

Consolidated Financial Results for the Three-Month Period Ended June 30, 2021 [IFRS]

Tokyo, August 3, 2021 - Mitsui & Co., Ltd. announced its consolidated financial results for the three-month period ended June 30, 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 three-month period ended June 30, 2021
(from April 1, 2021 to June 30, 2021)

		Three-month period ended June 30,			
		2021	%	2020	%
Revenue	Millions of yen	2,658,034	44.0	1,845,373	(12.1)
Profit before income taxes	Millions of yen	256,191	151.2	101,990	(40.8)
Profit for the period	Millions of yen	200,005	200.0	66,663	(50.6)
Profit for the period attributable to owners of the parent	Millions of yen	191,264	205.7	62,557	(50.0)
Comprehensive income for the period	Millions of yen	399,150	131.7	172,237	447.1
Earnings per share attributable to owners of the parent, basic	Yen	115.74		36.92	
Earnings per share attributable to owners of the parent, diluted	Yen	115.68		36.90	

Note:

- 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.
- 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 three-month period ended June 30, 2020.

(2) Consolidated financial position information

		June 30, 2021	March 31, 2021
Total assets	Millions of yen	13,105,504	12,515,845
Total equity	Millions of yen	5,065,760	4,822,887
Total equity attributable to owners of the parent	Millions of yen	4,809,796	4,570,420
Equity attributable to owners of the parent ratio	%	36.7	36.5

2. Dividend information

		Year ended March 31,		Year ending March 31, 2022 (Forecast)
		2022	2021	
Interim dividend per share	Yen		40	45
Year-end dividend per share	Yen		45	45
Annual dividend per share	Yen		85	90

Note :

Change from the latest released dividend forecast: None

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	640,000
Earnings per share attributable to owners of the parent, basic	Yen	389.73

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 estimates :

- (i) Changes in accounting policies required by IFRS None
- (ii) Other changes None
- (iii) Changes in accounting estimates None

(3) Number of shares :

	June 30, 2021	March 31, 2021
Number of shares of common stock issued, including treasury stock	1,687,104,808	1,717,104,808
Number of shares of treasury stock	49,602,472	48,628,466

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020
Average number of shares of common stock outstanding	1,652,601,680	1,694,434,804

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 13.

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 August 3, 2021.

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

Table of Contents

1. Qualitative Information	
(1) Operating Environment.....	2
(2) Results of Operations.....	3
(3) Financial Condition and Cash Flows.....	8
2. Management Policies.....	11
3. Other Information.....	13
4. Condensed Consolidated Financial Statements	
(1) Condensed Consolidated Statements of Financial Position.....	14
(2) Condensed Consolidated Statements of Income and Comprehensive Income.....	16
(3) Condensed Consolidated Statements of Changes in Equity.....	17
(4) Condensed Consolidated Statements of Cash Flows.....	18
(5) Assumption for Going Concern.....	19
(6) Segment Information.....	19
(7) The Fire Incident of Intercontinental Terminals Company LLC.....	20
(8) Taxation on Capital Gain in India.....	20
(9) Impact of the Security Situation in Northern Mozambique on LNG Project.....	20

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 three-month period ended June 30, 2021, the global economy continued to rebound, with the U.S. and China leading the overall trend.

In the U.S., the pace of growth increased, especially in consumption, benefiting from large-scale economic stimulus measures and progress in vaccination. It is expected that the effects of the economic resumption will run their course in the second half of the year, but that corporate capital investment will recover and that the recovery will continue to be supported by robust consumption. In Europe, progress in vaccination and the easing of restrictions on activities led to a recovery in consumption. The economic recovery is expected to strengthen in the second half of the year, partly due to allocations from the European Recovery Fund. In Japan, although exports continued to recover, consumption weakened against the backdrop of intermittent declarations of a state of emergency, which weighed on the economic recovery. However, the economy is expected to rebound from autumn onwards due to progress in vaccination and recovery in capital investment. In China, the recovery continued to be supported by exports and investment. In the future, the special demand for Chinese products in exports is expected to fade away, and the growth of investment is expected to slow down due to the government's restraint measures. Nevertheless, moderate growth is expected to continue overall. In Russia and Brazil, exports are expected to increase against the backdrop of rising prices for resources, energy, and food.

