

Consolidated Financial Results for the Six-Month Period Ended September 30, 2023 [IFRS]

Tokyo, October 31, 2023 - Mitsui & Co., Ltd. announced its consolidated financial results for the six-month period ended September 30, 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 six-month period ended September 30, 2023

(from April 1, 2023 to September 30, 2023)

		Six-month period ended September 30,			
		2023		2022	
			%		%
Revenue	Millions of Yen	6,377,438	(14.1)	7,423,815	37.1
Profit before Income Taxes	Millions of Yen	593,876	(13.7)	687,807	27.2
Profit for the Period	Millions of Yen	469,280	(15.6)	556,034	33.2
Profit for the Period Attributable to Owners of the Parent	Millions of Yen	456,261	(15.4)	539,104	33.2
Comprehensive Income for the Period	Millions of Yen	917,895	38.5	662,944	83.3
Earnings per Share Attributable to Owners of the Parent, Basic	Yen	301.42		339.69	
Earnings per Share Attributable to Owners of the Parent, Diluted	Yen	301.24		339.57	

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

		September 30, 2023	March 31, 2023
Total Assets	Millions of Yen	16,644,581	15,380,916
Total Equity	Millions of Yen	7,281,343	6,565,148
Total Equity Attributable to Owners of the Parent	Millions of Yen	7,061,535	6,367,750
Equity Attributable to Owners of the Parent Ratio	%	42.4	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: Yes

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	940,000
Earnings per Share Attributable to Owners of the Parent, Basic	Yen	622.39

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 Yes
- (ii) Other changes None
- (iii) Changes in accounting estimates Yes

Note :

For further details please refer to page 30 "4. Condensed Consolidated Financial Statements (6) Changes in Accounting Policies and Changes in Accounting Estimates".

(3) Number of shares outstanding (common stock)

	September 30, 2023	March 31, 2023
Number of Shares (Including Treasury Stock)	1,522,687,968	1,544,660,544
Number of Treasury Stock	16,326,881	20,361,049

	Six-month period ended September 30, 2023	Six-month period ended September 30, 2022
Average Number of Shares	1,513,689,132	1,587,062,342

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 24.

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 November 1, 2023.

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 six-month period ended September 30, 2023, the US economy was generally firm while growth in Europe stalled and China’s recovery weakened. As a result, the overall global economy continued to slow.

In the US, even though the effects of monetary tightening appeared across the economy, the economy showed overall strength, supported by persistent consumer spending against a backdrop of solid employment and income. Looking ahead, the economy is expected to gradually slow due to the effects of the monetary tightening carried out so far. In Europe, high inflation put pressure on consumer spending and the economy continued to stall. Looking ahead, stagnation is expected to continue due to continued monetary tightening, and a slow recovery in China, a major export destination for the region. In Japan, as economic activity continued to normalize, inbound demand also picked up and the economy continued to recover. Looking ahead, the economy is expected to continue to recover moderately due to expected growth in personal consumption against a backdrop of improvements in employment and income. In China, investment in real estate development decreased and exports were sluggish leading to a weakened economic recovery. Looking ahead, with both domestic and foreign demand lacking momentum, there are concerns over a prolonging of the situation in the real estate market. However, policies are being put in place and there are expectations that the economy is bottoming out. In Brazil, interest rates were lowered in August as inflation eased, and there have been signs of a pick-up in the economy, mainly in exports. In Russia, although high oil prices have provided support, downward pressure on economic activity is expected to remain due to economic sanctions imposed by the international community.

Looking ahead, the global economy is expected to slow due to continued tight monetary policy in the US, Europe, and other developed countries, as well as concerns over the economy in China. There are also concerns over instability in the Middle East.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		6,377.4	7,423.8	(1,046.4)
Gross Profit		608.4	631.9	(23.5)
Selling, General and Administrative Expenses		(391.8)	(326.0)	(65.8)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	134.1	18.2	+115.9
	Impairment Reversal (Loss) of Fixed Assets—Net	(4.0)	(10.8)	+6.8
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	8.2	15.8	(7.6)
	Other Income (Expense)—Net	(13.7)	15.9	(29.6)
Finance Income (Costs)	Interest Income	34.2	18.1	+16.1
	Dividend Income	54.0	80.9	(26.9)
	Interest Expense	(80.5)	(39.7)	(40.8)
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		244.9	283.6	(38.7)
Income Taxes		(124.6)	(131.8)	+7.2
Profit for the Period		469.3	556.0	(86.7)
Profit for the Period Attributable to Owners of the Parent		456.3	539.1	(82.8)

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

Revenue

Revenue for the six-month period ended September 30, 2023 (“current period”) was ¥6,377.4 billion, a decrease of ¥1,046.4 billion from ¥7,423.8 billion for the corresponding six-month period of the previous year (“previous period”).

Gross Profit

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

Selling, General and Administrative Expenses

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

	Billions of Yen		
	Current Period	Previous Period	Change
Personnel	¥ (208.4)	¥ (179.0)	¥ (29.4)
Welfare	(7.5)	(6.4)	(1.1)
Travel	(15.4)	(11.0)	(4.4)
Entertainment	(3.4)	(2.7)	(0.7)
Communication	(29.9)	(26.2)	(3.7)
Rent	(6.7)	(5.5)	(1.2)
Depreciation	(24.2)	(20.4)	(3.8)
Fees and Taxes	(6.3)	(7.4)	+1.1
Loss Allowance	(15.6)	(7.2)	(8.4)
Others	(74.4)	(60.2)	(14.2)
Total	¥ (391.8)	¥ (326.0)	¥ (65.8)

*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 segment, the Lifestyle segment and the Innovation & Corporate Development segment recorded profits related to securities.

For the previous period, mainly the Innovation & Corporate Development segment recorded a gain on sale of securities, whereas the Machinery & Infrastructure segment recorded an impairment loss.

