Consolidated Financial Results for the Year Ended March 31, 2021 [IFRS]

Tokyo, April 30, 2021 - Mitsui & Co., Ltd. announced its consolidated financial results for the year ended March 31, 2021, based on International Financial Reporting Standards ("IFRS").

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

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1. Consolidated financial results

(1) Consolidated operating results information for the year ended March 31, 2021
(from April 1, 2020 to March 31, 2021)

		Years ended March 31,			
		2021	%	2020	%
Revenue	Millions of yen	8,010,235	(5.6)	8,484,130	(5.3)
Profit before income taxes	Millions of yen	450,202	(15.7)	534,320	(8.6)
Profit for the year	Millions of yen	350,381	(14.8)	411,312	(4.7)
Profit for the year attributable to owners of the parent	Millions of yen	335,458	(14.3)	391,513	(5.5)
Comprehensive income for the year	Millions of yen	996,046	−	(261,856)	−
Earnings per share attributable to owners of the parent, basic	Yen	199.28		226.13	
Earnings per share attributable to owners of the parent, diluted	Yen	199.18		225.98	
Profit ratio to equity attributable to owners of the parent	%	8.0		9.7	
Profit before income taxes to total assets	%	3.7		4.5	

Note:
1. Percentage figures for Revenue, Profit before income taxes, Profit for the year, Profit for the year attributable to owners of the parent, and Comprehensive income for the year represent changes from the previous year.
2. Share of profit (loss) of investments accounted for using the equity method for the years ended March 31, 2021 and 2020 were ¥227,910 million and ¥269,232 million, respectively.
3. As described in the Note in Consolidated Statements of Income, the Company has reconsidered the presentation of revenue from certain transactions, and has restated revenues for the previous fiscal year.

(2) Consolidated financial position information

		March 31, 2021	March 31, 2020
Total assets	Millions of yen	12,515,845	11,806,292
Total equity	Millions of yen	4,822,887	4,060,932
Total equity attributable to owners of the parent	Millions of yen	4,570,420	3,817,677
Equity attributable to owners of the parent ratio	%	36.5	32.3
Equity per share attributable to owners of the parent	Yen	2,739.28	2,235.83

(3) Consolidated cash flow information

		Years ended March 31,	
		2021	2020
Operating activities	Millions of yen	772,696	526,376
Investing activities	Millions of yen	(322,474)	(185,230)
Financing activities	Millions of yen	(486,963)	(204,561)
Cash and cash equivalents at the end of the year	Millions of yen	1,063,150	1,058,733

2. Dividend information

		Years ended March 31,		Year ending March 31, 2022 (Forecast)
		2021	2020	
Interim dividend per share	Yen	40	40	45
Year-end dividend per share	Yen	45	40	45
Annual dividend per share	Yen	85	80	90
Annual dividend (total)	Millions of yen	142,589	137,848	
Consolidated dividend payout ratio	%	42.7	35.4	32.4
Consolidated dividend on equity attributable to owners of the parent	%	3.4	3.4	

Note:
The amount of Annual dividend includes ¥331 million of dividend for the shares related to the share-based compensation plan for employees.

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

		Year ending March 31, 2022
Profit attributable to owners of the parent	Millions of yen	460,000
Earnings per share attributable to owners of the parent, basic	Yen	277.49

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 p.28 “5. Consolidated Financial Statements (7) Changes in Accounting Policies and Changes in Accounting Estimates”.

(3) Number of shares :

	March 31, 2021	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	48,628,466	35,184,567

	Year ended March 31, 2021	Year ended March 31, 2020
Average number of shares of common stock outstanding	1,683,338,251	1,731,383,943

This earnings report is not subject to audit.

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 key assumptions on which the statements concerning future performance are based, please refer to (2)“Forecasts for the Year Ending March 31, 2022” on p.16. For cautionary notes with respect to forward-looking statements, please refer to the “Notice” section on p.20.

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 May 7, 2021.

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 earnings report, the audit procedures for consolidated financial statements have not been completed.

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 year ended March 31, 2021, the global economy declined rapidly and significantly at the beginning of the fiscal year due to widespread restraints on economic activities, which included curfew in many countries due to the global spread of COVID-19. However, the overall economy subsequently rebounded as economic activities resumed intermittently depending on the spread of infection, and major economies such as the U.S. provided large-scale support for households and businesses and implemented financial measures.

In the U.S., the economic recovery trend is expected to strengthen due to large-scale economic measures by the new Biden administration and increasing vaccinations. In Europe, there are concerns that the economic recovery may be delayed as restraints on activities continue due to the resurgence in infections and the slowing pace of vaccinations in major countries other than the UK. In Japan, despite the recovery in exports, there are concerns about the resurgence of COVID-19 cases and the impact of reduced automobile production due to a global shortage of semiconductors. As a result, a full-fledged recovery is not expected until after the summer when more vaccinations are available. In China, in addition to an increase in exports, investment and consumer spending are recovering and the economic growth rate is expected to exceed the rate prior to the COVID-19 outbreak. In Russia and Brazil, although exports and consumer spending continue to recover, Brazil remains unable to stop the spread of infection and there are concerns that this will hinder the economic recovery.

The global economic recovery is expected to be boosted by additional economic measures in major countries as well as by widespread availability of vaccinations. China, which controlled the spread of infection during the early stage, is already on a recovery path, and the U.S., which is expanding large-scale financial measures, is expected to return to the level before the COVID-19 outbreak in the first half of the year. Then, Japan is expected to return to the pre-COVID-19 level by the end of the year and Europe by next year.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Year	Previous Year (As restated)	Change
Revenue		8,010.2	8,484.1	(473.9)
Gross Profit		811.5	839.4	(27.9)
Selling, general and administrative expenses		(606.4)	(584.9)	(21.5)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	7.9	25.1	(17.2)
	Impairment Reversal (Loss) of Fixed Assets—Net	(52.9)	(110.8)	+57.9
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	4.6	9.5	(4.9)
	Other Income (Expense)—Net	(13.9)	38.5	(52.4)
Finance Income (Costs)	Interest Income	19.9	41.4	(21.5)
	Dividend Income	103.7	96.5	+7.2
	Interest Expense	(51.9)	(89.6)	+37.7
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		227.9	269.2	(41.3)
Income Taxes		(99.8)	(123.0)	+23.2
Profit for the Year		350.4	411.3	(60.9)
Profit for the Year Attributable to Owners of the Parent		335.5	391.5	(56.0)

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

Revenue

Revenue for the year ended March 31, 2021 (“current year”) was ¥8,010.2 billion, a decrease of ¥473.9 billion from the year ended March 31, 2020 (“previous year”).

* We have presented the "revenue" and corresponding "cost" of certain transactions in gross amounts beginning with the current fiscal year. Those amounts for the previous fiscal year have also been restated to conform to the presentation in the current fiscal year. This restatement has no impact on gross profit, profit for the year attributable to owners of the parent, or total equity attributable to owners of the parent. For further details please refer to “5. Consolidated Financial Statements (2) Consolidated Statements of Income and Comprehensive Income”.

Gross Profit

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

Selling, general and administrative expenses

Mainly the Lifestyle Segment and the Machinery & Infrastructure Segment recorded a decline, while a cost increasing factor was recorded in the Machinery & Infrastructure Segments. On the other hand, the Mineral & Metal Resources Segment recorded increasing factors. The table provides a breakdown of selling, general and administrative expenses.

	Billions of Yen		
	Current Year	Previous Year	Change
Personnel	¥ (296.9)	¥ (298.8)	¥ +1.9
Welfare	(9.2)	(10.4)	+1.2
Travel	(7.0)	(27.5)	+20.5
Entertainment	(1.7)	(6.1)	+4.4
Communication	(46.4)	(44.1)	(2.3)
Rent	(8.7)	(9.3)	+0.6
Depreciation	(36.7)	(41.9)	+5.2
Fees and Taxes	(12.4)	(13.3)	+0.9
Loss Allowance	(80.6)	(31.3)	(49.3)
Others	(106.8)	(102.2)	(4.6)
Total	¥ (606.4)	¥ (584.9)	¥ (21.5)

Other Income (Expenses)

Gain (Loss) on Securities and Other Investments—Net

For the current year, a gain on securities was recorded in the Machinery & Infrastructure Segment, while an impairment loss was recorded in the Mineral & Metal Resources Segment and the Machinery & Infrastructure Segment.

For the previous year, a gain on securities was recorded in the Machinery & Infrastructure Segment, the Lifestyle Segment and the Innovation & Corporate Development Segment.

