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# MITSUI & CO., LTD.

## Items Disclosed on the Internet Concerning Notice of the 103rd Ordinary General Meeting of Shareholders

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## Corporate Outline

### 1. Principal group business (As of March 31, 2022)

In each business area including Mineral & Metal Resources, Energy, Machinery & Infrastructure, Chemicals, Iron & Steel Products, Lifestyle and Innovation & Corporate Development, the Company and its consolidated subsidiaries engage in a diversified range of services, including trading, manufacturing, transport, and financial services involving various commodities, making full use of the global office network, which is centering on the Company, a general trading company, with its ability to gather information. The Company and its consolidated subsidiaries furthermore engage in a wide range of initiatives that include development of natural resources and infrastructure projects, business investment in relation to the environment, new technologies, next-generation fuel and wellness, and value creation that leverages digital tools.

### 2. Principal group offices (As of March 31, 2022)

The Company has 10 domestic offices and branches in Japan in addition to its head office and 118 overseas offices, branches and trading subsidiaries. The principal entities are as follows:

■ Head Office	Chiyoda-ku, Tokyo
■ Domestic Offices	Hokkaido Office (Sapporo), Tohoku Office (Sendai), Chubu Office (Nagoya), Hokuriku Office (Toyama), Kansai Office (Osaka), Shikoku Office (Takamatsu), Chugoku Office (Hiroshima), Kyushu Office (Fukuoka)
■ Overseas: Trading Subsidiaries	MITSUI & CO. (U.S.A.), INC. MITSUI & CO. EUROPE PLC (United Kingdom) MITSUI & CO. (ASIA PACIFIC) PTE. LTD. (Singapore)

Note: For information regarding the status of important subsidiaries and equity accounted investees, as well as the number of consolidated subsidiaries, including overseas offices, and equity accounted investees, see “Principal subsidiaries” on pages 54-55 of Notice of the 103rd Ordinary General Meeting of Shareholders.

### 3. Shares of Mitsui & Co., Ltd. (As of March 31, 2022)

■ Number of shares authorized:	2,500,000,000 shares
■ Number of shares outstanding:	1,642,355,644 shares (including 37,539,482 shares of treasury stock)
■ Number of shareholders:	304,536 shareholders

Notes:

1. During the 103rd fiscal year, the Company purchased (i) 20,171,400 of its own shares at a total amount of ¥49,999,788,297 through market purchases on the Tokyo Stock Exchange, as resolved at the meeting of the Board of Directors held on April 30, 2021, (ii) 19,912,600 of its own shares at a total amount of ¥49,999,866,960 through market purchases on the Tokyo Stock Exchange, as resolved at the meeting of the Board of Directors held on August 3, 2021, and (iii) 17,147,700 of its own shares at a total amount of ¥49,999,865,183 through market purchases on the Tokyo Stock Exchange carried out through March 24, 2022, as resolved at the meeting of the Board of Directors held on December 16, 2021.
2. The number of shares outstanding amounted to 1,642,355,644 shares, a decrease of 45,000,000 shares as a result of having cancelled 45,000,000 shares of treasury stock as of August 16, 2021, as resolved at the meeting of the Board of Directors held on August 3, 2021.

#### 4. Principal shareholders (As of March 31, 2022)

Name of Shareholder	Investment in the Company	
	Number of shares (thousands)	Investment ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	274,650	17.11
Custody Bank of Japan, Ltd. (trust account)	91,707	5.71
EUROCLEAR BANK S.A. / N.V.	89,084	5.55
Nippon Life Insurance Company	35,070	2.18
STATE STREET BANK WEST CLIENT – TREATY 505234	25,821	1.60
Sumitomo Mitsui Banking Corporation	25,667	1.59
JPMorgan Securities Japan Co., Ltd.	20,670	1.28
Barclays Securities Japan Limited	20,408	1.27
JP MORGAN CHASE BANK 385781	20,218	1.25
Mitsui Sumitomo Insurance Company, Limited	17,000	1.05

Notes:

- The number of shares is rounded down to the nearest thousand.
- Although the Company holds 37,539,482 shares of treasury stock as of March 31, 2022, it is excluded from the above list of principal shareholders. The investment ratios are calculated excluding treasury stock.

#### 5. Shares of Mitsui & Co., Ltd. delivered to Directors and Audit & Supervisory Board Members as consideration for execution of duties during the year ended March 31, 2022

	Number of shares	Number of persons eligible for delivery
Directors (Excluding External Directors)	134,095	9
External Directors	0	0
Audit & Supervisory Board Members	0	0

Note: The information regarding the stock-based remuneration is described on pages 59-61 of the “Notice of the 103rd Ordinary General Meeting of Shareholders”.

#### 6. Group employees

(Persons)

Operating Segment	Total Number of Company and Subsidiary Employees		Total Number of Company Employees	
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2021	As of March 31, 2022
Mineral & Metal Resources	624	620	281	273
Energy	980	992	435	448
Machinery & Infrastructure	16,249	16,279	828	790
Chemicals	5,957	6,745	749	756
Iron & Steel Products	1,257	1,254	288	261
Lifestyle	9,798	8,586	883	840
Innovation & Corporate Development	6,406	6,599	476	474
(Other)	3,238	3,261	1,647	1,652
Total (Compared with Year Ended March 31, 2021)	<b>44,509</b>	<b>44,336 (-173)</b>	<b>5,587</b>	<b>5,494 (-93)</b>

- Notes:
- The above employee figures do not include temporary staff, seconded staff, or part-time staff.
  - From the fiscal year under review, the order of presentation of the reportable segments has been changed. Accordingly, the order of presentation of reportable segments for the previous fiscal year has also been changed in the same way.

**7. Principal sources of borrowings (As of March 31, 2022)**

(Millions of Yen)

Source of Borrowings	Amount Borrowed by the Company
Sumitomo Mitsui Banking Corporation	368,063
MUFG Bank, Ltd.	304,182
MITSUI & CO. FINANCIAL SERVICES (AUSTRALIA) LTD.	276,000
Japan Bank for International Cooperation	230,566
Nippon Life Insurance Company	222,000
Meiji Yasuda Life Insurance Company	216,000
Sumitomo Mitsui Trust Bank, Limited	172,390
TAIJU LIFE INSURANCE COMPANY LIMITED	147,000

Note: Amounts are rounded down to the nearest ¥1.0 million.

## 8. Senior Company Officers and Audit & Supervisory Board Members

### 1. Executive Officers (As of April 1, 2022) \* Serves concurrently as Director

	Title	Name	Principal Position(s) / Areas Overseen
*	President and Chief Executive Officer	Kenichi Hori	CEO (Chief Executive Officer)
*	Executive Vice President	Yoshio Kometani	CDIO (Chief Digital Information Officer); Integrated Digital Strategy Division; Energy Solutions Business Unit; Infrastructure Projects Business Unit; Mobility Business Unit I; Mobility Business Unit II; IT & Communication Business Unit
	Executive Vice President	Sayu Ueno	COO (Chief Operating Officer) of Americas Business Unit
*	Senior Executive Managing Officer	Motoaki Uno	Iron & Steel Products Business Unit; Mineral & Metal Resources Business Unit; Corporate Development Business Unit; Asia Pacific Business Unit; Regional Blocs (East Asia Bloc, CIS Bloc, Mitsui & Co. Korea Ltd.)
*	Senior Executive Managing Officer	Yoshiaki Takemasu	CHRO (Chief Human Resources Officer); CCO (Chief Compliance Officer); Corporate Staff Unit (Audit & Supervisory Board Member Division, Secretariat, Human Resources & General Affairs Division, Legal Division, Logistics Strategy Division, New Head Office Building Development Department); BCM (Business Continuity Plan Management); New Headquarter Project; Japan Bloc and Regional Blocs (Europe Bloc, Middle East and Africa Bloc)
	Senior Executive Managing Officer	Shinsuke Kitagawa	President & CEO (Chief Executive Officer) of Mitsui Global Strategic Studies Institute
	Senior Executive Managing Officer	Koji Nagatomi	COO (Chief Operating Officer) of Asia Pacific Business Unit
	Senior Executive Managing Officer	Hiroshi Meguro	Chief Regional Representative in CIS
	Senior Executive Managing Officer	Hirohiko Miyata	Chief Representative of Europe Bloc
	Executive Managing Officer	Takeo Kato	President of Mitsui & Co. (Thailand) Ltd.
	Executive Managing Officer	Yuki Kodera	President of Mitsui & Co. (Brasil) S.A.
	Executive Managing Officer	Yoshiki Hirabayashi	General Manager of Human Resources & General Affairs Division
	Executive Managing Officer	Motoyasu Nozaki	COO (Chief Operating Officer) of Energy Business Unit II
	Executive Managing Officer	Masahiro Moriyasu	Chief Representative of East Asia Bloc
	Executive Managing Officer	Kohei Takata	Deputy COO (Chief Operating Officer) of Asia Pacific Business Unit
	Executive Managing Officer	Shinichi Kikuchihara	President & CEO of P.T. Mitsui Indonesia
	Executive Managing Officer	Tetsuya Daikoku	COO (Chief Operating Officer) of Mobility Business Unit I
	Executive Managing Officer	Kazumasa Nakai	Nutrition & Agriculture Business Unit; Food Business Unit; Retail Business Unit; Wellness Business Unit
	Executive Managing Officer	Tetsuya Shigeta	CFO (Chief Financial Officer); Corporate Staff Unit (CFO Planning & Administrative Division, Global Controller Division, Finance Division, Risk Management Division, Investor Relations Division, Financial Management & Advisory Division I, II, III and IV)
	Executive Managing Officer	Takashi Furutani	COO (Chief Operating Officer) of Basic Materials Business Unit

