Consolidated Financial Results for the Six-Month Period Ended September 30, 2020 [IFRS]

Tokyo, October 30, 2020 - Mitsui & Co., Ltd. announced its consolidated financial results for the six-month period ended September 30, 2020, 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, 2020
(from April 1, 2020 to September 30, 2020)

		Six-month period ended September 30,			
		2020	%	2019	%
Revenue	Millions of yen	3,043,604	(10.8)	3,411,236	6.2
Profit before income taxes	Millions of yen	184,693	(42.1)	318,926	0.9
Profit for the period	Millions of yen	117,263	(53.3)	250,859	6.5
Profit for the period attributable to owners of the parent	Millions of yen	110,024	(53.0)	234,153	5.1
Comprehensive income for the period	Millions of yen	242,662	1,917.0	12,031	(96.9)
Earnings per share attributable to owners of the parent, basic	Yen	65.16		134.71	
Earnings per share attributable to owners of the parent, diluted	Yen	65.13		134.61	

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, 2020	March 31, 2020
Total assets	Millions of yen	11,508,898	11,806,292
Total equity	Millions of yen	4,179,963	4,060,932
Total equity attributable to owners of the parent	Millions of yen	3,934,146	3,817,677
Equity attributable to owners of the parent ratio	%	34.2	32.3

2. Dividend information

		Year ended March 31,		Year ending March 31, 2021 (Forecast)
		2021	2020	
Interim dividend per share	Yen	40	40	
Year-end dividend per share	Yen		40	40
Annual dividend per share	Yen		80	80

Note :
Change from the latest released dividend forecast: None

3. Forecast of consolidated operating results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

		Year ending March 31, 2021
Profit attributable to owners of the parent	Millions of yen	180,000
Earnings per share attributable to owners of the parent, basic	Yen	106.87

Note :
Change from the latest released earnings forecast: None

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

(2) Changes in accounting policies and accounting estimate :
(i) Changes in accounting policies required by IFRS Yes
(ii) Other changes None
(iii) Changes in accounting estimates Yes
Note :
For further details please refer to page 23 "4. Condensed Consolidated Financial Statements (6) Changes in Accounting Policies and Changes in Accounting Estimates".

(3) Number of shares :

	September 30, 2020	March 31, 2020
Number of shares of common stock issued, including treasury stock	1,717,104,808	1,742,684,906
Number of shares of treasury stock	37,759,251	35,184,567

	Six-month period ended September 30, 2020	Six-month period ended September 30, 2019
Average number of shares of common stock outstanding	1,688,466,849	1,738,240,957

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 17.

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 2, 2020.
Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

Table of Contents

1. Qualitative Information
(1) Operating Environment.......... 2
(2) Results of Operations.......... 2
(3) Financial Condition and Cash Flows.......... 9

2. Management Policies
(1) Result and Forecast for Investment and Loan Plan.......... 13
(2) Forecasts for the Year Ending March 31, 2021.......... 13
(3) Profit Distribution Policy.......... 16

3. Other Information.......... 17

4. Condensed Consolidated Financial Statements
(1) Condensed Consolidated Statements of Financial Position.......... 18
(2) Condensed Consolidated Statements of Income and Comprehensive Income.......... 20
(3) Condensed Consolidated Statements of Changes in Equity.......... 21
(4) Condensed Consolidated Statements of Cash Flows.......... 22
(5) Assumption for Going Concern.......... 23
(6) Changes in Accounting Policies and Changes in Accounting Estimates.......... 23
(7) Changes in Presentation.......... 24
(8) Segment Information.......... 25
(9) The Fire Incident of Intercontinental Terminals Company LLC.......... 26
(10) Taxation on Capital Gain in India.......... 26

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.

(1) Operating Environment

In the six-month period ended September 30, 2020, even amid the continuing spread of infections of COVID-19, the global economy appears to have made it out of its worst period and there are signs of improvement due to the resumption of economic activities and the effects of economic measures in various countries.

In the U.S., although employment and consumer spending have improved mainly due to the resumption of economic activities, there are concerns that the pace of improvement may be slowing due to a delay in enacting additional economic measures and an increase in the number of infected people. In Europe, the economy has been picking up as a result of resuming economic activities as well. However, there are signs that infections are spreading again in countries such as UK, Spain, and France, and there are concerns that the pace of improvement in employment and consumer spending is slowing. In Japan, although consumer spending and exports showed signs of improvement due to the effects of economic measures and the recovery in demand in China and other countries, the tempo of future improvements is expected to be gradual. Despite the slow recovery in consumption in China, manufacturing activities are recovering quickly and exports and public investment appear to be driving the improvement in the economy. Although infections have continued to spread in Russia and Brazil, the economies are gradually picking up against the backdrop of a recovery in the price of crude oil and other factors.

The global economy is expected to continue to pick up under the assumption that the spread of infections will continue to be controlled by appropriate measures by various governments. However, the pace of improvement is expected to be gradual and it will likely take until next year and thereafter to make up for the decline this year.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		3,043.6	3,411.2	(367.6)
Gross profit		367.8	428.2	(60.4)
Selling, general and administrative expenses		(286.8)	(281.8)	(5.0)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	9.0	5.7	+3.3
	Impairment Reversal (Loss) of Fixed Assets—Net	(5.3)	(2.6)	(2.7)
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	(0.2)	4.8	(5.0)
	Other Income (Expense)—Net	(1.0)	10.1	(11.1)
Finance Income (Costs)	Interest Income	12.3	23.0	(10.7)
	Dividend Income	35.1	42.3	(7.2)
	Interest Expense	(28.4)	(46.9)	+18.5
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		82.0	136.1	(54.1)
Income Taxes		(67.4)	(68.1)	+0.7
Profit for the Period		117.3	250.9	(133.6)
Profit for the Period Attributable to Owners of the Parent		110.0	234.2	(124.2)

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

Revenue

Revenue for the six-month period ended September 30, 2021 (“current period”) was ¥3,043.6 billion, a decrease of ¥367.6 billion from ¥3,411.2 billion for the corresponding six-month period of the previous year (“previous period”).

Gross Profit

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

Selling, general and administrative expenses

Mainly the Mineral & Resources Segment and the Machinery & Infrastructure Segment recorded a cost increase.