Going forward, it is expected that, while China and the U.S., which have already recovered to the level before the spread of COVID-19 will continue to lead the global economic recovery although the pace of growth will slow down, Europe and Japan are also expected to return to a recovery track in the second half of the year due to progress in vaccination. Japan is expected to return to its pre-COVID-19 level by the end of this year, and Europe by the first half of next year.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		2,658.0	1,845.4	+812.6
Gross profit		268.2	189.7	+78.5
Selling, general and administrative expenses		(138.6)	(134.7)	(3.9)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	(4.7)	8.4	(13.1)
	Impairment Reversal (Loss) of Fixed Assets—Net	0.2	(0.3)	+0.5
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	1.7	(0.1)	+1.8
	Other Income (Expense)—Net	8.9	0.3	+8.6
Finance Income (Costs)	Interest Income	4.7	6.2	(1.5)
	Dividend Income	33.7	13.9	+19.8
	Interest Expense	(14.4)	(15.4)	+1.0
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		96.4	34.0	+62.4
Income Taxes		(56.2)	(35.3)	(20.9)
Profit for the Period		200.0	66.7	+133.3
Profit for the Period Attributable to Owners of the Parent		191.3	62.6	+128.7

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

Revenue

Revenue for the three-month period ended June 30, 2021 ("current period") was ¥2,658.0 billion, an increase of ¥812.6 billion from ¥1,845.4 billion for the corresponding three-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 Chemical Segment and the Innovation & Corporate Development Segment recorded an increase while the Energy Segment recorded a decrease.

Selling, General and Administrative Expenses

Overall selling, general and administrative expenses recorded an increase while the Mineral & Metal Resources Segment recorded a decrease. The table provides a breakdown of selling, general and administrative expenses.

	Billions of Yen		
	Current Period	Previous Period	Change
Personnel	¥ (76.8)	¥ (72.3)	¥ (4.5)
Welfare	(2.8)	(2.2)	(0.6)
Travel	(2.2)	(1.4)	(0.8)
Entertainment	(0.5)	(0.4)	(0.1)
Communication	(11.9)	(11.2)	(0.7)
Rent	(2.6)	(2.2)	(0.4)
Depreciation	(8.2)	(9.8)	+1.6
Fees and Taxes	(3.0)	(2.8)	(0.2)
Loss Allowance	(5.1)	(8.0)	+2.9
Others	(25.5)	(24.4)	(1.1)
Total	¥ (138.6)	¥ (134.7)	¥ (3.9)

Other Income (Expenses)

Gain (Loss) on Securities and Other Investments—Net

For the previous period, a gain on sale of securities was recorded in the Machinery & Infrastructure Segment.

Other Income (Expense)—Net

Mainly the Energy Segment recorded a decrease.

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 Lifestyle Segment and the Machinery & Infrastructure Segment recorded an increase.

Income Taxes

Income taxes for the current period were ¥56.2 billion, an increase of ¥20.9 billion from ¥35.3 billion for the previous period. The effective tax rate for the current period was 21.9%, a decline of 12.7 points from 34.6% for the previous period. The major factors for the decline were unrecognized tax effect in respect to a part of increase in the "Share of Profit (Loss) of Investments Accounted for Using the Equity Method" and a decrease in proportion of tax burden out of resource-related high rate taxes in the Energy Segment.

Profit for the Period Attributable to Owners of the Parent

As a result, profit for the period attributable to owners of the parent was ¥191.3 billion, an increase of ¥128.7 billion from the previous period.

2) Operating Results by Operating Segment

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

The description order of reporting segments 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	119.0	32.2	+86.8
Gross profit	106.8	50.3	+56.5
Profit (loss) of equity method investments	31.8	13.4	+18.4
Dividend income	21.7	2.5	+19.2
Selling, general and administrative expenses	(7.4)	(10.4)	+3.0
Others	(33.9)	(23.6)	(10.3)

- Gross profit increased mainly due to the following factors:
 - Iron ore mining operations in Australia recorded an increase of ¥51.2 billion mainly due to higher sales prices.
 - Coal mining operations in Australia recorded an increase of ¥3.4 billion mainly due to higher sales prices and a reduction in operating costs.
- Profit (loss) of equity method investments increased mainly due to the following factors:
 - Iron ore mining operations in Australia recorded an increase of ¥8.2 billion mainly due to higher sales prices.
 - Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile, recorded an increase of ¥5.2 billion mainly due to higher sales prices.
- 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 factor:
 - For the previous period, an impairment loss of ¥4.1 billion for doubtful debts was recorded regarding the Moatize mine business in Mozambique following the revisions to our various assumptions.
- In addition to the above, the following factor also affected results:
 - For the current period, a reversal of deferred tax liability of ¥6.2 billion was recorded related to the reorganization of Japan Collahuasi Resources B.V., which invested in Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile.

Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	(1.2)	3.5	(4.7)
Gross profit	18.0	25.6	(7.6)
Profit (loss) of equity method investments	6.5	5.7	+0.8
Dividend income	4.1	2.1	+2.0
Selling, general and administrative expenses	(12.3)	(11.1)	(1.2)
Others	(17.5)	(18.8)	+1.3

- Gross profit decreased mainly due to the following factors:
 - Business division at the Headquarters recorded a decrease mainly due to less profit related to LNG trading business.

- Mitsui & Co. Energy Trading Singapore Pte. Ltd. recorded a decrease of ¥6.8 billion mainly due to a swing-back effect following the good trading performance in the previous period.
- Mitsui E&P Middle East B.V. recorded a decrease of ¥4.1 billion mainly due to a decline in production.
- Mitsui E&P USA LLC recorded an increase of ¥3.8 billion mainly due to a higher gas price.
- Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥4.0 billion in total, an increase of ¥2.0 billion from the previous period.
- Others increased mainly due to the absence of a one-time loss in the previous period, while there was a decrease of ¥3.0 billion due to derivative-related profit and loss in MOEX North America LLC.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	29.2	18.5	+10.7
Gross profit	32.0	26.7	+5.3
Profit (loss) of equity method investments	28.7	17.3	+11.4
Dividend income	1.4	1.6	(0.2)
Selling, general and administrative expenses	(31.2)	(29.2)	(2.0)
Others	(1.7)	2.1	(3.8)

- Profit (loss) of equity method investments increased mainly due to the following factors:
 - For the current period, MBK USA Commercial Vehicles Inc. recorded an increase of ¥4.7 billion due to good performance in the truck leasing and rental business.
 - For the current period, a gain was recorded at an automobile company in Canada due to steady sales results.
- In addition to the above, the following factor also affected results:
 - For the previous period, a gain on sale of the IPP business in North America was recorded.

Chemicals Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	15.9	6.3	+9.6
Gross profit	44.9	29.9	+15.0
Profit (loss) of equity method investments	3.9	0.9	+3.0
Dividend income	1.3	1.1	+0.2
Selling, general and administrative expenses	(27.4)	(23.4)	(4.0)
Others	(6.8)	(2.2)	(4.6)

- Gross profit increased mainly due to the following factor:
 - European agrochemical company, Belchim Crop Protection NV/SA has been consolidated from the current period.

Iron & Steel Products Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	6.7	(1.3)	+8.0
Gross profit	7.9	5.4	+2.5
Profit (loss) of equity method investments	5.8	(1.9)	+7.7
Dividend income	0.5	0.7	(0.2)
Selling, general and administrative expenses	(6.0)	(5.6)	(0.4)
Others	(1.5)	0.1	(1.6)

Lifestyle Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	13.9	(5.6)	+19.5
Gross profit	34.6	27.8	+6.8
Profit (loss) of equity method investments	13.9	(3.8)	+17.7
Dividend income	2.2	2.2	0
Selling, general and administrative expenses	(32.1)	(31.7)	(0.4)
Others	(4.7)	(0.1)	(4.6)

- Profit (loss) of equity method investments increased mainly due to the following factors:
 - WILSEY FOODS INC. recorded an increase of ¥5.3 billion due to the good performance of Ventura Foods LLC, a U.S. manufacturer of processed oil food, reflecting higher soybean oil prices and recovery in demand for food service.
 - IHH Healthcare Berhad recorded an increase of ¥5.1 billion due to the absence of an impairment loss of goodwill over subsidiary in India and the effect of the COVID-19 pandemic for the previous period, and an operation improvement and increased demand for COVID-19 related services for the current period.
 - For the current period, PHC Holdings Corporation recorded an increase due to a gain on valuation for convertible bonds and good sales performance of COVID-19 related products.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	10.4	10.5	(0.1)
Gross profit	23.8	23.2	+0.6
Profit (loss) of equity method investments	5.8	2.3	+3.5
Dividend income	2.0	3.1	(1.1)
Selling, general and administrative expenses	(17.2)	(16.1)	(1.1)
Others	(4.0)	(2.0)	(2.0)

- Gross profit increased mainly due to the following factor:
 - For the current period, a gain of ¥3.5 billion in the valuation of fair value was recorded following the public listing of Proterra Inc.

