

Supplementary materials and IR meetings on financial results:

Supplementary materials on financial results can be found on our web site.

We will hold an IR meeting on financial results for analysts and institutional investors on February 3, 2022.

Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

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1. Qualitative Information

As of the date of disclosure of this quarterly earnings report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

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

(1) Operating Environment

In the nine-month period ended December 31, 2021, the global economy continued to rebound overall although the pace of the economic recovery slowed due to the rapid spread of the Omicron variant of COVID-19, as well as due to the prolonged supply constraints.

In the U.S., despite the slowdown in the pace of growth due to the prolonged supply constraints and other factors, the recovery has continued for the most part as higher savings from economic stimulus payments have propped up consumer spending. The economic recovery is expected to continue since supply constraints are gradually easing and the impact of the COVID-19 pandemic appears to be subsiding although there are some areas of concern, such as high inflation covering a wide range of goods and an acceleration of monetary tightening. In Europe, the pace of economic recovery has slowed as a result of the rapid increase in infections from the Omicron variant, supply constraints and the surge in energy prices. However, going forward the economy is expected to return to a path of recovery as these factors gradually dissipate. In Japan, consumption has been recovering following the lifting of the state of emergency and production, mainly for automobiles, has picked up as parts shortages have eased. Although it appears that the economy will continue to pick up against the backdrop of the recovery in consumption and production and other factors, there are concerns that the rapid spread of the Omicron variant will put downward pressure on the economy. In China, the economic recovery has slowed down for reasons such as weakening consumption resulting from environmental regulations, power shortages, the slowdown in manufacturing activities against the backdrop of the zero-COVID policy, government measures to control real estate investment and other factors. However, the economy is expected to pick up again mainly due to increased infrastructure investment and monetary easing. In Russia and Brazil, the growth in exports has become sluggish, and there are concerns that rising inflation and increases in policy interest rates could hamper economic recovery.

Going forward, although there are some areas of concern, such as a resurgence in the number of infections and monetary tightening in the U.S., it is expected that the global economy will continue to recover due to a gradual easing of supply constraints, as well as due to an increase in consumption, supported by household savings that grew in major countries during the COVID-19 pandemic.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		8,589.4	5,740.6	+2,848.8
Gross Profit		789.8	568.2	+221.6
Selling, General and Administrative Expenses		(423.7)	(451.8)	+28.1
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	(5.7)	7.0	(12.7)
	Impairment Reversal (Loss) of Fixed Assets—Net	(14.3)	(40.1)	+25.8
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	11.6	1.2	+10.4
	Other Income (Expense)—Net	24.8	(4.3)	+29.1
Finance Income (Costs)	Interest Income	14.7	16.6	(1.9)
	Dividend Income	152.0	61.9	+90.1
	Interest Expense	(35.9)	(41.0)	+5.1
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		318.9	155.0	+163.9
Income Taxes		(181.8)	(63.1)	(118.7)
Profit for the Period		650.4	209.6	+440.8
Profit for the Period Attributable to Owners of the Parent		633.3	198.9	+434.4

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

Revenue

Revenue for the nine-month period ended December 31, 2021 ("current period") was ¥8,589.4 billion, an increase of ¥2,848.8 billion from ¥5,740.6 billion for the corresponding nine-month period of the previous year ("previous period").

* The figure for the previous period has been restated to conform to the presentation for the current period. This restatement has no impact on gross profit, profit for the period attributable to owners of the parent, or total equity attributable to owners of the parent. For further details, please refer to "4. Condensed Consolidated Financial Statements (2) Condensed Consolidated Statements of Income and Comprehensive Income".

Gross Profit

Mainly the Mineral & Metal Resources Segment, the Chemicals Segment, the Machinery & Infrastructure Segment and the Lifestyle Segment recorded an increase, while the Innovation & Corporate Development Segment and the Energy Segment recorded a decrease.

Selling, General and Administrative Expenses

Mainly the Mineral & Metal Resources Segment and the Machinery & Infrastructure Segment recorded a decrease in expense, while the Chemicals Segment recorded an increase in expense. The table provides a breakdown.

	Billions of Yen		
	Current Period	Previous Period	Change
Personnel	¥ (236.8)	¥ (218.3)	¥ (18.5)
Welfare	(8.5)	(6.8)	(1.7)
Travel	(7.5)	(5.1)	(2.4)
Entertainment	(2.2)	(1.4)	(0.8)
Communication	(35.8)	(34.2)	(1.6)
Rent	(6.7)	(7.7)	+1.0
Depreciation	(25.9)	(27.7)	+1.8
Fees and Taxes	(7.8)	(7.1)	(0.7)
Loss Allowance	(11.2)	(67.5)	+56.3
Others	(81.3)	(76.0)	(5.3)
Total	¥ (423.7)	¥ (451.8)	¥ 28.1

Other Income (Expenses)

Gain (Loss) on Securities and Other Investments—Net

For the current period, the Machinery & Infrastructure Segment recorded an impairment while the Lifestyle Segment recorded a capital gain related profit.

For the previous period, the Machinery & Infrastructure Segment recorded a capital gain profit.

Impairment Reversal (Loss) of Fixed Assets—Net

For the current period, an impairment loss of a fixed asset was recorded mainly in the Energy Segment.

For the previous period, impairment losses of fixed assets were recorded mainly in the Energy Segment and the Machinery & Infrastructure Segment, while an impairment reversal was recorded in the Innovation & Corporate Development Segment.

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

For the current period, mainly the Innovation & Corporate Development Segment recorded a gain on sale of a fixed asset.

Other Income (Expense)—Net

For the current period, mainly the Mineral & Metal Resources Segment recorded an increase in relation to foreign exchange profits and losses, and the Chemicals Segment recorded insurance proceeds, while the Energy Segment recorded a decrease in relation to foreign exchange transactions and derivative transactions.

For the previous period, the Chemicals Segment recorded insurance proceeds in the business in North America, while the Mineral & Metal Resources Segment and the Machinery & Infrastructure Segment recorded losses related to loans.

Finance Income (Costs)

Dividend Income

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

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

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

Income Taxes

Income taxes for the current period were ¥181.8 billion, an increase of ¥118.7 billion from ¥63.1 billion for the previous period.

The effective tax rate for the current period was 21.8%, a decrease of 1.3 points from 23.1% for the previous period. Although there was a decrease of tax rate due to the reversal of deferred tax liability through dividend income from equity method investees, there was an increase of tax rate due to an absence of an impairment loss not recognizable for deferred tax in the Mineral & Metal Resources Segment for the previous period.

