

## Consolidated Financial Results for the Nine-Month Period Ended December 31, 2023 [IFRS]

Tokyo, February 2, 2024 - Mitsui & Co., Ltd. announced its consolidated financial results for the nine-month period ended December 31, 2023, 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, 2023

(from April 1, 2023 to December 31, 2023)

		Nine-month period ended December 31,			
		2023		2022	
			%		%
Revenue	Millions of Yen	9,998,472	(9.4)	11,036,515	28.5
Profit before Income Taxes	Millions of Yen	933,537	(12.3)	1,064,819	28.0
Profit for the Period	Millions of Yen	743,209	(13.8)	862,348	32.6
Profit for the Period Attributable to Owners of the Parent	Millions of Yen	726,407	(13.6)	840,787	32.8
Comprehensive Income for the Period	Millions of Yen	1,118,820	20.4	929,389	30.7
Earnings per Share Attributable to Owners of the Parent, Basic	Yen	480.90		533.17	
Earnings per Share Attributable to Owners of the Parent, Diluted	Yen	480.58		532.99	

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.

#### (2) Consolidated financial position information

		December 31, 2023	March 31, 2023
Total Assets	Millions of Yen	16,488,932	15,380,916
Total Equity	Millions of Yen	7,324,741	6,565,148
Total Equity Attributable to Owners of the Parent	Millions of Yen	7,100,696	6,367,750
Equity Attributable to Owners of the Parent Ratio	%	43.1	41.4

### 2. Dividend information

		Year ended March 31,		Year ending March 31, 2024 (Forecast)
		2024	2023	
Interim dividend per share	Yen	85	65	
Year-end dividend per share	Yen		75	85
Annual dividend per share	Yen		140	170

Note :

Change from the latest released dividend forecast: None

3. Forecast of consolidated operating results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

		Year ending March 31, 2024
Profit Attributable to Owners of the Parent	Millions of Yen	950,000
Earnings per Share Attributable to Owners of the Parent, Basic	Yen	630.20

Note :

Change from the latest released earnings forecast: Yes

4. Others

(1) Increase/decrease of important subsidiaries during the period : Yes

Excluded: 1 company (MOEX North America)

(2) Changes in accounting policies and accounting estimates :

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

Note :

For further details please refer to page 29 "4. Condensed Consolidated Financial Statements (6) Changes in Accounting Policies and Changes in Accounting Estimates".

(3) Number of shares outstanding (common stock)

	December 31, 2023	March 31, 2023
Number of Shares (Including Treasury Stock)	1,522,687,968	1,544,660,544
Number of Treasury Stock	22,724,839	20,361,049

	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2022
Average Number of Shares	1,510,522,471	1,576,960,820

**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 23.

**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 2, 2024.

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, 2023, the US economy was generally firm while growth in Europe continued to stall and China’s recovery was weak. As a result, the overall global economy continued to slow.

In the US, the economy showed overall strength, supported by persistent consumer spending against a backdrop of solid employment, but there was a sense of a slowdown in the last quarter due to the effects of monetary tightening. Looking ahead, as inflation further settles down, consumer spending is expected to pick up and the Federal Reserve is expected to lower interest rates, leading to expectations the economy will gradually emerge from this slowdown and transition into a recovery phase. In Europe, the economy continued to stall due to the impact of monetary tightening and a slump in exports. Looking ahead, although there are hopes of a recovery in consumer spending as inflation settles down, a slow recovery in China, a major export destination for the region, is expected to lead to a considerably slow recovery pace. In Japan, domestic demand including consumer spending and capital investment was weak, but the economy continued to recover, albeit slowly, due in part to an increase in exports, including automobiles, and a recovery in inbound demand. Looking ahead, although there are concerns about the impact of the Noto Peninsula earthquake and other factors, the recovery trend is expected to continue as consumer spending is expected to pick up due to favorable employment and income conditions. In China, investment in real estate development decreased and exports were sluggish leading to a weak economic situation. Looking ahead, there are concerns over a prolonging of the situation in the real estate market. However, expansive policies are being put in place and there are expectations that the economy will be bottoming out. In Brazil, as inflation eased, a lowering of interest rates began in August 2023, and there are expectations for a pick-up in consumer spending and capital investment. In Russia, in addition to lower oil prices, downward pressure on economic activity is expected to remain due to economic sanctions imposed by the international community, but an increase in annual expenditure, such as defense spending, is leading to growth.

The global economy is expected to breakout from a period of deceleration in the second half of 2024 onwards, as inflation in the US, Europe, and other developed countries is expected to settle down, and as the US is expected to shift away from its tight monetary policy through lower interest rates and other means. However, geopolitical risks such as increased instability in the Middle East remain a concern.

## (2) Results of Operations

### 1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		9,998.5	11,036.5	(1,038.0)
Gross Profit		984.4	1,018.2	(33.8)
Selling, General and Administrative Expenses		(586.3)	(511.7)	(74.6)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	150.1	54.5	+95.6
	Impairment Reversal (Loss) of Fixed Assets—Net	(12.8)	(16.1)	+3.3
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	15.1	16.8	(1.7)
	Other Income (Expense)—Net	(23.6)	22.8	(46.4)
Finance Income (Costs)	Interest Income	50.5	32.3	+18.2
	Dividend Income	95.8	103.4	(7.6)
	Interest Expense	(121.9)	(72.9)	(49.0)
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		382.1	417.4	(35.3)
Income Taxes		(190.3)	(202.5)	+12.2
Profit for the Period		743.2	862.3	(119.1)
Profit for the Period Attributable to Owners of the Parent		726.4	840.8	(114.4)

\* 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, 2023 (“current period”) was ¥9,998.5 billion, a decrease of ¥1,038.0 billion from ¥11,036.5 billion for the corresponding nine-month period of the previous year (“previous period”).

### Gross Profit

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

## Selling, General and Administrative Expenses

Mainly the Lifestyle and Machinery & Infrastructure segments recorded an increase in expenses. The table provides a breakdown of Selling, General and Administrative Expenses.

	Billions of Yen		
	Current Period	Previous Period	Change*
Personnel .....	¥ (316.7)	¥ (278.7)	¥ (38.0)
Welfare .....	(11.8)	(10.1)	(1.7)
Travel .....	(24.1)	(18.6)	(5.5)
Entertainment .....	(5.5)	(4.6)	(0.9)
Communication .....	(45.5)	(40.1)	(5.4)
Rent .....	(10.4)	(8.3)	(2.1)
Depreciation .....	(35.9)	(31.4)	(4.5)
Fees and Taxes .....	(9.9)	(12.1)	+2.2
Loss Allowance .....	(14.5)	(15.0)	+0.5
Others .....	(112.0)	(92.8)	(19.2)
Total .....	¥ (586.3)	¥ (511.7)	¥ (74.6)

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

## Other Income (Expenses)

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

For the current period, mainly the Machinery & Infrastructure, Lifestyle, Innovation & Corporate Development, and Chemicals segments recorded profit and loss related to securities.

For the previous period, mainly the Mineral & Metal Resources and Innovation & Corporate Development segments recorded a gain on sales of securities, while the Machinery & Infrastructure segment recorded an impairment loss.

### *Impairment Reversal (Loss) of Fixed Assets—Net*

For the current and previous periods, mainly the Machinery & Infrastructure segment recorded an impairment loss of fixed assets.

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

For the current and previous periods, mainly the Innovation & Corporate Development segment recorded a gain on sales of fixed assets.

### *Other Income (Expense)—Net*

For the current and previous periods, multiple segments recorded profit and loss related to provisions, foreign exchange, commodity prices, and interest rates. Also, while the Energy segment recorded a profit in accordance with the sale of a business, the Lifestyle segment declined due to a valuation on an options contract.

## Finance Income (Costs)

### *Dividend Income*

Mainly the Energy segment recorded a decrease.