(3) Financial Condition and Cash Flows

1) Financial Condition

(Billions of yen)	June 30, 2021	March 31, 2021	Change
Total Assets	13,105.5	12,515.8	+589.7
Current Assets	4,447.7	4,207.5	+240.2
Non-current Assets	8,657.8	8,308.4	+349.4
Current Liabilities	2,990.4	2,701.7	+288.7
Non-current Liabilities	5,049.4	4,991.2	+58.2
<i>Net Interest-bearing Debt</i>	<i>3,396.2</i>	<i>3,299.8</i>	<i>+96.4</i>
Total Equity Attributable to Owners of the Parent	4,809.8	4,570.4	+239.4
Net Debt-to-Equity Ratio (times)	0.71	0.72	(0.01)

Assets

Current Assets:

- Cash and cash equivalents declined by ¥87.6 billion.
- Trade and other receivables increased by ¥62.9 billion, mainly due to the following factors:
 - An increase in trade receivables by ¥110.3 billion, mainly due to an increase in trading volume in the Energy Segment, and due to higher market price and the increase in trading volume as well as consolidation of European agrochemical company, Belchim Crop Protection NV/SA in the Chemicals Segment; and
 - A decrease in the current portion of long-term receivables by ¥53.9 billion, mainly due to loan collection of ¥57.6 billion in the copper business.
- Other financial assets increased by ¥134.8 billion, mainly due to market fluctuation and increases in trading volume of derivative trading in the Innovation & Corporate Development Segment and the Lifestyle Segment.
- Inventories increased by ¥103.6 billion, mainly due to consolidation of European agrochemical company, Belchim Crop Protection NV/SA in the Chemicals Segment, and due to market fluctuation and increases in trading volume in the Innovation & Corporate Development Segment and the Lifestyle Segment.

Non-current Assets:

- Investments accounted for using the equity method increased by ¥43.3 billion, mainly due to the following factors:
 - An increase of ¥25.6 billion resulting from foreign currency exchange fluctuations;
 - An increase of ¥12.1 billion due to an investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project; and
 - An increase of ¥96.4 billion corresponding to the profit of equity method investments for the current year, despite a decline of ¥101.2 billion due to dividends from equity accounted investees.
- Other investments increased by ¥301.6 billion, mainly due to the following factors:
 - As a result of higher share prices, fair value on financial assets measured at FVTOCI increased by ¥223.1 billion; and
 - As a result of subscription to convertible bonds of PT CT Corpora, the holding company for CT Corp., for ¥67.0 billion.
- Property, plant and equipment decreased by ¥43.2 billion, mainly due to the following factors:
 - A decline of ¥23.8 billion (including foreign exchange translation loss of ¥1.0 billion) at the oil and gas projects;

- A decline of ¥21.6 billion due to reclassification of agricultural land owned by XINGU AGRI AG to Investment property, upon conclusion of lease contracts;
- A decline of ¥11.1 billion due to sale of assets by MyPower Corp, a company engaged in the power generating business; and
- An increase by ¥12.6 billion due to acquiring ships on lease for LNG transportation.
- Investment property increased by ¥34.5 billion, mainly due to the following factors:
 - An increase by ¥21.6 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 ¥12.0 billion due to completion of construction at Hibiya Fort Tower, redeveloped by Mitsui & Co. Real Estate Ltd.
- Intangible assets increased by ¥29.8 billion, mainly due to consolidation of European agrochemical company, Belchim Crop Protection NV/SA.

Liabilities

Current Liabilities:

- Short-term debt increased by ¥67.4 billion mainly due to consolidation of European agrochemical company, Belchim Crop Protection NV/SA.
- Trade and other payables increased by ¥99.2 billion, corresponding to the increase in trade and other receivables.
- Other financial liabilities increased by ¥83.5 billion, mainly due to corresponding increase in other financial assets.