Profit for the Period Attributable to Owners of the Parent

As a result, Profit for the period attributable to owners of the parent was ¥633.3 billion, an increase of ¥434.4 billion from the previous period.

2) Operating Results by Operating Segment

The fluctuation analysis for the results by operating segment is below.

The order in which reporting segments are presented has been changed in the segment information from the current period and this change also applies for the previous period.

Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	370.9	76.9	+294.0
Gross Profit	303.7	167.5	+136.2
Profit (Loss) of Equity Method Investments	102.7	45.3	+57.4
Dividend Income	88.8	25.8	+63.0
Selling, General and Administrative Expenses	(22.2)	(64.1)	+41.9
Others	(102.1)	(97.6)	(4.5)

・ Gross Profit increased mainly due to the following factors:
  - Iron ore mining operations in Australia recorded an increase of ¥88.7 billion mainly due to higher sales price.
  - Coal mining operations in Australia recorded an increase of ¥42.5 billion mainly due to higher sales price.

・ Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
  - Iron ore mining operations in Australia recorded an increase of ¥13.7 billion mainly due to higher sales price.
  - Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile, recorded an increase of ¥13.1 billion mainly due to higher sales price.
  - Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd recorded an increase of ¥10.5 billion mainly in the ferroalloys and chemicals businesses because of the higher market prices caused by strong demand and electricity restriction in China.
  - Inversiones Mineras Becrux SpA, which invests in Anglo American Sur S.A., a copper mining company in Chile, recorded an increase of ¥8.3 billion mainly due to higher sales price.
  - For the previous period, an impairment loss of ¥3.8 billion was recorded for the Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.

・ Dividend income increased mainly due to higher dividends from Vale S.A. and iron ore mining operations in Australia.

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

・ In addition to the above, the following factors also affected results:
  - For the current period, a reversal of deferred tax liability of ¥6.2 billion was recorded in relation to the reorganization of Japan Collahuasi Resources B.V., which invests in Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile.
  - For the current period, a reversal of deferred tax liability for the retained earnings was recorded following the dividend income from Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd.
  - For the current period, iron ore mining operations in Australia recorded an increase of ¥5.8 billion due to foreign exchange related profits and losses.
  - For the current period, coal mining operations in Australia recorded an increase of ¥4.6 billion due to foreign

exchange related profits and losses.
- For the current period, a reversal of deferred tax liability for the retained earnings was recorded at the iron ore mining operation in Australia.
- For the previous period, impairment losses of ¥19.2 billion were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.

Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	28.3	26.7	+1.6
Gross Profit	41.2	44.7	(3.5)
Profit (Loss) of Equity Method Investments	24.0	15.6	+8.4
Dividend Income	46.4	19.9	+26.5
Selling, General and Administrative Expenses	(36.9)	(34.6)	(2.3)
Others	(46.4)	(18.9)	(27.5)

・ Gross Profit decreased mainly due to the following factors:
- Business division at the Headquarters recorded a decrease mainly due to valuation loss related to derivative transactions to hedge LNG trading business, recognized in advance during the current period.
- Mitsui Oil Exploration Co., Ltd. recorded a decrease of ¥12.3 billion mainly due to decline in production, in spite of higher oil and gas prices.
- Mitsui & Co. Energy Trading Singapore Pte. Ltd. recorded a decrease of ¥3.8 billion mainly due to a swing-back effect following the good trading performance in the previous period.
- Mitsui E&P USA LLC recorded an increase of ¥11.8 billion mainly due to a higher gas price.
- Mitsui E&P Australia Pty Ltd recorded an increase of ¥10.8 billion mainly due to a higher oil price.
- MOEX North America LLC recorded an increase of ¥4.3 billion mainly due to a higher oil price.
- MEP Texas Holdings LLC recorded an increase of ¥3.6 billion mainly due to higher oil and gas prices.
- Mittwell Energy Resources Pty Ltd recorded an increase of ¥3.5 billion due to the increase in sales volume.

・ Profit (Loss) of Equity Method Investment increased mainly due to the following factors:
- Mitsui & Co. LNG Investment USA, Inc. recorded an increase of ¥4.2 billion due to the commencement of commercial operation in all three trains at the Cameron LNG Project.
- Japan Australia LNG (MIMI) Pty. Ltd recorded an increase mainly due to a higher oil and gas prices.

・ Dividends from six LNG projects (Sakhalin II, Abu Dhabi, Qatargas 1, Oman, Qatargas 3 and Equatorial Guinea(*)) were ¥46.0 billion in total, an increase of ¥26.5 billion from the previous period.
  (*) Equatorial Guinea was sold during the 3rd quarter of current period.

・ In addition to the above, the following factors also affected results.
- For the previous period, MBK Energy Holdings USA recorded a profit of ¥39.0 billion due to a recognition of deferred tax assets in accordance with reorganization.
- For the current period, Mitsui Oil Exploration Co., Ltd. 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 overseas investment loss.
- MOEX North America LLC recorded a decrease of ¥4.4 billion mainly due to derivative related profit and loss.
- Business division at the Headquarters recorded a foreign exchange related loss of hedging purpose in LNG trading business.
- For the previous period, mainly due to lower oil price, Mitsui E&P Italia A S.r.l recorded an impairment loss of ¥32.1 billion for its Tempa Rossa project.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	92.2	35.2	+57.0
Gross Profit	103.0	75.8	+27.2
Profit (Loss) of Equity Method Investments	109.1	73.3	+35.8
Dividend Income	3.2	2.7	+0.5
Selling, General and Administrative Expenses	(91.2)	(94.2)	+3.0
Others	(31.9)	(22.4)	(9.5)

・ Gross Profit increased mainly due to the following factors:
- PT. Bussan Auto Finance recorded an increase of ¥5.1 billion mainly due to interest income following accumulation of operating assets based on the recovery of markets and improvement of credit expenses.
- Toyota Chile S.A. recorded an increase of ¥4.8 billion due to steady sales results and high profit margins based on tight vehicle supply.

・ Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
- MBK USA Commercial Vehicles Inc. recorded an increase of ¥20.3 billion due to good performance in the truck leasing and rental business.
- Penske Automotive Group, Inc. recorded an increase of ¥10.5 billion due to steady sales results.
- Investments in gas distribution companies in Brazil recorded an increase of ¥5.7 billion due to the refund of service tax payments through litigation and steady demand for gas.
- Investments in drillship business recorded an increase of ¥3.1 billion due to the absence of impairment loss in the previous period.
- For the previous period, an impairment loss of ¥0.9 billion was recorded for the Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.
- Investments in IPP businesses recorded a decrease of ¥10.8 billion mainly due to reversal of deferred tax assets and mark-to-market valuation loss of power derivatives in Australia and decrease in revenue due to equipment failure and change in revenue recognition method in Oman.
- For the current period, a loss was recorded at a vessel owning company due to the sluggish tanker market.