Impairment Reversal (Loss) of Fixed Assets—Net

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

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

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

Other Income (Expense)—Net

For the previous and current periods, multiple segments recorded profits and losses related to foreign exchange, commodity prices, and interest rates. Also, the Lifestyle segment recorded a valuation loss on an options contract.

Finance Income (Costs)

Dividend Income

Mainly the Energy segment and the Mineral & Metal Resources segment recorded a decrease.

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

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

Income Taxes

Income taxes for the current period were ¥124.6 billion, a decrease of ¥7.2 billion from ¥131.8 billion for the previous period. The effective tax rate for the current period was 21.0%, an increase of 1.8 points from 19.2% 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 ¥456.3 billion, a decrease of ¥82.8 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	134.6	247.2	(112.6)	
Gross Profit	158.2	203.3	(45.1)	<ul style="list-style-type: none"> • Mitsui Resources -35.7 (lower metallurgical coal prices) • Iron ore mining operations in Australia -6.0 (lower iron ore prices)
Profit (Loss) of Equity Method Investments	25.1	83.6	(58.5)	<ul style="list-style-type: none"> • Decrease due to sale of Stanmore SMC • Oriente Copper Netherlands*¹ -22.2 (impairment loss*² -12.2, new mining royalty in Chile -6.3) • INNER MONGOLIA ERDOS ELECTRIC POWER AND METALLURGY GROUP -8.0 (lower prices in ferroalloys and chemicals businesses) • Japan Collahuasi Resources*³ -5.2 (costs increase, volume decrease)
Dividend Income	28.8	42.7	(13.9)	<ul style="list-style-type: none"> • Lower dividends from Vale -10.5 (current period 16.1, previous period 26.6)
Selling, General and Administrative Expenses	(19.2)	(16.2)	(3.0)	
Others	(58.3)	(66.2)	+7.9	<ul style="list-style-type: none"> • Increase of interest income from iron ore mining operations in Australia +4.1 • Mitsui Resources foreign exchange related loss -3.5 • Absence of copper price hedge profit recorded in the previous period • Increase in interest expense at Oriente Copper Netherlands*¹ -3.0

*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.

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

Energy

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	26.0	55.4	(29.4)	
Gross Profit	56.2	63.2	(7.0)	<ul style="list-style-type: none"> • Mitsui E&P Australia -30.4 (volume decrease) • Mitsui E&P USA -20.2 (lower gas prices) • MEP Texas Holdings -5.5 (lower oil and gas prices) • Mitsui E&P Italia B -3.4 (lower oil prices) • Increase in LNG trading (absence of derivative valuation losses recorded in the previous period)
Profit (Loss) of Equity Method Investments	35.4	44.6	(9.2)	<ul style="list-style-type: none"> • Decrease in Japan Australia LNG (MIMI) (lower oil and gas prices)
Dividend Income	10.9	25.4	(14.5)	<ul style="list-style-type: none"> • 4 LNG projects*¹ -13.7 (current period 10.5, previous period 24.2)
Selling, General and Administrative Expenses	(31.8)	(30.1)	(1.7)	
Others	(44.7)	(47.7)	+3.0	<ul style="list-style-type: none"> • Foreign exchange related profit from LNG trading hedge +6.2 • MOEX North America +5.3 (derivative related profit and loss) • Increase in interest expense at several business divisions within Mitsui & Co. HQ -10.4 • Foreign exchange hedging loss related to fuel supply trading and other factors -6.3 • Mitsui Oil Exploration (recorded geothermal steam release related expenses)

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

Machinery & Infrastructure

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	164.4	89.7	+74.7	
Gross Profit	118.9	97.4	+21.5	<ul style="list-style-type: none"> • BAF (change of earnings contribution period)^{*1} +11.0 • Absence of profit from Brazilian passenger railway business recorded in the previous period
Profit (Loss) of Equity Method Investments	119.0	99.1	+19.9	<ul style="list-style-type: none"> • One-time valuation gain due to acquisition of shares in MPIC^{*2} and other factors +7.3 • Canadian automotive company (increase in unit sales, decrease in sales promotion expenses) • VLI +4.1 (increase due to absence of lower profits recorded in the previous period owing to bad weather and other factors) • East Anglia^{*3} +3.5 (resumption of earnings contribution following book value recovery) • Tanker owning company (increase in vessel related revenue) • IPP -6.4 (impairment loss of fixed assets at Mainstream -9.0^{*4}, weak performance at Mainstream's projects in Chile) • MBK USA Commercial Vehicles -6.2 (increase in interest expense, lower profit from sale of used cars)
Dividend Income	3.3	2.4	+0.9	
Selling, General and Administrative Expenses	(101.2)	(77.6)	(23.6)	<ul style="list-style-type: none"> • BAF (change of earnings contribution period)^{*1} -12.1
Others	24.4	(31.6)	+56.0	<ul style="list-style-type: none"> • Gain on sale of Mitsui Rail Capital Europe +64.4 • Absence of fixed assets valuation loss in Brazilian passenger railway business recorded in the previous period^{*5} +8.4 • Dividends from Paiton +6.3 • Gain on sale of gas-fired power generation business in Ontario, Canada +4.6 • Profit related to gain on sale of BAF +4.1 • Absence of MT Falcon impairment loss^{*6} recorded in the previous period +3.1 • Absence of corporate income tax burden decrease resulting from the sale of Lucid Group shares recorded in the previous period^{*7} -4.8

*1 Due to Bussan Auto Finance becoming an associated company after the sale of a portion of its shares, there was a temporary change to the earnings contribution period (the previous period represents six months of earnings contribution, the current period represents nine months of earnings contribution).

*2 Metro Pacific Investments Corporation, an integrated infrastructure company in the Philippines.