Non-current Liabilities:

- Deferred tax liabilities increased by ¥70.8 billion, mainly due to corresponding increase in financial assets measured at FVTOCI.

Total Equity Attributable to Owners of the Parent

- Retained earnings increased by ¥63.3 billion.
- Other components of equity increased by ¥194.8 billion, mainly due to the following factors:
 - Financial assets measured at FVTOCI increased by ¥157.4 billion; and
 - Foreign currency translation adjustments increased by ¥21.5 billion, mainly reflecting the appreciation of the Brazilian real against the Japanese yen, even though the Australian dollar has depreciated.
- Treasury stock which is a subtraction item in shareholders' equity increased by ¥19.3 billion, mainly due to the shares buy-back for ¥74.7 billion, despite cancellation of the stock for ¥55.4 billion.

2) Cash Flows

(Billions of yen)	Current Period	Previous Period	Change
Cash flows from operating activities	179.3	164.0	+15.3
Cash flows from investing activities	(92.5)	(108.5)	+16.0
Free cash flow	86.8	55.5	+31.3
Cash flows from financing activities	(172.3)	(88.2)	(84.1)
Effect of exchange rate changes on cash and cash equivalents etc.	(2.1)	15.4	(17.5)
Change in cash and cash equivalents	(87.6)	(17.3)	(70.3)

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	179.3	164.0	+15.3
Cash flows from change in working capital	b	(103.9)	37.4	(141.3)
Repayments of lease liabilities	c	(13.3)	(15.8)	+2.5
Core Operating Cash Flow	a-b+c	269.9	110.8	+159.1

- Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current year was ¥103.9 billion of net cash outflow. Repayments of lease liabilities for the current period was ¥13.3 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 ¥269.9 billion.
 - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥118.5 billion, an increase of ¥69.2 billion from ¥49.3 billion for the previous period; and
 - Depreciation and amortization for the current period was ¥73.9 billion, an increase of ¥10.9 billion from ¥63.0 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	127.4	41.9	+85.5
Energy	47.2	36.4	+10.8
Machinery & Infrastructure	38.0	12.9	+25.1
Chemicals	24.5	15.7	+8.8
Iron & Steel Products	3.8	1.6	+2.2
Lifestyle	16.6	3.6	+13.0
Innovation & Corporate Development	12.1	12.7	(0.6)
All Other and Adjustments and Eliminations	0.3	(14.0)	+14.3
Consolidated Total	269.9	110.8	+159.1

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 ¥17.0 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 ¥12.1 billion.
- Net cash outflows that corresponded to other investments (net of sales and maturities of other investments) were ¥58.2 billion, mainly due to the following factor:
 - 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).
- Net cash inflows that corresponded to an increase in loan receivables (net of collections of loan receivables) were ¥58.3 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 ¥37.5 billion, mainly due to the following factors:
 - An expenditure for iron ore mining operations in Australia for ¥13.1 billion; and
 - An expenditure for the oil and gas projects for ¥10.1 billion.

Cash Flows from Financing Activities

- Net cash inflow from net change in short-term debt was ¥34.5 billion, net cash outflow from net change in long-term debt was ¥32.9 billion, and cash outflow from repayments of lease liabilities was ¥13.3 billion.
- The cash outflow from the purchases of treasury stock was ¥74.7 billion.
- The cash outflow from payments of cash dividends was ¥75.1 billion.

2. Management Policies

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

(Billions of yen)	March 31, 2022 Revised Forecast	March 31, 2022 Original Forecast	Increase / (Decrease)	Description
Gross Profit	980.0	820.0	+160.0	Mineral & Metal Resources, Energy
Selling, General and Administrative Expenses	(590.0)	(590.0)	—	
Gain (Loss) on Investments, Fixed Assets and Other	0.0	0.0	—	
Interest Expenses	(30.0)	(30.0)	—	
Dividend Income	160.0	120.0	+40.0	Mineral & Metal Resources, Energy
Profit (Loss) of Equity Method Investments	310.0	280.0	+30.0	Mineral & Metal Resources, Energy
Profit before Income Taxes	830.0	600.0	+230.0	
Income Taxes	(170.0)	(130.0)	(40.0)	Mineral & Metal Resources, Energy
Non-Controlling Interests	(20.0)	(10.0)	(10.0)	
Profit for the Year Attributable to Owners of the Parent	640.0	460.0	+180.0	

Depreciation and Amortization	300.0	300.0	—	
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Core Operating Cash Flow	900.0	680.0	+220.0	
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- Following the favorable commodity market, the Mineral & Metal Resources Segment and the Energy Segment have been revised up.