・ Selling, General and Administrative Expenses decreased mainly due to the following factor:
- For the previous period, an impairment loss of ¥9.0 billion for doubtful debt was recorded, reflecting the revisions to various assumptions regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business Mozambique.

・ In addition to the above, the following factors also affected results:
- For the previous period, a gain on sale of the IPP business in North America was recorded.
- For the current period, an impairment loss of ¥9.7 billion was recorded, based on the conclusion of sale and purchase agreement for the shares of MT Falcon Holdings S.A.P.I.de C.V.
- For the previous period, ¥9.1 billion impairment loss was recorded in the rolling stock leasing business.
- For the previous period, following the revisions to our various assumptions, impairment losses of ¥4.8 billion were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique.

Chemicals Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent		51.6	32.4	+19.2
	Gross Profit	132.0	92.2	+39.8
	Profit (Loss) of Equity Method Investments	14.2	7.3	+6.9
	Dividend Income	3.2	2.2	+1.0
	Selling, General and Administrative Expenses	(82.7)	(70.1)	(12.6)
	Others	(15.1)	0.8	(15.9)

・ Gross Profit increased mainly due to the following factors:
- European agrochemical company, Belchim Crop Protection NV/SA recorded an increase due to consolidation of the company in the current period.
- An increase of ¥4.6 billion was recorded in MMTX, Inc. mainly due to higher methanol price.
- Chemicals trading business at the overseas branch recorded an increase mainly due to good product price and increase in handling volume.

・ Profit (Loss) of Equity Method Investments increased mainly due to the following factor:
- Japan-Arabia Methanol Company Ltd. recorded an increase of ¥3.6 billion mainly due to higher methanol price.

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

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

Iron & Steel Products Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent		21.3	(2.8)	+24.1
	Gross Profit	25.4	14.8	+10.6
	Profit (Loss) of Equity Method Investments	21.2	(0.3)	+21.5
	Dividend Income	1.2	1.1	+0.1
	Selling, General and Administrative Expenses	(17.5)	(16.8)	(0.7)
	Others	(9.0)	(1.6)	(7.4)

・Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
- Numit LLC, which invests in Steel Technologies LLC, recorded an increase of ¥8.2 billion mainly due to the improvement of operating time by the recovery of automotive production in the U.S. and increase in steel prices.
- Gestamp companies recorded an increase of ¥6.9 billion mainly due to the improvement of operating time by the recovery of automotive production and cost reduction due to structural transformation.

Lifestyle Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	42.8	(0.4)	+43.2
Gross Profit	110.9	95.0	+15.9
Profit (Loss) of Equity Method Investments	32.5	4.6	+27.9
Dividend Income	5.4	5.4	0
Selling, General and Administrative Expenses	(99.0)	(97.1)	(1.9)
Others	(7.0)	(8.3)	+1.3

・ Gross Profit increased mainly due to the following factors:
- UHS PARTNERS, INC. recorded an increase of ¥3.8 billion due to good performance in the healthcare staffing business.
- An increase of ¥3.6 billion was recorded mainly due to good performance in grain trading at a business division at the Headquarters.
- XINGU AGRI AG, an agricultural production business in Brazil, recorded an increase of ¥3.4 billion mainly due to an increase in soybean and cotton harvests and higher prices.

・ Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
- IHH Healthcare Berhad recorded an increase of ¥12.6 billion due to the effect of the COVID-19 pandemic for the previous period as well as the absence of an impairment loss of goodwill over a subsidiary in India, and increased demand for COVID-19 related services and an operation improvement for the current period.
- Mit-Salmon Chile SpA recorded an increase of ¥4.1 billion due to recovery of the sales price and increase in sales volume in the salmon farming, processing and sales business in Chile.
- WILSEY FOODS INC. recorded an increase of ¥3.1 billion due to the good performance of Ventura Foods LLC, a U.S. manufacturer of processed oil food, reflecting higher soybean oil price and recovery in demand for food service.

・ In addition to the above, the following factor also affected results:
- For the current period, a gain of ¥8.9 billion was recorded as a total amount of the gain on partial sales of the shares in PHC Holdings Corporation and a valuation gain due to the deconsolidation of PHC Holdings Corporation from Mitsui’s equity accounted investee.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	42.2	37.4	+4.8
Gross Profit	72.2	76.2	(4.0)
Profit (Loss) of Equity Method Investments	15.3	8.9	+6.4
Dividend Income	2.7	3.7	(1.0)
Selling, General and Administrative Expenses	(51.1)	(47.3)	(3.8)
Others	3.1	(4.1)	+7.2

・ Gross Profit decreased mainly due to the following factors:
- For the previous period, a gain of ¥12.6 billion in the valuation of fair value was recorded at a holding company as a result of sales of its entire shareholding in OSIsoft LLC.
- For the previous period, ¥5.6 billion gain was recorded due to the valuation of fair value on shares in Hutchison China MediTech Ltd., while for the current period, ¥1.1 billion profit was recorded as a result of sales of the entire shareholding thereof.

- Business division at the Headquarters recorded an increase of ¥3.3 billion mainly due to an increase of occupancy rates of integrated development project in the 2, Otemachi 1-Chome District.

・In addition to the above, the following factors also affected results:
  - For the current period, MBK Real Estate LLC recorded a gain on sale of a multi-family housing property.
  - For the previous period, ¥4.3 billion gain of an impairment reversal on land was recorded.

(3) Financial Condition and Cash Flows

1) Financial Condition

(Billions of Yen)	December 31, 2021	March 31, 2021	Change
Total Assets	13,787.5	12,515.8	+1,271.7
Current Assets	5,260.6	4,207.5	+1,053.1
Non-current Assets	8,526.9	8,308.4	+218.5
Current Liabilities	3,434.0	2,701.7	+732.3
Non-current Liabilities	5,108.2	4,991.2	+117.0
Net Interest-bearing Debt	*3,524.2*	*3,299.8*	*+224.4*
Total Equity Attributable to Owners of the Parent	4,985.2	4,570.4	+414.8
Net Debt-to-Equity Ratio (times)	0.71	0.72	(0.01)

<u>Assets</u>

Current Assets:

・ Cash and cash equivalents declined by ¥222.0 billion.