Impairment Reversal (Loss) of Fixed Assets—Net

For the current year, mainly the Energy Segment and the Machinery & Infrastructure Segment recorded an impairment loss on fixed assets, while the Innovation & Corporate Development Segment recorded an impairment reversal.

For the previous year, impairment losses on fixed assets were recorded in the Energy Segment, the Lifestyle Segment and the Machinery & Infrastructure Segment.

Other Income (Expense)—Net

For the current year, the impairment loss on loans in the Mineral & Metal Resources Segment and Machinery & Infrastructure Segment, the foreign exchange related loss in the Mineral & Metal Resources Segment, and the cost related to asset retirement obligation in the Energy Segment were recorded while insurance proceeds were recorded in the business in North America in the Chemicals Segment.

For the previous year, the Chemicals Segment recorded insurance proceeds in the business in North America, the Innovation & Corporate Development Segment recorded a valuation profit on a derivative in relation to a put option of an investment, and the Machinery & Infrastructure Segment recorded insurance proceeds. Furthermore, a gain on the sales of property management business was recorded in the Lifestyle Segment.

Finance Income (Costs)

Dividend Income

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

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

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

Income Taxes

Income taxes for the current year were ¥99.8 billion, a reduction of ¥23.2 billion from ¥123.0 billion for the previous year. For the current year, ¥39.0 billion profit was recorded through the deferred tax assets recognitions due to the reorganization of the U.S. subsidiaries in the Energy Segment.

The effective tax rate for the current year was 22.2%, a decrease of 0.8 points from 23.0% for the previous year. Although there was an increase in tax effective rate due to an impairment loss not recognizable for deferred tax in the Mineral & Metal Resources Segment, there was a decrease in tax effective rate due to a deferred tax assets recognition in the Energy Segment and reversal of deferred tax liabilities on equity accounted investments due to dividends from those investees. Considering these items, the tax effective rate was lower than the previous year.

Profit for the Year Attributable to Owners of the Parent

Profit for the year attributable to owners of the parent was ¥335.5 billion, a decrease of ¥56.0 billion from the previous year. For the impact of COVID-19 pandemic, please refer "3) Impact of COVID-19 pandemic".

2) Operating Results by Operating Segment

A part of next-generation electric power business was transferred from the Machinery & Infrastructure Segment to Energy Segment effective April 1, 2020. In accordance with the aforementioned changes, the operating segment information for the previous year has been restated to conform to the current year's presentation.

Iron & Steel Products Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the year attributable to owners of the parent	2.1	4.7	(2.6)
Gross profit	21.2	24.6	(3.4)
Profit (loss) of equity method investments	4.3	13.1	(8.8)
Dividend income	1.4	1.9	(0.5)
Selling, general and administrative expenses	(22.0)	(27.2)	+5.2
Others	(2.8)	(7.7)	+4.9

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

- For the current year, Gestamp companies reported a decrease of ¥9.1 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 Year	Previous Year	Change
Profit for the year attributable to owners of the parent	179.9	183.3	(3.4)
Gross profit	251.2	226.0	+25.2
Profit (loss) of equity method investments	70.4	59.2	+11.2
Dividend income	59.8	25.2	+34.6
Selling, general and administrative expenses	(72.3)	(41.6)	(30.7)
Others	(129.2)	(85.5)	(43.7)

- Gross profit increased mainly due to the following factors:
  - Iron ore mining operations in Australia recorded an increase of ¥54.3 billion mainly due to higher sales prices.
  - Coal mining operations in Australia recorded a decrease of ¥30.2 billion mainly due to lower sales prices.
- Profit (loss) of equity method investments increased mainly due to the following factors:
  - Iron ore mining operations in Australia recorded an increase of ¥10.8 billion mainly due to higher sales prices.
  - Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile, recorded an increase of ¥6.1 billion mainly due to higher sales prices and sales volume.
  - Coal mining operations in Australia recorded a decrease of profit mainly due to lower sales prices.
  - Following the revisions to our various assumptions, impairment losses of ¥3.8 billion for the current year, and ¥5.1 billion for the previous year were recorded for the Nacala Corridor rail & port infrastructure business in Mozambique.
- Dividend income increased mainly due to higher dividends from Vale S.A. and iron ore mining operations in Australia.
- Selling, general and administrative expenses increased mainly due to the following factors:
  - Following the revisions to our various assumptions, impairment losses of ¥35.9 billion for the current year and ¥9.8 billion for the previous year for doubtful debts were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique.
  - For the current year, an impairment loss of ¥8.3 billion for doubtful debt was recorded, based on the conclusion of share transfer agreement for the SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine.
- In addition to the above, the following factors also affected results:
  - Following the revisions to our various assumptions, impairment losses of ¥19.2 billion for the current year and ¥2.8 billion for the previous year were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique.
  - Coal mining operations in Australia recorded a decrease of ¥6.7 billion due to foreign exchange related losses.
  - Iron ore mining operations in Australia recorded a decrease of ¥6.0 billion due to foreign exchange related losses.

Energy Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the year attributable to owners of the parent	27.2	57.8	(30.6)
Gross profit	62.9	141.1	(78.2)
Profit (loss) of equity method investments	18.8	45.2	(26.4)
Dividend income	25.1	52.7	(27.6)
Selling, general and administrative expenses	(47.2)	(44.5)	(2.7)
Others	(32.4)	(136.7)	+104.3

- Gross profit decreased mainly due to the following factors:
  - Mitsui Oil Exploration Co., Ltd. recorded a decrease of ¥54.6 billion mainly due to decline in production, and lower oil and gas prices.
  - Business division at the Headquarters recorded a decrease mainly due to impact of hurricane in LNG trading business.
  - Mitsui E&P Italia A S.r.l recorded a decrease of ¥8.4 billion mainly due to an increase in cost.
  - MEP Texas Holdings LLC recorded a decrease of ¥4.9 billion mainly due to lower oil and gas prices.
  - Mitsui E&P USA LLC recorded a decrease of ¥4.3 billion mainly due to lower oil and gas prices.
  - AWE recorded an increase of ¥4.8 billion due to decrease of depreciation cost.

- Profit (loss) of equity method investment decreased mainly due to the following factors:
  - Japan Australia LNG(MIMI) Pty. Ltd recorded a decrease mainly due to lower oil and gas prices.
  - Mitsui E&P Mozambique Area 1 Limited recorded a decrease of ¥11.8 billion mainly due to the recognition of deferred tax assets in accordance with the Final Investment Decision for the project in the previous year.
  - Japan Arctic LNG recorded a decrease of ¥10.1 billion mainly due to valuation loss on changes in oil price, foreign exchange and others.
  - Mitsui & Co. LNG Investment USA, Inc. recorded an increase of ¥9.2 billion due to the commencement of commercial production in all three trains at the Cameron LNG Project.
- Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥24.3 billion in total, a decrease of ¥25.9 billion from the previous year.
- In addition to the above, the following factors also affected results:
  - For the current year, profit of ¥39.0 billion was recorded due to recognition of deferred tax assets in accordance with transferring and reorganizing the U.S. energy subsidiaries to MBK Energy Holdings USA Inc.
  - For the current year, mainly due to lower oil price, Mitsui E&P Italia A S.r.l recorded an impairment loss of ¥23.4 billion for its Tempa Rossa project while impairment loss of ¥13.9 billion was recorded for the same project in the previous year.
  - For the current year, Mitsui E&P Australia recorded an impairment loss of ¥17.3 billion mainly for its Meridian project mainly due to the update of production profile, Toro/Ragnar and Libra exploration projects due to changes in the future development plan, while impairment loss of ¥31.2 billion was recorded for Greater Enfield project in the previous year.
  - For the current year, Mitsui E&P Australia recorded a cost of ¥7.7 billion due to a revision of asset retirement obligation.
  - For the previous year, MEP Texas Holdings recorded an impairment loss of ¥23.4 billion for its Eagle Ford shale oil and gas business.
  - For the previous year, a subsidiary of Mitsui Oil Exploration Co., Ltd. recorded an impairment loss of ¥4.3 billion for its offshore project in the Gulf of Mexico.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the year attributable to owners of the parent	45.9	89.4	(43.5)
Gross profit	107.7	134.6	(26.9)
Profit (loss) of equity method investments	95.3	88.4	+6.9
Dividend income	3.9	5.1	(1.2)
Selling, general and administrative expenses	(132.9)	(133.4)	+0.5
Others	(28.1)	(5.3)	(22.8)

- Gross profit decreased mainly due to the following factor:
  - For the current year, the subsidiaries in relation to the railways, construction & industrial machinery, and automobile business recorded a decrease due to the effect of the COVID-19 pandemic.
- Profit (loss) of equity method investments increased mainly due to the following factors:
  - A gain was recorded at an automobile company in Canada due to good sales results.
  - A gain was recorded at a construction & mining machinery company in Australia due to good sales results.
  - Mitsui & Co. LNG Investment USA, Inc. recorded an increase of ¥4.0 billion due to the commencement of commercial production in all three trains at the Cameron LNG Project.