Other Income (Expenses)

Gain (Loss) on Securities and Other Investments—Net

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

Impairment Reversal (Loss) of Fixed Assets—Net

For the current period, an impairment loss was recorded in the Machinery & Infrastructure Segment.

Other Income (Expense)—Net

For the current period, mainly the Energy Segment recorded derivative related profits and foreign exchange related profits and the Chemicals Segment recorded insurance proceeds in the business in North America. Also, the Mineral & Metal Resources Segment recorded foreign exchange related losses.
For the previous period, the Innovation & Corporate Development Segment recorded a valuation profit on a derivative in relation to a put option of an investment.

Finance Income (Costs)

Dividend Income

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

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

Mainly the Energy Segment, the Lifestyle Segment, the Iron & Steel Products Segment, the Machinery & Infrastructure Segment and the Mineral & Metal Resources Segment recorded a decrease.

Income Taxes

Income taxes for the current period were ¥67.4 billion, a decline of ¥0.7 billion from ¥68.1 billion for the previous period. Mainly due to income taxes recognized as other comprehensive income corresponding to sales of financial assets measured at FVTOCI, including the share of Recruit Holdings Co., Ltd., for the previous period, there was a ¥11.0 billion decline in tax burden.
The effective tax rate for the current period was 36.5%, an increase of 15.2 points from 21.3% for the previous period. The major factors for the increase were an increase of a valuation allowance against a deferred tax asset and an increase in the tax burden due to resource-related high rate taxes in the Energy Segment.

Profit for the Period Attributable to Owners of the Parent

Impacts caused by a decrease in demand and a fluctuation in commodity prices due to the effect of the COVID-19 pandemic were included. As a result, profit for the period attributable to owners of the parent was ¥110.0 billion, a decrease of ¥124.2 billion from the previous period.

2) Operating Results by Operating Segment

The business of the infrastructure of next-generation electric power, which was a part of the Machinery & Infrastructure Segment, was transferred to the Energy Segment, effective April 1, 2020. In accordance with the aforementioned changes, the operating segment information for the previous period has been restated to conform to current period presentation.

Iron & Steel Products Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	(5.8)	2.7	(8.5)
Gross profit	9.6	12.6	(3.0)
Profit (loss) of equity method investments	(4.5)	6.5	(11.0)
Dividend income	0.8	1.1	(0.3)
Selling, general and administrative expenses	(11.6)	(13.6)	+2.0
Others	(0.1)	(3.9)	+3.8

・Profit (loss) of equity method investments decreased mainly due to the following factor:

- For the current period, Gestamp companies reported a decrease of ¥8.7 billion mainly due to the lower operating time caused by lower automotive production, the impact of foreign exchange fluctuations, and one-time cost related to the structural transformation.

Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	71.3	101.9	(30.6)
Gross profit	100.6	124.8	(24.2)
Profit (loss) of equity method investments	30.2	32.7	(2.5)
Dividend income	20.2	5.0	+15.2
Selling, general and administrative expenses	(33.2)	(16.2)	(17.0)
Others	(46.5)	(44.4)	(2.1)

・Gross profit decreased mainly due to the following factor:

- Coal mining operations in Australia recorded a decrease of ¥25.3 billion mainly due to lower coal sales prices.

・Profit (loss) of equity method investments decreased mainly due to the following factor:

- Coal mining operations in Australia recorded a decrease of profit mainly due to lower coal sales price.

・Dividend income increased mainly due to the following factor:

- For the current period, ¥13.8 billion dividends from Vale S.A. was recorded.

・Selling, general and administrative expenses increased mainly due to the following factor:

- For the current period, an impairment loss of ¥19.7 billion for doubtful debt was recorded, reflecting the revisions to various assumptions regarding the Moatize mine business in Mozambique.

・In addition to the above, the following factor also affected results:

- Coal mining operations in Australia recorded a decrease of ¥4.6 billion mainly due to foreign exchange related losses.

Energy Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent		(3.7)	64.6	(68.3)
	Gross profit	33.3	75.2	(41.9)
	Profit (loss) of equity method investments	11.0	25.8	(14.8)
	Dividend income	4.3	25.9	(21.6)
	Selling, general and administrative expenses	(23.5)	(23.1)	(0.4)
	Others	(28.8)	(39.2)	+10.4

- Gross profit decreased mainly due to the following factors:
  - Mitsui Oil Exploration Co., Ltd. recorded a decrease of ¥27.7 billion mainly due to decline in production and lower oil and gas prices.
  - Business division at the Headquarters recorded a decrease mainly due to underperformance in LNG trading business.
  - Mitsui E&P USA LLC recorded a decrease of ¥4.2 billion mainly due to lower oil and gas prices.
  - MEP Texas Holdings LLC recorded a decrease of ¥3.8 billion mainly due to lower oil and gas prices and decline in production.
  - Mitsui E&P Italia A S.r.l recorded a decrease of ¥3.7 billion mainly due to an increase in cost.
- Profit of equity method investment decreased mainly due to the following factors:
  - Mitsui E&P Mozambique Area 1 Limited recorded a decrease of ¥11.6 billion mainly due to the recognition of deferred tax assets in accordance with the Final Investment Decision for the project in the previous period.
  - Japan Australia LNG (MIMI) Pty. Ltd recorded a decrease mainly due to lower oil and gas prices.
  - Mitsui & Co. LNG Investment USA, Inc. recorded an increase of ¥3.4 billion due to the commencement of commercial operation at Cameron LNG project.
- Dividends from six LNG projects (Qatargas 1, Oman, Qatargas 3, Sakhalin II, Abu Dhabi and Equatorial Guinea) were ¥4.0 billion in total, a decrease of ¥20.4 billion from the previous period.
- In addition to the above, the following factor also affected results.
  - Mitsui Oil Exploration Co., Ltd. recorded an increase of ¥4.0 billion due to derivative related profits at its overseas subsidiary and foreign exchange related profits.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	23.4	37.0	(13.6)
Gross profit	48.3	63.8	(15.5)
Profit (loss) of equity method investments	41.8	47.0	(5.2)
Dividend income	2.2	3.0	(0.8)
Selling, general and administrative expenses	(61.3)	(63.7)	+2.4
Others	(7.6)	(13.1)	+5.5