Title	Name	Principal Position(s) / Areas Overseen
Executive Managing Officer	Makoto Sato	CSO (Chief Strategy Officer); Corporate Staff Unit (Corporate Planning & Strategy Division, Investment Administrative Division, Corporate Communications Division, Corporate Sustainability Division)
Executive Managing Officer	Toru Matsui	Energy Business Unit I; Energy Business Unit II; Basic Materials Business Unit; Performance Materials Business Unit; Americas Business Unit
Managing Officer	Yumi Yamaguchi	Deputy Chief Strategy Officer
Managing Officer	Shinichi Hori	General Manager of Osaka Office
Managing Officer	Masaharu Okubo	Country Chairperson in India
Managing Officer	Tatsuya Okamoto	COO (Chief Operating Officer) of Mobility Business Unit II
Managing Officer	Yuji Mano	General Manager of Integrated Digital Strategy Division
Managing Officer	Masato Sugahara	Chairman & CEO of Mitsui & Co. (Australia) Ltd.
Managing Officer	Atsushi Kawase	General Manager of Internal Auditing Division
Managing Officer	Koichi Fujita	COO (Chief Operating Officer) of Iron & Steel Products Business Unit
Managing Officer	Yoshiyuki Enomoto	General Manager of Financial Management & Advisory Division II
Managing Officer	Yoichiro Endo	COO (Chief Operating Officer) of Food Business Unit
Managing Officer	Takeshi Akutsu	COO (Chief Operating Officer) of Wellness Business Unit
Managing Officer	Makoto Takasugi	Director of PT CT Corpora (located in Jakarta)
Managing Officer	Isao Kohiyama	COO (Chief Operating Officer) of IT & Communication Business Unit
Managing Officer	Tsutomu Osada	COO (Chief Operating Officer) of Retail Business Unit
Managing Officer	Yuichi Takano	General Manager of Legal Division
Managing Officer	Hiroshi Kakiuchi	COO (Chief Operating Officer) of Performance Materials Business Unit
Managing Officer	Kenichiro Yamaguchi	General Manager of Investment Administrative Division
Managing Officer	Tetsuya Fukuda	COO (Chief Operating Officer) of Mineral & Metal Resources Business Unit
Managing Officer	Tetsu Watanabe	COO (Chief Operating Officer) of Nutrition & Agriculture Business Unit
Managing Officer	Toru Iijima	COO (Chief Operating Officer) of Energy Business Unit I; COO (Chief Operating Officer) of Energy Solutions Business Unit
Managing Officer	Koichi Wakana	COO (Chief Operating Officer) of Infrastructure Projects Business Unit
Managing Officer	Makoto Tanaka	General Manager of Finance Division
Managing Officer	Masaya Inamuro	General Manager of Corporate Planning & Strategy Division
Managing Officer	Daisuke Ishida	COO (Chief Operating Officer) of Corporate Development Business Unit

**2. External Directors and External Audit & Supervisory Board Members**

**(1) External Directors**

The following is a summary of the activities of External Directors and the duties they performed in relation to the roles expected of External Directors.

<p>Izumi Kobayashi (Director since June 2014)</p>	<p>Ms. Kobayashi participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. She has deep insight in organizational management and risk management for generating innovation, which she has accumulated through her experience working as the representative of private sector financial institutions and a multilateral development bank. She speaks out actively from diverse perspectives at the Board of Directors meetings, making a significant contribution to deepening the discussion. In the year ended March 31, 2022, she served as the chair of the Nomination Committee (attending all 5 such meetings) and exercised strong leadership in enhancing the transparency and effectiveness of the procedures for the appointment of executives, including the CEO succession plan. In addition, as a member of the Remuneration Committee (attending all 7 such meetings), she contributed to the discussions related to the redesign of executive remuneration and evaluation system.</p>
<p>Jenifer Rogers (Director since June 2015)</p>	<p>Ms. Rogers participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. She has a global perspective and deep insight in risk management cultivated through her experience working for international financial institutions and her experience in legal work as an in-house counsel. She makes many useful comments concerning risk control at the Board of Directors meetings, making a significant contribution to enhancing the supervision function of the Board of Directors. In the year ended March 31, 2022, she served as a member of the Governance Committee (attending all 5 such meetings), and actively provided her opinions with the aim of creating a highly transparent governance system.</p>
<p>Samuel Walsh (Director since June 2017)</p>	<p>Mr. Walsh participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. He makes proposals and suggestions from a broad-minded standpoint based on his global expertise, excellent management skills, and abundant business management experience cultivated through his long years working in upper management within the automobile industry and as chief executive officer of an international natural resources company, making significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the year ended March 31, 2022, he served as a member of the Governance Committee (attending all 5 such meetings), and actively provided his opinions with the aim of creating a highly transparent governance system.</p>

<p style="text-align: center;">Takeshi Uchiyamada (Director since June 2019)</p>	<p>Mr. Uchiyamada participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. He has long been involved in research and development on environmental and safety technologies at Toyota Motor Corporation that could realize a mobility society responding to the needs of the times, as well as in the development of products demanded by consumers, and has been exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. At the Board of Directors meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his management experience at a global company and his in-depth knowledge of society in general, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the year ended March 31, 2022, he served as a member of the Nomination Committee (attending all 5 such meetings) and contributed to the discussions with the aim of enhancing the transparency and effectiveness of the procedures for the appointment of executives, including the CEO succession plan.</p>
<p style="text-align: center;">Masako Egawa (Director since June 2020)</p>	<p>Ms. Egawa participated in all 15 Board of Directors meetings held during the year ended March 31, 2022. She has made significant contributions to active discussions at the meetings of the Board of Directors, and to improving effectiveness of such meetings, based on her deep insight in finance and corporate management gained through her experience of management as a director of the University of Tokyo, her many years of experience working at global financial institutions, and her research on management and corporate governance at Japanese companies. In the year ended March 31, 2022, she served as a member of the Governance Committee (attending all 5 such meetings) and actively provided her opinions with the aim of creating a highly transparent governance system. In addition, as a member of the Remuneration Committee (attending all 7 such meetings), she contributed to the discussions related to the redesign of executive remuneration and evaluation system.</p>

## (2) External Audit & Supervisory Board Members

The following is a summary of activities of External Audit & Supervisory Board Members.

<p style="text-align: center;">Haruka Matsuyama (Audit &amp; Supervisory Board Member since June 2014)</p>	<p>Ms. Matsuyama participated in all 15 Board of Directors meetings and all 18 Audit &amp; Supervisory Board meetings held during the year ended March 31, 2022. She offered advice and expressed opinions based on her knowledge and experience gained as a judge and an attorney at law. In the year ended March 31, 2022, as a member of the Governance Committee (attending all 5 such meetings), she actively provided opinions that contribute to developing transparent and objective governance.</p>
<p style="text-align: center;">Hiroshi Ozu (Audit &amp; Supervisory Board Member since June 2015)</p>	<p>Mr. Ozu participated in all 15 Board of Directors meetings and all 18 Audit &amp; Supervisory Board meetings held during the year ended March 31, 2022. He offered advice and expressed opinions based on his knowledge and experience gained as a public prosecutor and an attorney at law. In the year ended March 31, 2022, as a member of the Nomination Committee (attending all 5 such meetings), he contributed to the discussions with the aim of enhancing the transparency and effectiveness of the procedures for the appointment of executives, including the CEO succession plan.</p>



<p>Kimitaka Mori (Audit &amp; Supervisory Board Member since June 2017)</p>	<p>Mr. Mori participated in all 15 Board of Directors meetings and all 18 Audit &amp; Supervisory Board meetings held during the year ended March 31, 2022. He offered advice and expressed opinions based on his knowledge and experience gained as a certified public accountant. In the year ended March 31, 2022, as the chair of the Remuneration Committee (attending all 7 such meetings), he exercised strong leadership in discussions related to the redesign of executive remuneration and evaluation system.</p>
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(Reference)

Member composition of the Company's Audit & Supervisory Board after the Ordinary General Meeting of Shareholders on June 22, 2022 (intended)

	Name	Age		Position in the Company	Term of office for Audit & Supervisory Board Member	Governance Committee	Nomination Committee	Remuneration Committee
1	Makoto Suzuki	64	Incumbent	Full-time Audit & Supervisory Board Member	3 years			
2	Kimiro Shiotani	61	Incumbent	Full-time Audit & Supervisory Board Member	3 years			
3	Hiroshi Ozu	72	Incumbent External Independent	Audit & Supervisory Board Member	7 years		○	
4	Kimitaka Mori	64	Incumbent External Independent	Audit & Supervisory Board Member	5 years			◎
5	Yuko Tamai	56	New External Independent (Note 2)	Audit & Supervisory Board Member	-	○		

- Note:
- ◎: committee chair. "Independent" indicates that the person meets the independence criteria of the Tokyo Stock Exchange and the Company.
  - As the policy of Nagashima Ohno & Tsunematsu, to which Ms. Tamai belongs, does not recognize lawyers belonging to their office being registered as Independent Directors or Audit & Supervisory Board Members when they become External Directors or External Audit & Supervisory Board Members of any company, the Company does not plan to register her as an Independent Audit & Supervisory Board Member.