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)	March 31, 2022 Revised Forecast	March 31, 2022 Original Forecast	Increase / (Decrease)	Description
Mineral & Metal Resources	420.0	260.0	+160.0	Steady iron ore, copper and coal prices
Energy	70.0	50.0	+20.0	Steady oil and gas prices
Machinery & Infrastructure	80.0	80.0	—	
Chemicals	40.0	40.0	—	
Iron & Steel Products	10.0	10.0	—	
Lifestyle	20.0	20.0	—	
Innovation & Corporate Development	30.0	30.0	—	
Others / Adjustments and Eliminations	(30.0)	(30.0)	—	
Consolidated Total	640.0	460.0	+180.0	

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

(Billions of yen)	March 31, 2022 Revised Forecast	March 31, 2022 Original Forecast	Increase / (Decrease)	Description
Mineral & Metal Resources	480.0	290.0	+190.0	Steady iron ore, copper and coal prices
Energy	200.0	170.0	+30.0	Steady oil and gas prices
Machinery & Infrastructure	100.0	100.0	—	
Chemicals	55.0	55.0	—	
Iron & Steel Products	5.0	5.0	—	
Lifestyle	30.0	30.0	—	
Innovation & Corporate Development	30.0	30.0	—	
Others / Adjustments and Eliminations	0.0	0.0	—	
Consolidated Total	900.0	680.0	+220.0	

(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 and ¥50.0 billion from May 6 to June 23, 2021 following the announcements "Notification of Stock Repurchase" on February 24, 2021 and April 30, 2021. Furthermore, on August 3, 2021, we announced a new buy-back program up to ¥50.0 billion of our own shares from August 4, 2021 to October 29, 2021. For details, please refer to the "Notification of Stock Repurchase and Cancellation of Treasury Stock" on our website.

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.

For the fiscal year ending March 31, 2022, we plan to pay an annual dividend of ¥90 per share (an increase of ¥5 from the previous fiscal year).

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		
	June 30, 2021	March 31, 2021
Current Assets:		
Cash and cash equivalents	¥ 975,517	¥ 1,063,150
Trade and other receivables	1,874,887	1,811,990
Other financial assets	564,817	429,986
Inventories	718,763	615,155
Advance payments to suppliers	154,465	143,714
Other current assets	159,219	143,477
Total current assets	4,447,668	4,207,472
Non-current Assets:		
Investments accounted for using the equity method	3,087,342	3,044,001
Other investments	2,257,174	1,955,607
Trade and other receivables	297,915	305,952
Other financial assets	147,771	141,848
Property, plant and equipment	2,131,870	2,175,072
Investment property	309,322	274,847
Intangible assets	218,358	188,555
Deferred tax assets	103,236	112,055
Other non-current assets	104,848	110,436
Total non-current assets	8,657,836	8,308,373
Total	¥ 13,105,504	¥ 12,515,845

(Millions of Yen)

Liabilities and Equity		
	June 30, 2021	March 31, 2021
Current Liabilities:		
Short-term debt	¥ 367,938	¥ 300,485
Current portion of long-term debt	443,302	450,941
Trade and other payables	1,412,542	1,313,341
Other financial liabilities	454,791	371,298
Income tax payables	74,304	58,915
Advances from customers	138,701	123,806
Provisions	40,697	36,909
Other current liabilities	58,117	46,027
Total current liabilities	2,990,392	2,701,722
Non-current Liabilities:		
Long-term debt, less current portion	3,991,586	3,995,311
Other financial liabilities	110,544	116,531
Retirement benefit liabilities	39,182	40,253
Provisions	259,997	261,365
Deferred tax liabilities	621,605	550,776
Other non-current liabilities	26,438	27,000
Total non-current liabilities	5,049,352	4,991,236
Total liabilities	8,039,744	7,692,958
Equity:		
Common stock	342,080	342,080
Capital surplus	396,816	396,238
Retained earnings	3,611,078	3,547,789
Other components of equity	568,572	373,786
Treasury stock	(108,750)	(89,473)
Total equity attributable to owners of the parent	4,809,796	4,570,420
Non-controlling interests	255,964	252,467
Total equity	5,065,760	4,822,887
Total	¥ 13,105,504	¥ 12,515,845