- Gross profit decreased mainly due to the following factor:
  - For the current period, the subsidiaries in relation to automobile and construction & industrial machinery business recorded a decrease due to the effect of the COVID-19 pandemic.
- Profit (loss) of equity method investments decreased mainly due to the following factor:
  - Investments in gas distribution companies in Brazil recorded a decrease of ¥4.6 billion because of demand decline due to the effect of the COVID-19 pandemic and the depreciation of Brazilian real for the current period, while the refund of service tax payments through arbitrations led to an increase in the previous period.
- Selling, general and administrative expenses increased due to the following factor, while overall, selling, general and administrative expenses decreased in the Machinery & Infrastructure Segment.
  - For the current period, an impairment loss of ¥4.9 billion for doubtful debt was recorded, reflecting the revisions to various assumptions regarding the Moatize mine business in Mozambique.
- In addition to the above, the following factors also affected results:
  - For the current period, a gain on sale of IPP business in North America was recorded.
  - For the current period, ¥4.7 billion impairment loss was recorded in the rolling stock leasing business.

Chemicals Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	10.7	4.7	+6.0
Gross profit	58.5	61.0	(2.5)
Profit (loss) of equity method investments	2.6	6.8	(4.2)
Dividend income	1.3	1.6	(0.3)
Selling, general and administrative expenses	(47.7)	(52.2)	+4.5
Others	(4.0)	(12.5)	+8.5

- Others include the following factor:
  - For the current period, insurance proceeds were recorded in the business in North America.

Lifestyle Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent		(11.9)	16.9	(28.8)
	Gross profit	58.7	67.2	(8.5)
	Profit (loss) of equity method investments	(3.1)	10.3	(13.4)
	Dividend income	2.5	2.4	+0.1
	Selling, general and administrative expenses	(65.6)	(73.0)	+7.4
	Others	(4.4)	10.0	(14.4)

- Gross profit declined mainly due to the following factors:
  - For the current period, subsidiaries, whose businesses are fashion, food and distribution, reported a decrease of profit due to the closure of stores and a decrease in demand for commercial ingredients for the food service industry caused by the state of emergency and curfew.
  - For the current period, reclassification from a consolidated subsidiary for fashion & textile businesses in Asia to an equity method investee caused a ¥3.0 billion decrease.
  - For the previous period, a ¥3.2 billion loss in the valuation of fair value was recorded mainly due to the suspension of drug development in the drug development fund invested through MBK Pharma Partnering Inc.
- Selling, general and administrative expenses increased mainly due to the following factor:
  - For the current period, reclassification from a consolidated subsidiary for fashion & textile businesses in Asia to an equity method investee caused a ¥3.9 billion increase.
- Profit (loss) of equity method investment decreased mainly due to the following factors:
  - For the current period, associated companies, whose businesses are food, fashion, and services, recorded a decrease of profit due to curfew and self-restraint.
  - For the current period, IHH Healthcare Berhad recorded a decrease of ¥5.2 billion mainly because of decline in operation rate due to lower demand for medical tourism and from patients with minor illnesses caused by the effect of the COVID-19 pandemic, and impairment of goodwill over subsidiary in India.
- In addition to the above, the following factor also affected results:
  - For the previous period, there was a ¥12.5 billion decline in tax burden in relation to income taxes recognized as other comprehensive income corresponding to sales of financial assets measured at FVTOCI, including the share of Recruit Holdings Co., Ltd.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	24.0	1.6	+22.4
Gross profit	57.5	23.4	+34.1
Profit (loss) of equity method investments	4.0	7.1	(3.1)
Dividend income	3.1	2.6	+0.5
Selling, general and administrative expenses	(32.1)	(32.3)	+0.2
Others	(8.5)	0.8	(9.3)

・Gross profit increased mainly due to the following factors:
  - For the previous period, ¥7.1 billion loss was recorded due to the valuation of fair value on shares in Hutchison China MediTech Ltd., while for the current period, ¥6.0 billion gain was recorded due to the valuation of fair value on shares.
  - For the current period, a valuation gain was recorded at a holding company as a result of concluding a share transfer agreement to sell its entire shareholding in OSIsoft LLC.
  - For the current period, an increase of ¥4.5 billion was recorded mainly due to good results of energy trading in Mitsui Bussan Commodities Ltd.
  - An increase of ¥2.2 billion was caused by the loss on the valuation and sales of the shares in Mercari, Inc. for the previous period and the profit on the sales of the entire shareholding of it for the current period.

・In addition to the above, the following factors also affected results:
  - For the previous period, a valuation profit on the derivative of ¥4.1 billion was recorded in relation to a put option of an investment.
  - For the current period, a holding company recorded an increase in tax burden in relation to a valuation gain as a result of concluding a share transfer agreement to sell its entire shareholding in OSIsoft LLC.
  - There was a ¥3.3 billion increase in tax burden caused by an increase of gross profit in relation to shares in Hutchison China MediTech Ltd.

(3) Financial Condition and Cash Flows

1) Financial Condition

(Billions of yen)	September 30, 2020	March 31, 2020	Change
Total Assets	11,508.9	11,806.3	(297.4)
Current Assets	3,766.9	4,124.4	(357.5)
Non-current Assets	7,742.0	7,681.9	+60.1
Current Liabilities	2,291.0	2,701.1	(410.1)
Non-current Liabilities	5,037.9	5,044.3	(6.4)
Net Interest-bearing Debt	*3,416.5*	*3,486.7*	*(70.2)*
Total Equity Attributable to Owners of the Parent	3,934.1	3,817.7	+116.4
Net Debt-to-Equity Ratio (times)	0.87	0.91	(0.04)

Assets

Current Assets:

- Cash and cash equivalents increased by ¥40.6 billion.
- Trade and other receivables declined by ¥184.2 billion, mainly due to lower market prices and decreases in trading volume in the Energy Segment and the Chemicals Segment, and decreases in handling amount in the Machinery & Infrastructure Segment.
- Other financial assets declined by ¥162.4 billion, mainly due to market volatility and decreases in trading volume of derivative trading in the Energy Segment and the Innovation & Corporate Development Segment.