## Subscription Rights to Shares, etc.

### 1. Overview of the Subscription Rights to Shares, etc. Granted to and Held by Officers, etc. of the Company as Compensation for Execution of Duties as of March 31, 2022

#### (1) Subscription Rights to Shares Held by Directors, Audit & Supervisory Board Members, and Managing Officers

Year of issuance (Date of resolution of issuance)	Number of subscription rights to shares	Class and number of shares to be issued	Issue price	Amount of assets to be contributed upon exercise	Exercise period
Year ended March 31, 2015 (July 4, 2014)	39	3,900 shares of common stock	Issued without contribution	¥1 per share	From July 28, 2017 to July 27, 2044
Year ended March 31, 2016 (July 8, 2015)	123	12,300 shares of common stock	Issued without contribution	¥1 per share	From July 28, 2018 to July 27, 2045
Year ended March 31, 2017 (July 13, 2016)	385	38,500 shares of common stock	Issued without contribution	¥1 per share	From July 29, 2019 to July 28, 2046
Year ended March 31, 2018 (July 5, 2017)	1,130	113,000 shares of common stock	Issued without contribution	¥1 per share	From July 20, 2020 to July 19, 2047
Year ended March 31, 2019 (July 4, 2018)	1,080	108,000 shares of common stock	Issued without contribution	¥1 per share	From July 25, 2021 to July 24, 2048
Year ended March 31, 2022 (May 13, 2021)	90	9,000 shares of common stock	Issued without contribution	¥1 per share	From May 31, 2024 to May 30, 2051

#### (2) Breakdown

Year of issuance (Date of resolution of issuance)	Directors (excluding External Directors)		Audit & Supervisory Board Members		Managing Officers	
	Number of subscription rights to shares	Number of holders	Number of subscription rights to shares	Number of holders	Number of subscription rights to shares	Number of holders
Year ended March 31, 2015 (July 4, 2014)	39	1	–	–	–	–
Year ended March 31, 2016 (July 8, 2015)	82	2	41	1	–	–
Year ended March 31, 2017 (July 13, 2016)	211	3	53	1	121	2
Year ended March 31, 2018 (July 5, 2017)	569	4	142	2	419	7
Year ended March 31, 2019 (July 4, 2018)	512	5	116	2	452	12
Year ended March 31, 2022 (May 13, 2021)	90	1	–	–	–	–

#### Notes:

1. Stock-based compensation stock option with stock price conditions for Officers have been abolished pursuant to a resolution of the Ordinary General Meeting of Shareholders held on June 20, 2019.
2. The holding status for Managing Officers who concurrently serve as Directors is listed in the Directors field.
3. The subscription rights to shares held by Audit & Supervisory Board Members were granted when the individuals in question served as Directors or Managing Officers, and were not granted during their terms as Audit & Supervisory Board Members.
4. Regarding the subscription rights to shares for the year ended March 31, 2022 (issued on May 13, 2021), a Managing Officer who returned from overseas was granted the subscription rights to shares the Company withheld while the person was residing outside Japan, and were not granted during their term as Director.

5. The class and total number of shares to be issued upon exercise of subscription rights to shares as of March 31, 2022 (including those held by retirees) was 1,492,100 shares of common stock.
6. The main exercise conditions of the subscription rights to shares are the same as those described below in 2. Overview of the subscription rights to shares, etc. granted to the Company's employees, etc. as compensation for execution of duties during the fiscal year ended March 31, 2022.

## 2. Overview of the Subscription Rights to Shares, etc. Granted to the Company's Employees, etc. as Compensation for Execution of Duties During the Fiscal Year ended March 31, 2022

Name	The First Subscription Rights to Shares of the Company (stock options as stock-based compensation with stock price conditions) during the fiscal year ended March 31, 2022		
Date of resolution of issuance	May 13, 2021		
Number of subscription rights to shares	0 rights	90 rights	44 rights
Number of granted persons	Directors of the Company (excluding External Directors): 0 persons	Managing Officers of the Company not concurrently serving as Directors (excluding Managing Officers outside Japan): 1 person	Retired Managing Officers: 1 person
Class and number of shares to be issued upon exercise of subscription rights to shares	0 shares of common stock of the Company	9,000 shares of common stock of the Company	4,400 shares of common stock of the Company
Issue price of subscription rights to shares	Issued without contribution		
Amount of assets to be contributed upon exercise of subscription rights to shares	¥1 per share		
Exercise period of subscription rights to shares	From May 31, 2024 to May 30, 2051		
Main conditions for exercise of subscription rights to shares	<p>(1) Holders of subscription rights to shares may no longer exercise the subscription rights to shares after a period of 10 years has elapsed from the subsequent day on which the holders lose their positions as Directors, and/or Managing Officers, and/or Audit &amp; Supervisory Board Members of the Company.</p> <p>(2) Holders of subscription rights to shares may exercise all of the subscription rights to shares only when, as the stock price conditions, the Company's stock price growth rate over 3 years from the allotment date is equal to or exceeds the TOPIX (Tokyo Stock Price Index) growth rate and on the other hand, when such rate falls below the TOPIX growth rate, reflecting the degree, they may exercise only part of such subscription rights to shares allotted (please refer to details of stock price conditions below).</p>		

Note: The one Managing Officer not concurrently serving as Director and one retired Managing Officer were granted subscription rights to shares the Company withheld while they were residing outside Japan.

### [Details of Stock Price Conditions]

1. When the **Company's stock price growth rate**<sup>\*1</sup> is equal to or exceeds the **TOPIX (Tokyo Stock Price Index) growth rate**<sup>\*2</sup>: All of the subscription rights to shares granted may be exercised.
2. When the Company's stock price growth rate falls below the TOPIX growth rate: **Only part of the subscription rights to shares granted**<sup>\*3</sup> may be exercised.

\*1 The Company's stock price growth rate shall be calculated by the formula below based on the Company's stock price growth rate for the period of three years from the allotment date to the first date of the exercise period.

- A: The average closing price for the Company's common stock on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls
- B: The total amount of dividends per common share of the Company for the period from the allotment date to the first date of the exercise period of the subscription rights to shares
- C: The average closing price for the Company's common stock on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls

**The Company's stock price growth rate = (A + B) / C**

\*2 The TOPIX growth rate shall be calculated by the formula below based on the TOPIX growth rate for the period of three years from the allotment date to the first date of the exercise period.

D: The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls

E: The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls

**TOPIX growth rate = D / E**

\*3 **Number of exercisable subscription rights to shares = Number of subscription rights to shares granted × (the Company's stock price growth rate / TOPIX growth rate)**

## Details of Independent Auditor

### 1. Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

### 2. Remuneration Paid to Independent Auditor

The remuneration paid by the Company and its consolidated subsidiaries to the Independent Auditor relating to the fiscal year under review is as follows.

(Millions of Yen)

Classification	Audit Fees	Non-Audit Fees
The Company	810	4
Consolidated subsidiaries	726	14
Total	1,536	18

Notes:

1. The Company has not drawn any distinction between the remuneration for the audit services pursuant to the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan in the agreement with the Independent Auditor.
2. Based upon the Practical Guidelines for Cooperation with Independent Auditors released by the Japan Audit & Supervisory Board Members Association, having obtained necessary materials and received reports from Directors, related departments, and the Independent Auditor, and having reviewed the auditing plans, the status of execution of duties by the Independent Auditor, the grounds for calculation of remuneration estimates and other matters in the previous fiscal year, the Audit & Supervisory Board gives consent to remunerations for the Independent Auditor in accordance with Article 399, Paragraph 1 of the Companies Act of Japan.
3. Some subsidiaries are subject to audits performed by certified public accountants and audit corporations (including those who have equivalent qualifications in foreign countries) other than the Company's Independent Auditor.

### 3. Non-Audit Services

The Company has engaged its Independent Auditor to provide "tax-related services", etc., being services falling outside the scope of Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

### 4. Policy for Decisions on Dismissal or Non-Reappointment of Independent Auditor

The Company has the following policy on the dismissal of, and decisions not to reappoint, the Independent Auditor.

- 1) The tenure of the Independent Auditor is one year, and they may be reappointed.
- 2) The election, dismissal and/or non-reappointment of the Independent Auditor is/are resolved by the Audit & Supervisory Board to be referred for discussion and resolution at the General Meeting of Shareholders. The reappointment of the Independent Auditor is determined by resolution of the Audit & Supervisory Board.