- FPSO/FSO leasing companies recorded an increase of ¥3.8 billion due to the absence of refinancing and other costs in the previous year.
- Offshore supporting vessels business was improved due to the absence of impairment of assets in the previous year.
- For the current year, a portion of impairment loss of ¥4.7 billion for equity investments was recorded following current estimates, based on status to date, and the final valuation of termination payments for early termination of the franchise agreements in relation to passenger rail business with the Department of Transport, UK ("The current estimate in the passenger rail franchise business in the UK").
- Investments in gas distribution companies in Brazil recorded a decrease of ¥4.6 billion because of the depreciation of the Brazilian Real and tariff reduction as prior year adjustment for the current year, while the refund of service tax payments through arbitrations led to a transient increase in the previous year.
- Following the revisions to our various assumptions, impairment losses of ¥0.9 billion for the current year, and ¥1.3 billion for the previous year were recorded for the Nacala Corridor rail & port infrastructure business in Mozambique.

・Selling, general and administrative expenses decreased, while there was the following increase factors:
- Following the revisions to our various assumptions, impairment losses of ¥9.0 billion for the current year and ¥2.4 billion for the previous year for doubtful debts were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique.
- For the current year, a loss allowance for doubtful debt of ¥4.9 billion was recorded based on the current estimate in the passenger rail franchise business in the UK.

・In addition to the above, the following factors also affected results:
- For the current year, ¥9.3 billion impairment loss was recorded in the rolling stock leasing business.
- Following the revisions to our various assumptions, impairment losses of ¥4.8 billion for the current year and ¥0.7 billion for the previous year were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique.
- For the previous year, Mitsui Bussan Aerospace Co., Ltd. reported an other income and expense of ¥4.0 billion mainly due to insurance proceeds.
- For the current year, a provision for loss on guarantee of ¥1.5 billion was recorded based on the current estimate in the passenger rail franchise business in the UK.
- Gains on sale of the IPP business in North America were recorded both in the current and previous year.
- For the previous year, the overseas railway business recorded an impairment loss of fixed asset.

Chemicals Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the year attributable to owners of the parent	43.5	22.3	+21.2
Gross profit	124.9	116.8	+8.1
Profit (loss) of equity method investments	11.3	11.5	(0.2)
Dividend income	3.0	2.7	+0.3
Selling, general and administrative expenses	(95.5)	(101.9)	+6.4
Others	(0.2)	(6.8)	+6.6

・Gross profit increased mainly due to the following factor:
- An increase of ¥3.1 billion was recorded due to price increase and cost reduction of main products in Novus International, Inc.

・In addition to the above, the following factor also affected results:
- Insurance proceeds were recorded in the business in North America both for the current and previous year.

Lifestyle Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the year attributable to owners of the parent	12.7	32.0	(19.3)
Gross profit	133.8	134.9	(1.1)
Profit (loss) of equity method investments	13.4	35.0	(21.6)
Dividend income	5.6	4.2	+1.4
Selling, general and administrative expenses	(129.4)	(139.3)	+9.9
Others	(10.7)	(2.8)	(7.9)

- Gross profit decreased mainly due to the following factors:
  - For the current year, subsidiaries, whose businesses are fashion, food and distribution, recorded a decrease of profit due to the closure of stores and lower demand for commercial ingredients for the food service industry caused by the state of emergency and curfew.
  - For the current year, reclassification from a consolidated subsidiary for the fashion & textile businesses in Asia to an equity method investee caused a ¥4.8 billion decrease.
  - Drug development in the life science and healthcare fund invested through MBK Pharma Partnering Inc recorded a ¥3.8 billion gain mainly from the valuation of fair value for the current year due to the progress on drug development, and a ¥2.4 billion loss mainly due to the suspension of drug development for the previous year.
  - For the current year, United Grain Corporation of Oregon which runs an origination and merchandising of grain business in the U.S. West Coast recorded an increase of ¥5.0 billion mainly due to strong wheat and soybean sales.
  - For the current year, PRIFOODS CO., LTD. which runs a production, processing and sales of broilers recorded an increase of ¥3.2 billion mainly due to an increase in sales volume with stay-at-homes orders.
- Profit (loss) of equity method investment decreased mainly due to the following factors:
  - For the current year, equity method investees, whose businesses are food, fashion, and services, recorded a decrease of profit due to curfew and self-restraint.
  - For the current year, IHH Healthcare Berhad recorded a decrease of ¥3.4 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.
  - For the previous year, International Columbia U.S. LLC divested Columbia Asia Healthcare Pte. Ltd and a capital gain of ¥13.0 billion from this transaction was recorded.
- Selling, general and administrative expenses decreased mainly due to the following factor:
  - For the current year, reclassification from a consolidated subsidiary for the fashion & textile businesses in Asia to an equity method investee caused a ¥4.3 billion decrease.
- In addition to the above, the following factors also affected results:
  - For the previous year, 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.
  - For the previous year, a capital gain from the sales of Sogo Medical Holdings Co., Ltd. and the reversal of deferred tax liability for the retained earnings, totaling ¥8.7 billion, were recorded.
  - For the previous year, Mitsui & Co. Foresight recorded a gain on the sales of the property management business.
  - For the previous year, a capital gain from the partial sale of RareJob, Inc. was recorded.

- For the previous year, an impairment loss on fixed assets of ¥14.0 billion was recorded due to a decline of the fair value of its farmland and others mainly caused by a depreciation of the Brazilian real against the U.S. dollar in XINGU AGRI AG conducting a production business of agricultural products in Brazil.
- For the previous year, an impairment loss of fixed assets of ¥6.8 billion was recorded mainly due to a partially poor business performance in Accountable Healthcare Holdings Corporation, which conducts healthcare staffing in the U.S.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Year	Previous Year	Change
Profit for the year attributable to owners of the parent	50.2	14.6	+35.6
Gross profit	107.0	60.1	+46.9
Profit (loss) of equity method investments	13.9	17.0	(3.1)
Dividend income	3.8	3.3	+0.5
Selling, general and administrative expenses	(63.7)	(64.5)	+0.8
Others	(10.8)	(1.3)	(9.5)

・Gross profit increased mainly due to the following factors:
- For the current year, a ¥13.1 billion gain on the sales was recorded at a holding company as a result of sales of its entire shareholding in OSIsoft LLC.
- For the previous year, ¥6.5 billion loss was recorded due to the valuation of fair value on shares in Hutchison China MediTech Ltd., while for the current year, ¥5.6 billion gain was recorded due to the valuation and sales of the shares.
- For the current year, an increase of ¥5.1 billion was recorded mainly due to good results of energy trading in Mitsui Bussan Commodities Ltd.
- For the current year, an increase of ¥5.0 billion was recorded mainly due to good results of precious metal trading at a business division at the Headquarters.
- For the previous year, MGI Global Fund L.P. recorded ¥1.0 billion loss for the valuation of shares, while for the current year, it recorded ¥2.8 billion gain for the valuation and sales of shares mainly associated with the IPO of QD Laser, Inc.
- For the current year, a gain of ¥3.3 billion in the valuation of fair value was recorded associated with the IPO of shares held through G2VP, LLC.
- An increase of ¥2.7 billion was caused from the combined effect of the loss on the valuation and sales of the shares in Mercari, Inc. recognized for the previous year, and the profit on the sales of it's entire shareholding for the current year.

・In addition to the above, the following factors also affected results:
- For the current year, ¥4.3 billion of reversal of impairment loss on land was recorded.
- For the previous year, a gain on the sales of equity stake in real estate business in Singapore was recorded.
- For the previous year, a valuation profit on the derivative of ¥4.4 billion was recorded in relation to a put option on an investment.

3) Impact of COVID-19 pandemic

For the current year, the Machinery & Infrastructure Segment, which suffered from lower demand in the passenger rail franchise business and locomotive leasing business, and the Iron & Steel Products Segment, which suffered from lower plant utilization rates, recorded a decrease of profit due to the COVID-19 pandemic and lockdown or travel bans in various regions and countries. Also, the Lifestyle Segment recorded a decrease of profit due to lower demand for commercial ingredients for the food service industry and fashion-related products amid a continuing trend in many countries to refrain from unnecessary going out, as well as a decline in occupancy rates in the hospital business due to a decrease in medical tourism and patients with minor illnesses. Additionally, the Energy Segment recorded a decrease of profit due to lower oil and gas prices caused by lower demand mainly for transportation fuels.