*3 A passenger rail franchise business in the UK.

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

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

*6 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.

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

Chemicals

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	14.3	39.3	(25.0)	
Gross Profit	98.6	114.1	(15.5)	<ul style="list-style-type: none"> • Decrease in fertilizer trading (lower prices) • Decrease in Mitsui Agro Business (lower prices) • Novus International -3.6 (lower prices)
Profit (Loss) of Equity Method Investments	16.4	13.9	+2.5	<ul style="list-style-type: none"> • Hexagon Composites +6.9 (mainly a valuation gain due to one of its subsidiaries becoming an equity accounted investee)
Dividend Income	1.7	2.0	(0.3)	
Selling, General and Administrative Expenses	(76.7)	(68.8)	(7.9)	
Others	(25.7)	(21.9)	(3.8)	

Iron & Steel Products

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	3.0	14.3	(11.3)	
Gross Profit	21.0	21.1	(0.1)	
Profit (Loss) of Equity Method Investments	7.2	14.6	(7.4)	<ul style="list-style-type: none"> • Impairment loss recorded in Gestamp -4.1
Dividend Income	1.6	1.5	+0.1	
Selling, General and Administrative Expenses	(15.9)	(14.7)	(1.2)	
Others	(10.9)	(8.2)	(2.7)	

Lifestyle

(Billions of Yen)	Current Period	Previous Period	Change	Description
Profit for the Period Attributable to Owners of the Parent	69.4	25.7	+43.7	
Gross Profit	95.7	88.2	+7.5	<ul style="list-style-type: none"> • Aim Services becoming a subsidiary +10.9 • Absence of fair value valuation loss of drug discovery support fund recorded in the previous period +4.9 • AUSJ*¹ becoming a subsidiary +4.0 • Foreign exchange impact in coffee trading business -7.6
Profit (Loss) of Equity Method Investments	34.1	18.6	+15.5	<ul style="list-style-type: none"> • WILSEY FOODS +15.0 (good performance and sale of a part of the business at Ventura Foods, a manufacturer of processed oil food) • IHH Healthcare -3.1 (absence of an increase from deferred tax assets recorded in the previous period and other factors)
Dividend Income	4.5	3.2	+1.3	
Selling, General and Administrative Expenses	(89.4)	(72.2)	(17.2)	<ul style="list-style-type: none"> • Aim Services becoming a subsidiary -8.7 • AUSJ*¹ becoming a subsidiary -3.5
Others	24.5	(12.1)	+36.6	<ul style="list-style-type: none"> • Aim Services fair value gain*² +43.4 • Foreign exchange hedging profit in coffee trading +13.5 • Put option related to R-Pharm*³ -19.3(current period -2.5, previous period +16.8)

*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 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	26.1	35.5	(9.4)	
Gross Profit	56.4	40.0	+16.4	• Business division at Mitsui & Co. HQ trading profit increase (commodities prices factor)
Profit (Loss) of Equity Method Investments	7.5	8.9	(1.4)	
Dividend Income	2.6	3.2	(0.6)	
Selling, General and Administrative Expenses	(45.5)	(40.2)	(5.3)	
Others	5.1	23.6	(18.5)	<ul style="list-style-type: none"> • Absence of gain on sale of real estate business in Singapore recorded in the previous period*¹ • Business division at Mitsui & Co. HQ trading profit decrease (foreign exchange factor) • Absence of gain on sale of real estate in the US recorded in the previous period*² -11.5 • Absence of gain on sale of investment securities recorded in the previous period -4.0 • Fair value valuation gain related to Altius Link*³ +8.9 • Gain on partial sale of Hibiya Fort Tower +5.7

*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 multiple 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)	September 30, 2023	March 31, 2023	Change
Total Assets	16,644.6	15,380.9	+1,263.7
Current Assets	5,786.4	5,674.8	+111.6
Non-current Assets	10,858.1	9,706.1	+1,152.0
Current Liabilities	3,911.0	3,766.6	+144.4
Non-current Liabilities	5,452.2	5,049.1	+403.1
<i>Net Interest-bearing Debt</i>	<i>3,396.4</i>	<i>3,212.7</i>	<i>+183.7</i>
Total Equity Attributable to Owners of the Parent	7,061.5	6,367.8	+693.7
Net Debt-to-Equity Ratio (times)	0.48	0.50	(0.02)

Assets

Current Assets

(Billions of Yen)	September 30, 2023	March 31, 2023	Change	Description
Current Assets	5,786.4	5,674.8	+111.6	
Cash and cash equivalents	1,197.3	1,390.1	(192.8)	
Trade and other receivables	2,219.0	2,191.2	+27.8	<ul style="list-style-type: none"> • Trade receivables +73.5 (LI^{*1}, EN^{*1}, CH^{*1}) Increase in trading volume, seasonal factors • Loan receivables -55.7 BAF^{*2} -70.0
Other financial assets	949.3	773.0	+176.3	<ul style="list-style-type: none"> • (IC^{*1}, Corporate, MI^{*1}, EN^{*1}) Increase in derivative assets • (Corporate) Increase in margin deposits
Inventories	915.7	940.5	(24.8)	• (EN ^{*1} , IS ^{*1}) Decrease in inventories
Advance payments to suppliers	328.4	226.7	+101.7	• (MI ^{*1}) Increase in trading volume
Other current assets	176.8	153.3	+23.5	

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

*2 Bussan Auto Finance becoming an associated company.