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

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

**Income Taxes**

Income taxes for the current period were ¥190.3 billion, a decrease of ¥12.2 billion from ¥202.5 billion for the previous period. The effective tax rate for the current period was 20.4%, an increase of 1.4 percentage points from 19.0% 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 ¥726.4 billion, a decrease of ¥114.4 billion from the previous period.

## 2) Operating Results by Operating Segment

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

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

### Mineral & Metal Resources

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	242.1	355.4	(113.3)	
Gross Profit	259.9	282.7	(22.8)	<ul style="list-style-type: none"> <li>• Mitsui Resources -41.0 (lower metallurgical coal prices)</li> <li>• Iron ore mining operations in Australia +21.2 (higher iron ore prices)</li> </ul>
Profit (Loss) of Equity Method Investments	52.4	103.2	(50.8)	<ul style="list-style-type: none"> <li>• Decrease due to sale of Stanmore SMC</li> <li>• Oriente Copper Netherlands*<sup>1</sup> -21.5 (impairment loss*<sup>2</sup> -12.2, new mining royalty in Chile -6.3, other factors)</li> <li>• INNER MONGOLIA ERDOS ELECTRIC POWER AND METALLURGY GROUP -9.1 (lower prices in ferroalloys and chemicals businesses)</li> <li>• Iron ore mining operations in Australia +5.6</li> </ul>
Dividend Income	58.1	51.6	+6.5	<ul style="list-style-type: none"> <li>• Higher dividends from Vale +7.7 (current period 36.5, previous period 28.8)</li> </ul>
Selling, General and Administrative Expenses	(27.5)	(25.6)	(1.9)	
Others	(100.8)	(56.5)	(44.3)	<ul style="list-style-type: none"> <li>• Absence of gain on sale of Stanmore SMC recorded in the previous period -36.7</li> <li>• Increase in interest expense at Oriente Copper Netherlands*<sup>1</sup> -5.2</li> <li>• Mitsui Resources foreign exchange related loss -4.2</li> <li>• Increase in net interest income at iron ore mining operations in Australia +6.1</li> </ul>

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

\*2 Recorded an equity method loss of ¥12.2 billion due to a change in the properties of the ore and a revision in the production plan regarding Anglo American Sur.



## Energy

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	95.8	190.8	(95.0)	
Gross Profit	139.5	194.8	(55.3)	<ul style="list-style-type: none"> <li>• Mitsui E&amp;P Australia -38.1 (volume decrease, increase in costs)</li> <li>• Mitsui E&amp;P USA -35.4 (lower gas prices)</li> <li>• MEP Texas Holdings -7.7 (lower oil and gas prices)</li> <li>• MOEX North America -5.1 (decrease due to sale of interest recorded in the current period, lower oil prices)</li> <li>• Mitsui E&amp;P Middle East -3.8 (lower oil prices)</li> <li>• Increase in LNG trading</li> <li>• Fuel supply trading related profit +4.7 (absence of loss recorded in the previous period)</li> </ul>
Profit (Loss) of Equity Method Investments	53.7	78.4	(24.7)	<ul style="list-style-type: none"> <li>• Decrease in Japan Australia LNG (MIMI) (lower oil and gas prices)</li> <li>• Japan Arctic LNG -4.4 (oil prices and foreign exchange valuation profit)</li> <li>• Mitsui Oil Exploration -3.2 (absence of profit due to changes to lease accounting in the previous period, other factors)</li> </ul>
Dividend Income	16.2	32.5	(16.3)	<ul style="list-style-type: none"> <li>• 4 LNG projects*<sup>1</sup> -15.0 (current period 15.8, previous period 30.8)</li> </ul>
Selling, General and Administrative Expenses	(46.9)	(43.2)	(3.7)	
Others	(66.7)	(71.7)	+5.0	<ul style="list-style-type: none"> <li>• Gain on sale of Kaikias field +11.8</li> <li>• MOEX North America +3.8 (derivative related profit and loss)</li> <li>• Increase in interest expenses at several business divisions within Mitsui &amp; Co. HQ -15.1</li> <li>• Loss allowance for Arctic LNG 2 project guarantees*<sup>2</sup> -13.5</li> <li>• Mitsui Oil Exploration (recorded geothermal steam release related expenses)</li> <li>• Foreign exchange hedging loss related to fuel supply trading and other factors -4.0</li> </ul>

\*1 Abu Dhabi, Oman, Qatar, and Sakhalin II.

\*2 Including loss allowance of 12.3 billion yen in the third quarter of this fiscal year.

### Machinery & Infrastructure

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	210.2	131.1	+79.1	
Gross Profit	169.0	147.7	+21.3	<ul style="list-style-type: none"> <li>• Increase in number of ships delivered</li> <li>• Komatsu-Mitsui Maquinarias Perú +4.0 (good sales performance)</li> <li>• Hino Mexico +3.4 (good sales performance)</li> <li>• Position Partners consolidation +3.0</li> <li>• Decrease in profit after sale of Mitsui Rail Capital Europe -3.6</li> <li>• Absence of profit from Brazilian passenger railway business recorded in the previous period</li> </ul>
Profit (Loss) of Equity Method Investments	183.0	151.7	+31.3	<ul style="list-style-type: none"> <li>• Canadian automotive company (increase in unit sales, decrease in sales promotion expenses)</li> <li>• One-time valuation gain due to acquisition of shares in MPIC<sup>*1</sup> and other factors +10.2</li> <li>• VLI +7.2 (increase due to swing back of lower profit recorded in the previous period owing to bad weather and other factors, reduction in fixed assets impairment loss<sup>*2</sup> +2.4)</li> <li>• Power generation business in Thailand +5.9 (becoming partially operational, other factors)</li> <li>• FPSO +3.8 (increase due to MV34 and other FPSOs starting operations)</li> <li>• East Anglia<sup>*3</sup> +3.4 (resumption of earnings contribution following book value recovery)</li> <li>• Fixed assets impairment loss at Mainstream<sup>*4</sup> -15.1</li> <li>• MBK USA Commercial Vehicles -15.0 (increase in interest expense, lower profit from sale of used cars)</li> <li>• Decrease in Paiton</li> </ul>
Dividend Income	4.9	3.1	+1.8	
Selling, General and Administrative Expenses	(139.6)	(120.6)	(19.0)	<ul style="list-style-type: none"> <li>• BAF<sup>*5</sup> -5.7 (increase in provisions for receivables, other factors)</li> </ul>

Others	(7.1)	(50.8)	+43.7	<ul style="list-style-type: none"> <li>• Gain on sale of Mitsui Rail Capital Europe +64.4</li> <li>• Dividends from Paiton +9.4</li> <li>• Gain on sale of International Power (Australia) Holdings +8.7</li> <li>• Absence of fixed assets impairment loss in Brazilian passenger railway business recorded in the previous period<sup>*6</sup> +8.4</li> <li>• Gain on sale of gas-fired power generation business in Ontario, Canada +4.6</li> <li>• Profit related to gain on sale of BAF<sup>*5</sup> +4.1</li> <li>• Absence of MT Falcon impairment loss recorded in the previous period<sup>*7</sup> +3.1</li> <li>• Impairment loss of goodwill at Mainstream<sup>*8</sup> -12.9</li> <li>• Fixed assets impairment loss in Brazilian passenger railway business<sup>*9</sup> -9.8</li> <li>• Absence of corporate income tax burden decrease resulting from the sale of Lucid Group shares recorded in the previous period<sup>*10</sup> -5.7</li> <li>• Provision for Hazelwood power generation business in Australia<sup>*11</sup> -5.7</li> </ul>
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\*1 Metro Pacific Investments Corporation, an integrated infrastructure company in the Philippines.

\*2 VLI recorded a fixed assets impairment loss of ¥7.0 billion in the previous period and ¥4.6 billion in the current period due to the reassessment of a recoverable amount of some assets related to a Brazilian freight railway concession.