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020 (As restated)
Revenue	¥ 2,658,034	¥ 1,845,373
Cost	(2,389,797)	(1,655,666)
Gross Profit	268,237	189,707
Other Income (Expenses):		
Selling, general and administrative expenses	(138,599)	(134,708)
Gain (loss) on securities and other investments — net	(4,669)	8,427
Impairment reversal (loss) of fixed assets — net	213	(305)
Gain (loss) on disposal or sales of fixed assets — net	1,680	(97)
Other income (expense) — net	8,924	282
Total other income (expenses)	(132,451)	(126,401)
Finance Income (Costs):		
Interest income	4,658	6,218
Dividend income	33,692	13,896
Interest expense	(14,390)	(15,433)
Total finance income (costs)	23,960	4,681
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	96,445	34,003
Profit before Income Taxes	256,191	101,990
Income Taxes	(56,186)	(35,327)
Profit for the Period	¥ 200,005	¥ 66,663
Profit for the Period Attributable to:		
Owners of the parent	¥ 191,264	¥ 62,557
Non-controlling interests	8,741	4,106

(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 three-month period ended June 30, 2021. Those amounts for the three-month period ended June 30, 2020 have also been restated to conform to the presentation for the three-month period ended June 30, 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)

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020
Profit for the Period	¥ 200,005	¥ 66,663
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	225,395	97,758
Remeasurements of defined benefit plans	300	(1,374)
Share of other comprehensive income of investments accounted for using the equity method	2,156	(16,031)
Income tax relating to items not reclassified	(67,714)	(9,247)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(300)	72,176
Cash flow hedges	(6,834)	3,275
Share of other comprehensive income of investments accounted for using the equity method	51,955	(40,096)
Income tax relating to items that may be reclassified	(5,813)	(887)
Total other comprehensive income	199,145	105,574
Comprehensive Income for the Period	¥ 399,150	¥ 172,237
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 388,605	¥ 160,312
Non-controlling interests	10,545	11,925

(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			62,557			62,557	4,106	66,663
Other comprehensive income for the period				97,755		97,755	7,819	105,574
Comprehensive income for the period			62,557	97,755		160,312	11,925	172,237
Transaction with owners:								
Dividends paid to the owners of the parent			(68,301)			(68,301)		(68,301)
Dividends paid to non-controlling interest shareholders							(1,129)	(1,129)
Acquisition of treasury stock					(39,067)	(39,067)		(39,067)
Sales of treasury stock		(16)	(23)		39	0		0
Cancellation of treasury stock			(46,722)		46,722	-		-
Equity transactions with non-controlling interest shareholders		106		0		106	(589)	(483)
Transfer to retained earnings			722	(722)		-		-
Balance as at June 30, 2020	¥ 341,776	¥ 402,742	¥ 3,310,530	¥ (126,877)	¥ (57,444)	¥ 3,870,727	¥ 253,462	¥ 4,124,189

(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			191,264			191,264	8,741	200,005
Other comprehensive income for the period				197,341		197,341	1,804	199,145
Comprehensive income for the period			191,264	197,341		388,605	10,545	399,150
Transaction with owners:								
Dividends paid to the owners of the parent			(75,083)			(75,083)		(75,083)
Dividends paid to non-controlling interest shareholders							(10,962)	(10,962)
Acquisition of treasury stock					(74,725)	(74,725)		(74,725)
Sales of treasury stock		(11)	(14)		25	0		0
Cancellation of treasury stock			(55,423)		55,423	-		-
Compensation costs related to share-based payment		448				448		448
Equity transactions with non-controlling interest shareholders		141		(10)		131	3,914	4,045
Transfer to retained earnings			2,545	(2,545)		-		-
Balance as at June 30, 2021	¥ 342,080	¥ 396,816	¥ 3,611,078	¥ 568,572	¥ (108,750)	¥ 4,809,796	¥ 255,964	¥ 5,065,760