Non-current Assets

(Billions of Yen)	September 30, 2023	March 31, 2023	Change	Description
Non-current Assets	10,858.1	9,706.1	+1,152.0	
Investments accounted for using the equity method	4,628.8	3,929.6	+699.2	<ul style="list-style-type: none"> ● Foreign exchange fluctuations +377.9 ● Changes from equity method investments profit +244.9 ● Nutrinova +74.9 ● Offshore wind power project in Taiwan +70.1 (YECL becoming a subsidiary and other factors) ● Altius Link^{*1} +63.1 ● Renewable natural gas business +26.2 ● Mit-Pacific Infrastructure Holdings^{*2} +23.8 ● Euricom +17.1 ● BAF^{*3} +14.3 ● FPSO business (MV34) +10.7 ● Dividends from equity accounted investees -238.4
Other investments	2,272.2	2,134.1	+138.1	<ul style="list-style-type: none"> ● Foreign exchange fluctuations +41.9 ● Fair value of FVTOCI financial assets +36.8 ● Acquisition of Alvotech convertible bonds +10.5
Trade and other receivables	305.5	320.0	(14.5)	● BAF ^{*3} -53.3
Other financial assets	221.6	208.0	+13.6	● (MI ^{*4}) Increase in trading volume
Property, plant and equipment	2,430.6	2,300.6	+130.0	<ul style="list-style-type: none"> ● Oil and gas projects +105.3 (including foreign exchange fluctuations +59.5) ● Iron ore mining operations in Australia +32.0 (including foreign exchange fluctuations +29.3) ● Intercontinental Terminals Company +16.3 (including foreign exchange fluctuations +16.1) ● Mitsui Rail Capital Europe -81.8 ● M&T Aviation sale of owned aircraft -14.4
Investment property	284.5	282.5	+2.0	
Intangible assets	444.5	277.3	+167.2	● Aim Services becoming a subsidiary +126.7
Deferred tax assets	109.1	105.2	+3.9	
Other non-current assets	161.5	148.8	+12.8	

*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 Bussan Auto Finance becoming an associated company.

*4 MI: Machinery & Infrastructure segment.

Liabilities

(Billions of Yen)	September 30, 2023	March 31, 2023	Change	Description
Current Liabilities	3,911.0	3,766.6	+144.4	
Short-term debt	479.3	432.2	+47.1	• Borrowing and repayments, as well as BAF*1 -21.6
Current portion of long-term debt	594.8	811.0	(216.2)	• Reclassification from non-current debt and repayments, as well as BAF*1 -28.4
Trade and other payables	1,615.9	1,510.4	+105.5	• Increase in trade payables
Other financial liabilities	737.2	622.0	+115.2	• Increase in derivative liabilities
Income tax payables	44.5	49.3	(4.8)	
Advances from customers	301.7	234.9	+66.8	• Corresponding to increase in advance payments
Provisions	85.1	59.0	+26.1	
Other current liabilities	52.6	47.8	+4.8	
Non-current Liabilities	5,452.2	5,049.1	+403.1	
Long-term debt, less the current portion	4,006.0	3,797.3	+208.7	• Reclassification to current portion and borrowings, as well as BAF*1 -43.8
Other financial liabilities	302.5	223.4	+79.1	• Increase in derivative liabilities
Retirement benefit liabilities	39.2	37.0	+2.2	
Provisions	338.4	310.5	+27.9	• (EN*2) Increase in asset retirement obligations due to weak yen
Deferred tax liabilities	731.8	648.3	+83.5	
Other non-current liabilities	34.3	32.6	+1.7	

*1 Bussan Auto Finance becoming an associated company.

*2 EN: Energy segment.

Equity

(Billions of Yen)	September 30, 2023	March 31, 2023	Change	Description
Common stock	343.1	342.6	+0.5	
Capital surplus	388.7	381.9	+6.8	
Retained earnings	5,091.0	4,840.5	+250.5	
Other components of equity	1,301.6	869.0	+432.6	
<breakdown>				
Financial assets measured at FVTOCI	231.3	215.6	+15.7	
Foreign currency translation adjustments	1,046.2	638.5	+407.7	<ul style="list-style-type: none"> • USD +314.4 (Sept-23 USD/JPY149.58, up from Mar-23 USD/JPY133.53) • AUD +78.3 (Sept-23 AUD/JPY96.06, up from Mar-23 AUD/JPY89.69)
Cash flow hedges	24.0	14.9	+9.2	
Treasury stock	(62.9)	(66.2)	+3.3	<ul style="list-style-type: none"> • Cancellation of treasury stock +92.0 • Share repurchase -89.2
Total Equity Attributable to Owners of the Parent	7,061.5	6,367.8	+693.7	
Non-controlling interests	219.8	197.4	+22.4	

2) Cash Flows

(Billions of Yen)	Current Period	Previous Period	Change
Cash Flows from Operating Activities	466.5	310.4	+156.1
Cash Flows from Investing Activities	(296.5)	(132.0)	(164.5)
Free Cash Flow	170.0	178.4	(8.4)
Cash Flows from Financing Activities	(430.8)	(308.0)	(122.8)
Effect of Exchange Rate Changes on Cash and Cash Equivalents etc.	68.0	68.3	(0.3)
Change in Cash and Cash Equivalents	(192.8)	(61.3)	(131.5)

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash Flows from Operating Activities	a	466.5	310.4	+156.1
Cash Flows from Change in Working Capital	b	(45.0)	(328.9)	+283.9
Repayments of Lease Liabilities	c	(36.4)	(27.8)	(8.6)
Core Operating Cash Flow	a-b+c	475.1	611.5	(136.4)

- Cash flows from change in working capital (changes in operating assets and liabilities) was ¥45.0 billion of net cash outflow. Repayments of lease liabilities was ¥36.4 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 ¥475.1 billion.
 - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥308.8 billion, a decrease of ¥5.1 billion from ¥313.9 billion for the previous period.
 - Depreciation and amortization for the current period was ¥137.4 billion, an increase of ¥0.4 billion from ¥137.0 billion for the previous period.