\*3 A passenger rail franchise business in the UK.

\*4 Recorded an equity method loss of ¥15.1 billion due to a fixed asset impairment loss related to Mainstream's projects mainly in Chile.

\*5 Bussan Auto Finance

\*6 In the previous period, a fixed assets impairment loss was recorded based on the latest estimation regarding the decrease in revenue and the increased discount rate for the passenger railway business in Brazil.

\*7 For the previous period, an impairment loss of ¥3.1 billion was recorded, based on the revision of a sale and purchase agreement for the shares of MT Falcon Holdings.

\*8 Recorded a valuation loss on securities of ¥12.9 billion due to an impairment of goodwill related to Mainstream's projects.

\*9 A fixed asset impairment loss of ¥9.8 billion was recorded based on the latest estimation regarding the decrease in revenue for the passenger railway business in Brazil.

\*10 In the previous period, the corporate income tax burden was reduced due to tax expenses being recognized as other comprehensive income resulting from the sale of financial assets in Lucid Group shares measured at FVTOCI.

\*11 An additional provision was recorded due to a revision in expenses related to the closure of the mine.

### Chemicals

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	37.1	54.7	(17.6)	
Gross Profit	152.3	160.0	(7.7)	<ul style="list-style-type: none"> <li>• Decrease in Mitsui Agro Business (lower prices)</li> <li>• Decrease in fertilizer related trading (lower prices)</li> <li>• MMTX +4.6 (lower raw material prices, good production)</li> <li>• Intercontinental Terminals Company +3.4 (good performance)</li> </ul>
Profit (Loss) of Equity Method Investments	20.3	21.3	(1.0)	<ul style="list-style-type: none"> <li>• Japan-Arabia Methanol -3.0 (lower prices)</li> <li>• Hexagon Composites +6.6 (mainly a valuation gain due to one of its subsidiaries becoming an equity accounted investee)</li> </ul>
Dividend Income	3.0	3.2	(0.2)	
Selling, General and Administrative Expenses	(113.6)	(103.1)	(10.5)	
Others	(24.9)	(26.7)	+1.8	<ul style="list-style-type: none"> <li>• Gain on sale of Thorne HealthTech +11.5</li> </ul>

### Iron & Steel Products

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	7.5	19.5	(12.0)	
Gross Profit	32.4	32.0	+0.4	
Profit (Loss) of Equity Method Investments	14.6	19.4	(4.8)	<ul style="list-style-type: none"> <li>• Impairment loss recorded in Gestamp -4.1</li> </ul>
Dividend Income	2.7	2.5	+0.2	
Selling, General and Administrative Expenses	(23.8)	(20.9)	(2.9)	
Others	(18.4)	(13.5)	(4.9)	

## Lifestyle

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	85.5	42.3	+43.2	
Gross Profit	141.4	117.8	+23.6	<ul style="list-style-type: none"> <li>• Aim Services becoming a subsidiary +16.1</li> <li>• AUSJ*<sup>1</sup> becoming a subsidiary +6.1</li> <li>• Absence of fair value valuation loss of drug discovery support fund recorded in the previous period +5.2</li> <li>• Food import and export business foreign exchange impact -5.5</li> <li>• MBK HUMAN CAPITAL -3.0 (decrease in demand and unit price)</li> </ul>
Profit (Loss) of Equity Method Investments	45.1	29.9	+15.2	<ul style="list-style-type: none"> <li>• WILSEY FOODS +14.0 (good performance and sale of a part of the business at Ventura Foods, a manufacturer of processed oil food)</li> </ul>
Dividend Income	7.0	6.0	+1.0	
Selling, General and Administrative Expenses	(130.5)	(106.7)	(23.8)	<ul style="list-style-type: none"> <li>• Aim Services becoming a subsidiary -12.6</li> <li>• AUSJ*<sup>1</sup> becoming a subsidiary -5.3</li> </ul>
Others	22.5	(4.7)	+27.2	<ul style="list-style-type: none"> <li>• Aim Services fair value gain*<sup>2</sup> +43.4</li> <li>• Foreign exchange hedging profit in coffee trading +9.9</li> <li>• Food import and export business foreign exchange profit +5.4</li> <li>• Absence of decrease in corporate income tax burden resulting from the sale of financial assets measured at FVTOCI recorded in the previous period*<sup>3</sup> -12.2</li> <li>• Put option related to R-Pharm*<sup>4</sup> -8.4(current period -1.7, previous period +6.7)</li> <li>• Absence of Multigrain related tax refund recorded in the previous period -3.2</li> </ul>

\*1 Aramark Uniform Services Japan.

\*2 Revaluation gain on previously held equity interest due to Aim Services being reclassified from an equity accounted investee to a consolidated subsidiary.

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

\*4 A valuation gain/loss was recorded for the foreign exchange translation of a put option in relation to R-Pharm.

***Innovation & Corporate Development***

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	37.0	49.7	(12.7)	
Gross Profit	86.0	77.8	+8.2	
Profit (Loss) of Equity Method Investments	12.7	13.2	(0.5)	
Dividend Income	2.9	3.6	(0.7)	
Selling, General and Administrative Expenses	(67.2)	(60.9)	(6.3)	
Others	2.6	16.0	(13.4)	<ul style="list-style-type: none"> <li>• Absence of gain on sale of real estate business in Singapore recorded in the previous period*<sup>1</sup></li> <li>• Absence of gain on sale of real estate in the US recorded in the previous period*<sup>2</sup> -11.6</li> <li>• Absence of gain on sale of investment securities recorded in the previous period -4.0</li> <li>• Fair value valuation gain related to Altius Link*<sup>3</sup> +8.9</li> <li>• Gain on sale of property in US real estate business*<sup>2</sup> +6.1</li> <li>• Gain on partial sale of Hibiya Fort Tower +5.7</li> </ul>

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

\*2 Gain on sale of fixed assets due to property sales in the US.

\*3 A valuation gain relating to Mitsui & Co.'s equity in Relia which occurred due to the business integration between KDDI Evolva and Relia.

### (3) Financial Condition and Cash Flows

#### 1) Financial Condition

(Billions of Yen)	December 31, 2023	March 31, 2023	Change
Total Assets	16,488.9	15,380.9	+1,108.0
Current Assets	5,806.7	5,674.8	+131.9
Non-current Assets	10,682.3	9,706.1	+976.2
Current Liabilities	3,911.6	3,766.6	+145.0
Non-current Liabilities	5,252.6	5,049.1	+203.5
<i>Net Interest-bearing Debt</i>	3,326.9	3,212.7	+114.2
Total Equity Attributable to Owners of the Parent	7,100.7	6,367.8	+732.9
Net Debt-to-Equity Ratio (times)	0.47	0.50	(0.03)

#### Assets

##### Current Assets:

(Billions of Yen)	December 31, 2023	March 31, 2023	Change	Description
Current Assets	5,806.7	5,674.8	+131.9	
Cash and cash equivalents	1,121.6	1,390.1	(268.5)	
Trade and other receivables	2,302.5	2,191.2	+111.3	<ul style="list-style-type: none"> <li>• Trade receivables +171.0 (EN, LI)<sup>*1</sup> Increase in trading volume, seasonal factors</li> <li>• Loan receivables -74.2, of which BAF<sup>*2</sup> -70.0</li> </ul>
Other financial assets	922.7	773.0	+149.7	<ul style="list-style-type: none"> <li>• (Corporate, EN, LI)<sup>*1</sup> Increase in derivative assets</li> <li>• (Corporate, EN, IC)<sup>*1</sup> Increase in margin deposits</li> </ul>
Inventories	922.8	940.5	(17.7)	<ul style="list-style-type: none"> <li>• (EN, IS, CH, MM)<sup>*1</sup> Decrease in inventories</li> <li>• Komatsu Mining Corp. Perú becoming a subsidiary +11.3</li> </ul>
Advance payments to suppliers	336.0	226.7	+109.3	• (MI) <sup>*1</sup> Increase in trading volume
Other Current assets	201.1	153.3	+47.8	

\*1 EN: Energy segment, LI: Lifestyle segment, CH: Chemicals segment, MM: Mineral & Metal Resources segment, IC: Innovation & Corporate Development segment, IS: Iron & Steel Products segment, MI: Machinery & Infrastructure segment.