- 3) Other than the Company's convenience, where the Independent Auditor has breached or contravened law or regulation such as the Companies Act of Japan or the Certified Public Accountants Act, or has conducted itself in breach of public policy or breached its contract of engagement, the Audit & Supervisory Board considers whether or not it is appropriate to refer the dismissal or non-reappointment of the Independent Auditor to the General Meeting of Shareholders for discussion and resolution.
- 4) The Audit & Supervisory Board may dismiss the Independent Auditor with the approval of each Audit & Supervisory Board Member if the circumstances outlined in the respective provisions of Article 340, Paragraph 1 of the Companies Act of Japan apply.

### **Necessary Systems to Ensure Appropriate Operations and Status of Operations of the Systems**

An outline of "Necessary systems to ensure appropriate operations" (pursuant to Article 362, Paragraph 4, Item 6 of the Companies Act of Japan) of the Company and the status of operations of the systems are as follows. In the fiscal year ended March 31, 2022, in order to operate the necessary systems to ensure appropriate operations, the Company established and maintained each internal control system by holding physical meetings and carrying out visiting audits in combination with online meetings and/or video messages, etc.

As for the systems above, further details can be found via the following link on the website of the Company (<https://www.mitsui.com/jp/en/company/outline/governance/index.html>).

### **1. Systems to Ensure that Directors and Employees Comply with Laws and Regulations, and the Articles of Incorporation**

- 1) The Company has established the "BUSINESS CONDUCT GUIDELINES FOR EMPLOYEES AND OFFICERS OF MITSUI & CO., LTD.", based on its positioning of compliance by officers and employees in the course of carrying out their duties as one of the most important priorities of the Company.
- 2) The Company has established the Compliance Committee, headed by the Chief Compliance Officer (CCO), and carries out compliance training and other measures to ensure and improve awareness of compliance issues. The Company establishes several internal and external whistle-blowing lines, and conducts periodical auditing to ensure its compliance regime is observed while also taking disciplinary actions on violations.
- 3) Audit & Supervisory Board Members monitor the observance of all relevant laws and regulations and the Articles of Incorporation, among other things, by Directors and employees in the performance of their duties.
- 4) The Company has appointed External Directors to strengthen the supervisory function of the Board of Directors and has established various advisory committees that include External Members as committee members, in order to enhance objectivity and transparency of management.

#### **Status of Operations of the Above Systems**

- **Compliance**

Every year, the Company requires all officers and employees to submit a pledge promising to comply with the BUSINESS CONDUCT GUIDELINES FOR EMPLOYEES AND OFFICERS OF MITSUI & CO., LTD., etc., makes compliance-related handbooks available to them, and carries out compliance workshops, seminars, and awareness surveys. The Company is working to ensure thorough compliance and instill integrity in ways that better match frontline conditions by introducing the "Compliance Administrator" system in the fiscal year ended March 31, 2020. In the fiscal year ended March 31, 2022, the Company established "With Integrity Month" under the theme of "With Integrity for All Mitsui" in accordance with the "Mitsui & Co. Group Conduct Guidelines - With Integrity" and the Values defined in the Company's management philosophy (Mission, Vision, Values), providing opportunities for discussion about Integrity at all locations in Mitsui & Co. Group, as well as using web conferencing to enable President and the employees of the Mitsui & Co. Group to engage in dialogue about Integrity. The Company also streamed the content of Compliance Committee deliberations widely to employees via web conferencing and created opportunities for management and employees to think about compliance and integrity together through real-time discussion and Q&A. We have also continued

sharing information about critical compliance-related cases that have occurred within the Mitsui & Co. Group with the aim of preventing similar situations from recurring. Regarding the whistleblowing system, which serves as the core internal control mechanism for discovering problems, there are eight reporting routes under this system, including reporting to the Audit & Supervisory Board Members. Various initiatives to improve confidence in the whistleblowing system and encourage people to use it when necessary have been continuously implemented. For example, the CCO and other officers issue messages to encourage people to speak up if they believe that there is a compliance-related issue. Further, in addition to training programs about the whistleblowing system, posters are displayed on company premises, and a video introducing the whistleblowing system was posted on the intranet. Twice each year the compliance framework status is reported to the Corporate Management Committee and the Board of Directors for their review, and active discussions are held to further improve the framework. In addition, the Company continued to hold Compliance Committee meetings four times a year with the participation of Business Unit COOs, with the aim of creating a compliance structure that encompasses frontline perspectives.

- **Monitoring by the Audit & Supervisory Board Members**

The Audit & Supervisory Board Members conduct audits of the decision-making process of the management team through attending meetings of the Board of Directors and other important meetings, such as meetings of the Corporate Management Committee and inspecting decision-making documents, and monitor the execution of duties through auditing activities including regular meetings with the management team and coordination with the Independent Auditor and the Internal Auditing Division.

- **Strengthening the Supervisory Function of the Board of Directors and Enhancing the Objectivity and Transparency of Management**

The Company appointed five External Directors from diverse backgrounds to utilize their expert knowledge in management and oversight. External Directors provide opinions and viewpoints based on various specialties and are significantly contributing to strengthening the supervisory functions through diverse analyses of topics deliberated by the Board of Directors. The holding of free discussion sessions by Directors and Audit & Supervisory Board Members was confirmed to be meaningful in the effectiveness evaluation in FY2021, as it was in FY2020. For that reason, in the fiscal year ended March 31, 2022, two sessions were held, on the theme of “Priority of Issues and Actions That Mitsui Should Tackle in the Medium to Long Term to Increase Corporate Value” in November 2021, and on the theme of “How Global Operation Should Be” in March 2022. The advisory committees of the Board of Directors, the Governance Committee (five meetings), the Nomination Committee (five meetings), and the Remuneration Committee (seven meetings) carried out discussion in light of the opinions of External Members and put effort into ensuring the objectivity and transparency of management. The Governance Committee discussed the Company’s response to the revised Corporate Governance Code, organizational design based on the Company’s frameworks for business execution, and a review of standards on matters to be resolved/reported at the Board of Directors, as well as evaluation of the effectiveness of the Board of Directors for the fiscal year. The Nomination Committee worked to provide more opportunities for External Members to learn about candidates for Directors and Managing Officers and enhance the information and materials provided. It also considered and discussed the selection of Director candidates based on a Skill Matrix. The Remuneration Committee discussed on the revision of the remuneration system and level towards the contribution of medium- to long-term corporate value under global competitive environment. In addition, the External Members Meeting, which consists of External Directors and External Audit & Supervisory Board Members, convened 13 times during the fiscal year ended March 31, 2022, to discuss topics that included market reaction of the financial results, etc., the business overview of several business units, the activities of the Portfolio Management Committee, and the Mitsui Engagement Survey for the fiscal year (the results of an engagement-related questionnaire survey of employees of the Company and its global group companies).

## **2. Systems to Store and Control Information Related to Duties Performed by Directors**

In accordance with its Rules on Information Management etc., the Company stores and controls important information such as the minutes of the General Meetings of Shareholders and meetings of the Board of Directors.

### **Status of Operations of the Above Systems**

To properly evaluate its decision-making process, the Company promptly creates, stores and manages the minutes from important meetings such as the General Meetings of Shareholders and meetings of the Board of Directors.

Furthermore, the Company implements thorough information management based on the Rules on Information Management etc., and of confidential information, information requiring particularly high-level control is indicated as “Classified and Sensitive Information” and placed under stricter control limiting the information handlers.

## **3. Regulations and Systems Related to Management of Risk of Loss**

- 1) The Chief Operating Officers of business units and regional business units of the Company manage risks of losses (“Risks”) that arise from businesses within the scope of their authority.
- 2) Corporate Staff Unit of the Company have established an integrated risk management system to holistically manage the various Risks that the Company faces in its businesses, centered on the Corporate Management Committee and the Portfolio Management Committee.
- 3) The Company responds to crises and emergency situations by establishing the Crisis Response Headquarters, etc. in accordance with the “Crisis Response Headquarters Regulations” and the “Emergency Business Continuity Management Regulations”.

### **Status of Operations of the Above Systems**

The Company appropriately operates a system for the segregation of authority and an internal approval system, and the Corporate Staff Unit oversees and supports the decision-making of the Business Units, thus thoroughly managing the Risks arising from business activities.

Furthermore, through the prior setting of credit limits, etc. for customers and monitoring by specialized divisions, the Company manages quantitative Risks such as credit risk and country risk.

In the fiscal year ended March 31, 2022, the Portfolio Management Committee held eight meetings and continued to provide appropriate risk management at the company-wide level by monitoring portfolios across the entire company, discussing portfolio strategies from the perspectives of asset efficiency and sustainability, verifying progress on company-wide cash flow allocations, and reviewing action policies and strategies in the Strategic Focus areas identified in the Medium-term Management Plan.

The Corporate Management Committee deliberated on risk exposure and controls by risk category, and country-specific risk response policies, and reviewed the administration of compliance systems and countermeasure status against cyber security risks. These initiatives were also reported to the Board of Directors.

## **4. Systems to Ensure Effective and Efficient Execution of Duties by Directors**

- 1) Efficient management performance is pursued through having the Board of Directors oversee each Director in the performance of his/her duties and the use of a Managing Officer System.
- 2) The Company has established various committees, such as the Corporate Management Committee and the Portfolio Management Committee, to enhance efficient and appropriate management decisions.
- 3) The Company has constructed a business unit system and regional unit system to enable timely management decisions, and implemented an internal approval system where its Representative Directors make the final decision in the best interest of the Company, following deliberations conducted by the relevant Corporate Staff Unit.
- 4) Management initiatives are implemented in accordance with the Medium-term Management Plan and annual business plans, with the Board of Directors regularly verifying upon progress.