・ Trade and other receivables increased by ¥495.5 billion, mainly due to the following factors:
  - An increase in trade receivables by ¥225.3 billion, mainly due to higher market price and increase in trading volume in Mitsui & Co., Energy Trading Singapore Pte. Ltd., and the business division at the Headquarters in the Energy Segment;
  - An increase in trade receivables by ¥103.3 billion, mainly due to higher market price and increase in trading volume in Chemicals Segment; and
  - A decrease in the current portion of long-term receivables by ¥46.3 billion, mainly due to loan collection of ¥57.6 billion in the copper business.

・ Other financial assets increased by ¥456.3 billion, mainly due to the following factors:
  - An increase by ¥262.5 billion, mainly due to market fluctuation and increase in trading volume in Mitsui Bussan Commodities Ltd. and the business division at the Headquarters in the Innovation & Corporate Development Segment; and
  - An increase by ¥83.7 billion due to higher market price for products in the business division at the Headquarters in the Lifestyle Segment.

・ Inventories increased by ¥271.7 billion, mainly due to higher market price and increase in trading volume in the Lifestyle Segment, increase in trading volume in the Innovation & Corporate Development Segment, and consolidation of Belchim Crop Protection NV/SA, a European agrochemical company, in the Chemicals Segment.

・ Advance payments to suppliers increased by ¥35.1 billion, mainly due to an increase in trading volume in the Machinery & Infrastructure Segment.

Non-current Assets:

- Investments accounted for using the equity method increased by ¥97.0 billion, mainly due to the following factors:
  - An increase of ¥87.5 billion resulting from foreign currency exchange fluctuations;
  - An increase of ¥318.9 billion corresponding to the profit of equity method investments for the current period, despite a decline of ¥271.8 billion due to dividends from equity accounted investees;
  - An increase of ¥26.4 billion due to an investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project;
  - An increase due to a fair value valuation of shares in the Arctic LNG 2 Project in Russia through Japan Arctic LNG B.V.; and
  - A decline of ¥71.9 billion due to partial shares sale of PHC Holdings Corporation and reclassification to Other investments.
- Other investments increased by ¥118.9 billion, mainly due to the following factors:
  - An increase of ¥71.1 billion due to reclassification of PHC Holdings Corporation from Investments accounted for using the equity method, as result of partial shares sale;
  - As a result of subscription to convertible bonds of PT CT Corpora, the holding company for CT Corp, for ¥67.0 billion; and
  - Fair value on financial assets measured at FVTPL increased by ¥20.8 billion, while fair value on financial assets measured at FVTOCI decreased by ¥54.6 billion.
- Property, plant and equipment decreased by ¥62.4 billion, mainly due to the following factors:
  - A decline of ¥68.5 billion (including foreign exchange translation profit of ¥12.6 billion) at the oil and gas projects;
  - A decline of ¥28.8 billion due to reclassification of agricultural land owned by XINGU AGRI AG to Investment property, upon conclusion of lease contracts;
  - A decline of ¥14.0 billion due to sale of the contract manufacturing businesses of MicroBiopharm Japan Co., Ltd.;
  - An increase by ¥24.6 billion due to consolidation of Inversiones Mitta SpA, which is parent company of the fleet management operating company in Chile; and
  - An increase by ¥180 billion mainly due to establishment of a logistics center by MITSUI FOODS CO., LTD.
- Investment property increased by ¥42.2 billion, mainly due to the following factors:
  - An increase by ¥28.8 billion due to reclassification of agricultural land owned by XINGU AGRI AG from Property, plant and equipment, upon conclusion of lease contracts; and
  - An increase by ¥11.3 billion due to completion of construction at Hibiya Fort Tower, redeveloped by Mitsui & Co. Real Estate Ltd.
- Intangible assets increased by ¥39.7 billion, mainly due to consolidation of Belchim Crop Protection NV/SA, a European agrochemical company and Inversiones Mitta SpA, which is parent company of the fleet management operating company in Chile.

<u>Liabilities</u>

Current Liabilities:

- Short-term debt increased by ¥11.5 billion mainly due to consolidation of Belchim Crop Protection NV/SA, a European agrochemical company.
- Trade and other payables increased by ¥398.3 billion, corresponding to the increase in trade and other receivables, mainly due to the following factor:
  - An increase in trade and other payables by ¥182.0 billion, mainly due to higher market price and increase in trading volume in Mitsui & Co., Energy Trading Singapore Pte. Ltd, and the business division at the

Headquarters in the Energy Segment.

- Other financial liabilities increased by ¥268.4 billion, mainly due to the following factor:
  - An increase by ¥185.5 billion, mainly due to market fluctuation and increase in trading volume in Mitsui Bussan Commodities Ltd and the business division at the Headquarters in the Innovation & Corporate Development Segment.
- Advances from customers increased by ¥61.0 billion, mainly due to corresponding increase in advance payments to suppliers.

Non-current Liabilities:

- Long-term debt, less the current portion, increased by ¥97.2 billion.
- Deferred tax liabilities increased by ¥28.2 billion, mainly due to corresponding increase in the profit of equity method investments under the Machinery & Infrastructure Segment.

Total Equity Attributable to Owners of the Parent

- Retained earnings increased by ¥318.4 billion.
- Other components of equity increased by ¥66.7 billion, mainly due to the following factors:
  - Foreign currency translation adjustments increased by ¥82.6 billion, mainly reflecting the appreciation in the U.S. dollar against Japanese yen, while the Australian dollar has depreciated; and
  - Financial assets measured at FVTOCI decreased by ¥10.6 billion.
- Treasury stock which is a subtraction item in shareholders' equity decreased by ¥28.2 billion, mainly due to the shares buy-back for ¥129.0 billion, despite cancellation of the stock for ¥156.7 billion.