\*2 Bussan Auto Finance becoming an associated company.

Non-current Assets:

(Billions of Yen)	December 31, 2023	March 31, 2023	Change	Description
Non-current Assets	10,682.3	9,706.1	+976.2	
Investments accounted for using the equity method	4,561.7	3,929.6	+632.1	<ul style="list-style-type: none"> <li>● Changes from equity method investments profit +382.1</li> <li>● Foreign exchange fluctuations +239.6</li> <li>● Nutrinova +74.9</li> <li>● Offshore wind power project in Taiwan +70.1 (YECL<sup>*1</sup> becoming a subsidiary and other factors)</li> <li>● Altius Link<sup>*2</sup> +60.7</li> <li>● Mit-Pacific Infrastructure Holdings<sup>*3</sup> +32.4</li> <li>● Renewable natural gas business +28.8</li> <li>● FPSO business (MV32) +23.2</li> <li>● Euricom +17.1</li> <li>● BAF<sup>*4</sup> +14.3</li> <li>● Mitsui E&amp;P Mozambique +13.8</li> <li>● Overseas real estate businesses +13.7</li> <li>● FPSO business (MV34) +10.7</li> <li>● Dividends from equity accounted investees -331.6</li> <li>● Sale of International Power (Australia) Holdings -17.3</li> </ul>
Other investments	2,346.3	2,134.1	+212.2	<ul style="list-style-type: none"> <li>● Fair value of FVTOCI financial assets +140.3</li> <li>● Foreign exchange fluctuations +21.2</li> <li>● Acquisition of Alvotech convertible bonds +10.5</li> </ul>
Trade and other receivables	296.4	320.0	(23.6)	<ul style="list-style-type: none"> <li>● BAF<sup>*4</sup> -53.3</li> </ul>
Other financial assets	165.4	208.0	(42.6)	<ul style="list-style-type: none"> <li>● (MI)<sup>*5</sup> Increase in trading volume, offshore wind power project in Taiwan (YECL<sup>*1</sup> becoming a subsidiary and other factors)</li> </ul>
Property, plant and equipment	2,348.5	2,300.6	+47.9	<ul style="list-style-type: none"> <li>● Oil and gas projects +60.1 (including foreign exchange fluctuations +26.1)</li> <li>● Iron ore mining operations in Australia +42.3 (including foreign exchange fluctuations +33.4)</li> <li>● Mitsui Resources +13.3 (including foreign exchange fluctuations +8.4)</li> <li>● Mitsui Rail Capital Europe -81.8</li> <li>● M&amp;T Aviation sale of owned aircraft -27.5</li> <li>● Depreciation of LNG vessels -11.9</li> </ul>
Investment property	272.7	282.5	(9.8)	



Intangible assets	444.6	277.3	+167.3	<ul style="list-style-type: none"> <li>• Aim Services becoming a subsidiary +124.7</li> <li>• Komatsu Mining Corp. Perú becoming a subsidiary +14.4</li> </ul>
Deferred tax assets	92.5	105.2	(12.7)	
Other non-current assets	154.1	148.8	+5.3	

\*1 Yushan Energy Co., Ltd.

\*2 After acquiring additional shares in Relia, the business was integrated with KDDI Evolva and a new company known as Altius Link was formed.

\*3 An investment in Metro Pacific Investments Corporation through Mit-Pacific Infrastructure Holdings.

\*4 Bussan Auto Finance becoming an associated company.

\*5 MI: Machinery & Infrastructure segment.

### Liabilities

(Billions of Yen)	December 31, 2023	March 31, 2023	Change	Description
Current Liabilities	3,911.6	3,766.6	+145.0	
Short-term debt	447.4	432.2	+15.2	<ul style="list-style-type: none"> <li>• Borrowing and repayments, as well as BAF*1 -21.6</li> </ul>
Current portion of long-term debt	595.7	811.0	(215.3)	<ul style="list-style-type: none"> <li>• Reclassification from non-current debt and repayments, as well as BAF*1 -28.4</li> </ul>
Trade and other payables	1,736.9	1,510.4	+226.5	<ul style="list-style-type: none"> <li>• Increase in trade payables (Mainly corresponding to an increase in trade receivables)</li> </ul>
Other financial liabilities	663.8	622.0	+41.8	<ul style="list-style-type: none"> <li>• Increase in accounts payable-other</li> </ul>
Income tax payables	31.9	49.3	(17.4)	
Advances from customers	294.6	234.9	+59.7	<ul style="list-style-type: none"> <li>• Corresponding to increase in advance payments</li> </ul>
Provisions	78.3	59.0	+19.3	
Other current liabilities	63.1	47.8	+15.3	
Non-current Liabilities	5,252.6	5,049.1	+203.5	
Long-term debt, less the current portion	3,850.6	3,797.3	+53.3	<ul style="list-style-type: none"> <li>• Reclassification to current portion and borrowings, as well as BAF*1 -43.8</li> </ul>
Other financial liabilities	237.1	223.4	+13.7	<ul style="list-style-type: none"> <li>• Increase in derivative liabilities</li> </ul>
Retirement benefit liabilities	39.2	37.0	+2.2	
Provisions	321.6	310.5	+11.1	
Deferred tax liabilities	770.7	648.3	+122.4	
Other non-current liabilities	33.4	32.6	+0.8	

\*1 Bussan Auto Finance becoming an associated company.

## Equity

(Billions of Yen)	December 31, 2023	March 31, 2023	Change	Description
Common stock	343.1	342.6	+0.5	
Capital surplus	389.6	381.9	+7.7	
Retained earnings	5,241.1	4,840.5	+400.6	
Other components of equity	1,224.3	869.0	+355.3	
<breakdown>				
Financial assets measured at FVTOCI	295.0	215.6	+79.4	
Foreign currency translation adjustments	913.4	638.5	+274.9	<ul style="list-style-type: none"> <li>• USD +107.8 (Dec-23 USD/JPY141.83, up from Mar-23 USD/JPY133.53)</li> <li>• AUD +88.3 (Dec-23 AUD/JPY96.94, up from Mar-23 AUD/JPY89.69)</li> </ul>
Cash flow hedges	15.9	14.9	+1.0	
Treasury stock	(97.3)	(66.2)	(31.1)	<ul style="list-style-type: none"> <li>• Share repurchase -123.8</li> <li>• Cancellation of treasury stock +92.0</li> </ul>
Total Equity Attributable to Owners of the Parent	7,100.7	6,367.8	+732.9	
Non-controlling interests	224.0	197.4	+26.6	

## 2) Cash Flows

(Billions of Yen)	Current Period	Previous Period	Change
Cash Flows from Operating Activities	681.6	599.9	+81.7
Cash Flows from Investing Activities	(323.8)	(126.4)	(197.4)
Free Cash Flow	357.8	473.5	(115.7)
Cash Flows from Financing Activities	(677.0)	(377.7)	(299.3)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	50.7	22.2	+28.5
Change in Cash and Cash Equivalents	(268.5)	118.0	(386.5)

### Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash Flows from Operating Activities	a	681.6	599.9	+81.7
Cash Flows from Change in Working Capital	b	(141.9)	(403.9)	+262.0
Repayments of Lease Liabilities	c	(54.4)	(42.6)	(11.8)
Core Operating Cash Flow	a-b+c	769.1	961.2	(192.1)

- Cash flows from change in working capital (changes in operating assets and liabilities) was ¥141.9 billion of net cash outflow. Repayments of lease liabilities was ¥54.4 billion of net cash outflow. Core Operating Cash Flow, which equals cash flows from operating activities excluding changes in working capital and repayments of lease liabilities, amounted to ¥769.1 billion.
  - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥451.4 billion, a decrease of ¥9.3 billion from ¥460.7 billion for the previous period.
  - Depreciation and amortization for the current period was ¥208.9 billion, an increase of ¥2.6 billion from ¥206.3 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	311.3	355.5	(44.2)
Energy	168.1	275.9	(107.8)
Machinery & Infrastructure	147.1	158.7	(11.6)
Chemicals	45.9	72.5	(26.6)
Iron & Steel Products	3.8	15.4	(11.6)
Lifestyle	49.6	31.2	+18.4
Innovation & Corporate Development	25.2	34.4	(9.2)
All Other and Adjustments and Eliminations	18.1	17.6	+0.5
Consolidated Total	769.1	961.2	(192.1)

The following table shows depreciation and amortization by operating segment.