### **Status of Operations of the Above Systems**

The Company smoothly operates an internal approval system through coordination between the Business Units and the Corporate Staff Unit. Furthermore, through thorough evaluation at the various meetings,



including the meetings of the Corporate Management Committee and the meetings of the Portfolio Management Committee, the Company realizes appropriate and efficient management decision making.

Prior to meetings of the Board of Directors, the Board of Directors Secretariat screens proposed resolutions and matters to be reported based on the Companies Act of Japan and internal rules, ensuring that the oversight of each Director in the performance of his/her duties is conducted appropriately and efficiently by the Board of Directors.

To evaluate the progress of actions taken in response to management issues, proposals and reports are carried out at meetings of the Board of Directors regarding company-wide issues, not limited to individual proposals. In the fiscal year ended March 31, 2022, proposals and reports were made regarding the topics such as the Company's response to the revised Corporate Governance Code, formulation of Sustainability Policy, occupational health and safety management system, asset portfolios, risk exposure and controls, and status of cyber securities.

Furthermore, the Company reviews the various rules related to internal procedures, including a review of standards on matters to be resolved/reported at the Board of Directors, as needed, working to make the execution of operations more efficient.

## **5. Systems to Ensure Proper Operations in the Group**

- 1) Based on the general principle of maintaining the autonomy of its affiliated companies, the Company appropriately manages affiliated companies, understanding the management status and maintaining a group-wide management framework, while providing for the Company's participation in the management and/or governance of its affiliated companies as appropriate to its equity investor status.
- 2) The Company requires its major affiliated companies to conduct regular auditing to check their observance of all relevant laws and regulations, and internal regulations.
- 3) The Company requests to build an appropriate whistle-blowing line for affiliated companies, requests the prohibition of the disadvantageous treatment of whistleblowers, and, in the event that affiliated companies detect a violation of compliance by the officers or employees of the Company, the matter may be reported to the Compliance Committee, through the whistle-blowing lines, either internally or externally.

### **Status of Operations of the Above Systems**

Depending on their relationship with the Company, the Company requires its subsidiaries and associated companies to comply with its "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles", or to develop internal control systems equivalent to the Company's system.

Furthermore, the Company designates its officers and employees as the supervising officers of the affiliated companies to manage the affiliated companies in accordance with the "Rules on Duties of Supervising Officers of Affiliated Companies". The Company dispatches its staff of the Internal Auditing Division to the major affiliated companies to serve as a Full-time Audit & Supervisory Board Member, and strengthen the oversight of the Group.

Also, while increasing the effectiveness of the consolidated group's business operations, the Company established the "Mitsui Global Business Management Guidelines" with the goal of maximizing the added value created by each company. In doing so, the Company is promoting organic cooperation between each group company and sharing of the management resources, functions, and networks that each company possesses.

In the fiscal year ended March 31, 2022, the Company worked to enhance the compliance of the Group by conducting a compliance awareness survey at major domestic affiliated companies continuing from the fiscal year ended March 31, 2021 and making the Compliance Handbook available to major domestic affiliated companies. The Company continued to disseminate the "Mitsui & Co. Group Conduct Guidelines - With Integrity". The Company also continued to operate the "Guidelines on the Establishment of Compliance Systems at Affiliated Companies", which notes the best practice for developing and enhancing the compliance structure, to help enhance the independent and self-reliant compliance structure of affiliated companies. We are increasing the number of countries where the Global Group Hotline is applicable, which is used to report issues related to antimonopoly or corruption prevention laws in Japan and overseas and seek advice.

## **6. Matters Related to Employees Assigned to Assist Audit & Supervisory Board Members, the Independence of Such Employees from Directors, and Ensuring the Effectiveness of Audit & Supervisory Board Members' Directions to Such Employees**

- 1) The Company establishes the Audit & Supervisory Board Member Division and allocates three or more staff.
- 2) The organizational change and personnel change of employees of the Audit & Supervisory Board Member Division are determined with the approval of the Audit & Supervisory Board Members.

### **Status of Operations of the Above Systems**

As of March 31, 2022, the Audit & Supervisory Board Member Division is staffed with five dedicated employees to assist the Audit & Supervisory Board Members in their duties.

Furthermore, decisions on the personnel change of employees of the Audit & Supervisory Board Member Division were made by the responsible Director with the approval of the Audit & Supervisory Board Members.

## **7. Systems to Report to and Collecting Information by Audit & Supervisory Board Members**

- 1) Audit & Supervisory Board Members may attend the meetings of the Board of Directors, the meetings of the Corporate Management Committee and other important meetings, receive important in-house documentation and materials, have regular meetings with Chairman, President, CCO and other Directors, Managing Officers, or other management staff, and receive information on the Company including information on affiliated companies.
- 2) Directors should immediately report to the Audit & Supervisory Board in the event of discovery of circumstances that carry the potential risk of serious loss or consequence to the Company.
- 3) Audit & Supervisory Board Members audit and supervise the state of the management of its major affiliated companies through visiting of those affiliated companies and collaborating with the Audit & Supervisory Board Members of those companies.

### **Status of Operations of the Above Systems**

The abovementioned system has been established and is in operation, in which Audit & Supervisory Board Members promptly receive reports from the person in charge of the relevant department in the event that there is a problem that could have a significant impact on the Company. Also, through attending the meetings of the Board of Directors and its advisory committees, having regular meetings with Chairman and President, sharing information and exchanging opinions at meetings with External Directors and regular meetings with the Independent Auditor and the Internal Auditing Division, Audit & Supervisory Board Members work to collect and examine information of the Company. In addition to the above, Full-time Audit & Supervisory Board Members work to collect and examine information on the day-to-day management performance of the Company, through attending important meetings including meetings of the Corporate Management Committee, having regular meetings with the Directors, Managing Officers, and General Managers of the Corporate Staff Unit, sharing information and viewing important documentation, exchanging opinions at meeting with full-time audit & supervisory board members of subsidiaries and other means, and share those information with External Audit & Supervisory Board Members at the Audit & Supervisory Board and via written communication.

The Audit & Supervisory Board Members designate some of the affiliated companies positioned important for the fiscal year both in Japan and overseas as "Important Affiliated Companies Designated by the Audit & Supervisory Board", make visits to these designated affiliated companies or hold online meetings with their management, exchange views with the local independent auditors of these companies, and proactively collect information on the management status of affiliated companies on a global group basis.

As outlined above, the Company has established and effectively operates the abovementioned system in which important matters and problematic events arising in relation to the global business management of the Company are reported to Audit & Supervisory Board Members in a timely and appropriate manner.

## **8. Other Systems to Ensure Effective Auditing by Audit & Supervisory Board Members**

- 1) Directors maintain an appropriate environment for auditing and supervising of the management activities of the Audit & Supervisory Board Members.

- 2) The Audit & Supervisory Board Members may request cooperation from the Internal Auditing Division, the Legal Division, and the Global Controller Division, as well as other divisions with regard to their auditing and supervising.
- 3) The Audit & Supervisory Board Members maintain close contact with the Independent Auditor.
- 4) The Audit & Supervisory Board Members may request the assistance of legal counsel and other external expert professional advisors.
- 5) The Company is responsible for the costs associated with the execution of Audit & Supervisory Board Members' duties.

#### **Status of Operations of the Above Systems**

Regarding the audit environment and the cooperation given to Audit & Supervisory Board Members by the Internal Auditing Division, the Legal Division, the Global Controller Division, and other divisions, the Members hold regular meetings with and receive reports from those corporate units and also gather information needed for the audit activities by investigating specific individual cases and continually monitoring particular items with the cooperation of the relevant corporate units. Audit & Supervisory Board Members conduct effective auditing in collaboration with the Internal Auditing Division and the Independent Auditor through monthly regular individual meetings with each of them, triangular meetings, and feedback sessions carried out by the Internal Auditing Division in the presence of the audited division (audited affiliated company), in and at which the Audit & Supervisory Board Members participate and state independent comments on the audited division or company. Audit & Supervisory Board members also help to assess the appropriateness of accounting audits by exchanging opinions with the Independent Auditor on topics that include the independence of the Independent Auditor, its frameworks for the performance of its duties, and its quality control frameworks. Furthermore, the Audit & Supervisory Board consults as necessary with legal counsel on auditing operations.

The Company secured the required budget for the execution of the Audit & Supervisory Board Members' duties, including related legal fees, and bore the expenses related to the execution of Audit & Supervisory Board Members' duties.

#### **9. Systems and Basic Philosophy Related to the Rejection of Anti-Social Forces**

The Company ensures all officers and employees fully understand the Company's basic philosophy with regard to the rejection of anti-social forces, including the forbidding of transactions with anti-social forces or with parties that have relations with anti-social forces, and also cooperates with external professionals such as the police and attorneys at law, through the establishment of a response unit for the handling of such matters.

#### **Status of Operations of the Above Systems**

The Company ensures the thorough rejection of anti-social forces by all officers and employees, and in individual business activities, conducts screening utilizing a checklist for the elimination of anti-social forces at the stage of consideration of new projects.