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

(Billions of Yen)	Current Period	Previous Period	Change
Mineral & Metal Resources	177.8	269.5	(91.7)
Energy	77.5	124.8	(47.3)
Machinery & Infrastructure	115.7	92.6	+23.1
Chemicals	24.3	50.9	(26.6)
Iron & Steel Products	1.2	7.3	(6.1)
Lifestyle	29.7	19.0	+10.7
Innovation & Corporate Development	19.2	18.2	+1.0
All Other and Adjustments and Eliminations	29.7	29.2	+0.5
Consolidated Total	475.1	611.5	(136.4)

The following table shows Depreciation and amortization by operating segment.

(Billions of Yen)	Current Period	Previous Period	Change
Mineral & Metal Resources	31.2	28.3	+2.9
Energy	40.7	47.4	(6.7)
Machinery & Infrastructure	16.3	16.8	(0.5)
Chemicals	16.3	15.6	+0.7
Iron & Steel Products	1.0	0.7	+0.3
Lifestyle	14.5	10.5	+4.0
Innovation & Corporate Development	8.6	9.4	(0.8)
All Other and Adjustments and Eliminations	8.8	8.3	+0.5
Consolidated Total	137.4	137.0	+0.4

Cash Flows from Investing Activities

(Billions of Yen)	Current Period	Previous Period	Description of Current Period
Cash flows from investing activities	(296.5)	(132.0)	
Net change in investments to equity accounted investees	(229.5)	(102.0)	
Cash outflow	(269.7)	(142.3)	<ul style="list-style-type: none"> • Nutrinova -74.9 • Altius Link^{*1} -51.2 • Renewable natural gas business -26.2 • Mit-Pacific Infrastructure Holdings^{*2} -23.8 • Euricom -17.1 • Power generation business -12.5 • FPSO business (MV34) -10.7
Cash inflow	40.2	40.3	
Net change in other investments	84.9	(12.3)	
Cash outflow	(107.3)	(53.2)	<ul style="list-style-type: none"> • Aim Services becoming a subsidiary -58.8 (net amount of: acquisition cost -68.8, cash and deposits +10.0) • Bussan Animal Health^{*3} -10.7 • Acquisition of Alvotech convertible bonds -10.5
Cash inflow	192.2	40.9	<ul style="list-style-type: none"> • Mitsui Rail Capital Europe
Net change in property, plant, and equipment	(151.4)	(88.2)	
Cash outflow	(178.3)	(109.0)	<ul style="list-style-type: none"> • South Texas Vaquero -41.9 • Oil and gas projects -36.0 • Iron ore mining operations in Australia -22.7 • Mitsui Resources -11.3 • MyPower -10.3
Cash inflow	26.9	20.8	<ul style="list-style-type: none"> • M&T Aviation sale of owned aircraft +18.8
Net change in investment property	14.8	33.7	
Cash outflow	(2.9)	(2.8)	
Cash inflow	17.7	36.5	<ul style="list-style-type: none"> • Partial sale of Hibiya Fort Tower
Net change in loan receivables	(7.1)	0.7	
Net change in time deposits	(8.3)	36.1	<ul style="list-style-type: none"> • Mitsui Mineral Resources Development Latin America time deposits -11.3

*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	(430.8)	(308.0)	
Net change in short-term debt	33.3	15.2	
Net change in long-term debt	(225.7)	(60.9)	
(Proceeds from long-term debt)	625.4	503.0	
(Repayments of long-term debt)	(851.1)	(563.9)	
Repayments of lease liabilities	(36.4)	(27.8)	
Purchase and sales of treasury stock-net	(89.3)	(100.2)	• Including stock-based remuneration for employees -19.2
Dividends paid	(114.3)	(96.1)	
Transactions with non-controlling interest shareholders	1.6	(38.2)	

2. Management Policies

(1) Result and Forecast for Investments and Loans Plan (*)

For the current period, approximately ¥572.0 billion of investments and loans were allocated, mainly for the growth investments such as Nutrinova, additional holding of Aim Services, making it a subsidiary, additional holding of Relia due to its merger into Altius Link, and sustaining capex such as iron ore and metallurgical coal mining operations in Australia and the oil & gas production business. On the other hand, we carried out approximately ¥283.0 billion of asset recycling with the sale of Mitsui Rail Capital Europe, aircraft, and a gas-fired power plant. We will continue flexible and strategic cash allocation through our Cash Flow Allocation framework.

(*) Excludes changes in time deposits.

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

1) Revised forecasts for the year ending March 31, 2024

<Assumption>	<u>1st Half</u> (Actual)	<u>2nd Half</u> (Forecast)	<u>Revised</u> <u>Forecast</u> (October 2023)	<u>Original</u> <u>Forecast</u> (May 2023)
Exchange rate (USD/JPY)	142.61	145.00	143.81	130.00
Crude oil (JCC)	\$84/bbl	\$86/bbl	\$85/bbl	\$79/bbl
Consolidated oil price	\$89/bbl	\$94/bbl	\$91/bbl	\$88/bbl

(Billions of Yen)	March 31, 2024 Revised forecast (October 2023)	March 31, 2024 Original forecast (May 2023)	Change	Description
Gross profit	1,270.0	1,170.0	+100.0	FX impact, Energy
Selling, General and Administrative Expenses	(800.0)	(750.0)	(50.0)	FX impact
Gain (Loss) on Investments, Fixed Assets and Other	230.0	230.0	-	
Interest Expenses	(110.0)	(110.0)	-	
Dividend Income	160.0	160.0	-	
Profit (Loss) of Equity Method Investments	460.0	440.0	+20.0	Machinery & Infrastructure
Profit before Income Taxes	1,210.0	1,140.0	+70.0	
Income Taxes	(250.0)	(240.0)	(10.0)	
Non-Controlling Interests	(20.0)	(20.0)	-	
Profit for the Year Attributable to Owners of the Parent	940.0	880.0	+60.0	Rate of change: +6.8%