2) Cash Flows

(Billions of Yen)	Current Period	Previous Period	Change
Cash flows from operating activities	359.0	502.5	(143.5)
Cash flows from investing activities	(190.4)	(308.5)	+118.1
Free cash flow	168.6	194.0	(25.4)
Cash flows from financing activities	(397.5)	(282.3)	(115.2)
Effect of exchange rate changes on cash and cash equivalents	6.9	8.1	(1.2)
Change in cash and cash equivalents	(222.0)	(80.2)	(141.8)

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	359.0	502.5	(143.5)
Cash flows from change in working capital	b	(544.7)	(35.6)	(509.1)
Repayments of lease liabilities	c	(40.8)	(44.7)	+3.9
Core Operating Cash Flow	a-b+c	862.9	493.4	+369.5

- Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥544.7 billion of net cash outflow. Repayments of lease liabilities for the current period was ¥40.8 billion of cash outflow. Core Operating Cash Flow, which equaled cash flows from operating activities without both cash flows from changes in working capital and repayments of lease liabilities, for the current period amounted to ¥862.9 billion.
  - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥430.2 billion, an increase of ¥198.7 billion from ¥231.5 billion for the previous

period; and
- Depreciation and amortization for the current period was ¥225.0 billion, an increase of ¥24.8 billion from ¥200.2 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	433.0	205.2	+227.8
Energy	152.9	102.7	+50.2
Machinery & Infrastructure	113.2	64.5	+48.7
Chemicals	71.9	48.5	+23.4
Iron & Steel Products	9.2	2.1	+7.1
Lifestyle	33.5	11.3	+22.2
Innovation & Corporate Development	35.1	40.1	(5.0)
All Other and Adjustments and Eliminations	14.1	19.0	(4.9)
Consolidated Total	862.9	493.4	+369.5

Cash Flows from Investing Activities

- Net cash outflows that corresponded to investments in equity accounted investees (net of sales of investments in equity accounted investees) were ¥29.8 billion, mainly due to the following factor:
  - An investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project, for ¥26.4 billion.
- Net cash outflows that corresponded to other investments (net of sales and maturities of other investments) were ¥39.7 billion, mainly due to the following factors:
  - A subscription to convertible bonds of PT CT Corpora, the holding company for CT Corp, for ¥67.0 billion (net amount of ¥100.0 billion for subscription to convertible bonds and ¥33.0 billion from redemption of corporate bonds); and
  - A sale of the contract manufacturing businesses of MicroBiopharm Japan Co., Ltd.
- Net cash inflows that corresponded to an increase in loan receivables (net of collections of loan receivables) were ¥55.3 billion, mainly due to loan collection of ¥57.6 billion in the copper business.
- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥117.9 billion, mainly due to the following factors:
  - An expenditure for iron ore mining operations in Australia for ¥32.5 billion;
  - An expenditure for the oil and gas projects for ¥26.4 billion; and
  - An expenditure for coal mining operations in Australia for ¥18.6 billion.
- Net cash outflows that corresponded to purchases of investment property (net of sales of those assets) were ¥6.5 billion, mainly due to the following factors:
  - An expenditure for construction at Hibiya Fort Tower, redeveloped by Mitsui & Co. Real Estate Ltd., for ¥13.0 billion; and
  - A sale of a multi-family housing property in the USA by MBK Real Estate LLC for ¥17.8 billion.

Cash Flows from Financing Activities

- Net cash outflow from net change in short-term debt was ¥32.8 billion, net cash outflows from net change in long-term debt was ¥23.0 billion, and cash outflow from repayments of lease liabilities was ¥40.8 billion.
- The cash outflow from the purchases of treasury stock was ¥129.0 billion.
- The cash outflow from payments of cash dividends was ¥148.2 billion.

2. Management Policies

(1) Forecasts for the Year Ending March 31, 2022

1) Revised forecasts for the year ending March 31, 2022

<Assumption>	1-3Q (Actual)	4Q (Forecast)	Mar-22 Revised Forecast	Mar-22 Previous Forecast
Exchange rate (USD/JPY)	111.45	114.00	112.09	109.55
Crude oil (JCC)	$74/bbl	$72/bbl	$73/bbl	$71/bbl
Consolidated oil price	$65/bbl	$77/bbl	$68/bbl	$66/bbl

(Billions of Yen)

	March 31, 2022 Revised forecast	March 31, 2022 Previous forecast	Change	Description
Gross Profit	1,060.0	980.0	+80.0	Energy, Mineral & Metal Resources
Selling, General and Administrative Expenses	(580.0)	(590.0)	+10.0	
Gain on Investments, Fixed Assets and Other	30.0	10.0	+20.0	Lifestyle and others
Interest Expenses	(30.0)	(30.0)	-	
Dividend Income	190.0	180.0	+10.0	
Profit (Loss) of Equity Method Investments	410.0	380.0	+30.0	Mineral & Metal Resources, Machinery & Infrastructure
Profit before income taxes	1,080.0	930.0	+150.0	
Income taxes	(220.0)	(190.0)	(30.0)	
Non-controlling Interests	(20.0)	(20.0)	-	
Profit for the year attributable to owners of the parent	840.0	720.0	+120.0	Rate of change: +16.7%

Depreciation and Amortization	300.0	300.0	-	

Core Operating Cash Flow	1,090.0	920.0	+170.0	

・ For further major assumptions in addition to oil prices and USD/JPY, please refer to "2) Key commodity prices and other parameters for the year ending March 31, 2022".

The revised forecast for Profit for the Year Attributable to Owners of the Parent by operating segment compared to the original forecast is as follows:

(Billions of Yen)	Year ending March 31, 2022 Revised Forecast	Year ending March 31, 2022 Previous Forecast	Change	Description
Mineral & Metal Resources	450.0	420.0	+ 30.0	Higher cocking coal price, ferroalloys business in China
Energy	110.0	80.0	+ 30.0	Higher oil and gas prices, LNG trading business
Machinery & Infrastructure	120.0	100.0	+ 20.0	Automotive business
Chemicals	64.0	50.0	+ 14.0	Trading business
Iron & Steel Products	28.0	20.0	+ 8.0	Steady steel prices
Lifestyle	53.0	40.0	+ 13.0	One time profit through business restructuring
Innovation & Corporate Development	51.0	40.0	+ 11.0	Trading business
All Other and Adjustments and Eliminations	(36.0)	(30.0)	(6.0)	
Consolidated Total	840.0	720.0	+ 120.0	

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

(Billions of Yen)	Year ending March 31, 2022 Revised Forecast	Year ending March 31, 2022 Previous Forecast	Change	Description
Mineral & Metal Resources	500.0	440.0	+ 60.0	Higher cocking coal price, ferroalloys business in China
Energy	260.0	200.0	+60.0	Higher oil and gas prices, LNG trading business
Machinery & Infrastructure	140.0	120.0	+ 20.0	Automotive business
Chemicals	90.0	80.0	+ 10.0	Trading business
Iron & Steel Products	15.0	10.0	+ 5.0	
Lifestyle	33.0	30.0	+ 3.0	
Innovation & Corporate Development	41.0	40.0	+1.0	
All Other and Adjustments and Eliminations	11.0	0	+ 11.0	
Consolidated Total	1,090.0	920.0	+ 170.0	