## Consolidated Financial Statements

### Consolidated Statements of Changes in Equity

Year ended March 31, 2022

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
<b>Balance as at April 1, 2021</b>	¥342,080	¥396,238	¥3,547,789	¥373,786	¥ (89,473)	¥4,570,420	¥252,467	¥4,822,887
Profit for the year			914,722			914,722	22,948	937,670
Other comprehensive income for the year				455,925		455,925	17,393	473,318
<b>Comprehensive income for the year</b>			914,722	455,925		1,370,647	40,341	1,410,988
<b>Transaction with owners:</b>								
Dividends paid to the owners of the parent			(148,206)			(148,206)		(148,206)
Dividends paid to non-controlling interest shareholders							(26,260)	(26,260)
Acquisition of treasury stock					(174,918)	(174,918)		(174,918)
Sales of treasury stock		(234)	(336)		571	1		1
Cancellation of treasury stock			(156,722)		156,722	-		-
Compensation costs related to share-based payment	304	1,882				2,186		2,186
Equity transactions with non-controlling interest shareholders		(21,370)		6,445		(14,925)	(76,337)	(91,262)
<b>Transfer to retained earnings</b>			8,715	(8,715)		-		-
<b>Balance as at March 31, 2022</b>	¥342,384	¥376,516	¥4,165,962	¥827,441	¥ (107,098)	¥5,605,205	¥190,211	¥5,795,416

Year ended March 31, 2021 (Supplementary Information)

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
<b>Balance as at April 1, 2020</b>	¥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
<b>Comprehensive income for the year</b>			335,458	629,194		964,652	31,394	996,046
<b>Transaction with owners:</b>								
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)
<b>Transfer to retained earnings</b>			32,386	(32,386)		-		-
<b>Balance as at March 31, 2021</b>	¥342,080	¥396,238	¥3,547,789	¥373,786	¥ (89,473)	¥4,570,420	¥252,467	¥4,822,887

**Consolidated Statements of Comprehensive Income [Supplementary Information] (Unaudited)**

(Millions of Yen)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Profit for the Year</b>	¥ 937,670	¥ 350,381
<b>Other Comprehensive Income:</b>		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	163,811	477,184
Remeasurements of defined benefit plans	18,946	32,514
Share of other comprehensive income of investments accounted for using the equity method	(19,631)	1,671
Income tax relating to items not reclassified	(55,126)	(119,092)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	103,754	174,725
Cash flow hedges	(69,905)	(831)
Share of other comprehensive income of investments accounted for using the equity method	338,093	86,445
Income tax relating to items that may be reclassified	(6,624)	(6,951)
Total other comprehensive income	473,318	645,665
<b>Comprehensive Income for the Year</b>	<b>¥ 1,410,988</b>	<b>¥ 996,046</b>
<b>Comprehensive Income for the Year Attributable to:</b>		
Owners of the parent	¥ 1,370,647	¥ 964,652
Non-controlling interests	40,341	31,394

**Segment Information [Supplementary Information] (Unaudited)**

Year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle
Revenue	1,900,653	2,597,392	856,603	2,861,701	615,076	2,700,478
Gross Profit	392,469	145,414	142,931	182,984	35,492	142,965
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	145,312	32,347	146,029	20,714	26,020	41,087
Profit (Loss) for the Year Attributable to Owners of the parent	497,579	114,017	120,808	68,941	26,889	61,498
Core Operating Cash Flow	552,789	280,178	143,974	93,764	12,416	35,161
Total Assets at March 31, 2022	3,180,197	2,960,412	2,684,478	1,692,949	691,630	2,428,573

	Innovation & Corporate Development	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	223,665	11,755,568	1,991	0	11,757,559
Gross Profit	97,743	1,139,998	2,469	(1,096)	1,141,371
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	19,745	431,254	(200)	209	431,263
Profit (Loss) for the Year Attributable to Owners of the parent	57,591	947,323	(9,176)	(23,425)	914,722
Core Operating Cash Flow	46,591	1,164,873	6,453	(12,662)	1,158,664
Total Assets at March 31, 2022	1,729,006	15,367,245	7,647,360	(8,091,315)	14,923,290

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

(Millions of Yen)

	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle
Revenue	1,396,902	838,598	792,200	1,933,795	436,579	2,373,082
Gross Profit	251,150	62,887	107,729	124,904	21,184	133,782
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	70,390	18,820	95,268	11,304	4,309	13,445
Profit (Loss) for the Year Attributable to Owners of the parent	179,917	27,161	45,935	43,520	2,119	12,724
Core Operating Cash Flow	308,146	123,156	78,700	62,513	2,030	19,776
Total Assets at March 31, 2021	2,566,491	2,566,305	2,291,278	1,345,469	566,020	2,009,315

	Innovation & Corporate Development	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	236,120	8,007,276	2,960	(1)	8,010,235
Gross Profit	107,001	808,637	2,377	451	811,465
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	13,883	227,419	472	19	227,910
Profit (Loss) for the Year Attributable to Owners of the parent	50,161	361,537	(19,379)	(6,700)	335,458
Core Operating Cash Flow	55,147	649,468	(12,128)	20,798	658,138
Total Assets at March 31, 2021	1,191,842	12,536,720	7,202,925	(7,223,800)	12,515,845

Notes: 1. "All Other" includes the Corporate Staff Unit which provides financing services and operations services to the companies and affiliated companies.

Total assets of "All Other" at March 31, 2021 and March 31, 2022 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.

2. Transfers between reportable segments are made at cost plus a markup.
3. Profit (Loss) for the Year Attributable to Owners of the parent of "Adjustments and Eliminations" includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.
4. Core Operating Cash Flow is calculated by deducting the total of the "Changes in Operating Assets and Liabilities" from the "Cash Flows from Operating Activities", and further deducting the "Repayments of lease liabilities" in the "Cash Flows from Financing Activities" from it, in the Consolidated Statements of Cash Flows.
5. The description order of reporting segments has been changed in the segment information since the year ended March 31, 2022, and this change also applies for the year ended March 31, 2021.

## Notes to Consolidated Financial Statements (Year ended March 31, 2022)

### Basic Significant Matters Regarding Preparation of Consolidated Financial Statements

#### 1. Subsidiaries and equity accounted investees

##### (1) Subsidiaries 279

Mitsui Oil Exploration Co., Ltd., Mitsui Iron Ore Development Pty. Ltd., Mitsui-Itochu Iron Pty. Ltd., Mitsui Sakhalin Holdings B.V., Mitsui Resources Pty. Ltd., and others

##### (2) Equity accounted investees (associated companies and joint ventures) 230

Japan Australia LNG (MIMI) Pty. Ltd., Penske Automotive Group, Inc., IHH Healthcare Berhad and others

A total of 521 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.

#### 2. Basis of consolidated financial statements

The consolidated financial statements have been prepared on the basis of International Financial Reporting Standards (“IFRSs”), in compliance with Article 120, paragraph 1 of the Ordinance on Company Accounting. In accordance with the provision of the paragraph, certain disclosures required on the basis of IFRSs have been omitted.

#### 3. Summary of Significant Accounting Policies

##### *Consolidation*

The consolidated financial statements include the accounts of the Company, its subsidiaries (which are controlled either directly or indirectly through voting or similar rights), and structured entities (“SEs”). They are collectively called the “companies,” where the Company or one of its subsidiaries have control. SEs are entities controlled through means other than voting or similar rights. The word “control” is used based on its definition in IFRS 10 “Consolidated Financial Statements,” so that the companies consider all facts and circumstances, including existing rights and substantive rights included within agreements with investees.

The consolidated financial statements include financial statements of certain subsidiaries with different fiscal year-ends from that of the Company, as the Company considers it impracticable to unify the fiscal year-ends of such subsidiaries with that of the Company.

Major consolidated subsidiaries with different fiscal year-ends include subsidiaries that operate exploration, development and production of oil and gas. As the Company is a non-operator in such operations and the financial information is prepared by the operators, the Company is unable to obtain necessary information from the operators in time for the preparation of the Company’s year-end consolidated financial statements. For the same reasons, it is also impracticable to prepare additional financial statements for these subsidiaries as of the same date as the Company’s year-end date. Therefore, financial information for such subsidiaries with fiscal year-ends of December 31 is included in the Company’s consolidated results.

There are other consolidated subsidiaries for which it is also considered impracticable to unify on fiscal year-ends with on the Company’s due to requirements of local laws and regulations, and it is also impracticable to prepare additional financial statements for these subsidiaries as of the same date as the Company’s year-end date due to certain facts and circumstances such as local business practices and the environment surrounding their respective accounting systems. The fiscal year-ends of such consolidated subsidiaries are mainly December 31.

Adjustments are made for the effects of significant transactions or events that occur between the ends of the fiscal years of such consolidated subsidiaries and that of the Company.



Changes in the companies' ownership interests that are made while retaining their controlling financial interests in their subsidiaries are accounted for as equity transactions. When the companies cease to have their controlling financial interests, any retained investments are measured at their fair value at that date. The difference between the fair value and the carrying amount of the retained non-controlling investments is recognized as gain (loss) on securities and other investments – net.