On the other hand, the Innovation & Corporate Development Segment recorded an increase of profits due to FVTPL gain in relation to the stock market recovered mainly by economic support measures in each country, in addition to the steady capture of demands related to stay-at-home orders and IT infrastructure in the digital security business and in the TV shopping business. Also, the automobile-related business in the Machinery & Infrastructure Segment, recorded an increase of profit as a result of the recovery of demand in the second half of the current year, mainly in North America, amid a shift in the means of transportation from public transportation to private cars.

As mentioned above, there were some factors that contributed to the improvement in our results, but the impact of the decrease in profit due to factors that worsened our results was significant, thus our results were lower than the previous year due to the COVID-19 pandemic.

(3) Financial Condition and Cash Flows

1) Financial Condition

(Billions of yen)	March 31, 2021	March 31, 2020	Change
Total Assets	12,515.8	11,806.3	+709.5
Current Assets	4,207.5	4,124.4	+83.1
Non-current Assets	8,308.4	7,681.9	+626.5
Current Liabilities	2,701.7	2,701.1	+0.6
Non-current Liabilities	4,991.2	5,044.3	(53.1)
Net Interest-bearing Debt	*3,299.8*	*3,486.7*	*(186.9)*
Total Equity Attributable to Owners of the Parent	4,570.4	3,817.7	+752.7
Net Debt-to-Equity Ratio (times)	0.72	0.91	(0.19)

Assets

Current Assets:

- Cash and cash equivalents increased by ¥4.5 billion.
- Trade and other receivables increased by ¥189.5 billion, mainly due to following factors:
  - An increase in trade receivable by ¥147.3 billion due to favorable market conditions for the Mineral & Metal Resources Segment, and an increase in trading volume in the Energy Segment, and due to both favorable market conditions and the increase in trading volume in the Chemicals Segment; and
  - An increase of ¥49.8 billion in current portion of long-term receivables of Mineral & Metal Resources Segment, mainly due to reclassification to current maturities.
- Other financial assets declined by ¥132.9 billion, mainly due to market volatility and decreases in trading volume of derivative trading in the Energy Segment and the Innovation & Corporate Development Segment.
- Inventories increased by ¥61.3 billion, mainly due to favorable market condition and increases in trading volume in the Mineral & Metal Resources Segment, the Energy Segment and the Lifestyle Segment.

Non-current Assets:

- Investments accounted for using the equity method increased by ¥163.0 billion, mainly due to the following factors:
  - An increase of ¥108.7 billion resulting from foreign currency exchange fluctuations;
  - An increase of ¥36.3 billion due to an investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project;
  - An increase of ¥227.9 billion corresponding to the profit of equity method investments for the current year, despite a decline of ¥194.8 billion due to dividends from equity accounted investees;
  - An increase due to an investment in Japan Arctic LNG B.V., which participates in the Arctic LNG 2 Project in Russia;
  - An increase of ¥10.5 billion due to an investment in Caitan S.p.A, which participate in desalination and conveyance projects for BHP Spence copper mine in Chile; and
  - A decline in equity method investment in Mitsui & Co. Cameron LNG Investment LLC as result of conversion of equity method investment into shareholder loans by ¥25.9 billion.
- Other investments increased by ¥471.2 billion, mainly due to the following factor:
  - As a result of higher share prices, fair value on financial assets measured at FVTOCI increased by ¥472.8 billion.
- Trade and other receivables declined by ¥116.4 billion, mainly due to the following factors:
  - An impairment of ¥66.9 billion for doubtful debt regarding the Moatize mine business and Nacala Corridor rail & port infrastructure businesses in Mozambique;
  - A decline of ¥49.8 billion in current portion of long-term receivables of Mineral & Metal Resources Segment, mainly due to reclassification to current maturities; and
  - An increase in receivable balance from Mitsui & Co. Cameron LNG Investment LLC as result of conversion of equity method investment into shareholder loans by ¥25.9 billion.
- Property, plant and equipment increased by ¥53.7 billion, mainly due to the following factors:
  - An increase of ¥94.3 billion (including foreign exchange translation profit of ¥77.4 billion) at iron ore mining operations in Australia;
  - An increase of ¥31.5 billion (including foreign exchange translation profit of ¥16.8 billion) at coal mining operations in Australia; and
  - A decline of ¥74.3 billion (including foreign exchange translation profit of ¥19.0 billion) at the oil and gas projects (*), mainly due to impairment losses at Mitsui E&P Italia A S.r.l and Mitsui E&P Australia.

    (*) including the U.S. shale gas and oil projects from the current year.
- Investment property increased by ¥23.0 billion, mainly due to an increase in the Innovation & Corporate Development Segment.
- Deferred tax assets increased by ¥53.2 billion, mainly due to following factors:
  - Recognition of deferred tax assets by ¥39.0 billion in accordance with transferring and reorganizing the U.S. energy subsidiaries to MBK Energy Holdings USA Inc.; and
  - Recognition of deferred tax assets related to losses from valuation of fixed assets and impact of exchange rate at Mitsui E&P Australia were main reasons for increase by ¥19.2 billion.

Liabilities

Current Liabilities:

- Short-term debt increased by ¥3.0 billion. Furthermore, the current portion of long-term debt increased by ¥51.0 billion, mainly due to a reclassification to current maturities.
- Trade and other payables increased by ¥176.8 billion, corresponding to the increase in trade and other receivables.
- Other financial liabilities declined by ¥255.7 billion, mainly due to corresponding decline in other financial assets and payments on account payable at the integrated development project in the 2, Otemachi 1-Chome District.

Non-current Liabilities:

- Long-term debt, less the current portion, declined by ¥233.9 billion.
- Provisions increased by ¥33.2 billion mainly due to increase in asset retirement obligations in Mitsui E&P Australia and Mitsui Coal Holdings.

Total Equity Attributable to Owners of the Parent

- Retained earnings increased by ¥185.5 billion.
- Other components of equity increased by ¥597.7 billion, mainly due to the following factors:
  - Financial assets measured at FVTOCI increased by ¥359.7 billion; and
  - Foreign currency translation adjustments increased by ¥258.9 billion, mainly reflecting the appreciation of the Australian dollar, and the U.S. dollar against the Japanese Yen, even though the Brazilian real has depreciated.
- Treasury stock which is a subtraction item in shareholders' equity increased by ¥24.4 billion, mainly due to the shares buy-back for ¥71.3 billion(including a buy-back for share-based compensation plan for employees of ¥6.9 billion), despite cancellation of the stock for ¥46.7 billion.

2) Cash Flows

(Billions of yen)	Current Year	Previous Year	Change
Cash flows from operating activities	772.7	526.4	+246.3
Cash flows from investing activities	(322.5)	(185.2)	(137.3)
Free cash flow	450.2	341.2	+109.0
Cash flows from financing activities	(487.0)	(204.6)	(282.4)
Effect of exchange rate changes on cash and cash equivalents etc.	41.2	(34.0)	+75.2
Change in cash and cash equivalents	4.4	102.6	(98.2)

Cash Flows from Operating Activities

(Billions of Yen)		Current Year	Previous Year	Change
Cash flows from operating activities	a	772.7	526.4	+246.3
Cash flows from change in working capital	b	56.2	(95.5)	+151.7
Repayments of lease liabilities	c	(58.4)	(60.9)	+2.5
Core operating cash flow	a-b+c	658.1	561.0	+97.1

- Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current year was ¥56.2 billion of net cash inflow. Repayments of lease liabilities for the current year was ¥58.4 billion of cash outflow. Core operating cash flow, which equaled cash flows from operating activities without both cash flows from changes in working capital and repayments of lease liabilities, for the current year amounted to ¥658.1 billion. From the current year, 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 year has been restated.
  - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current year totaled ¥307.8 billion, an increase of ¥8.6 billion from ¥299.2 billion for the previous year; and
  - Depreciation and amortization for the current year was ¥273.6 billion, an increase of ¥17.5 billion from ¥256.1 billion for the previous year.