Depreciation and Amortization	280.0	270.0	+10.0	
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Core Operating Cash Flow	960.0	870.0	+90.0	Rate of change: +10.3%
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• 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 original forecast is as follows:

(Billions of Yen)	March 31, 2024 Revised forecast (October 2023)	March 31, 2024 Original forecast (May 2023)	Change	Description
Mineral & Metal Resources	290.0	290.0	-	
Energy	140.0	130.0	+10.0	LNG trading
Machinery & Infrastructure	270.0	240.0	+30.0	Asset recycling, automobile and ship business
Chemicals	60.0	60.0	-	
Iron & Steel Products	15.0	20.0	(5.0)	Lower demand
Lifestyle	100.0	90.0	+10.0	Processed oil food business
Innovation & Corporate Development	60.0	60.0	-	
All Other and Adjustments and Eliminations	5.0	(10.0)	+15.0	
Consolidated Total	940.0	880.0	+60.0	

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

(Billions of Yen)	March 31, 2024 Revised forecast (October 2023)	March 31, 2024 Original forecast (May 2023)	Change	Description
Mineral & Metal Resources	350.0	320.0	+30.0	Dividends from associated companies
Energy	240.0	230.0	+10.0	LNG trading
Machinery & Infrastructure	150.0	140.0	+10.0	Dividends from associated companies
Chemicals	80.0	80.0	-	
Iron & Steel Products	10.0	10.0	-	
Lifestyle	60.0	50.0	+10.0	Dividends from associated companies
Innovation & Corporate Development	40.0	40.0	-	
All Other and Adjustments and Eliminations	30.0	0.0	+30.0	Payment date for new US minimum tax deferred, other factors
Consolidated Total	960.0	870.0	+90.0	

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 of the forecast for the year ending March 31, 2024. The effects of movements on each commodity price and foreign exchange rates on profit for the year attributable to owners of the parent are included in the table.

	Impact on profit for the year attributable to owners of the parent for FY March 2024 (Announced May 2023)		FY March 2024 Assumption (Announced May 2023)	FY March 2024		FY March 2024 Full-Year (Avg. of H1 and H2)
				H1 Result	H2 Assumption	
Commodity	Crude oil/JCC	-	79	84	86	85
	Consolidated oil price ^{*1}	¥2.6 bn (US\$1/bbl)	88	89	94	91
	US gas ^{*2}	¥1.4 bn (US\$0.1/mmBtu)	2.99	2.54 ^{*3}	2.70	2.62
	Iron ore ^{*4}	¥2.7 bn (US\$1/ton)	*5	113 ^{*6}	*5	*5
	Metallurgical coal	¥0.3 bn (US\$1/ton)	*5	286 ^{*7}	*5	*5
	Copper ^{*8}	¥0.7 bn (US\$100/ton)	8,600	8,704 ^{*9}	8,428	8,566
Forex ^{*10}	US\$	¥3.9 bn (¥1/US\$)	130.00	142.61	145.00	143.81
	Australian\$	¥2.7 bn (¥1/Australian\$)	85.00	93.44	90.00	91.72

- (*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 H1 (result) are the average daily prompt month closing prices for Henry Hub Natural Gas Futures traded on NYMEX during January to June 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 H1 (result) are the daily average (reference price) spot index price (Fe 62% CFR North China) recorded in several industry trade magazines from April to September 2023.
- (*7) Metallurgical coal figures for the year ending March 2024 H1 (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 H1 (result) are the averages of the LME monthly average cash settlement prices for the period from January to June 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.

(3) 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 provide returns to shareholders by paying out cash dividends.
- In addition to the above, regarding share repurchases which are done to improve capital efficiency amongst other things, the amount and timing will be decided upon in a prompt and flexible manner taking into consideration the business environment. Such considerations include balance between share repurchases and growth investments, cash flow level after accounting for shareholder returns, interest-bearing debt levels, and return on equity.

For the current period, we repurchased ¥70.0 billion of our own stock between April 1 and July 7, 2023. Additionally, today we announced a new repurchase program, targeting up to ¥50.0 billion of shares to be repurchased between November 1, 2023 and January 31, 2024. Together with this, we have decided we will cancel all of these newly repurchased shares. For details, please refer to the release on our website “Notification of Stock Repurchase and Cancellation of Treasury Stock” dated October 31, 2023.

Taking into consideration Core Operating Cash Flow and Profit for the Year Attributable to Owners of the Parent announced today, as well as the stability and continuity of dividend payments, 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), an upward revision of ¥20. Furthermore, during the current Medium-term Management Plan (from the year ending March 31, 2024 to the year ending March 31, 2026), we will set a minimum dividend of ¥170 per share and 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 change, (5) commodity market risks, (6) foreign currency risks, (7) stock price risks of listed stocks 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		
	September 30, 2023	March 31, 2023
Current Assets:		
Cash and cash equivalents	¥ 1,197,297	¥ 1,390,130
Trade and other receivables	2,218,964	2,191,181
Other financial assets	949,294	772,984
Inventories	915,704	940,543
Advance payments to suppliers	328,413	226,692
Other current assets	176,769	153,303
Total current assets	5,786,441	5,674,833
Non-current Assets:		
Investments accounted for using the equity method	4,628,807	3,929,636
Other investments	2,272,159	2,134,103
Trade and other receivables	305,472	320,040
Other financial assets	221,567	208,021
Property, plant and equipment	2,430,615	2,300,607
Investment property	284,473	282,497
Intangible assets	444,481	277,316
Deferred tax assets	109,071	105,197
Other non-current assets	161,495	148,666
Total non-current assets	10,858,140	9,706,083
Total	¥ 16,644,581	¥ 15,380,916