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020
Operating Activities:		
Profit for the period	¥ 200,005	¥ 66,663
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	73,885	63,018
Change in retirement benefit liabilities	889	(398)
Loss allowance	5,052	7,953
(Gain) loss on securities and other investments-net	4,669	(8,427)
Impairment (reversal) loss of fixed assets-net	(213)	305
(Gain) loss on disposal or sales of fixed assets-net	(1,680)	97
Interest income, dividend income and interest expense	(31,382)	(12,835)
Income taxes	56,186	35,327
Share of (profit) loss of investments accounted for using the equity method	(96,445)	(34,003)
Valuation (gain) loss related to contingent considerations and others	303	(3,656)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(86,278)	225,662
Change in inventories	(84,175)	24,209
Change in trade and other payables	71,394	(123,169)
Other-net	(4,826)	(89,302)
Interest received	13,145	14,923
Interest paid	(14,994)	(17,451)
Dividends received	118,508	49,339
Income taxes paid	(44,736)	(34,215)
Cash flows from operating activities	179,307	164,040
Investing Activities:		
Net change in time deposits	(35,600)	(677)
Net change in investments in equity accounted investees	(16,968)	(2,211)
Net change in other investments	(58,229)	(148)
Net change in loan receivables	58,285	7,966
Net change in property, plant and equipment	(37,466)	(78,831)
Net change in investment property	(2,545)	(34,637)
Cash flows from investing activities	(92,523)	(108,538)
Financing Activities:		
Net change in short-term debt	34,540	2,601
Net change in long-term debt	(32,875)	32,572
Repayments of lease liabilities	(13,336)	(15,796)
Purchases and sales of treasury stock	(74,725)	(39,067)
Dividends paid	(75,083)	(68,301)
Transactions with non-controlling interest shareholders	(10,775)	(250)
Cash flows from financing activities	(172,254)	(88,241)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,163)	15,394
Change in Cash and Cash Equivalents	(87,633)	(17,345)
Cash and Cash Equivalents at Beginning of Period	1,063,150	1,058,733
Cash and Cash Equivalents at End of Period	¥ 975,517	¥ 1,041,388

“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) Assumption for Going Concern: None

(6) Segment Information

Three-month period ended June 30, 2021 (from April 1, 2021 to June 30, 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	469,926	558,696	172,241	664,439	139,521	601,781	50,607	2,657,211	823	2,658,034
Gross Profit	106,833	17,967	31,993	44,881	7,944	34,649	23,784	268,051	186	268,237
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	31,804	6,463	28,720	3,890	5,822	13,932	5,808	96,439	6	96,445
Profit (Loss) for the Period Attributable to Owners of the parent	118,975	△1,243	29,241	15,865	6,654	13,858	10,401	193,751	△2,487	191,264
Core Operating Cash Flow	127,425	47,249	38,033	24,542	3,827	16,594	12,074	269,744	112	269,856
Total Assets at June 30, 2021	2,684,839	2,662,525	2,339,150	1,449,941	585,482	2,130,630	1,328,257	13,180,824	△75,320	13,105,504

Three-month period ended June 30, 2020 (from April 1, 2020 to June 30, 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	299,926	174,551	262,628	403,997	102,368	552,374	47,771	1,843,615	1,758	1,845,373
Gross Profit	50,266	25,647	26,736	29,933	5,447	27,797	23,203	189,029	678	189,707
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	13,395	5,682	17,316	914	△1,874	△3,769	2,321	33,985	18	34,003
Profit (Loss) for the Period Attributable to Owners of the parent	32,182	3,451	18,510	6,329	△1,263	△5,599	10,536	64,146	△1,589	62,557
Core Operating Cash Flow	41,860	36,426	12,926	15,673	1,589	3,589	12,732	124,795	△13,951	110,844
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 June 30, 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 ¥ 7,098,166 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 June 30, 2021 includes elimination of receivables and payables between segments amounting to ¥ 7,223,800 million and ¥ 7,173,486 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 three-month period ended June 30, 2020.

7. 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 three-month period ended June 30, 2020, based on the results of the reconsideration.

(7) The Fire Incident of Intercontinental Terminals Company LLC

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

The profit and loss related to this incident recognized in the three-month period ended June 30, 2021 and 2020, and the outstanding balance of related provision as of June 30, 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.

(8) 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 payment of 24.0 billion Indian Rupees (¥36.0 billion) from 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 has been issued. On February 17, 2021, EG commenced arbitration under the UK-India bilateral investment treaty in order to dispute this tax payment notice.

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

(9) 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 do not expect a significant impact on our consolidated financial position, operating results and cash flow at this stage.