### ***Investments in associated companies and joint arrangements***

Associated companies are entities over which the Company and its subsidiaries own 20% or more of the voting rights. The exceptions to this rule include the entities in which it can be clearly demonstrated that the Company and its subsidiaries are unable to exercise significant influence over the financial and operating policy decisions of the investees, or those whereby the companies have the ability to exercise significant influence despite holding less than 20% ownership. Investments in associated companies are accounted for using the equity method.

Joint arrangements are arrangements in which decisions about relevant activities require the unanimous consent of the parties sharing control. When the parties that have joint control of the arrangement have substantial rights to the assets and obligations for the liabilities, relating to the arrangement, the arrangement is a joint operation. When an arrangement is structured through a separate vehicle and the parties that have joint control of the arrangement have rights to the net assets of the arrangement, the arrangement is classified as a joint venture. A joint operation is accounted for by recognizing the assets, liabilities, revenues and expenses relating to its interest in the joint operation. A joint venture is accounted for using the equity method.

Robe River Iron Associates (the Company's percentage of ownership: 33%), which conducts iron ore mining activities in Australia, is a major joint operation.

Losses recognized under the equity method are recorded in Share of Profit (Loss) of Investments Accounted for Using the Equity Method in the Consolidated Statements of Income or in Other comprehensive income in the Consolidated Statements of Comprehensive Income, considering the priority of recoverability of assets related to the losses among other things.

The consolidated financial statements include some associated companies, joint ventures and joint operations with different fiscal year-ends from that of the Company. It is impracticable to unify the fiscal year-ends due to the requirement of local laws and regulations and relationships with other shareholders, it is also impracticable to prepare additional financial statements as of the same date as the financial statements of the companies due to certain factors such as local business practices and the environment surrounding their respective accounting systems. The fiscal year-ends of associated companies, joint ventures and joint operations are generally December 31.

Adjustments are made for the effects of significant transactions or events that occur between the ends of the fiscal years of such associated companies, joint ventures and joint operations and that of the Company. The companies discontinue the use of the equity method from the date when an investment ceases to be an associated company or a joint venture. Any retained investments are measured at their fair value at that date, and the difference between the fair value and the carrying amount of the retained investments is recognized as gain (loss) on securities and other investments – net. Regarding impairment of investments accounted for using the equity method, please refer to *“Impairment and its reversal of non-financial assets and investments accounted for using the equity method.”*

### ***Business combinations***

In accordance with IFRS 3 “Business Combinations,” all business combinations are accounted for using the acquisition method. This is a method where all assets and liabilities of an acquired company, including non-controlling interests, are measured at fair value. The differences between consideration transferred and the net fair value of identifiable assets and liabilities are recognized as goodwill when the consideration transferred is in excess of the net fair value of identifiable assets and liabilities. If the net fair value of identifiable assets and liabilities exceed the consideration transferred, the excess is recognized immediately as a gain in the Consolidated Statements of Income for the year.

### ***Foreign currency translation***

The assets and liabilities of foreign subsidiaries and equity accounted investees are translated into Japanese yen using the spot exchange rate at the respective reporting date. All income and expense accounts are translated into Japanese yen using average rates of exchange for the respective reporting period. The resulting translation adjustments are recognized in other components of equity.

Foreign currency transactions are translated into functional currencies of individual companies using the spot exchange rate at the date of transactions. At the end of each reporting period, monetary assets and liabilities, and non-monetary assets and liabilities measured at fair value denominated in foreign currencies are translated into functional currencies using the spot exchange rate at the reporting date. The exchange differences arising from translation are recognized in profit for the year.

Non-monetary items measured at historical cost denominated in foreign currencies are translated using the spot exchange rate at the date of transaction.

### ***Cash equivalents***

Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments which are readily convertible into cash and have no significant risk of change in value. These include certificates of deposit, time deposits, financing bills and commercial paper with original maturities of three months or less.

### ***Inventories***

Inventories, consisting mainly of commodities and materials for sale, are measured at the lower of cost and net realizable value. The cost of inventory items that is not ordinarily interchangeable is assigned by using specific identification of their individual costs. For those items which are interchangeable, the costs are mainly assigned by using the weighted-average cost formula. Inventories acquired for the purpose of being sold in the near term to profit from fluctuations in price are measured at fair value less costs to sell, and changes in the fair value less costs to sell are recognized in profit for the year.

### ***Financial instruments***

#### **Non-derivative financial assets**

Trade and other receivables are recognized at fair value on initial recognition. Regular purchases of other financial assets are recognized at fair value on the trade date. These financial assets are derecognized if they satisfy any of the following conditions:

- the contractual rights to the cash flows from the financial asset have expired; or
- the contractual rights to receive the cash flows of the financial asset have been transferred, and substantially all risks and rewards of the ownership of financial asset have been transferred.

Non-derivative financial assets are classified and measured as follows:

Non-derivative financial assets that are debt instruments are measured at amortized cost if they meet the following two criteria: held for the purpose of collecting contractual cash flows, and have contractual terms which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortized cost is calculated by using the effective interest rate method. For financial assets measured at amortized cost, the companies consider if an impairment has occurred. Please see Impairment of financial assets regarding impairment.

Equity financial instruments and non-derivative financial assets that do not satisfy the requirements to be measured at amortized cost are measured at fair value through profit or loss ("FVTPL"). However, for certain equity financial instruments held primarily for the purpose of enhancing the revenue base by maintaining or strengthening the trade relationship with the investees, the companies elect at initial

recognition to designate these instruments as at fair value through other comprehensive income (“FVTOCI”).

When financial assets measured at FVTOCI are derecognized, the accumulated other components of equity are directly reclassified to retained earnings without being recognized in profit for the year. Dividend income received on financial assets measured at FVTOCI is recognized in profit for the year in principle.

#### Non-derivative financial liabilities

The companies have non-derivative financial liabilities including corporate bonds and loans payable, trade and other payables, and other financial liabilities. Corporate bonds issued by the companies are recognized on the issue date and all other non-derivative financial liabilities are recognized on the trade date at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial liabilities. Subsequent to initial recognition, non-derivative financial liabilities are measured at amortized cost using the effective interest method.

The companies derecognize a non-derivative financial liability only when it is extinguished (that is, the underlying obligation specified in the contract is discharged, cancelled or expires).

- Non-derivative financial assets and non-derivative financial liabilities measured at amortized cost affected by interest rate benchmark reform

##### *Interest rate benchmark reform – Phase 2*

The companies have applied “Interest rate benchmark reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)” issued in August 2020 on April 1, 2020. For non-derivative financial assets and non-derivative financial liabilities measured at amortized cost, a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform is accounted for by updating the effective interest rate of the financial asset or financial liability.

#### Impairment of financial assets

For financial assets that are measured at amortized costs, the companies measure the loss allowance at an amount equal to 12-month expected credit losses if the credit risk on a financial asset has not increased significantly since initial recognition, and measure the loss allowance at an amount equal to lifetime expected credit losses if the credit risk on a financial asset has increased significantly since initial recognition. However, for trade receivables recognized based on the IFRS 15 “*Revenue from Contracts with Customers*” and contract assets, the loss allowance is measured at an amount equal to the lifetime expected credit loss without assessing whether the credit risk on a financial asset has increased significantly since initial recognition.

When determining significant increases in the credit risk and measuring expected credit losses, both quantitative and qualitative information is considered to provide reason and support. The information includes reasonable and available forward-looking information, as well as internal information such as historical credit loss experience, past due information and internal credit ratings.

The loss allowance is measured by a function using probability of default, loss given default, discount factor and exposures based on this information. In addition, the companies determine that the credit risk on a financial asset has increased significantly since initial recognition in principal when contractual payments are more than 30 days past due.

Information such as significant financial difficulty of the issuer or the debtor or a breach of contract such as payments past due are used for determining if any of the counterparties is in the default. If the debtor is under legal reorganization and in financial failure or has issues repaying debts due to financial difficulty, although it may not yet be in financial failure, or the principal and interest payments are 90 days past due as of the reporting date, the companies determine that the default has occurred and an objective evidence of credit impairment exists. The loss allowance for the credit-impaired financial asset is also measured in the same way as financial assets that are not credit-impaired. In addition, loss allowance for certain credit-impaired financial asset is individually measured by the estimation of expected credit losses by using the present value of expected future cash flows discounted at the effective interest rate based on the original terms of the contract, or at fair value of the collateral if their value depends on the collateral based on the latest information and events.

The financial assets are directly written off when certain conditions are met. The following are examples of when it is reasonably determined that all or part of a financial asset is not collectable: write-off of

financial assets by legal liquidation, obtaining of evident facts that suggest that it is impossible for the debtors to repay their debts from their perceived solvency and/or asset situation, and arrearage of payment after a certain period of time after a suspension of business operations.

The provision or the reversal of loss allowance is recognized in profit for the year.

#### Finance income and costs

Finance income and costs consist of items such as interest income, interest expense, dividend income and gain or loss on hedging instruments recognized in profit for the year. Interest income and interest expense are recognized using the effective interest method. Dividend income is recognized on the date when the rights of the companies to received dividends vest. See *Derivative instruments and hedging activities* for accounting for gains or losses arising from hedging instruments.