(Millions of Yen)

Liabilities and Equity		
	September 30, 2023	March 31, 2023
Current Liabilities:		
Short-term debt	¥ 479,260	¥ 432,233
Current portion of long-term debt	594,765	810,999
Trade and other payables	1,615,876	1,510,391
Other financial liabilities	737,174	621,979
Income tax payables	44,483	49,335
Advances from customers	301,748	234,946
Provisions	85,138	58,952
Other current liabilities	52,585	47,802
Total current liabilities	3,911,029	3,766,637
Non-current Liabilities:		
Long-term debt, less current portion	4,006,000	3,797,328
Other financial liabilities	302,522	223,381
Retirement benefit liabilities	39,230	36,998
Provisions	338,366	310,513
Deferred tax liabilities	731,823	648,263
Other non-current liabilities	34,268	32,648
Total non-current liabilities	5,452,209	5,049,131
Total liabilities	9,363,238	8,815,768
Equity:		
Common stock	343,062	342,560
Capital surplus	388,701	381,869
Retained earnings	5,091,024	4,840,510
Other components of equity	1,301,605	868,963
Treasury stock	(62,857)	(66,152)
Total equity attributable to owners of the parent	7,061,535	6,367,750
Non-controlling interests	219,808	197,398
Total equity	7,281,343	6,565,148
Total	¥ 16,644,581	¥ 15,380,916

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Six-month period ended September 30, 2023	Six-month period ended September 30, 2022
Revenue	¥ 6,377,438	¥ 7,423,815
Cost	(5,769,044)	(6,791,900)
Gross Profit	608,394	631,915
Other Income (Expenses):		
Selling, general and administrative expenses	(391,756)	(326,023)
Gain (loss) on securities and other investments—net	134,091	18,153
Impairment reversal (loss) of fixed assets—net	(3,992)	(10,826)
Gain (loss) on disposal or sales of fixed assets—net	8,237	15,793
Other income (expense) — net	(13,693)	15,852
Total other income (expenses)	(267,113)	(287,051)
Finance Income (Costs):		
Interest income	34,225	18,110
Dividend income	53,955	80,916
Interest expense	(80,517)	(39,656)
Total finance income (costs)	7,663	59,370
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	244,932	283,573
Profit before Income Taxes	593,876	687,807
Income Taxes	(124,596)	(131,773)
Profit for the Period	¥ 469,280	¥ 556,034
Profit for the Period Attributable to:		
Owners of the parent	¥ 456,261	¥ 539,104
Non-controlling interests	13,019	16,930

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six-month period ended September 30, 2023	Six-month period ended September 30, 2022
Profit for the Period	¥ 469,280	¥ 556,034
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	26,580	(355,470)
Remeasurements of defined benefit plans	170	126
Share of other comprehensive income of investments accounted for using the equity method	(5,320)	(3,609)
Income tax relating to items not reclassified	(4,879)	101,732
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	48,951	14,026
Cash flow hedges	3,613	(110,101)
Share of other comprehensive income of investments accounted for using the equity method	391,927	475,050
Income tax relating to items that may be reclassified	(12,427)	(14,844)
Total other comprehensive income	448,615	106,910
Comprehensive Income for the Period	¥ 917,895	¥ 662,944
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 889,688	¥ 633,794
Non-controlling interests	28,207	29,150

(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, 2022	¥ 342,384	¥ 376,516	¥ 4,165,962	¥ 827,441	¥ (107,098)	¥ 5,605,205	¥ 190,211	¥ 5,795,416
Profit for the period			539,104			539,104	16,930	556,034
Other comprehensive income for the period				94,690		94,690	12,220	106,910
Comprehensive income for the period			539,104	94,690		633,794	29,150	662,944
Transaction with owners:								
Dividends paid to the owners of the parent			(96,058)			(96,058)		(96,058)
Dividends paid to non-controlling interest shareholders							(12,655)	(12,655)
Acquisition of treasury stock					(100,157)	(100,157)		(100,157)
Sales of treasury stock		(180)	(184)		364	0		0
Cancellation of treasury stock			(143,174)		143,174	-		-
Compensation costs related to share-based payment	176	1,875				2,051		2,051
Equity transactions with non-controlling interest shareholders		33		414		447	10,099	10,546
Transfer to retained earnings			11,870	(11,870)		-		-
Balance as at September 30, 2022	¥ 342,560	¥ 378,244	¥ 4,477,520	¥ 910,675	¥ (63,717)	¥ 6,045,282	¥ 216,805	¥ 6,262,087

(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, 2023	¥ 342,560	¥ 381,869	¥ 4,840,510	¥ 868,963	¥ (66,152)	¥ 6,367,750	¥ 197,398	¥ 6,565,148
Profit for the period			456,261			456,261	13,019	469,280
Other comprehensive income for the period				433,427		433,427	15,188	448,615
Comprehensive income for the period			456,261	433,427		889,688	28,207	917,895
Transaction with owners:								
Dividends paid to the owners of the parent			(114,325)			(114,325)		(114,325)
Dividends paid to non-controlling interest shareholders							(9,518)	(9,518)
Acquisition of treasury stock					(89,254)	(89,254)		(89,254)
Sales of treasury stock		(330)	(176)		506	0		0
Cancellation of treasury stock			(92,043)		92,043	-		-
Compensation costs related to share-based payment	502	3,700				4,202		4,202
Equity transactions with non-controlling interest shareholders		3,462		12		3,474	3,721	7,195
Transfer to retained earnings			797	(797)		-		-
Balance as at September 30, 2023	¥ 343,062	¥ 388,701	¥ 5,091,024	¥ 1,301,605	¥ (62,857)	¥ 7,061,535	¥ 219,808	¥ 7,281,343