2) Key commodity prices and other parameters for the year ending March 31, 2022

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2022. 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, 2022 (Announced in April 2021)				Previous Forecast (Announced in Nov 2021)		March 31, 2022			Revised Forecast (Announced in Feb 2022)
						1-3Q (Result)	4Q (Assumption)		
Commodity	Crude Oil/JCC		-	71		74	72		73
	Consolidated Oil Price(*1)		¥2.5 bn (US$1/bbl)	66		65	77		68
	U.S. Natural Gas(*2)		¥1.1 bn (US $0.1/mmBtu)	3.76		3.34(*3)	4.85		3.72
	Iron Ore(*4)		¥2.2 bn (US$1/ton)	(*5)		157(*6)	(*5)		(*5)
	Coal	Coking	¥0.4 bn (US$1/ton)	(*5)	→	231(*7)	(*5)	→	(*5)
		Thermal	¥0.1 bn (US$1/ton)	(*5)		110(*7)	(*5)		(*5)
	Copper(*8)		¥0.7 bn (US$100/ton)	9,140		9,187(*9)	9,698		9,315
Forex (*10)	USD		¥2.6 bn (¥1/USD)	109.55		111.45	114.00		112.09
	AUD		¥2.4 bn (¥1/AUD)	80.67		82.69	83.00		82.77
	BRL		¥0.2 bn (¥1/BRL)	20.59		20.86	20.00		20.65

(*1) As the crude oil price affects our consolidated results with a 0-6 month time lag, the effect of crude oil prices on consolidated results is estimated as the consolidated oil price, which reflects this time lag. For the year ending March 31, 2022, we have assumed that there is a 4-6 month time lag for approx. 35%, a 1-3 month time lag for approx. 60%, and no time lag for approx. 5%. The above sensitivities show the annual impact of changes in the consolidated oil price.

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

(*3) U.S. gas figures for the year ending March 31,2022 1-3Q (Result) are the Henry Hub Natural Gas Futures average daily prompt month closing prices traded on NYMEX during January to September 2021.

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

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

(*6) Iron ore results figures for the year ending March 31, 2022 1-3Q (Result) are the daily average (reference price) spot indicated price (Fe 62% CFR North China) recorded in several industry trade magazines from April to December 2021.

(*7) Coal results figures for the year ending March 31, 2022 1-3Q (Result) are the quarterly average prices of representative coal brands in Japan (US$/MT).

(*8) As the copper price affects our consolidated results with a 3-month time lag, the above sensitivities show the annual impact of US$100/ton change in averages of the LME monthly average cash settlement prices for the period from March to December 2021.

(*9) Copper results figures for the year ending March 31, 2022 1-3Q (Result) are the averages of the LME monthly average cash settlement prices for the period from January to September 2021.

(*10) The above sensitivities show the 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 dividends 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 USD and the functional currencies (AUD and BRL) and the impact of currency hedging are not included.

(2) Profit Distribution Policy

Our profit distribution policy is as follows:

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

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

For the current period, we had repurchased our own stock for ¥24.6 billion from April 1 to April 26, 2021 following the announcements "Notification of Stock Repurchase" on February 24, 2021, ¥50.0 billion following the announcements "Notification of Stock Repurchase" on April 30, 2021 and ¥50.0 billion following the announcements "Notification of Stock Repurchase" on August 3, 2021. Additionally, we repurchased our own stock for ¥20.1 billion from December 17, 2021 to January 31, 2022 based on the announcements "Notification of Stock Repurchase" on December 16, 2021, which announced an additional buy–back program capped at either ¥50.0 billion or 30 million shares.

We will continue to flexibly and strategically allocate funds for investment in growth and additional shareholder returns (additional dividends and share buy-backs) according to the business performance during the Medium-term Management Plan period.

The annual dividend for the year ending March 31, 2022 is planned to be ¥105 per share (an increase of ¥20 from the previous year, including the interim dividend of ¥45 per share), an upward revision of ¥10 from the original forecast announced on November 2, 2021, taking into consideration the Core Operating Cash Flow and Profit for the Year Attributable to Owners of the Parent in the revised forecasts announced today, as well as the stability and continuity of dividend payments.

3. Other Information

Notice:

This flash 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. These important risks, uncertainties and other factors include, among others, (1) business investment risks, (2) country risks, (3) risks regarding climate changes, (4) commodity market risks, (5) foreign currency risks, (6) stock price risks of listed stock Mitsui and its subsidiaries hold, (7) credit risks, (8) risks regarding fund procurement, (9) operational risks, (10) risks regarding employee's compliance with laws, regulations, and internal policies, (11) risks regarding information systems and information securities, (12) risks relating to natural disasters, terrorism, violent groups and infectious diseases. For further information on the above, please refer to Mitsui's Annual Securities Report.

Forward-looking statements may be included in Mitsui's Annual Securities Report and Quarterly Securities Reports or in its other disclosure documents, press releases or website disclosures. Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Millions of Yen)

Assets		
	December 31, 2021	March 31, 2021
Current Assets:		
Cash and cash equivalents	¥ 841,139	¥ 1,063,150
Trade and other receivables	2,307,545	1,811,990
Other financial assets	886,254	429,986
Inventories	886,869	615,155
Advance payments to suppliers	178,799	143,714
Other current assets	160,001	143,477
Total current assets	5,260,607	4,207,472
Non-current Assets:		
Investments accounted for using the equity method	3,140,974	3,044,001
Other investments	2,074,461	1,955,607
Trade and other receivables	295,965	305,952
Other financial assets	151,493	141,848
Property, plant and equipment	2,112,655	2,175,072
Investment property	317,024	274,847
Intangible assets	228,257	188,555
Deferred tax assets	103,522	112,055
Other non-current assets	102,577	110,436
Total non-current assets	8,526,928	8,308,373
Total	¥ 13,787,535	¥ 12,515,845

(Millions of Yen)