Non-current Assets:

- Investments accounted for using the equity method declined by ¥30.4 billion, mainly due to the following factors:
  - A decline of ¥15.7 billion resulting from foreign currency exchange fluctuations;
  - A decline due to a fair value valuation of shares in Arctic LNG 2 Project in Russia through Japan Arctic LNG B.V.;
  - An increase of ¥82.0 billion corresponding to the profit of equity method investments for the current period, despite a decline of ¥87.3 billion due to dividends from equity accounted investees;
  - An increase of ¥17.4 billion due to an investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project; and
  - An increase due to an investment in Japan Arctic LNG B.V., which participates in the Arctic LNG 2 Project in Russia.
- Other investments increased by ¥135.4 billion, mainly due to the following factor:
  - Mainly as a result of higher share prices, fair value on financial assets measured at FVTOCI increased by ¥133.9 billion.
- Trade and other receivables declined by ¥35.2 billion, mainly due to an impairment loss of ¥24.7 billion for doubtful debt regarding the Moatize mine business in Mozambique.
- Property, plant and equipment increased by ¥21.3 billion, mainly due to the following factors:
  - An increase of ¥50.2 billion (including foreign exchange translation profit of ¥39.1 billion) at iron ore mining operations in Australia; and

- A decline of ¥36.9 billion (including foreign exchange translation loss of ¥7.2 billion) at the oil and gas projects, which include the U.S. shale gas and oil projects from the current period.

・ Investment property increased by ¥21.3 billion, mainly due to an increase in the Innovation & Corporate Development Segment.

Liabilities

Current Liabilities:

・ Short-term debt declined by ¥50.8 billion. Furthermore, the current portion of long-term debt increased by ¥24.5 billion, mainly due to a reclassification to current maturities.

・ Trade and other payables declined by ¥72.5 billion, corresponding to the decline in trade and other receivables.

・ Other financial liabilities declined by ¥301.4 billion, mainly due to corresponding decline in other financial assets, payments on account payable at the integrated development project in the 2, Otemachi 1-Chome District and decrease in the precious metal lease business in the Innovation & Corporate Development Segment.

Non-current Liabilities:

・ Long-term debt, less the current portion, declined by ¥15.0 billion.

Total Equity Attributable to Owners of the Parent

・ Retained earnings decreased by ¥3.7 billion.

・ Other components of equity increased by ¥117.9 billion, mainly due to the following factors:
  - Financial assets measured at FVTOCI increased by ¥101.2 billion; and
  - Foreign currency translation adjustments increased by ¥45.6 billion, mainly reflecting the appreciation of the Australian dollar against the Japanese Yen, despite the depreciation of the U.S. dollar and the Brazilian real.

・ Treasury stock which is a subtraction item in shareholders' equity decreased by ¥0.9 billion, mainly due to the cancellation of the stock for ¥46.7 billion, despite share buy-back for ¥46.0 billion (including a buy-back for share-based compensation plan for employees of ¥6.9 billion).

2) Cash Flows

(Billions of yen)	Current Period	Previous Period	Change
Cash flows from operating activities	380.8	326.7	+54.1
Cash flows from investing activities	(224.2)	(127.5)	(96.7)
Free cash flow	156.6	199.2	(42.6)
Cash flows from financing activities	(132.3)	14.6	(146.9)
Effect of exchange rate changes on cash and cash equivalents etc.	16.2	(16.9)	+33.1
Change in cash and cash equivalents	40.5	196.9	(156.4)

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	380.8	326.7	+54.1
Cash flows from change in working capital	b	75.9	(19.7)	+95.6
Repayments of lease liabilities	c	(30.8)	(29.4)	(1.4)
Core operating cash flow	a-b+c	274.1	317.0	(42.9)

- Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥75.9 billion of net cash inflow. Repayments of lease liabilities for the current period was ¥30.8 billion of cash outflow. Core operating cash flow, cash flows from operating activities without both net cash from an increase or a decrease in working capital and repayments of lease liabilities, for the current period amounted to ¥274.1 billion. From current period, in order to reflect a regular cash generation output from operating activities more appropriately, repayments of lease liabilities have been deducted. In conformity with this change, Core operating cash flow for the previous period has been restated.
  - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥114.4 billion, a decline of ¥33.6 billion from ¥148.0 billion for the previous period.
  - Depreciation and amortization for the current period was ¥133.1 billion, an increase of ¥13.6 billion from ¥119.5 billion for the previous period.

The following table shows core operating cash flow by operating segment.

(Billions of Yen)	Current Period	Previous Period	Change
Iron & Steel Products	(0.5)	(0.4)	(0.1)
Mineral & Metal Resources	97.2	119.8	(22.6)
Energy	60.2	116.4	(56.2)
Machinery & Infrastructure	26.3	37.8	(11.5)
Chemicals	22.7	13.3	+9.4
Lifestyle	1.3	2.3	(1.0)
Innovation & Corporate Development	30.9	(5.7)	+36.6
All Other and Adjustments and Eliminations	36.0	33.5	+2.5
Consolidated Total	274.1	317.0	(42.9)

Cash Flows from Investing Activities

- Net cash outflows that corresponded to investments in equity accounted investees (net of sales of investments in equity accounted investees) were ¥31.4 billion, mainly due to the following factors:
  - An investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project, for ¥17.4 billion.
  - An investment in Japan Arctic LNG B.V, which participates in the Arctic LNG 2 Project in Russia; and
  - A sale of IPP business in North America.
- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥123.6 billion, mainly due to the following factors:
  - An expenditure for the integrated development project in the 2, Otemachi 1-Chome District for ¥36.5 billion.
  - An expenditure for the oil and gas projects for ¥23.0 billion; and
  - An expenditure for iron ore mining operations in Australia for ¥20.6 billion.
- Net cash outflows that corresponded to purchases of investment property (net of sales of those assets) were ¥52.4 billion, mainly due to an expenditure for the integrated development project in the 2, Otemachi 1-Chome District for ¥36.9 billion.

Cash Flows from Financing Activities

- Net cash outflows from net change in short-term debt were ¥52.8 billion, net cash inflows from net change in long-term debt were ¥72.5 billion, and cash outflow from repayments of lease liabilities were ¥30.8 billion.
- The cash outflow from the purchases of treasury stock was ¥46.0 billion (including a buy-back for share-based compensation plan for employees of ¥6.9 billion).
- The cash outflow from payments of cash dividends was ¥68.3 billion.