(Billions of Yen)	Current Period	Previous Period	Change
Mineral & Metal Resources	48.2	42.3	+5.9
Energy	64.5	70.0	(5.5)
Machinery & Infrastructure	22.8	26.1	(3.3)
Chemicals	24.1	23.6	+0.5
Iron & Steel Products	1.8	1.1	+0.7
Lifestyle	21.2	16.7	+4.5
Innovation & Corporate Development	12.8	14.0	(1.2)
All Other and Adjustments and Eliminations	13.5	12.5	+1.0
Consolidated Total	208.9	206.3	+2.6

**Cash Flows from Investing Activities**

(Billions of Yen)	Current Period	Previous Period	Description of Current Period
Cash flows from investing activities	(323.8)	(126.4)	
Net change in investments to equity accounted investees	(249.5)	(79.1)	
Cash outflow	(348.7)	(200.1)	<ul style="list-style-type: none"> <li>• Nutrinova -74.9</li> <li>• Altius Link<sup>*1</sup> -60.4</li> <li>• Mit-Pacific Infrastructure Holdings<sup>*2</sup> -32.4</li> <li>• Renewable natural gas business -28.9</li> <li>• FPSO business (MV32) -23.2</li> <li>• Power generation business -18.8</li> <li>• Euricom -17.1</li> <li>• Mitsui E&amp;P Mozambique -13.8</li> <li>• Overseas real estate businesses -13.7</li> <li>• FPSO business (MV34) -10.7</li> </ul>
Cash inflow	99.2	121.0	<ul style="list-style-type: none"> <li>• International Power (Australia) Holdings +25.9</li> <li>• Thorne HealthTech +23.9</li> </ul>
Net change in other investments	93.8	28.6	
Cash outflow	(142.3)	(74.7)	<ul style="list-style-type: none"> <li>• Aim Services becoming a subsidiary -58.8 (net amount of: acquisition cost -68.8, cash and deposits +10.0)</li> <li>• Komatsu Mining Corp. Perú</li> <li>• Bussan Animal Health<sup>*3</sup> -10.7</li> <li>• Acquisition of Alvotech convertible bonds -10.5</li> </ul>
Cash inflow	236.1	103.3	<ul style="list-style-type: none"> <li>• Mitsui Rail Capital Europe</li> <li>• MyPower +18.7</li> <li>• Sale of Kaikias field +17.4</li> </ul>
Net change in property, plant, and equipment	(220.1)	(143.2)	
Cash outflow	(259.1)	(175.6)	<ul style="list-style-type: none"> <li>• Oil and gas projects -54.4</li> <li>• South Texas Vaquero -45.5</li> <li>• Iron ore mining operations in Australia -34.8</li> <li>• Mitsui Resources -20.9</li> <li>• MyPower -19.5</li> </ul>
Cash inflow	39.0	32.4	<ul style="list-style-type: none"> <li>• M&amp;T Aviation sale of owned aircraft +30.8</li> </ul>
Net change in investment property	29.4	31.3	
Cash outflow	(4.8)	(5.2)	
Cash inflow	34.2	36.5	<ul style="list-style-type: none"> <li>• Sale of property in US real estate business +16.6</li> <li>• Partial sale of Hibiya Fort Tower</li> </ul>
Net change in loan receivables	20.1	(1.2)	<ul style="list-style-type: none"> <li>• Repayment of loan from Gestamp North America +16.6</li> </ul>
Net change in time deposits	2.5	37.2	

\*1 After acquiring additional shares in Relia, the business was integrated with KDDI Evolva and a new company known as Altius Link was formed.

\*2 An investment in Metro Pacific Investments Corporation through Mit-Pacific Infrastructure Holdings.

\*3 After acquiring all shares in Sumitomo Pharma Animal Health, the company name changed to Bussan Animal Health in June 2023.

**Cash Flows from Financing Activities**

(Billions of Yen)	Current Period	Previous Period	Description of Current Period
Cash flows from financing activities	(677.0)	(377.7)	
Net change in short-term debt	9.9	101.5	
Net change in long-term debt	(262.1)	(0.6)	
(Proceeds from long-term debt)	741.1	861.0	
(Repayments of long-term debt)	(1,003.2)	(861.6)	
Repayments of lease liabilities	(54.4)	(42.6)	
Purchase and sales of treasury stock-net	(123.8)	(197.1)	• Including stock-based remuneration for employees -19.2
Dividends paid	(242.4)	(198.1)	
Transactions with non-controlling interest shareholders	(4.2)	(40.8)	

## 2. Management Policies

### (1) Forecasts for the Year Ending March 31, 2024

#### 1) Forecasts for the year ending March 31, 2024

<Assumption>	<u>1-3Q</u> (Actual)	<u>4Q</u> (Forecast)	<u>Mar-24</u> <u>Revised</u> <u>Forecast</u>	<u>Mar-24</u> <u>Previous</u> <u>Forecast</u>
Exchange rate (USD/JPY)	143.78	145.00	144.09	143.81
Crude oil (JCC)	\$86/bbl	\$77/bbl	\$84/bbl	\$85/bbl
Consolidated oil price	\$90/bbl	\$94/bbl	\$91/bbl	\$91/bbl

(Billions of Yen)	March 31, 2024 Revised forecast (February 2024)	March 31, 2024 Previous forecast (October 2023)	Change	Description
Gross Profit	1,310.0	1,270.0	+40.0	Mineral & Metal Resources
Selling, General and Administrative Expenses	(800.0)	(800.0)	-	
Gain on Investments, Fixed Assets and Other	130.0	230.0	(100.0)	Shift in asset sales timing, valuation loss
Interest Expenses	(110.0)	(110.0)	-	
Dividend Income	180.0	160.0	+20.0	Mineral & Metal Resources
Profit (Loss) of Equity Method Investments	490.0	460.0	+30.0	Mineral & Metal Resources
Profit before Income Taxes	1,200.0	1,210.0	(10.0)	
Income Taxes	(230.0)	(250.0)	+20.0	
Non-controlling Interests	(20.0)	(20.0)	-	
Profit for the Year Attributable to Owners of the Parent	950.0	940.0	+10.0	Rate of change: +1.1%
Depreciation and Amortization	280.0	280.0	-	
Core Operating Cash Flow	1,000.0	960.0	+40.0	Rate of change: +4.2%

- 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, 2024".