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

(Billions of Yen)	Current Year	Previous Year	Change
Iron & Steel Products	2.0	2.2	(0.2)
Mineral & Metal Resources	308.1	243.7	+64.4
Energy	123.2	206.5	(83.3)
Machinery & Infrastructure	78.7	86.8	(8.1)
Chemicals	62.5	35.8	+26.7
Lifestyle	19.8	20.5	(0.7)
Innovation & Corporate Development	55.1	3.9	+51.2
All Other and Adjustments and Eliminations	8.7	(38.4)	+47.1
Consolidated Total	**658.1**	**561.0**	**+97.1**

Cash Flows from Investing Activities

- Net cash outflows that corresponded to investments in equity accounted investees (net of sales of investments in equity accounted investees) were ¥56.5 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 ¥36.3 billion;
  - An investment in Japan Arctic LNG B.V, which participates in the Arctic LNG 2 Project in Russia;
  - An investment in Caitan S.p.A, which participates in desalination and conveyance projects for BHP Spence copper mine in Chile, for ¥10.5 billion; and
  - A sale of the IPP business in North America.
- Net cash inflows that corresponded to other investments (net of sales and maturities of other investments) were ¥9.5 billion, mainly due to the following factors:
  - A sale of investment in San-ei Sucrochemical Co., Ltd., for ¥13.5 billion; and
  - Investments in power generating businesses for ¥10.9 billion.
- Net cash inflows that corresponded to increase in loan receivable (net of collections of loan receivable) were ¥14.2 billion, despite of execution of loan to Japan Arctic LNG B.V.
- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥206.4 billion, mainly due to the following factors:
  - An expenditure for iron ore mining operations in Australia for ¥39.3 billion;
  - An expenditure for the oil and gas projects for ¥37.0 billion;

- An expenditure for the integrated development project in the 2, Otemachi 1-Chome District for ¥36.9 billion;
- An expenditure for coal mining operations in Australia for ¥19.6 billion; and
- An expenditure for power generating businesses for ¥18.2 billion.

▪ Net cash outflows that corresponded to purchases of investment property (net of sales of those assets) were ¥53.1 billion, mainly due to an expenditure for the integrated development project in the 2, Otemachi 1-Chome District for ¥37.8 billion.

Cash Flows from Financing Activities

▪ Net cash outflows from net change in short-term debt were ¥26.5 billion, net cash outflows from net change in long-term debt were ¥177.0 billion, and cash outflow from repayments of lease liabilities were ¥58.4 billion.

▪ The cash outflow from the purchases of treasury stock was ¥71.3 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 ¥135.5 billion.

▪ The cash outflow from transactions with non-controlling interest shareholders was ¥18.2 billion, mainly due to an additional acquisition of a stake in Collahuasi copper mine in Chile.

2. Management Policies

(1) Progress with the Medium-term Management Plan

Reference is made to our Presentation Material of Financial Results for the year ended March 31, 2021 "Review of Medium-term Management Plan 2023 and plan for FY Ending March 2022" on our web site. Reference is also made to "Medium-term Management Plan 2023 Transform and Grow" released on May 1, 2020.

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

1) Forecasts for the year ending March 31, 2022

[Assumption]	Forecast	Result
Exchange rate (JPY/USD)	105.00	105.94
Crude oil (JCC)	$61/bbl	$43/bbl
Consolidated oil price	$59/bbl	$46/bbl

(Billions of yen)	March 31, 2022 Forecast	March 31, 2021 Result	Change	Description
Gross profit	820.0	811.5	+8.5	
Selling, general and administrative expenses	(590.0)	(606.4)	+16.4	Reversal effects of impairment losses
Gain (loss) on investments, fixed assets and other	0	(54.4)	+54.4	Reversal effects of impairment losses
Interest expenses	(30.0)	(32.1)	+2.1	
Dividend income	120.0	103.7	+16.3	Mineral & Metal Resources Segment Energy Segment
Profit (loss) of equity method investments	280.0	227.9	+52.1	Machinery & Infrastructure Segment Lifestyle Segment Iron & Steel Products Segment
Profit before income taxes	600.0	450.2	+149.8	
Income taxes	(130.0)	(99.8)	(30.2)	
Non-controlling interests	(10.0)	(14.9)	+4.9	
Profit for the year attributable to owners of the parent	460.0	335.5	+124.5	

Depreciation and amortization	300.0	273.6	+26.4	

Core operating cash flow	680.0	658.1	+21.9	

- The forecast for the fiscal year ending March 31, 2022 is based on the assumption that the global economy will head for recovery, although there are disparities among countries and regions. Business performance is expected to rebound due to absence of the impairment losses recorded in the year ended March 31, 2021 in the Mineral & Metal Resources Segment, the Machinery & Infrastructure Segment and the Energy Segment. In addition, it is also expected that there will be a recovery in the Iron & Steel Products Segment and the Lifestyle Segment, which experienced a decline in demand and capacity utilization due to the COVID-19 pandemic.
- We assume foreign exchange rates for the year ending March 31, 2022 will be ¥105/US$, ¥80/AU$ and ¥19/BRL, while average foreign exchange rates for the year ended March 31, 2021 were ¥105.94/US$, ¥76.71/AU$ and ¥19.46/BRL. Also, we assume the annual average consolidated oil price applicable to our financial results for the year ending March 31, 2022 will be US$59/barrel, up US$13/barrel from the previous

year, based on the assumption that the crude oil price (JCC) will average US$61/barrel throughout the year ending March 31, 2022.

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

(Billions of yen)	Year ending March 31, 2022	Year ended March 31, 2021	Change	Description
Iron & Steel Products	10.0	2.1	+7.9	Reversal effects of COVID-19 impact
Mineral & Metal Resources	260.0	179.9	+80.1	Reversal effects of impairment losses
Energy	50.0	27.2	+22.8	Higher oil and gas price Reversal effects of impairment losses
Machinery & Infrastructure	80.0	45.9	+34.1	Reversal effects of COVID-19 impact
Chemicals	40.0	43.5	(3.5)	
Lifestyle	20.0	12.7	+7.3	Reversal effects of COVID-19 impact
Innovation & Corporate Development	30.0	50.2	(20.2)	Reversal effects of FVTPL profit
Others / Adjustments and Eliminations	(30.0)	(26.0)	(4.0)	
Consolidated Total	460.0	335.5	+124.5	

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

(Billions of yen)	Year ending March 31, 2022	Year ended March 31, 2021	Change	Description
Iron & Steel Products	5.0	2.0	+3.0	
Mineral & Metal Resources	290.0	308.1	(18.1)	AUD appreciation, tax payment
Energy	170.0	123.2	+46.8	Higher oil and gas price
Machinery & Infrastructure	100.0	78.7	+21.3	Reversal effects of COVID-19 impact
Chemicals	55.0	62.5	(7.5)	
Lifestyle	30.0	19.8	+10.2	Reversal effects of COVID-19 impact
Innovation & Corporate Development	30.0	55.1	(25.1)	Reversal effects of FVTPL profit
Others / Adjustments and Eliminations	0.0	8.7	(8.7)	
Consolidated Total	680.0	658.1	+21.9	

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

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2022. The effects of movements on each commodity price and foreign exchange rates on profit for the year attributable to owners of the parent are included in the table.

Impact on profit for the year attributable to owners of the parent for the year ending March 31, 2022				March 2022 Assumption		March 2021 Result
Commodity	Crude Oil/JCC		-	61		43
	Consolidated Oil Price (*1)		¥2.5bn (US$1/bbl)	59		46
	U.S. Natural Gas (*2)		¥1.1bn (US$0.1/mmBtu)	2.74		2.13 (*3)
	Iron Ore (*4)		¥2.2bn (US$1/ton)	(*5)		128 (*6)
	Coal	Coking	¥0.4bn (US$1/ton)	(*5)	←	119 (*7)
		Thermal	¥0.1bn (US$1/ton)	(*5)		69 (*7)
	Copper (*8)		¥0.7bn (US$100/ton)	7,650		6,169 (*9)
Forex (*10)	USD		¥2.6bn (¥1/USD)	105.00		105.94
	AUD		¥2.4bn (¥1/AUD)	80.00		76.71
	BRL		¥0.2bn (¥1/BRL)	19.00		19.46

(*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 the year ending March 2022, we have assumed that there is a 4-6 month lag for approx. 35%, a 1-3 month lag for approx. 60%, and no lag for approx. 5%. 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) U.S. gas figures for the year ended March 2021 are the Henry Hub Natural Gas Futures average daily prompt month closing prices traded on NYMEX during January to December 2020.

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

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

(*6) Iron ore results figures for the year ended March 2021 are the daily average (reference price) spot indicated price (Fe 62% CFR North China) recorded in several industry trade magazines from April 2020 to March 2021.

(*7) Coal results figures for the year ended March 2021 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 March to December 2021.

(*9) Copper results figures for the year ended March 2021 are the averages of the LME monthly average cash settlement prices for the period January to December 2020.