2. Management Policies

(1) Result and Forecast for Investment and Loan Plan(*)

For the current period, approximately ¥265.0 billion in loans and investments were implemented, mainly for the integrated development project in the 2, Otemachi 1-Chome District, oil & gas projects and iron ore mining operations in Australia. On the other hand, approximately ¥55.0 billion was collected mainly through a sale of IPP business in North America. We will continue to evolve the financial strategy and portfolio management within cash flow allocation frame work, which is flagged as one of the corporate strategies in the Medium-term Management Plan by maintaining strict investment discipline and pursuing flexible and strategic capital allocation.
(*)Excludes changes in time deposits.

(2) Forecasts for the Year Ending March 31, 2021

1) Revised forecasts for the year ending March 31, 2021

<Assumption>	1st Half (Actual)	2nd Half (Forecast)	Revised Forecast	Original Forecast
Exchange rate (JPY/USD)	106.32	106.00	106.16	108.00
Crude oil (JCC)	$36/bbl	$42/bbl	$39/bbl	$33/bbl
Consolidated oil price	$49/bbl	$40/bbl	$44/bbl	$39/bbl

(Billions of Yen)	March 31, 2021 Revised forecast	March 31, 2021 Original forecast	Change	Description
Gross profit	690.0	680.0	+10.0	Iron ore business
Selling, general and administrative expenses	(620.0)	(610.0)	(10.0)	Travel expenses decrease, while an impairment loss in coal business
Gain on investments, fixed assets and other	0.0	30.0	(30.0)	Miscellaneous
Interest expenses	(30.0)	(50.0)	+20.0	Lower interest rate
Dividend income	70.0	60.0	+10.0	Iron ore business, oil & gas business
Profit (loss) of equity method investments	170.0	170.0	–	
Profit before income taxes	280.0	280.0	–	
Income taxes	(85.0)	(85.0)	–	
Non-controlling Interests	(15.0)	(15.0)	–	
Profit for the year attributable to owners of the parent	180.0	180.0	–	

Depreciation and amortization	300.0	300.0	–	

Core operating cash flow	480.0	400.0	+80.0	

・Original forecast announced in May, 2020 stated that an approximately ¥200.0 billion decrease was included with a high degree of uncertainty as the impact of the COVID-19 pandemic. Since high-uncertainty situation has continued, the profit for the year attributable to owners of the parent of ¥180.0 billion at the original forecast is unchanged for the revised forecast. However, since the situations of respective operating segments are not same, the Lifestyle Segment and the Iron and Steel Products Segment were revised down because the impact will be deeper than the original forecast, while the Innovation & Corporate Development Segment and Chemicals Segment were revised up because the business is relatively solid.

・It is assumed that foreign exchange rates for the six-month period ending March 31, 2021 (2nd half) will be ¥106/US$, ¥76/AU$ and ¥19/BRL, while average foreign exchange rates for the six-month period ended September 30, 2020 (1st half) were ¥106.32/US$, ¥73.91/AU$ and ¥19.74/BRL. Also, it is assumed that the annual average crude oil price applicable to our financial results for the year ending March 31, 2021 will be US$44/barrel, up US$5 from the original assumption, based on the assumption that the crude oil price (JCC) will average US$42/barrel throughout the six-month period ending March 31, 2021.

The revised forecast for profit for the year attributable to owners of the parent by operating segment compared to the original forecast is as follows:

(Billions of Yen)	Year ending March 31, 2021 Revised Forecast	Year ending March 31, 2021 Original Forecast	Change	Description
Iron & Steel Products	(5.0)	5.0	(10.0)	Steel materials for automotive industry
Mineral & Metal Resources	120.0	120.0	－	
Energy	0.0	0.0	－	
Machinery & Infrastructure	35.0	35.0	－	
Chemicals	25.0	20.0	+5.0	Trading business
Lifestyle	(10.0)	5.0	(15.0)	Decline in dining out and purchasing demand
Innovation & Corporate Development	35.0	15.0	+20.0	Profits from sales/valuation of FVTPL securities
All Other and Adjustments and Eliminations	(20.0)	(20.0)	－	
Consolidated Total	180.0	180.0	－	

The revised forecast for core operating cash flow by operating segment compared to the original forecast is as follows:

(Billions of Yen)	Year ending March 31, 2021 Revised Forecast	Year ending March 31, 2021 Original Forecast	Change	Description
Iron & Steel Products	0.0	0.0	－	
Mineral & Metal Resources	230.0	160.0	+70.0	Iron ore business
Energy	100.0	90.0	+10.0	Oil & gas price improvement
Machinery & Infrastructure	60.0	60.0	－	
Chemicals	45.0	45.0	－	
Lifestyle	5.0	15.0	(10.0)	Decline in dining out and purchasing demand
Innovation & Corporate Development	35.0	15.0	+20.0	Profits from sales/valuation of FVTPL securities
All Other and Adjustments and Eliminations	5.0	15.0	(10.0)	
Consolidated Total	480.0	400.0	+80.0	

2) Key commodity prices and other parameters for the year ending March 31, 2021

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2021. The effects of movements on each commodity price and foreign exchange rates on profit for the year attributable to owners of the parent are included in the table.

Impact on profit for the year attributable to owners of the parent for the Year ending March 31, 2021 (Announced in May 2020)				Original Forecast (Announced in May 2020)		March 2021			Revised Forecast (Announced in October 2020)
						1st Half (Result)	2nd Half (Assumption)		
Commodity	Crude Oil/JCC		ー	33		36	42		39
	Consolidated Oil Price(*1)		¥3.2 bn (US$1/bbl)	39		49	40		44
	U.S. Natural Gas(*2)		¥0.9 bn (US$0.1/mmBtu)	2.15(*3)		1.81(*4)	2.31(*3)		2.06
	Iron Ore(*5)		¥2.2 bn (US$1/ton)	(*6)		105(*7)	(*6)		(*6)
	Coal	Coking	¥0.4 bn (US$1/ton)	(*6)	→	123(*8)	(*6)	→	(*6)
		Thermal	¥0.1 bn (US$1/ton)	(*6)		69(*8)	(*6)		(*6)
	Copper(*9)		¥0.7 bn (US$100/ton)	5,600		5,490(*10)	6,440		5,965
Forex (*11)	USD		¥1.3 bn (¥1/USD)	108.00		106.32	106.00		106.16
	AUD		¥1.6 bn (¥1/AUD)	75.00		73.91	76.00		74.95
	BRL		¥0.3 bn (¥1/BRL)	26.00		19.74	19.00		19.37

(*1) As the crude oil price affects our consolidated results with a 0-6 month time lag, the effect of crude oil prices on consolidated results is estimated as the consolidated oil price, which reflects this lag. For FY Mar/2021 it was assumed that there is a 4-6 month lag for approx. 30%, a 1-3 month lag for approx. 50%, and no lag for approx. 20%. The above sensitivities show annual impact of changes in consolidated oil price.