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

(Billions of Yen)	March 31, 2024 Revised forecast (February 2024)	March 31, 2024 Previous forecast (October 2023)	Change	Description
Mineral & Metal Resources	325.0	290.0	+35.0	Commodity prices
Energy	160.0	140.0	+20.0	LNG Trading
Machinery & Infrastructure	255.0	270.0	(15.0)	Shift in asset sales timing
Chemicals	45.0	60.0	(15.0)	Product prices
Iron & Steel Products	15.0	15.0	-	
Lifestyle	95.0	100.0	(5.0)	
Innovation & Corporate Development	55.0	60.0	(5.0)	
All Other and Adjustments and Eliminations	0.0	5.0	(5.0)	
Consolidated Total	950.0	940.0	+10.0	

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

(Billions of Yen)	March 31, 2024 Revised forecast (February 2024)	March 31, 2024 Previous forecast (October 2023)	Change	Description
Mineral & Metal Resources	400.0	350.0	+50.0	Commodity prices
Energy	250.0	240.0	+10.0	LNG Trading
Machinery & Infrastructure	170.0	150.0	+20.0	Dividends from associated companies
Chemicals	60.0	80.0	(20.0)	Product prices
Iron & Steel Products	10.0	10.0	-	
Lifestyle	50.0	60.0	(10.0)	Various factors
Innovation & Corporate Development	40.0	40.0	-	
All Other and Adjustments and Eliminations	20.0	30.0	(10.0)	
Consolidated Total	1,000.0	960.0	+40.0	

2) Key commodity prices and other parameters for the year ending March 31, 2024

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2024. The effects of movements on each commodity price and foreign exchange rate 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 FY March 2024 (Announced May 2023)		FY March 2024 Previous forecast (Announced Oct 2023)	FY March 2024		FY March 2024 full-year forecast (Avg. of Q1-3 and Q4)
				Q1-3 Result	Q4 Assumption	
Commodity	Crude oil/JCC	-	85	86	77	84
	Consolidated oil price <sup>*1</sup>	¥2.6 bn (US\$1/bbl)	91	90	94	91
	US gas <sup>*2</sup>	¥1.4 bn (US\$0.1/mmBtu)	2.62	2.58 <sup>*3</sup>	2.91	2.66
	Iron ore <sup>*4</sup>	¥2.7 bn (US\$1/ton)	*5	118 <sup>*6</sup>	*5	*5
	Metallurgical coal	¥0.3 bn (US\$1/ton)	*5	283 <sup>*7</sup>	*5	*5
	Copper <sup>*8</sup>	¥0.7 bn (US\$100/ton)	8,566	8,588 <sup>*9</sup>	8,169	8,483
Forex <sup>*10</sup>	US\$	¥3.9 bn (¥1/US\$)	143.81	143.78	145.00	144.09
	Australian\$	¥2.7 bn (¥1/Australian\$)	91.72	94.47	95.00	94.60

- \*1 As the crude oil price affects our consolidated results with a time lag, the effect of crude oil prices on consolidated results is estimated as a consolidated oil price, which reflects this lag. For the year ending March 2024, we have assumed that there is a 4-6 month time lag for approx. 35%, a 1-3 month time lag for approx. 30%, an over 1-year time lag for approx. 30%, 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 US natural gas sold at Henry Hub (HH), the above sensitivities show the annual impact of changes in the weighted average sale price.
- \*3 US gas figures for the year ending March 2024 Q1-3 (result) are the average daily prompt month closing prices for Henry Hub Natural Gas Futures traded on NYMEX during January to September 2023.
- \*4 The effect of dividend income from Vale has not been included.
- \*5 Iron ore and Metallurgical coal price assumptions are not disclosed.
- \*6 Iron ore figures for the year ending March 2024 Q1-3 (result) are the daily average (reference price) spot index price (Fe 62% CFR North China) recorded in several industry trade magazines from April to December 2023.
- \*7 Metallurgical coal figures for the year ending March 2024 Q1-3 (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 2023.
- \*9 Copper figures for the year ending March 2024 Q1-3 (result) are the averages of the LME monthly average cash settlement prices for the period from January to September 2023.
- \*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 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 meeting demand for capital in our core and growth areas through reinvestment of our retained earnings, and based on the level of stable cash generation, directly providing returns to shareholders by paying out cash dividends.
- In addition to the above, regarding share repurchases, which are done to improve capital efficiency amongst other things, the amount and timing will be decided in a prompt and flexible manner taking into consideration the business environment. Such considerations include balance between share repurchases and growth investments, cash flow level after accounting for shareholder returns, interest-bearing debt levels, and return on equity.

For the current period, we repurchased ¥70.0 billion of our own stock between April 1 and July 7, 2023, and ¥50.0 billion between November 1, 2023 and January 31, 2024, for a total of ¥120.0 billion.

The full-year dividend for the year ending March 31, 2024 is planned to be ¥170 per share (an increase of ¥30 from the previous year, including the interim dividend of ¥85). Furthermore, for the current Medium-term Management Plan (from the year ending March 31, 2024 to the year ending March 31, 2026), we have set a minimum dividend of ¥170 per share and will maintain or increase the dividend level.

We have set a shareholder returns policy (dividends and share repurchases) of around 37% of Core Operating Cash Flow on a three-year cumulative basis for the current Medium-term Management Plan.

## **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) geopolitical risks, (3) country risks, (4) risks regarding climate changes, (5) commodity market risks, (6) foreign currency risks, (7) stock price risks of listed stock Mitsui and its subsidiaries hold, (8) credit risks, (9) risks regarding fund procurement, (10) operational risks, (11) risks regarding employee's compliance with laws, regulations, and internal policies, (12) risks regarding information systems and information securities, (13) 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, 2023	March 31, 2023
<b>Current Assets:</b>		
Cash and cash equivalents	¥ 1,121,610	¥ 1,390,130
Trade and other receivables	2,302,535	2,191,181
Other financial assets	922,712	772,984
Inventories	922,793	940,543
Advance payments to suppliers	335,963	226,692
Other current assets	201,062	153,303
Total current assets	5,806,675	5,674,833
<b>Non-current Assets:</b>		
Investments accounted for using the equity method	4,561,727	3,929,636
Other investments	2,346,295	2,134,103
Trade and other receivables	296,371	320,040
Other financial assets	165,411	208,021
Property, plant and equipment	2,348,538	2,300,607
Investment property	272,682	282,497
Intangible assets	444,602	277,316
Deferred tax assets	92,508	105,197
Other non-current assets	154,123	148,666
Total non-current assets	10,682,257	9,706,083
<b>Total</b>	¥ 16,488,932	¥ 15,380,916

(Millions of Yen)

Liabilities and Equity		
	December 31, 2023	March 31, 2023
<b>Current Liabilities:</b>		
Short-term debt	¥ 447,363	¥ 432,233
Current portion of long-term debt	595,738	810,999
Trade and other payables	1,736,879	1,510,391
Other financial liabilities	663,750	621,979
Income tax payables	31,887	49,335
Advances from customers	294,566	234,946
Provisions	78,344	58,952
Other current liabilities	63,111	47,802
Total current liabilities	3,911,638	3,766,637
<b>Non-current Liabilities:</b>		
Long-term debt, less current portion	3,850,579	3,797,328
Other financial liabilities	237,058	223,381
Retirement benefit liabilities	39,241	36,998
Provisions	321,550	310,513
Deferred tax liabilities	770,708	648,263
Other non-current liabilities	33,417	32,648
Total non-current liabilities	5,252,553	5,049,131
Total liabilities	9,164,191	8,815,768
<b>Equity:</b>		
Common stock	343,062	342,560
Capital surplus	389,561	381,869
Retained earnings	5,241,077	4,840,510
Other components of equity	1,224,278	868,963
Treasury stock	(97,282)	(66,152)
Total equity attributable to owners of the parent	7,100,696	6,367,750
Non-controlling interests	224,045	197,398
Total equity	7,324,741	6,565,148
<b>Total</b>	¥ 16,488,932	¥ 15,380,916

## (2) Condensed Consolidated Statements of Income and Comprehensive Income

### Condensed Consolidated Statements of Income

(Millions of Yen)