(*10) 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 dividend 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 the USD and the functional currencies (AUD and BRL) and the impact of currency hedging are not included.

(3) <u>Profit Distribution Policy</u>

Our profit distribution policy is as follows:

- In order to increase corporate value and maximize shareholder value, we seek to maintain an optimal balance between (a) meeting investment demand in our core and growth areas through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends.
- In addition to the above, share buy-backs aimed at improving capital efficiency should be decided in a prompt and flexible manner as needed concerning buy-back timing and amount by taking into consideration the business environment such as, future investment activity trends, free cash flow and interest-bearing debt levels, and return on equity.

For the current year, we conducted a buy-back program of ¥71.3 billion yen (including for share-based compensation plan for employees of ¥6.9 billion). On April 27, 2021, we announced that we completed the buy-back program announced on February 24, 2021, and we had purchased ¥24.6 billion yen from April 1 to April 26, 2021. Furthermore, on April 30, 2021, we announced a new buy-back program up to ¥50.0 billion of our own shares from May 6, 2021 to June 23, 2021. For details, please refer to the "Notification of Stock Repurchase" on our website.

The annual dividend for the year ended March 31, 2021 will be ¥85 per share (including an interim dividend of ¥40 per share, an increase of ¥5 from the previous year), an upward revision of ¥5 from the previous forecast, taking into consideration the core operating cash flow and net income (attributable to owners of the parent) in the consolidated financial results, as well as the stability and continuity of dividend payments.
Under the Medium-term management plan announced on May 1, 2020, the minimum annual dividend per share was set at ¥80 based on the level of core operating cash flow, which was judged to be stable and sustainable. Considering the improvement of cash flow generation ability, we decided to upwardly revise the minimum annual by dividend ¥10 per share, setting the minimum at ¥90 per share.

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In addition, we will continue to flexibly and strategically allocate funds for investment in growth and additional shareholder returns (additional dividends and share buybacks) according to the business performance during the Medium-term business plan period.
For the fiscal year ending March 31, 2022, we plan to pay an annual dividend of ¥90 per share (an increase of ¥5 from the previous fiscal year) .

3. Basic Approach on Adoption of Accounting Standards

International Financial Reporting Standards was adopted on our annual securities report under the Financial Instruments and Exchange Act for the year ended March 31, 2014 for the purpose of improving international comparability of financial information as well as enhancement and efficiency of our financial reporting.

4. 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.

5. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of Yen)

Assets		
	March 31, 2021	March 31, 2020
Current Assets:		
Cash and cash equivalents	¥ 1,063,150	¥ 1,058,733
Trade and other receivables	1,811,990	1,622,501
Other financial assets	429,986	562,899
Inventories	615,155	553,861
Advance payments to suppliers	143,714	167,250
Other current assets	143,477	159,175
Total current assets	4,207,472	4,124,419
Non-current Assets:		
Investments accounted for using the equity method	3,044,001	2,880,958
Other investments	1,955,607	1,484,422
Trade and other receivables	305,952	422,423
Other financial assets	141,848	186,010
Property, plant and equipment	2,175,072	2,121,371
Investment property	274,847	251,838
Intangible assets	188,555	195,289
Deferred tax assets	112,055	58,908
Other non-current assets	110,436	80,654
Total non-current assets	8,308,373	7,681,873
Total	¥ 12,515,845	¥ 11,806,292

(Millions of Yen)

Liabilities and Equity		
	March 31, 2021	March 31, 2020
Current Liabilities:		
Short-term debt	¥ 300,485	¥ 297,458
Current portion of long-term debt	450,941	399,904
Trade and other payables	1,313,341	1,136,504
Other financial liabilities	371,298	626,963
Income tax payables	58,915	46,206
Advances from customers	123,806	133,247
Provisions	36,909	25,844
Other current liabilities	46,027	34,984
Total current liabilities	2,701,722	2,701,110
Non-current Liabilities:		
Long-term debt, less current portion	3,995,311	4,229,218
Other financial liabilities	116,531	105,279
Retirement benefit liabilities	40,253	39,956
Provisions	261,365	228,173
Deferred tax liabilities	550,776	412,971
Other non-current liabilities	27,000	28,653
Total non-current liabilities	4,991,236	5,044,250
Total liabilities	7,692,958	7,745,360
Equity:		
Common stock	342,080	341,776
Capital surplus	396,238	402,652
Retained earnings	3,547,789	3,362,297
Other components of equity	373,786	(223,910)
Treasury stock	(89,473)	(65,138)
Total equity attributable to owners of the parent	4,570,420	3,817,677
Non-controlling interests	252,467	243,255
Total equity	4,822,887	4,060,932
Total	¥ 12,515,845	¥ 11,806,292

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2021	Year ended March 31, 2020 (As restated)
Revenue:	¥ 8,010,235	¥ 8,484,130
Cost:	(7,198,770)	(7,644,707)
Gross Profit	811,465	839,423
Other Income (Expenses):		
Selling, general and administrative expenses	(606,423)	(584,885)
Gain (loss) on securities and other investments-net	7,888	25,060
Impairment reversal (loss) of fixed assets-net	(52,923)	(110,809)
Gain (loss) on disposal or sales of fixed assets-net	4,646	9,510
Other income (expense)-net	(13,945)	38,528
Total other income (expenses)	(660,757)	(622,596)
Finance Income (Costs):		
Interest income	19,877	41,373
Dividend income	103,655	96,526
Interest expense	(51,948)	(89,638)
Total finance income (costs)	71,584	48,261
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	227,910	269,232
Profit before Income Taxes	450,202	534,320
Income Taxes	(99,821)	(123,008)
Profit for the Year	¥ 350,381	¥ 411,312
Profit for the Year Attributable to:		
Owners of the parent	¥ 335,458	¥ 391,513
Non-controlling interests	14,923	19,799

(Note)

Considering the presentation of revenue in the consolidated statement of income in more detail in accordance with IFRS 15 "Revenue from Contracts with Customers", the Company has presented the "revenue" and corresponding "cost" of certain transactions in gross amounts beginning with the current fiscal year. Those amounts for the previous fiscal year have also been restated to conform to the presentation in the current fiscal year. This restatement has no impact on gross profit, profit for the year attributable to owners of the parent, or total equity attributable to owners of the parent.

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the Year	¥ 350,381	¥ 411,312
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	477,184	(376,024)
Remeasurements of defined benefit pension plans	32,514	(7,007)
Share of other comprehensive income of investments accounted for using the equity method	1,671	(11,239)
Income tax relating to items not reclassified	(119,092)	79,856
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	174,725	(152,404)
Cash flow hedges	(831)	(10,070)
Share of other comprehensive income of investments accounted for using the equity method	86,445	(205,343)
Income tax relating to items that may be reclassified	(6,951)	9,063
Total other comprehensive income	645,665	(673,168)
Comprehensive Income for the Year	¥ 996,046	¥ (261,856)
Comprehensive Income for the Year Attributable to:		
Owners of the parent	¥ 964,652	¥ (259,448)
Non-controlling interests	31,394	(2,408)

(3) 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 year			391,513			391,513	19,799	411,312
Other comprehensive income for the year				(650,961)		(650,961)	(22,207)	(673,168)
Comprehensive income for the year			391,513	(650,961)		(259,448)	(2,408)	(261,856)
Transaction with owners:								
Dividends paid to the owners of the parent			(139,071)			(139,071)		(139,071)
Dividends paid to non-controlling interest shareholders							(14,130)	(14,130)
Acquisition of treasury stock					(58,092)	(58,092)		(58,092)
Sales of treasury stock		(167)	(363)		530	0		0
Compensation costs related to share-based payment	294	317				611		611
Equity transactions with non-controlling interest shareholders		15,167		650		15,817	(7,349)	8,468
Transfer to retained earnings			36,869	(36,869)		-		-
Balance as at March 31, 2020	¥ 341,776	¥ 402,652	¥ 3,362,297	¥ (223,910)	¥ (65,138)	¥ 3,817,677	¥ 243,255	¥ 4,060,932
Profit for the year			335,458			335,458	14,923	350,381
Other comprehensive income for the year				629,194		629,194	16,471	645,665
Comprehensive income for the year			335,458	629,194		964,652	31,394	996,046
Transaction with owners:								
Dividends paid to the owners of the parent			(135,476)			(135,476)		(135,476)
Dividends paid to non-controlling interest shareholders							(13,982)	(13,982)
Acquisition of treasury stock					(71,337)	(71,337)		(71,337)
Sales of treasury stock		(125)	(154)		280	1		1
Cancellation of treasury stock			(46,722)		46,722	-		-
Compensation costs related to share-based payment	304	1,771				2,075		2,075
Equity transactions with non-controlling interest shareholders		(8,060)		888		(7,172)	(8,200)	(15,372)
Transfer to retained earnings			32,386	(32,386)		-		-
Balance as at March 31, 2021	¥ 342,080	¥ 396,238	¥ 3,547,789	¥ 373,786	¥ (89,473)	¥ 4,570,420	¥ 252,467	¥ 4,822,887