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

(*3) HH price of US$2.15/mmBtu is assumed for sale prices linked to the HH price for FY Mar/2021 original forecast, and US$2.31/mmBtu for FY Mar/2021 2nd half.

(*4) U.S. Gas figures for FY Mar/2021 1st half (result) are the Henry Hub Natural Gas Futures average daily prompt month closing prices traded on NYMEX during January 2020 to June 2020.

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

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

(*7) Iron ore results figures for FY Mar/2021 1st half (result) are the daily average (reference price) spot indicated price (Fe 62% CFR North China) recorded in several industry trade magazines from April 2020 to September 2020.

(*8) Coal results figures for FY Mar/2021 1st half (result) are the quarterly average prices of representative coal brands in Japan (US$/MT)

(*9) 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 March to December 2020.

(*10) Copper results figures for FY Mar/2021 1st half (result) are the averages of the LME monthly average cash settlement prices for the period January 2020 to June 2020.

(*11) Impact of currency fluctuations on reported profit for the year of overseas subsidiaries denominated in their respective functional currencies. 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 Metal Resources and Energy business where the sales contract is in US$, the impact of currency fluctuations between the US$ and the functional currencies (Australian $ and Brazilian Real) 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 (a) meeting investment demand in our core and growth areas through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends.
- In addition to the above, share buy-backs aimed at improving capital efficiency should be decided in a prompt and flexible manner as needed concerning buy-back timing and amount by taking into consideration of the business environment such as, future investment activity trends, free cash flow and interest-bearing debt levels, and return on equity.

For the period of the Medium-term Management Plan, emphasizing stability and continuity regarding dividends, we have established a minimum annual dividend amount of ¥80 per share, based on our assessment of achievable stable core operating cash flow. In addition, the plan aims to steadily increase dividends through improvements in corporate performance.
Based on corporate performance during the period of the Medium-term Management Plan, a part of cash-out amount will flexibly and promptly be allocated to an investment for growth as well as shareholders return such as an additional dividend and share buy-back.
For the year ending March 31 2021, we envisaged an annual dividend of ¥80 per share(the same as the year ending March31, 2020, including the interim dividend of ¥40 per share) taking into consideration of core operating cash flow and profit for the year attributable to owners of the parent as well as stability and continuity of the amount of dividend. In this connection, we decided to pay an interim dividend of ¥40 per share, the same amount as the previous period.

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) risk of COVID-19, (2) business investment 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, terrorists and violent groups. 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, 2020		March 31, 2020	
Current Assets:				
Cash and cash equivalents	¥	1,099,279	¥	1,058,733
Trade and other receivables		1,438,294		1,622,501
Other financial assets		400,461		562,899
Inventories		554,357		553,861
Advance payments to suppliers		142,798		167,250
Other current assets		131,694		159,175
Total current assets		3,766,883		4,124,419
Non-current Assets:				
Investments accounted for using the equity method		2,850,637		2,880,958
Other investments		1,619,786		1,484,422
Trade and other receivables		387,187		422,423
Other financial assets		148,797		186,010
Property, plant and equipment		2,142,671		2,121,371
Investment property		273,073		251,838
Intangible assets		193,546		195,289
Deferred tax assets		51,874		58,908
Other non-current assets		74,444		80,654
Total non-current assets		7,742,015		7,681,873
Total	¥	11,508,898	¥	11,806,292

(Millions of Yen)

Liabilities and Equity		
	September 30, 2020	March 31, 2020
Current Liabilities:		
Short-term debt	¥ 246,699	¥ 297,458
Current portion of long-term debt	424,440	399,904
Trade and other payables	1,064,031	1,136,504
Other financial liabilities	325,560	626,963
Income tax payables	55,713	46,206
Advances from customers	105,855	133,247
Provisions	28,167	25,844
Other current liabilities	40,575	34,984
Total current liabilities	2,291,040	2,701,110
Non-current Liabilities:		
Long-term debt, less current portion	4,214,175	4,229,218
Other financial liabilities	92,691	105,279
Retirement benefit liabilities	40,980	39,956
Provisions	228,176	228,173
Deferred tax liabilities	435,394	412,971
Other non-current liabilities	26,479	28,653
Total non-current liabilities	5,037,895	5,044,250
Total liabilities	7,328,935	7,745,360
Equity:		
Common stock	342,080	341,776
Capital surplus	403,585	402,652
Retained earnings	3,358,626	3,362,297
Other components of equity	(105,991)	(223,910)
Treasury stock	(64,154)	(65,138)
Total equity attributable to owners of the parent	3,934,146	3,817,677
Non-controlling interests	245,817	243,255
Total equity	4,179,963	4,060,932
Total	¥ 11,508,898	¥ 11,806,292

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Six-month period ended September 30, 2020	Six-month period ended September 30, 2019
Revenue	¥ 3,043,604	¥ 3,411,236
Cost	(2,675,768)	(2,983,047)
Gross Profit	367,836	428,189
Other Income (Expenses):		
Selling, general and administrative expenses	(286,769)	(281,776)
Gain (loss) on securities and other investments－net	8,967	5,655
Impairment reversal (loss) of fixed assets－net	(5,270)	(2,596)
Gain (loss) on disposal or sales of fixed assets－net	(176)	4,815
Other income (expense) －net	(966)	10,120
Total other income (expenses)	(284,214)	(263,782)
Finance Income (Costs):		
Interest income	12,336	23,043
Dividend income	35,127	42,259
Interest expense	(28,378)	(46,882)
Total finance income (costs)	19,085	18,420
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	81,986	136,099
Profit before Income Taxes	184,693	318,926
Income Taxes	(67,430)	(68,067)
Profit for the Period	¥ 117,263	¥ 250,859
Profit for the Period Attributable to:		
Owners of the parent	¥ 110,024	¥ 234,153
Non-controlling interests	7,239	16,706