	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2022
<b>Revenue</b>	¥ 9,998,472	¥ 11,036,515
<b>Cost</b>	(9,014,059)	(10,018,266)
<b>Gross Profit</b>	984,413	1,018,249
<b>Other Income (Expenses):</b>		
Selling, general and administrative expenses	(586,308)	(511,716)
Gain (loss) on securities and other investments—net	150,148	54,454
Impairment reversal (loss) of fixed assets—net	(12,763)	(16,090)
Gain (loss) on disposal or sales of fixed assets—net	15,100	16,849
Other income (expense) — net	(23,612)	22,829
Total other income (expenses)	(457,435)	(433,674)
<b>Finance Income (Costs):</b>		
Interest income	50,481	32,336
Dividend income	95,828	103,394
Interest expense	(121,874)	(72,930)
Total finance income (costs)	24,435	62,800
<b>Share of Profit (Loss) of Investments Accounted for Using the Equity Method</b>	382,124	417,444
<b>Profit before Income Taxes</b>	933,537	1,064,819
<b>Income Taxes</b>	(190,328)	(202,471)
<b>Profit for the Period</b>	¥ 743,209	¥ 862,348
<b>Profit for the Period Attributable to:</b>		
Owners of the parent	¥ 726,407	¥ 840,787
Non-controlling interests	16,802	21,561

### Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2022
<b>Profit for the Period</b>	¥ 743,209	¥ 862,348
<b>Other Comprehensive Income:</b>		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	129,902	(252,116)
Remeasurements of defined benefit plans	(347)	(777)
Share of other comprehensive income of investments accounted for using the equity method	(5,645)	(10,288)
Income tax relating to items not reclassified	(35,686)	69,509
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	58,691	(33,824)
Cash flow hedges	(7,292)	65,733
Share of other comprehensive income of investments accounted for using the equity method	252,321	247,380
Income tax relating to items that may be reclassified	(16,333)	(18,576)
Total other comprehensive income	375,611	67,041
<b>Comprehensive Income for the Period</b>	¥ 1,118,820	¥ 929,389
<b>Comprehensive Income for the Period Attributable to:</b>		
Owners of the parent	¥ 1,090,418	¥ 905,480
Non-controlling interests	28,402	23,909

### (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		
<b>Balance as at April 1, 2022</b>	¥ 342,384	¥ 376,516	¥ 4,165,962	¥ 827,441	¥ (107,098)	¥ 5,605,205	¥ 190,211	¥ 5,795,416
Profit for the period			840,787			840,787	21,561	862,348
Other comprehensive income for the period				64,693		64,693	2,348	67,041
Comprehensive income for the period			840,787	64,693		905,480	23,909	929,389
Transaction with owners:								
Dividends paid to the owners of the parent			(198,082)			(198,082)		(198,082)
Dividends paid to non-controlling interest shareholders							(17,564)	(17,564)
Acquisition of treasury stock					(197,072)	(197,072)		(197,072)
Sales of treasury stock		(201)	(186)		388	1		1
Cancellation of treasury stock			(143,174)		143,174	-		-
Compensation costs related to share-based payment	176	2,546				2,722		2,722
Equity transactions with non-controlling interest shareholders		1,660		513		2,173	9,978	12,151
Transfer to retained earnings			39,334	(39,334)		-		-
<b>Balance as at December 31, 2022</b>	¥ 342,560	¥ 380,521	¥ 4,704,641	¥ 853,313	¥ (160,608)	¥ 6,120,427	¥ 206,534	¥ 6,326,961

(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		
<b>Balance as at April 1, 2023</b>	¥ 342,560	¥ 381,869	¥ 4,840,510	¥ 868,963	¥ (66,152)	¥ 6,367,750	¥ 197,398	¥ 6,565,148
Profit for the period			726,407			726,407	16,802	743,209
Other comprehensive income for the period				364,011		364,011	11,600	375,611
Comprehensive income for the period			726,407	364,011		1,090,418	28,402	1,118,820
Transaction with owners:								
Dividends paid to the owners of the parent			(242,368)			(242,368)		(242,368)
Dividends paid to non-controlling interest shareholders							(16,483)	(16,483)
Acquisition of treasury stock					(123,836)	(123,836)		(123,836)
Sales of treasury stock		(450)	(213)		663	0		0
Cancellation of treasury stock			(92,043)		92,043	-		-
Compensation costs related to share-based payment	502	5,422				5,924		5,924
Equity transactions with non-controlling interest shareholders		2,720		88		2,808	14,728	17,536
Transfer to retained earnings			8,784	(8,784)		-		-
<b>Balance as at December 31, 2023</b>	¥ 343,062	¥ 389,561	¥ 5,241,077	¥ 1,224,278	¥ (97,282)	¥ 7,100,696	¥ 224,045	¥ 7,324,741

#### (4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2022
<b>Operating Activities:</b>		
Profit for the period	¥ 743,209	¥ 862,348
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	208,937	206,328
Change in retirement benefit liabilities	(270)	3,286
Loss allowance	14,453	15,028
(Gain) loss on securities and other investments-net	(150,148)	(54,454)
Impairment (reversal) loss of fixed assets-net	12,763	16,090
(Gain) loss on disposal or sales of fixed assets-net	(15,100)	(16,849)
Interest income, dividend income and interest expense	(56,901)	(89,392)
Income taxes	190,328	202,471
Share of (profit) loss of investments accounted for using the equity method	(382,124)	(417,444)
Valuation (gain) loss related to contingent considerations and others	869	(2,908)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(225,458)	22,686
Change in inventories	71,131	(36,215)
Change in trade and other payables	152,438	(37,057)
Other-net	(140,050)	(353,370)
Interest received	77,256	58,157
Interest paid	(106,937)	(59,177)
Dividends received	451,387	460,735
Income taxes paid	(164,179)	(180,367)
Cash flows from operating activities	681,604	599,896
<b>Investing Activities:</b>		
Net change in time deposits	2,517	37,087
Net change in investments in equity accounted investees	(249,520)	(79,109)
Net change in other investments	93,844	28,636
Net change in loan receivables	20,056	(1,183)
Net change in property, plant and equipment	(220,146)	(143,164)
Net change in investment property	29,424	31,331
Cash flows from investing activities	(323,825)	(126,402)
<b>Financing Activities:</b>		
Net change in short-term debt	9,929	101,545
Net change in long-term debt	(262,137)	(593)
Repayments of lease liabilities	(54,433)	(42,644)
Purchases and sales of treasury stock	(123,811)	(197,068)
Dividends paid	(242,368)	(198,082)
Transactions with non-controlling interest shareholders	(4,153)	(40,813)
Cash flows from financing activities	(676,973)	(377,655)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	50,674	22,111
<b>Change in Cash and Cash Equivalents</b>	(268,520)	117,950
<b>Cash and Cash Equivalents at Beginning of Period</b>	1,390,130	1,127,868
<b>Cash and Cash Equivalents at End of Period</b>	¥ 1,121,610	¥ 1,245,818

“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) Changes in Accounting Policies and Changes in Accounting Estimates**

1) Changes in Accounting Policies

Material accounting policies applied in the Condensed Consolidated Financial Statements for the period ended December 31, 2023 are the same as those applied in the Consolidated Financial Statements of the previous fiscal year.

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

IFRS	Title	Summaries
IFRS 17	Insurance Contracts	Fundamental amendment of accounting for insurance contracts
IAS 12	Income Taxes (amended in May 2021)	Clarification of accounting treatment for deferred tax related to assets and liabilities arising from a single transaction
IAS 12	Income Taxes (amended in May 2023)	Accounting treatment and disclosures about income taxes arising from tax law enacted to implement the Pillar Two model rules published by the OECD.

2) Changes in Accounting Estimates

Material changes in accounting estimates in the Condensed Consolidated Financial Statements are as follows:

(Changes in accounting estimates related to Russian LNG business)

Changes in accounting estimates related to the Russian LNG business are described in (10) Impact of the Russia-Ukraine Situation on the Russian LNG Business.