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Six-month period ended September 30, 2023	Six-month period ended September 30, 2022
Operating Activities:		
Profit for the period	¥ 469,280	¥ 556,034
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	137,373	137,037
Change in retirement benefit liabilities	33	2,853
Loss allowance	15,606	7,245
(Gain) loss on securities and other investments-net	(134,091)	(18,153)
Impairment (reversal) loss of fixed assets-net	3,992	10,826
(Gain) loss on disposal or sales of fixed assets-net	(8,237)	(15,793)
Interest income, dividend income and interest expense	(35,344)	(76,919)
Income taxes	124,596	131,773
Share of (profit) loss of investments accounted for using the equity method	(244,932)	(283,573)
Valuation (gain) loss related to contingent considerations and others	343	(11,984)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(18,706)	32,504
Change in inventories	81,339	1,369
Change in trade and other payables	26,577	(125,245)
Other-net	(134,184)	(237,609)
Interest received	61,798	33,306
Interest paid	(79,086)	(33,042)
Dividends received	308,805	313,942
Income taxes paid	(108,666)	(114,201)
Cash flows from operating activities	466,496	310,370
Investing Activities:		
Net change in time deposits	(8,291)	36,102
Net change in investments in equity accounted investees	(229,474)	(101,988)
Net change in other investments	84,910	(12,332)
Net change in loan receivables	(7,050)	685
Net change in property, plant and equipment	(151,406)	(88,173)
Net change in investment property	14,792	33,705
Cash flows from investing activities	(296,519)	(132,001)
Financing Activities:		
Net change in short-term debt	33,348	15,226
Net change in long-term debt	(225,742)	(60,943)
Repayments of lease liabilities	(36,382)	(27,845)
Purchases and sales of treasury stock	(89,250)	(100,158)
Dividends paid	(114,325)	(96,058)
Transactions with non-controlling interest shareholders	1,590	(38,179)
Cash flows from financing activities	(430,761)	(307,957)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	67,951	68,330
Change in Cash and Cash Equivalents	(192,833)	(61,258)
Cash and Cash Equivalents at Beginning of Period	1,390,130	1,127,868
Cash and Cash Equivalents at End of Period	¥ 1,197,297	¥ 1,066,610

“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 September 30, 2023 are the same as those applied in the Consolidated Financial Statements of the previous fiscal year.

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

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

2) Changes in Accounting Estimates

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

(Fluctuations of the fair value 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.

(7) Segment Information

Six-month period ended September 30, 2023 (from April 1, 2023 to September 30, 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	979,097	1,353,619	623,817	1,370,579	341,442	1,575,706	132,064	6,376,324	1,114	6,377,438
Gross Profit	158,216	56,185	118,904	98,644	20,994	95,681	56,401	605,025	3,369	608,394
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	25,132	35,408	118,974	16,405	7,182	34,145	7,452	244,698	234	244,932
Profit for the Period Attributable to Owners of the Parent	134,649	25,988	164,359	14,348	2,990	69,438	26,101	437,873	18,388	456,261
Core Operating Cash Flow	177,789	77,543	115,669	24,262	1,235	29,674	19,240	445,412	29,676	475,088
Total Assets at September 30, 2023	3,026,991	3,246,428	3,649,604	1,997,609	835,372	2,859,220	1,713,319	17,328,543	(683,962)	16,644,581

Six-month period ended September 30, 2022 (from April 1, 2022 to September 30, 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	1,105,500	1,950,498	516,889	1,699,997	369,071	1,676,652	105,306	7,423,913	(98)	7,423,815
Gross Profit	203,310	63,162	97,411	114,103	21,088	88,213	39,950	627,237	4,678	631,915
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	83,608	44,648	99,084	13,899	14,631	18,606	8,918	283,394	179	283,573
Profit for the Period Attributable to Owners of the Parent	247,246	55,431	89,663	39,261	14,340	25,720	35,450	507,111	31,993	539,104
Core Operating Cash Flow	269,526	124,769	92,607	50,874	7,252	19,041	18,203	582,272	29,234	611,506
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 and operations services to the companies and its affiliated companies. Total assets of “Others / Adjustments and Eliminations” at March 31, 2023 and September 30, 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 ¥ 8,700,456 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, 2023 and September 30, 2023 includes elimination of receivables and payables between segments amounting to ¥ 8,819,918 million and ¥ 9,384,418 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 Mitsui. 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 six-month period ended September 30, 2023 and 2022, and the outstanding balance of related provision and assets recognized as reimbursement as of September 30, 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, its joint venture in the Energy Segment. In April 2021, all project personnel evacuated the project site due to the deteriorating security situation in northern Mozambique where the project site is located, and on April 26, 2021, the project operator, TotalEnergies of France, announced that it had declared force majeure under the Joint Operating Agreement.

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

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

(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 ¥12,417 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 September 30, 2023 and March 31, 2023 were ¥123,732 million and ¥98,505 million, respectively. The fair value may increase or decrease due to further changes in situation hereafter.

In addition, the carrying amount of the investments in Japan Arctic LNG, an equity accounted investee that invests in and finances the Arctic LNG 2 project, and the assets value held by Japan Arctic LNG were revaluated during the current period, however the profit and loss and comprehensive income recognized in the current period were immaterial. The outstanding balances of the investments and loans (*) as of September 30, 2023 and March 31, 2023 were ¥17,131 million and ¥15,759 million, respectively. The balance of financial guarantees as contingent liabilities were ¥251,760 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 ¥19,954 million and ¥18,213 million, respectively.

These estimates may be affected by uncertain future developments in Russia and Ukraine, and any further changes in the credit rating of the Russian Federation. Also, any changes in the Company’s policies regarding its Russian LNG business may have a significant impact on the amounts of related investments, loans and financial guarantees in the Condensed Consolidated Financial Statements for the next quarter period and thereafter.

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