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six-month period ended September 30, 2020	Six-month period ended September 30, 2019
Profit for the Period	¥ 117,263	¥ 250,859
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	137,206	(58,137)
Remeasurements of defined benefit plans	(1,417)	(170)
Share of other comprehensive income of investments accounted for using the equity method	(9,461)	(753)
Income tax relating to items not reclassified	(23,909)	14,978
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	84,399	(62,741)
Cash flow hedges	6,678	(3,424)
Share of other comprehensive income of investments accounted for using the equity method	(66,227)	(134,175)
Income tax relating to items that may be reclassified	(1,870)	5,594
Total other comprehensive income	125,399	(238,828)
Comprehensive Income for the Period	¥ 242,662	¥ 12,031
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 229,395	¥ 6,931
Non-controlling interests	13,267	5,100

(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, 2019	¥ 341,482	¥ 387,335	¥ 3,078,655	¥ 463,270	¥ (7,576)	¥ 4,263,166	¥ 267,142	¥ 4,530,308
Cumulative effect of changes in accounting policies			(5,306)			(5,306)		(5,306)
Balance as at April 1, 2019 after changes in accounting policies	341,482	387,335	3,073,349	463,270	(7,576)	4,257,860	267,142	4,525,002
Profit for the period			234,153			234,153	16,706	250,859
Other comprehensive income for the period				(227,222)		(227,222)	(11,606)	(238,828)
Comprehensive income for the period			234,153	(227,222)		6,931	5,100	12,031
Transaction with owners:								
Dividends paid to the owners of the parent			(69,524)			(69,524)		(69,524)
Dividends paid to non-controlling interest shareholders							(8,826)	(8,826)
Acquisition of treasury stock					(6)	(6)		(6)
Sales of treasury stock		(133)	(287)		421	1		1
Compensation costs related to share-based payment	294	(271)				23		23
Equity transactions with non-controlling interest shareholders		16,578		(422)		16,156	(612)	15,544
Transfer to retained earnings			30,772	(30,772)		-		-
Balance as at September 30, 2019	¥ 341,776	¥ 403,509	¥ 3,268,463	¥ 204,854	¥ (7,161)	¥ 4,211,441	¥ 262,804	¥ 4,474,245

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2020	¥ 341,776	¥ 402,652	¥ 3,362,297	¥ (223,910)	¥ (65,138)	¥ 3,817,677	¥ 243,255	¥ 4,060,932
Profit for the period			110,024			110,024	7,239	117,263
Other comprehensive income for the period				119,371		119,371	6,028	125,399
Comprehensive income for the period			110,024	119,371		229,395	13,267	242,662
Transaction with owners:								
Dividends paid to the owners of the parent			(68,301)			(68,301)		(68,301)
Dividends paid to non-controlling interest shareholders							(8,872)	(8,872)
Acquisition of treasury stock					(45,970)	(45,970)		(45,970)
Sales of treasury stock		(105)	(127)		232	0		0
Cancellation of treasury stock			(46,722)		46,722	-		-
Compensation costs related to share-based payment	304	1,053				1,357		1,357
Equity transactions with non-controlling interest shareholders		(15)		3		(12)	(1,833)	(1,845)
Transfer to retained earnings			1,455	(1,455)		-		-
Balance as at September 30, 2020	¥ 342,080	¥ 403,585	¥ 3,358,626	¥ (105,991)	¥ (64,154)	¥ 3,934,146	¥ 245,817	¥ 4,179,963

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Six-month period ended September 30, 2020	Six-month period ended September 30, 2019
Operating Activities:		
Profit for the period	¥ 117,263	¥ 250,859
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	133,082	119,484
Change in retirement benefit liabilities	281	931
Loss allowance	33,078	6,350
(Gain) loss on securities and other investments—net	(8,967)	(5,655)
Impairment (reversal) loss of fixed assets—net	5,270	2,596
(Gain) loss on disposal or sales of fixed assets—net	176	(4,815)
Interest income, dividend income and interest expense	(32,753)	(32,401)
Income taxes	67,430	68,067
Share of (profit) loss of investments accounted for using the equity method	(81,986)	(136,099)
Valuation (gain) loss related to contingent considerations and others	(2,258)	(1,854)
Changes in operating assets and liabilities:		
Change in trade and other receivables	230,646	190,676
Change in inventories	2,148	(40,862)
Change in trade and other payables	(81,534)	(154,456)
Other—net	(75,345)	(15,100)
Interest received	29,034	39,715
Interest paid	(33,544)	(50,695)
Dividends received	114,368	147,975
Income taxes paid	(35,553)	(58,039)
Cash flows from operating activities	380,836	326,677
Investing Activities:		
Net change in time deposits	(14,560)	2,110
Net change in investments in equity accounted investees	(31,392)	(52,405)
Net change in other investments	(891)	45,782
Net change in loan receivables	(1,385)	(5,873)
Net change in property, plant and equipment	(123,575)	(116,927)
Net change in investment property	(52,413)	(189)
Cash flows from investing activities	(224,216)	(127,502)
Financing Activities:		
Net change in short-term debt	(52,819)	98,314
Net change in long-term debt	72,496	19,143
Repayments of lease liabilities	(30,832)	(29,426)
Purchases and sales of treasury stock	(45,970)	(5)
Dividends paid	(68,301)	(69,524)
Transactions with non-controlling interest shareholders	(6,890)	(3,876)
Cash flows from financing activities	(132,316)	14,626
Effect of Exchange Rate Changes on Cash and Cash Equivalents	16,242	(16,883)
Change in Cash and Cash Equivalents	40,546	196,918
Cash and Cash Equivalents at Beginning of Period	1,058,733	956,107
Cash and Cash Equivalents at End of Period	¥ 1,099,279	¥ 1,153,025

"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

Significant accounting policies applied in the Condensed Consolidated Financial Statements for the period ended September 30, 2020 are the same as those applied in the Consolidated Financial Statements of the previous fiscal year except for the following.

The companies applied the following new standards for Condensed Consolidated Financial Statements from April 1, 2020.