(Impairment losses for the Mainstream Renewable Energy business)

Shamrock Investment International, a subsidiary in the Machinery & Infrastructure Segment which invests in Mainstream Renewable Energy business, recognized an impairment loss of ¥27,941 million as the difference between the carrying amount accounted for using the equity method and the recoverable amount.

In the Condensed Consolidated Statements of Income, an impairment loss for fixed assets included in share of profit (loss) of investments accounted for using the equity method is recorded by ¥15,054 million in “Share of Profit (Loss) of Investments Accounted for Using the Equity Method”. The impairment loss was mainly related to the difference in spot prices between power plants and the demand area, and the Chilean electricity system. Additionally, an impairment loss for investments accounted for using the equity method is recorded by ¥12,887 million in “Gain (loss) on securities and other investments-net”. The impairment loss was mainly due to delays in new project development and portfolio reorganization resulting from rising interest rates and development costs.

## (7) Segment Information

Nine-month period ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(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	1,537,987	2,220,941	999,148	2,082,106	518,075	2,437,336	201,921	9,997,514	958	9,998,472
Gross Profit	259,851	139,496	169,011	152,298	32,367	141,374	85,956	980,353	4,060	984,413
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	52,442	53,718	182,977	20,251	14,639	45,121	12,673	381,821	303	382,124
Profit for the Period Attributable to Owners of the Parent	242,093	95,779	210,173	37,088	7,505	85,487	36,957	715,082	11,325	726,407
Core Operating Cash Flow	311,277	168,119	147,141	45,851	3,847	49,590	25,200	751,025	18,085	769,110
Total Assets at December 31, 2023	3,057,694	3,171,929	3,505,629	1,940,666	783,110	2,850,146	1,701,474	17,010,648	(521,716)	16,488,932

Nine-month period ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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	1,687,817	2,786,029	797,878	2,469,107	560,001	2,556,536	178,956	11,036,324	191	11,036,515
Gross Profit	282,736	194,762	147,736	159,958	32,029	117,753	77,791	1,012,765	5,484	1,018,249
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	103,238	78,377	151,668	21,337	19,407	29,914	13,192	417,133	311	417,444
Profit for the Period Attributable to Owners of the Parent	355,410	190,776	131,092	54,653	19,527	42,253	49,740	843,451	(2,664)	840,787
Core Operating Cash Flow	355,452	275,920	158,681	72,523	15,435	31,227	34,386	943,624	17,584	961,208
Total Assets at March 31, 2023	3,062,836	3,009,472	3,216,794	1,773,664	776,531	2,504,078	1,642,459	15,985,834	(604,918)	15,380,916

- 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, 2023 and December 31, 2023 includes cash, cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services amounting to ¥ 8,215,000 million and ¥ 8,708,838 million, respectively.
2. Transfers between reportable segments are made at cost plus a markup.
3. Profit 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, 2023 and December 31, 2023 includes elimination of receivables and payables between segments amounting to ¥ 8,819,918 million and ¥ 9,230,554 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.



### **(8) The Fire Incident of Intercontinental Terminals Company**

On March 17, 2019 (US time) a fire began at the Deer Park tank terminal of Intercontinental Terminals Company (“ITC”), a wholly owned U.S. subsidiary of the Company. The Deer Park tank terminal is located in the outskirts of Houston, Texas. The fire partially damaged tanks owned by ITC. ITC has resumed its operation after discussions with related authorities. Harris County Fire Marshal’s Office released its final report with respect to the fire incident on December 6, 2019 (US time) and the report classified the fire as accidental, while not specifying the cause of the fire. On July 6, 2023, U.S. Chemical Safety and Hazard Investigation Board released its final investigation report with respect to the fire incident, and determined that the fire was caused by the release of a flammable naphtha product from a failure of the Tank 80-8 circulation pump, which accumulated in the area and ignited.

The profit and loss related to this incident recognized in the nine-month period ended December 31, 2023 and 2022, and the outstanding balance of related provision and assets recognized as reimbursement as of December 31, 2023 are immaterial.

While there are multiple lawsuits that have been brought against ITC in relation to this incident, ITC has reached an agreement in principle to resolve many of the lawsuits and claims to the extent the settlement amount is fully covered by insurance. Certain additional lawsuits are not covered by the proposed settlement and will remain pending against ITC. As of now, the ultimate outcome of these lawsuits is not expected to have significant impact on our consolidated financial position, operating results and cash flow.

### **(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, an equity accounted investee in the Energy Segment. In April 2021, all project personnel evacuated the project site due to the deteriorating security situation in northern Mozambique where the project site is located, and on April 26, 2021, the project operator, TotalEnergies of France, announced that it had declared force majeure under the Joint Operating Agreement.

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

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

### **(10) Impact of the Russia-Ukraine Situation on the Russian LNG Business**

The Russian LNG business in which the Company, its subsidiary, and the equity accounted investee in the Energy Segment have invested, financed and guaranteed, is affected by the Russia-Ukraine situation that has been ongoing since February 2022 and the resulting sanctions against Russia, etc. Based on discussions with each partner, the Company has evaluated its relevant assets and liabilities.

In relation to the investment in Sakhalin II project held by MIT SEL Investment, a subsidiary of the Company that invests in Sakhalin Energy LLC (“SELLC”), while the decision on the new LLC member of SELLC has been acknowledged by Order of the Government of the Russian Federation dated April 11, 2023 (No.890), the situation still remains uncertain as the relevant LLC members agreement is not signed, etc. Under this situation, the fair value of our investment in the Sakhalin II project was measured using the income approach by expected present value technique and the probability-weighted average considering a scenario where the continuous dividend income is expected from SELLC and other scenarios. As a result, the fair value increased by ¥6,821 million from the balance as of March 31, 2023, and it is recorded in “Financial assets measured at FVTOCI” in the Condensed Consolidated Statements of Comprehensive Income. The outstanding balances of “Other investments” in the Condensed Consolidated Statements of Financial Position related to this project as of December 31, 2023 and March 31, 2023 were ¥111,891 million and ¥98,505 million, respectively. The fair value may increase or decrease due to further changes in situation hereafter.

In addition, with regards to the carrying amounts of the investments, loans and financial guarantees related to the business in Japan Arctic LNG, an equity accounted investee that invests in and finances the Arctic LNG 2 project, the Company is taking appropriate measures in compliance with laws and regulations cooperating with stakeholders in response to the announcement from the Office of Foreign Assets Control of the US Department of the Treasury on November 2, 2023 (US time), that Arctic LNG2 has been additionally designated as SDN (Specially Designated Nationals). We reviewed the recoverability and the likelihood of performing guarantee considering the portion of

liability based on the rights and obligations of Japan Arctic LNG and the Company under various agreements including the shareholders agreement, insurance such as overseas investment insurance and third-party agreements. The outstanding balances of the investments and loans (\*) as of December 31, 2023 and March 31, 2023 were ¥17,143 million and ¥15,759 million, respectively. The balance of financial guarantees as contingent liabilities were ¥229,321 million and ¥223,415 million, respectively, and the provision for loss on guarantees included in "Other financial liabilities" in the Condensed Consolidated Statements of Financial Position were ¥33,542 million and ¥18,213 million, respectively. For the nine-month period ended December 31, 2023, loss of ¥16,771 million was recognized, mainly ¥13,473 million as a loss allowance included in "Other income (expense)" in the Condensed Consolidated Statements of Income.

These estimates may be affected by subsequent developments in Russia and Ukraine. Also, any changes in the credit rating of the Russian Federation, in the business environment of Arctic LNG2 caused by sanction etc., and in the Company's policies regarding its Russian LNG business etc., may have a significant impact on the amounts of related investments, loans, financial guarantees and its recoverable or liable amounts in the Consolidated Financial Statements for the next quarter period and thereafter. The Company ongoingly takes appropriate measures.

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