Liabilities and Equity		
	December 31, 2021	March 31, 2021
Current Liabilities:		
Short-term debt	¥ 312,041	¥ 300,485
Current portion of long-term debt	420,107	450,941
Trade and other payables	1,711,633	1,313,341
Other financial liabilities	639,747	371,298
Income tax payables	61,335	58,915
Advances from customers	184,792	123,806
Provisions	28,184	36,909
Other current liabilities	76,160	46,027
Total current liabilities	3,433,999	2,701,722
Non-current Liabilities:		
Long-term debt, less current portion	4,092,495	3,995,311
Other financial liabilities	113,621	116,531
Retirement benefit liabilities	38,461	40,253
Provisions	258,104	261,365
Deferred tax liabilities	578,966	550,776
Other non-current liabilities	26,511	27,000
Total non-current liabilities	5,108,158	4,991,236
Total liabilities	8,542,157	7,692,958
Equity:		
Common stock	342,384	342,080
Capital surplus	397,423	396,238
Retained earnings	3,866,219	3,547,789
Other components of equity	440,477	373,786
Treasury stock	(61,255)	(89,473)
Total equity attributable to owners of the parent	4,985,248	4,570,420
Non-controlling interests	260,130	252,467
Total equity	5,245,378	4,822,887
Total	¥ 13,787,535	¥ 12,515,845

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020 (As restated)
Revenue	¥ 8,589,429	¥ 5,740,568
Cost	(7,799,646)	(5,172,368)
Gross Profit	789,783	568,200
Other Income (Expenses):		
Selling, general and administrative expenses	(423,736)	(451,819)
Gain (loss) on securities and other investments－net	(5,696)	7,024
Impairment reversal (loss) of fixed assets－net	(14,285)	(40,133)
Gain (loss) on disposal or sales of fixed assets－net	11,565	1,228
Other income (expense) －net	24,838	(4,312)
Total other income (expenses)	(407,314)	(488,012)
Finance Income (Costs):		
Interest income	14,709	16,554
Dividend income	151,957	61,865
Interest expense	(35,878)	(40,996)
Total finance income (costs)	130,788	37,423
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	318,947	155,002
Profit before Income Taxes	832,204	272,613
Income Taxes	(181,768)	(63,057)
Profit for the Period	¥ 650,436	¥ 209,556
Profit for the Period Attributable to:		
Owners of the parent	¥ 633,256	¥ 198,937
Non-controlling interests	17,180	10,619

(Note)

Considering the presentation of revenue in the Condensed Consolidated Statement of Income in more detail in accordance with IFRS 15 "Revenue from Contracts with Customers", we have presented the "revenue" and corresponding "cost" of certain transactions in gross amounts for the nine-month period ended December 31, 2021. Those amounts for the nine-month period ended December 31, 2020 have also been restated to conform to the presentation for the nine-month period ended December 31, 2021. This restatement has no impact on gross profit, profit for the period attributable to owners of the parent, or total equity attributable to owners of the parent.

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
Profit for the Period	¥ 650,436	¥ 209,556
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	(49,453)	325,873
Remeasurements of defined benefit plans	752	(1,953)
Share of other comprehensive income of investments accounted for using the equity method	14,026	(11,256)
Income tax relating to items not reclassified	14,993	(67,477)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(4,727)	124,798
Cash flow hedges	(27,447)	8,208
Share of other comprehensive income of investments accounted for using the equity method	115,682	(63,846)
Income tax relating to items that may be reclassified	(2,999)	(8,724)
Total other comprehensive income	60,827	305,623
Comprehensive Income for the Period	¥ 711,263	¥ 515,179
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 690,339	¥ 497,987
Non-controlling interests	20,924	17,192

(3) Condensed Consolidated Statements of Changes in Equity

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2020	¥ 341,776	¥ 402,652	¥ 3,362,297	¥ (223,910)	¥ (65,138)	¥ 3,817,677	¥ 243,255	¥ 4,060,932
Profit for the period			198,937			198,937	10,619	209,556
Other comprehensive income for the period				299,050		299,050	6,573	305,623
Comprehensive income for the period			198,937	299,050		497,987	17,192	515,179
Transaction with owners:								
Dividends paid to the owners of the parent			(135,476)			(135,476)		(135,476)
Dividends paid to non-controlling interest shareholders							(10,788)	(10,788)
Acquisition of treasury stock					(45,974)	(45,974)		(45,974)
Sales of treasury stock		(112)	(134)		246	0		0
Cancellation of treasury stock			(46,722)		46,722	-		-
Compensation costs related to share-based payment	304	1,412				1,716		1,716
Equity transactions with non-controlling interest shareholders		(37)		3		(34)	(4,738)	(4,772)
Transfer to retained earnings			(3,234)	3,234		-		-
Balance as at December 31, 2020	¥ 342,080	¥ 403,915	¥ 3,375,668	¥ 78,377	¥ (64,144)	¥ 4,135,896	¥ 244,921	¥ 4,380,817

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2021	¥ 342,080	¥ 396,238	¥ 3,547,789	¥ 373,786	¥ (89,473)	¥ 4,570,420	¥ 252,467	¥ 4,822,887
Profit for the period			633,256			633,256	17,180	650,436
Other comprehensive income for the period				57,083		57,083	3,744	60,827
Comprehensive income for the period			633,256	57,083		690,339	20,924	711,263
Transaction with owners:								
Dividends paid to the owners of the parent			(148,206)			(148,206)		(148,206)
Dividends paid to non-controlling interest shareholders							(23,236)	(23,236)
Acquisition of treasury stock					(128,978)	(128,978)		(128,978)
Sales of treasury stock		(197)	(276)		474	1		1
Cancellation of treasury stock			(156,722)		156,722	-		-
Compensation costs related to share-based payment	304	1,449				1,753		1,753
Equity transactions with non-controlling interest shareholders		(67)		(14)		(81)	9,975	9,894
Transfer to retained earnings			(9,622)	9,622		-		-
Balance as at December 31, 2021	¥ 342,384	¥ 397,423	¥ 3,866,219	¥ 440,477	¥ (61,255)	¥ 4,985,248	¥ 260,130	¥ 5,245,378