IFRS	Title	Summaries
IFRS 3	Business Combinations (amended in October 2018)	Amendment of definition of a business

Impacts from the application of IFRS 3 "Business Combinations" amended in October 2018 on the Condensed Consolidated Financial Statements are immaterial.

2) Changes in Accounting Estimates

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

(Impairment losses for the Moatize mine business in Mozambique)
Mitsui & Co. Mozambique Coal Finance Limited, which lends to Mozambique coal business, recognized a loss of ¥ 24,668 million as a loss allowance for doubtful debt in “Selling, general and administrative expenses” in the Condensed Consolidated Statements of Income (Mineral & Metal Resources ¥ 19,734 million, Machinery & Infrastructure ¥ 4,934 million) due to the decrease of production mainly related to the revision of the production plan and the decline in the coal prices which are based on several third parties’ mid-long term forecasts.

(7) Changes in Presentation

（Condensed Consolidated Statements of Cash Flows）

“Repayments of lease liabilities”, which was included in “Net change in long-term debt” for the six-month period ended September 2019 is separately presented from the three-month period ended June 2020 in order to indicate the calculation of Core Operating Cash Flow whose formula has been altered from April 1,2020. Condensed Consolidated Statements of Cash Flows for the six-month period ended September 2019 is reclassified to conform to this change in presentation.

As a result, the amount of ¥ (10,283) million for the six-month period ended September 2019, which was presented in “Net change in long-term debt” within “Cash Flows from Financing Activities” in the Condensed Consolidated Statements of Cash Flows for the six-month period ended September 2019 has been reclassified and presented as ¥ 19,143 million for “Net change in long-term debt” and as ¥ (29,426) million for “Repayments of lease liabilities”.

（Condensed Consolidated Statements of Changes in Equity）

Compensation costs related to stock options and share performance-linked restricted stock are integrated in “Compensation costs related to share-based payment” from the six-month period ended September 30, 2020. Compensation costs related to the share-based compensation plan for employees introduced in the six-month period ended September 30, 2020 is also included in this account.

As a result, in Condensed Consolidated Statements of Changes in Equity for the six-month period ended September 30, 2019, the capital surplus of ¥ 23 million for “Compensation costs related to stock options”, the common stock of ¥ 294 million and the capital surplus of ¥ (294) million for “Compensation costs related to share performance-linked restricted stock” have been reclassified and presented as the common stock of ¥ 294 million and the capital surplus of ¥ (271) million for “Compensation costs related to share-based payment”.

(8) Segment Information

Six-month period ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Lifestyle	Innovation & Corporate Development	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	106,032	597,132	354,787	372,189	597,413	898,240	113,911	3,039,704	3,900	3,043,604
Gross Profit	9,576	100,601	33,257	48,294	58,505	58,721	57,548	366,502	1,334	367,836
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	(4,501)	30,237	11,024	41,813	2,554	(3,112)	3,965	81,980	6	81,986
Profit (Loss) for the Period Attributable to Owners of the parent	(5,797)	71,261	(3,681)	23,386	10,731	(11,946)	23,958	107,912	2,112	110,024
Core Operating Cash Flow	(484)	97,227	60,246	26,339	22,657	1,311	30,880	238,176	35,913	274,089
Total Assets at September 30, 2020	515,110	2,096,566	2,316,277	2,175,644	1,199,714	1,889,739	1,144,356	11,337,406	171,492	11,508,898

Six-month period ended September 30, 2019 (from April 1, 2019 to September 30, 2019) (As restated)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Lifestyle	Innovation & Corporate Development	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	117,867	549,654	446,455	424,685	774,816	1,013,199	83,233	3,409,909	1,327	3,411,236
Gross Profit	12,601	124,751	75,187	63,845	61,025	67,160	23,368	427,937	252	428,189
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	6,495	32,706	25,819	47,015	6,771	10,298	7,122	136,226	(127)	136,099
Profit for the Period Attributable to Owners of the parent	2,742	101,884	64,621	36,963	4,745	16,941	1,645	229,541	4,612	234,153
Core Operating Cash Flow	(412)	119,812	116,449	37,756	13,290	2,295	(5,692)	283,498	33,495	316,993
Total Assets at March 31, 2020	539,599	1,921,883	2,566,282	2,360,321	1,217,737	1,907,621	1,198,286	11,711,729	94,563	11,806,292

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, 2020 and September 30, 2020 includes cash, cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services amounting to ¥ 7,142,647 million and ¥ 7,099,708 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, 2020 and September 30, 2020 includes elimination of receivables and payables between segments amounting to ¥ 7,048,084 million and ¥ 6,928,216 million, respectively.
5. Formerly, Core Operating Cash Flow was calculated by eliminating the sum of the "Changes in Operating Assets and Liabilities" from "Cash Flows from Operating Activities" as presented in the Condensed Consolidated Statements of Cash Flows. From the three-month period ended June 30, 2020, it is calculated by additionally deducting the "Repayments of lease liabilities" as presented in the "Cash Flows from Financing Activities". In accordance with this change, Core Operating Cash Flow for the six-month period ended September 30, 2019 has been restated.
6. In order to accelerate our multifaceted, flexible initiatives that combine various kinds of knowledge from different business domains, the business of next-generation electric power was transferred from the "Machinery & Infrastructure" segment to the "Energy" segment, in conjunction with the creation of the Energy Solutions Business Unit in "Energy" segment, from the three-month period ended June 30, 2020. In accordance with this change, the segment information for the six-month period ended September 30, 2019 has been restated to conform to the current period presentation.

(9) The Fire Incident of Intercontinental Terminals Company LLC

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

The profit and loss related to this incident recognized in the six-month period ended September 30, 2020 and 2019, and the outstanding balance of related provision as of September 30, 2020 are immaterial.

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

(10) Taxation on Capital Gain in India

Earlyguard Limited ("EG"), a UK subsidiary of Mitsui & Co., Ltd., received a tax payment notice dated January 21, 2020 which requested payment of 24 billion Indian Rupees (¥37 billion) from Indian tax authority.
The taxable income of this notice is the capital gain on sales of Finsider International Company Limited (a UK company that owned 51% of Sesa Goa, an Indian iron ore company) shares held by EG in April 2007. Although EG treated the capital gain properly according to the tax laws at that time, the tax payment notice has been issued.
The company does not expect a significant impact on our consolidated financial position, operating results and cash flow at this stage.