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2021	Year ended March 31, 2020
Operating Activities:		
Profit for the year	¥ 350,381	¥ 411,312
Adjustments to reconcile profit for the year to cash flows from operating activities:		
Depreciation and amortization	273,639	256,125
Change in retirement benefit liabilities	1,884	(46,793)
Loss allowance	80,640	31,170
(Gain) loss on securities and other investments—net	(7,888)	(25,060)
(Gain) Loss on loans measured at FVTPL	21,657	-
Impairment (reversal) loss of fixed assets—net	52,923	110,809
(Gain) loss on disposal or sales of fixed assets—net	(4,646)	(9,510)
Interest income, dividend income and interest expense	(98,442)	(77,624)
Income taxes	99,821	123,008
Share of (profit) loss of investments accounted for using the equity method	(227,910)	(269,232)
Valuation (gain) loss related to contingent considerations and others	(6,694)	(6,447)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(40,799)	105,425
Change in inventories	(34,116)	38,159
Change in trade and other payables	139,474	(178,921)
Other—net	(8,381)	(60,179)
Interest received	52,702	72,699
Interest paid	(59,904)	(96,624)
Dividends received	307,838	299,244
Income taxes paid	(119,483)	(151,185)
Cash flows from operating activities	772,696	526,376
Investing Activities:		
Net change in time deposits	(30,080)	3,823
Net change in investments in equity accounted investees	(56,518)	9,101
Net change in other investments	9,462	70,749
Net change in loan receivables	14,184	746
Net change in property, plant and equipment	(206,404)	(253,127)
Net change in investment property	(53,118)	(16,522)
Cash flows from investing activities	(322,474)	(185,230)
Financing Activities:		
Net change in short-term debt	(26,527)	(27,158)
Net change in long-term debt	(177,035)	88,397
Repayments of lease liabilities	(58,380)	(60,861)
Purchases and sales of treasury stock	(71,337)	(58,092)
Dividends paid	(135,476)	(139,071)
Transactions with non-controlling interest shareholders	(18,208)	(7,776)
Cash flows from financing activities	(486,963)	(204,561)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	41,158	(33,959)
Change in Cash and Cash Equivalents	4,417	102,626
Cash and Cash Equivalents at Beginning of Year	1,058,733	956,107
Cash and Cash Equivalents at End of Year	¥ 1,063,150	¥ 1,058,733

“Interest income, dividend income and interest expense”, “Interest received”, “Interest paid” and “Dividends received” of Consolidated Statements of Cash Flows include not only interest income, dividend income and interest expense that are included in “Finance Income (Costs)” of 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) Basis of Consolidated Financial Statements

Scope of subsidiaries and equity accounted investees

① Subsidiaries

1) Overseas	203
2) Japan	77

② Equity accounted investees (associated companies and joint ventures)

1) Overseas	186
2) Japan	48

A total of 486 subsidiaries and equity accounted investees are excluded from the above. These include companies which are sub-consolidated or accounted for under the equity method by subsidiaries other than trading subsidiaries.

(7) Changes in Accounting Policies and Changes in Accounting Estimates

1) Changes in Accounting Policies

Significant accounting policies applied in the Consolidated Financial Statements for the year ended March 31, 2021 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 to the 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 Consolidated Financial Statements are immaterial.

2) Changes in Accounting Estimates

The significant changes in accounting estimates in the Consolidated Financial Statements for the year ended March 31, 2021 are as follows.

(Impairment losses for the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique)
Mitsui & Co. Mozambique Coal Finance Limited, Mitsui & Co. Nacala Infrastructure Finance Limited and Mitsui & Co. Nacala Infrastructure Investment B.V., which lends to Mozambique coal business, or lend to and invest in Mozambique rail & port infrastructure business, recognized full impairment to the carrying amount for both investment and loans of ¥73,599 million as a loss allowance for doubtful debt, a loss on loans measured at FVTPL, an impairment loss included in share of profit (loss) of investments accounted for using the equity method and an impairment loss for investments accounted for using the equity method, due to the decrease of our production assumptions based on the revision of the production plan and the decline in the coal prices which are based on several third parties' mid-long term forecasts. In the Consolidated Statements of Income, a loss allowance is recorded by ¥44,823 million (Mineral & Metal Resources ¥35,858 million, Machinery & Infrastructure ¥8,965 million) in "Selling, general and administrative expenses", a loss on loans measured at FVTPL is recorded by ¥21,657 million (Mineral & Metal Resources ¥17,326 million, Machinery & Infrastructure ¥4,331 million) in "Other income (expense) -net", an impairment loss included in share of profit (loss) of investments accounted for using the equity method is recorded by ¥4,727 million (Mineral & Metal Resources ¥3,782 million, Machinery & Infrastructure ¥945 million) in "Share of Profit (Loss) of Investments Accounted for Using the Equity Method"and an impairment loss for investments accounted for using the equity method is recorded by ¥2,392 million (Mineral & Metal Resources ¥1,914 million, Machinery & Infrastructure ¥478 million) in "Gain (loss) on securities and other investments-net", respectively.

(Loss related to selling the entire interest in Caserones copper mine business)
Mitsui & Co., Ltd. and its subsidiary, Mitsui Bussan Copper Investment & Co., Ltd., in Mineral & Metal Resources segment which invests and lends to Caserones copper mine business, recognized a loss of ¥7,215 million, with the conclusion and the completion of the basic agreement to sell the entire interest as a part of reorganization and reconstructing of asset portfolio. In the Consolidated Statements of Income, a loss allowance for the related lending and others is recorded by ¥8,308 million in "Selling, general and administrative expenses" and a loss for the related investments accounted for using the equity method is recorded by ¥888 million in "Gain (loss) on securities and other investments - net", and the profit of the realized foreign currency translation adjustment on

disposal of foreign operations and others is recorded by ¥1,981 million in “Gain (loss) on securities and other investments - net”, respectively.

(Impairment loss for the oil development business)
Mitsui E&P Italia A S.r.l., a subsidiary in the Energy Segment engaged in the onshore oil development in the Basilicata region in Italy, recognized an impairment loss of ¥23,351 million in “Impairment reversal (loss) of fixed assets - net” in the Consolidated Statements of Income, of which impairment loss of property, plant and equipment is ¥16,169 million and impairment loss of goodwill is ¥7,182 million, by reducing the carrying amount of the goodwill and production equipment and others to the recoverable amount of ¥158,206 million. The impairment loss was mainly related to a decline in the crude oil price. The recoverable amount above represented the value in use. The discount rate used to calculate the value in use is deemed to reflect the market average profit margin and the risks inherent to the cash-generating unit.

(Impairment loss for the locomotive leasing business in Europe)
Mitsui Rail Capital Europe B.V., a subsidiary in the Machinery & Infrastructure Segment engaged in the locomotive leasing business in Europe, recognized an impairment loss of ¥9,300 million in “Impairment reversal (loss) of fixed assets - net” in the Consolidated Statements of Income by reducing the carrying amount of the locomotives, goodwill and others to the recoverable amount of ¥79,651 million. Out of the impairment loss, the amount of property, plant and equipment is ¥5,138 million, and the amount of goodwill and others is ¥4,162 million. The impairent loss was mainly related to a lower operating ratio of the locomotives.
The recoverable ammount of property, plant and equipment represented the value in use and the fair value less costs of disposal, and the recoverable amount of goodwill and others represented the value in use. The discount rate used to calculate the value in use is deemed to reflect the market average profit margin and the risks inherent to the cash-generating unit. The fair value less costs of disposal is based on the reasonable price considering the recent sale cases of the asset being valued, and the fair value is classified as level 3.