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
Operating Activities:		
Profit for the period	¥ 650,436	¥ 209,556
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	225,043	200,230
Change in retirement benefit liabilities	4,990	1,146
Loss allowance	11,186	67,533
(Gain) loss on securities and other investments-net	5,696	(7,024)
(Gain) loss on loans measured at FVTPL	-	21,657
Impairment (reversal) loss of fixed assets-net	14,285	40,133
(Gain) loss on disposal or sales of fixed assets-net	(11,565)	(1,228)
Interest income, dividend income and interest expense	(154,289)	(57,380)
Income taxes	181,768	63,057
Share of (profit) loss of investments accounted for using the equity method	(318,947)	(155,002)
Valuation (gain) loss related to contingent considerations and others	1,446	(3,195)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(480,759)	12,273
Change in inventories	(247,964)	(44,389)
Change in trade and other payables	353,654	48,111
Other-net	(169,608)	(51,660)
Interest received	38,670	41,727
Interest paid	(36,615)	(46,881)
Dividends received	430,166	231,486
Income taxes paid	(138,570)	(67,700)
Cash flows from operating activities	359,023	502,450
Investing Activities:		
Net change in time deposits	(51,742)	(40,717)
Net change in investments in equity accounted investees	(29,778)	(49,834)
Net change in other investments	(39,715)	(2,026)
Net change in loan receivables	55,291	5,512
Net change in property, plant and equipment	(117,944)	(172,199)
Net change in investment property	(6,501)	(49,277)
Cash flows from investing activities	(190,389)	(308,541)
Financing Activities:		
Net change in short-term debt	(32,783)	(32,895)
Net change in long-term debt	(23,028)	(10,776)
Repayments of lease liabilities	(40,802)	(44,718)
Purchases and sales of treasury stock	(128,976)	(45,974)
Dividends paid	(148,206)	(135,476)
Transactions with non-controlling interest shareholders	(23,742)	(12,453)
Cash flows from financing activities	(397,537)	(282,292)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	6,892	8,178
Change in Cash and Cash Equivalents	(222,011)	(80,205)
Cash and Cash Equivalents at Beginning of Period	1,063,150	1,058,733
Cash and Cash Equivalents at End of Period	¥ 841,139	¥ 978,528

“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.

(5) <u>Assumption for Going Concern:</u> None

(6) <u>Changes in Accounting Estimates</u>

The significant change in accounting estimates in the Condensed Consolidated Financial Statements is as follows:

(Impairment loss related to selling the entire interest in MT Falcon Holdings)
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 impairment loss for the related investment accounted for using the equity method is recorded in "Gain (loss) on securities and other investments – net" in the Condensed Consolidated Statements of Income.

(7) Segment Information

Nine-month period ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(Millions of Yen)

	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	1,425,948	1,822,154	622,967	2,098,122	444,371	2,013,273	160,992	8,587,827	1,602	8,589,429
Gross Profit	303,657	41,216	103,013	131,990	25,425	110,908	72,180	788,389	1,394	789,783
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	102,697	24,015	109,101	14,210	21,170	32,453	15,283	318,929	18	318,947
Profit for the Period Attributable to Owners of the parent	370,860	28,290	92,157	51,623	21,254	42,804	42,205	649,193	(15,937)	633,256
Core Operating Cash Flow	432,959	152,902	113,184	71,858	9,193	33,547	35,140	848,783	14,115	862,898
Total Assets at December 31, 2021	2,576,874	2,990,638	2,488,530	1,554,185	657,393	2,466,053	1,551,625	14,285,298	(497,763)	13,787,535

Nine-month period ended December 31, 2020 (from April 1, 2020 to December 31, 2020) (As restated)

(Millions of Yen)

	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	1,003,099	549,962	591,063	1,368,042	304,866	1,758,060	163,508	5,738,600	1,968	5,740,568
Gross Profit	167,530	44,658	75,843	92,151	14,779	94,968	76,231	566,160	2,040	568,200
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	45,278	15,587	73,301	7,274	(253)	4,649	8,911	154,747	255	155,002
Profit (Loss) for the Period Attributable to Owners of the parent	76,937	26,734	35,210	32,379	(2,757)	(441)	37,435	205,497	(6,560)	198,937
Core Operating Cash Flow	205,180	102,654	64,534	48,515	2,135	11,262	40,077	474,357	19,040	493,397
Total Assets at March 31, 2021	2,566,491	2,566,305	2,291,278	1,345,469	566,020	2,009,315	1,191,842	12,536,720	(20,875)	12,515,845

Notes:1. "Others / Adjustments and Eliminations" includes of the Corporate Staff Unit which provides financing services and operations services to the companies and affiliated companies. Total assets of "Others / Adjustments and Eliminations" at March 31, 2021 and December 31, 2021 includes cash, cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services amounting to ¥ 7,202,925 million and ¥ 7,390,070 million, respectively.

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 "Others /Adjustments and Eliminations" includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.
4. Total assets of "Others / Adjustments and Eliminations" at March 31, 2021 and December 31, 2021 includes elimination of receivables and payables between segments amounting to ¥ 7,223,800 million and ¥ 7,887,833 million, respectively.
5. 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. The description order of reporting segments has been changed in the segment information from the three-month period ended June 30, 2021, and this change also applies for the nine-month period ended December 31, 2020.
7. As described in the Note in the Condensed Consolidated Statements of Income, we have reconsidered the presentation of revenue from certain transactions, and have restated revenues for the nine-month period ended December 31, 2020, based on the results of the reconsideration.

(8) The Fire Incident of Intercontinental Terminals Company LLC

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

The profit and loss related to this incident recognized in the nine-month period ended December 31, 2021 and 2020, and the outstanding balance of related provision as of December 31, 2021 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.

(9) Taxation on Capital Gain in India

Earlyguard Limited ("EG"), a UK subsidiary of Mitsui & Co., Ltd., received a tax payment notice dated January 21, 2020, which requested a payment of 24.0 billion Indian Rupees (¥37.0 billion) from the Indian tax authority.
The taxable income of this notice is the capital gain on sales of Finsider International Company Limited (a UK company that owned 51% of Sesa Goa, an Indian iron ore company) shares held by EG in April 2007. Although EG treated the capital gain properly according to the tax laws at that time, the tax payment notice was issued. On February 17, 2021, EG commenced arbitration under the UK-India bilateral investment treaty in order to dispute this tax payment notice, but on August 13, 2021, the Indian government published and enacted "Taxation Laws (Amendment) Act, 2021" ("Taxation Laws") which nullifies capital gain taxation on sales of Indian assets implemented before May 2012 and "Income Tax (31st Amendment) Rules 2021" ("Income Tax Rules") was published and enacted on October 1, 2021, which provide the conditions required under the Taxation Laws. EG conducted necessary procedures in accordance with the Taxation Laws and the Income Tax Rules in pursuit of nullification of capital gain taxation, and, as a result, on January 17, 2022, the Indian tax authority issued an order to nullify such capital gain taxation against EG.

(10) Impact of the Security Situation in Northern Mozambique on LNG Project

The Company participates in the Mozambique LNG Project through Mitsui E&P Mozambique Area 1 Limited, its joint venture in the Energy Segment. In April 2021, all project personnel evacuated the project site due to the deteriorating security situation in northern Mozambique where the project site is located, and on April 26, the project operator, TotalEnergies SE of France, announced that it had declared force majeure under the Joint Operating Agreement.
While the prospect of this project is still under examination, the company does not expect a significant impact on our consolidated financial position, operating results and cash flow at this stage.