(Loss related to the passenger rail franchise business in the United Kingdom(“UK”))
The passenger rail franchise business in the UK in the Machinery & Infrastructure Segment, which is invested and financed by the Company and its equity method investee, has been in continuous discussions regarding early termination of the franchise agreements under effect of the COVID-19 pandemic, and finally has received the final valuation of termination payments by the UK Department for Transport(“DfT”). The Company recognized a loss to the carrying amount for investments, loans, future loan contribution obligations of ¥11,013 million as a loss allowance for doubtful debt, a provision for loss on guarantees, an impairment loss included in share of profit (loss) of investments accounted for using the equity method and additional losses included in share of profit (loss) of investments accounted for using the equity method for future loan contribution obligations, based on the final valuation of termination payments presented by the DfT and the status of discussions to date. In the Consolidated Statements of Income, a loss allowance for doubtful debt is recorded by ¥4,902 million in “Selling, general and administrative expenses”, a provision for loss on guarantees is recorded by ¥1,457 million in “Other income (expenses)-net”, an impairment loss and additional losses included in share of profit (loss) of investments accounted for using the equity method is recorded by ¥4,654 million in “Share of Profit(Loss) of Investments Accounted for Using the Equity Method”, respectively.

(Recognition of deferred tax assets in the U.S. energy subsidiaries)
The Company transferred and reorganized investment subsidiaries in U.S. oil and gas project business to MBK Energy Holdings USA Inc. (“MEH”) on November 30, 2020 for the centralization of management of the oil and gas projects in the U.S. Due to this reorganization, the Company recognized deferred tax assets mainly relating to tax losses in MEH’s subsidiaries to be realized against future taxable income generated primarily from long-term service agreements of U.S. LNG project, and gain of ¥39,030 million has been recognized in “Income Taxes” on the Consolidated Statement of Income for the year ended March 31, 2021.

(Change in estimate for asset retirement obligations)
Mitsui E&P Australia Pty Ltd, a subsidiary in the Energy Segment, has changed its estimate of the asset retirement obligations as the decommissioning costs associated with Enfield project based on new information on the decommissioning costs from the operator.
The increase of ￥7,654 million in asset retirement obligations due to this change in estimate has been recorded in "Other income(expense)-net" in the Consolidated Statements of Income because the depreciation of fixed assets has been completed.

(8) Changes in Presentation

（Consolidated Statements of Cash Flows）
"Repayments of lease liabilities", which was included in "Net change in long-term debt" for the year ended March 31, 2020 is separately presented from the year ended March 31, 2021 in order to indicate the calculation of Core Operating Cash Flow whose formula has been altered from the year ended March 31, 2021. Consolidated Statements of Cash Flows for the year ended March 31, 2020 is reclassified to conform to this change in presentation.
As a result, the amount of ¥27,536 million for the year ended March 31, 2020, which was presented in "Net change in long-term debt" within "Cash Flows from Financing Activities" in the Consolidated Statements of Cash Flows for the year ended March 31, 2020 has been reclassified and presented as ¥88,397 million for "Net change in long-term debt" and as ¥(60,861) million for "Repayments of lease liabilities".

（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 year ended March 31, 2021. Compensation costs related to the share-based compensation plan for employees introduced in the year ended March 31, 2021 is also included in this account.
As a result, in Consolidated Statements of Changes in Equity for the year ended March 31, 2020, 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 ¥317 million for "Compensation costs related to share-based payment".

(9) Notes to Consolidated Financial Statements

① Segment Information

Year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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	436,579	1,396,902	838,598	792,200	1,933,795	2,373,082	236,120	8,007,276	2,959	8,010,235
Gross Profit	21,184	251,150	62,887	107,729	124,904	133,782	107,001	808,637	2,828	811,465
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	4,309	70,390	18,820	95,268	11,304	13,445	13,883	227,419	491	227,910
Profit for the Year Attributable to Owners of the Parent	2,119	179,917	27,161	45,935	43,520	12,724	50,161	361,537	(26,079)	335,458
Core Operating Cash Flow	2,030	308,146	123,156	78,700	62,513	19,776	55,147	649,468	8,670	658,138
Total Assets at March 31, 2021	566,020	2,566,491	2,566,305	2,291,278	1,345,469	2,009,315	1,191,842	12,536,720	(20,875)	12,515,845

Year ended March 31, 2020 (from April 1, 2019 to March 31, 2020) (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	492,291	1,173,163	893,647	1,065,065	2,171,610	2,495,813	185,921	8,477,510	6,620	8,484,130
Gross Profit	24,554	225,966	141,123	134,596	116,757	134,924	60,099	838,019	1,404	839,423
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	13,121	59,152	45,211	88,372	11,540	34,996	16,984	269,376	(144)	269,232
Profit for the Year Attributable to Owners of the Parent	4,749	183,273	57,835	89,356	22,332	32,034	14,568	404,147	(12,634)	391,513
Core Operating Cash Flow	2,153	243,716	206,459	86,841	35,841	20,494	3,916	599,420	(38,389)	561,031
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 March 31, 2021 includes cash, cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services amounting to ¥7,142,647 million and ¥7,202,925 million, respectively.

2. Transfers between reportable segments are made at cost plus a markup.

3. Profit for the Period Attributable to Owners of the parent of “Others /Adjustments and Eliminations” includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.

4. Total assets of “Others / Adjustments and Eliminations” at March 31, 2020 and March 31, 2021 includes elimination of receivables and payables between segments amounting to ¥7,048,084 million and ¥7,223,800 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 Consolidated Statements of Cash Flows. During the year ended March 31 2021, 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 year ended March 31, 2020 has been restated.

6. In order to accelerate our multifaceted, flexible initiatives that combine various kinds of knowledge from different business domains, a part of 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, during the year ended March 31 2021. In accordance with this change, the segment information for the year ended March 31, 2020 has been restated to conform to the current and previous fiscal year.

7.As described in the Note in Consolidated Statements of Income, the Company has reconsidered the presentation of revenue from certain transactions, and has presented revenues based on the results of the reconsideration for the current and previous fiscal year.

② Earnings per share

The following is a reconciliation of basic earnings per share attributable to owners of the parent to diluted earnings per share attributable to owners of the parent for the years ended March 31, 2021 and 2020:

Year ended March 31, 2021(from April 1, 2020 to March 31, 2021)

	Profit (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen
Basic Earnings per Share Attributable to Owners of the Parent:			
Profit for the Year Attributable to Owners of the Parent	335,458	1,683,338	199.28
Effect of Dilutive Securities:			
Adjustments of effect of:			
Dilutive securities of associated companies	(1)	—	
Stock options	—	836	
Diluted Earnings per Share Attributable to Owners of the Parent:			
Profit for the Year Attributable to Owners of the Parent after effect of dilutive securities	335,457	1,684,174	199.18

Year ended March 31, 2020(from April 1, 2019 to March 31, 2020)

	Profit (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen
Basic Earnings per Share Attributable to Owners of the Parent:			
Profit for the Year Attributable to Owners of the Parent	391,513	1,731,384	226.13
Effect of Dilutive Securities:			
Adjustments of effect of:			
Dilutive securities of associated companies	(22)	—	
Stock options	—	1,046	
Diluted Earnings per Share Attributable to Owners of the Parent:			
Profit for the Year Attributable to Owners of the Parent after effect of dilutive securities	391,491	1,732,430	225.98

③ Subsequent Events

Stock Repurchase

At the meeting of the Board of Directors held on April 30, 2021, the Company resolved to repurchase its stock in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to paragraph 3 of Article 165 of the Companies Act of Japan. Details of the repurchase are as follows.

1. Purpose of stock repurchase
   To enhance shareholder return and to improve capital efficiency

2. Details of repurchase
 (1) Class of share
   Common stock of the Company
 (2) Total number of shares of common stock to be repurchased
   Up to 30 million shares（1.8% of the total number of shares outstanding excluding treasury stock）
 (3) Total amount
   Up to ¥50,000 million
 (4) Period
   From May 6, 2021 to June 23, 2021
 (5) Repurchase method
   Auction market on Tokyo Stock Exchange

④ 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 year ended March 31, 2020 and 2021, and the outstanding balance of related provision as of March 31, 2021 are immaterial.
There are multiple lawsuits that have been brought against ITC in relation to this incident. These lawsuits are at the early stages and the ultimate outcome of these lawsuits is not expected to have significant impact on our consolidated financial position, operating results and cash flow.

⑤ Taxation on capital gain in India

Earlyguard Limited (“EG”), a UK subsidiary of Mitsui & Co., Ltd., received a tax payment notice dated January 21, 2020 which requested payment of 24.0 billion Indian Rupees (¥36.0 billion) from Indian tax authority.
The taxable income of this notice is the capital gain on sales of Finsider International Company Limited (a UK company that owned 51% of Sesa Goa, an Indian iron ore company) shares held by EG in April 2007. Although EG treated the capital gain properly according to the tax laws at that time, the tax payment notice has been issued. On February 17, 2021, EG commenced arbitration under the UK-India bilateral investment treaty in order to dispute this tax payment notice.
The company does not expect a significant impact on our consolidated financial position, operating results and cash flow at this stage.