#### Derivative instruments and hedging activities

The companies are exposed to market risks related to foreign currency exchange rates, interest rates and commodity prices in the ordinary course of business. In order to mitigate or reduce these risks, the companies use derivative instruments, such as foreign exchange forward contracts, currency swap agreements, interest rate swap agreements, commodity futures, forwards, options and swap contracts. These derivative instruments hedge the exposure to changes in the fair value or expected future cash flows of recognized assets and liabilities, unrecognized firm commitments or forecasted transactions. The companies also use derivative instruments and non-derivative financial instruments, such as foreign currency-denominated debt, to hedge foreign currency exposure to net investments in foreign operations. The companies recognize all derivative instruments as an asset or a liability at fair value as at the date on which they become party to the relevant agreement. Subsequent to initial recognition, derivative instruments are measured at fair value with any changes in fair value accounted for as follows:

- Hedging relationships affected by interest rate benchmark reform

##### *Interest rate benchmark reform – Phase 1*

The companies have applied “Interest rate benchmark (Amendments to IFRS 9, IAS 39 and IFRS 7)” issued in September 2019 on April 1, 2020 and have applied the following exceptions to certain hedge accounting requirements for hedging relationships affected by interest rate benchmark reform.

- For the purpose of evaluating whether there is an economic relationship between the hedged item and the hedging instrument, the companies assume that the benchmark interest rate is not altered as a result of interest rate benchmark reform.
- For a cash flow hedge of a forecast transaction designated as a hedged item, the companies assume that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the occurrence of the forecast transaction is highly probable.
- When determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the companies assume that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The companies will cease to apply the exceptions above for assessing the economic relationship between the hedged item and the hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued. For highly probable assessment of forecast transaction designated as a hedged item, the companies will cease to apply the exceptions above when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

##### *Interest rate benchmark reform – Phase 2*

The companies have applied “Interest rate benchmark reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)” issued in August 2020 on April 1, 2020 and have applied the following exceptions to certain hedge accounting requirements for hedging relationships affected by interest rate benchmark reform.

- When the exceptions provided in “Interest rate benchmark reform – Phase 1” cease to apply, the companies amend a hedge designation to reflect the changes required by interest rate benchmark reform and continue the hedge accounting.
  - When amending a hedged item designated in cash flow hedge, the companies deem that the amount accumulated in the balance in the cash flow hedges is based on the alternative benchmark rate on which the hedged future cash flows are determined.
- Fair value hedges  
Derivative instruments held for the purpose of eliminating the risk of changes in the fair value of hedged items are designated as fair value hedges and subject to the assessment of hedge effectiveness. To the extent that they satisfy the requirements for hedge accounting, the companies include the gain or loss on the hedged items in the same line item as the offsetting loss or gain on the derivative instruments designated as hedging instruments mainly as interest expense.
  - Cash flow hedges  
Derivative instruments held for the purpose of offsetting the variability in cash flows of the hedged items are designated as cash flow hedges. To the extent that they are effective, any changes in fair value are recognized in other comprehensive income until cash flows of the hedged item affect gain or loss. The amounts previously recognized in other comprehensive income are reclassified into profit for the year mainly as cost, interest expense and other income (expense)-net when earnings are affected by the hedged items.
  - Hedges of net investments in foreign operations  
Foreign currency transaction gain or loss on derivative instruments and non-derivative financial instruments that are designated as hedging instruments and deemed effective to reduce the foreign currency exposure of a net investment in a foreign operation are recorded as foreign currency translation adjustments within other comprehensive income to the extent they are effective as a hedge. The amounts in other components of equity are reclassified into profit for the year mainly as gain (loss) on securities and other investments-net when the related investment is sold completely or partially, or the liquidation of the investment is completed. The ineffective portion of the hedging instruments’ gain or loss and the component of the derivative instruments’ gain or loss excluded from the assessment of hedge effectiveness are recorded immediately in profit for the year mainly as other income (expenses)-net.
  - Derivative instruments for trading purposes  
The Company and certain subsidiaries use derivative instruments for trading purposes within certain position and loss limits. Derivative instruments for trading purposes are measured at fair value and changes in fair value are recorded in profit for the year as other revenue.

#### Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statements of financial position when, and only when, the companies currently have a legally enforceable right to set off the recognized amounts and intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### ***Leasing***

The companies are engaged in finance and operating lease businesses. Leases are classified as finance leases whenever they transfer substantially all the risks and rewards of ownership to the lessee. Leases other than finance leases are classified as operating leases. For finance leases, unearned income is amortized to income over the lease term at a constant periodic rate of return on the net investment. Operating lease income is recognized as revenue over the term of underlying leases using the straight-line method.

The companies are also lessees of various assets. If a contract is, or contains, a lease, leases are recognized as a lease liability and a corresponding right-of-use asset at the date at which the asset is available for use by the companies. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to interest expense over the lease term at a constant rate of interest on the remaining balance of

the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease term includes periods of an option to extend the lease if the lessee is reasonably certain to exercise that option and an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Note that short-term leases and leases for which the underlying asset is of low value apply exemption rules of the standards, and recognize the lease payments associated with those leases as an expense mainly on straight-line basis over the lease term.

### ***Property, plant and equipment***

Property, plant and equipment are measured based on the cost model and are stated at cost less accumulated depreciation and impairment losses.

Depreciation of property, plant and equipment, except for land and projects in progress, is computed principally under the straight-line method, using rates based on the estimated useful lives of the related assets. The estimated useful lives for buildings and vessels and aircrafts are primarily 2 to 50 years and 3 to 20 years, respectively. Equipment and fixtures are primarily depreciated using the straight-line method (the estimated useful lives are primarily 3 to 30 years) or the unit-of-production method. Mineral rights are primarily amortized using the unit-of-production method.

### ***Investment property***

Investment property is measured by using the cost model and is stated at cost less accumulated depreciation and impairment losses. Depreciation of investment property is computed principally under the straight-line method, using rates based upon the estimated useful lives of the related investment property. The estimated useful lives for investment properties are primarily 2 to 50 years.

### ***Intangible assets***

Intangible assets include goodwill arising from the acquisition of subsidiaries.

Intangible assets are measured based on the cost model and intangible assets with finite estimated useful lives are stated at cost less accumulated amortization and impairment losses. Goodwill and intangible assets with indefinite estimated useful lives are not amortized and are presented at cost less accumulated impairment losses.

Software is primarily amortized over 5 years using the straight-line method.

### ***Impairment and its reversal of non-financial assets and investments accounted for using the equity method***

Non-financial assets and investments accounted for using the equity method are quarterly assessed to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of the non-financial asset and investment are estimated. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually. For investments accounted for using the equity method, the entire carrying amount of the investment is tested for impairment as a single asset.

The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal and its value in use and is determined as an individual asset, when the asset generates cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and the carrying amount is written down to its recoverable amount. The impairment loss is then recognized in loss for the year. For assets other than goodwill, an assessment is made quarterly as to whether there is any indication of impairment that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed as income in profit for the year. The amount is reversed to the extent that the increased carrying amount of an asset does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years only if there has been a change in the assumptions used to determine the recoverable amount of the asset since the last impairment loss was recognized. An impairment loss recognized for goodwill is not reversed.

### ***Oil and gas producing activities***

Oil and gas exploration and development costs are accounted for using the successful efforts method of accounting. The costs of acquiring properties, costs of drilling and equipping exploratory wells, and costs of development wells and related plant and equipment are capitalized, and amortized using the unit-of-production method. Exploratory well costs are expensed if economically recoverable reserves are not found. Other exploration costs, such as geological and geophysical costs, are expensed as incurred.

Proved properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the proved properties are determined to be impaired, an impairment loss is recognized based on the recoverable amount. Unproved properties are assessed whenever there is an indication of impairment, and if the unproved properties are determined to be impaired, impairment losses are charged to expense. The companies make a comprehensive evaluation and record impairment of unproved property based on various factors, such as remaining mining rights periods, examples of sales and purchases in neighboring areas, drilling results and seismic interpretations.

### ***Mining operations***

Mining exploration costs are expensed as incurred until the mining project has been established as commercially viable by a final feasibility study. Once established as commercially viable, costs are capitalized as development costs and are amortized using either the unit-of-production method or straight-line method based on the proven and probable reserves.

In surface mining operations, it is necessary to remove overburden and other waste materials to access mineral deposits. The costs of removing waste materials are referred to as “stripping costs.” During the development of a mine, before production commences, such costs are generally capitalized as part of development costs. Removal of waste materials continues during the production stage of the mine. Such post-production stripping costs in relation to minerals produced during the fiscal year are variable production costs to be considered as a component of mineral inventory costs. These are recognized as a component of costs in the same period as the related revenues from sales of the minerals. In contrast, post-production stripping costs incurred that relate to minerals to be produced in the subsequent fiscal year are capitalized, and are amortized using either the unit-of-production method or straight-line method based on the proved and probable reserves.

### ***Provisions***

Provisions are recognized when the companies have a present obligation (legal or constructive) as a result of a past event, it is probable that outflows of resources embodying economic benefits will be required to settle the obligation, and reliable estimates of the amount of the obligations can be made. Provisions are measured as the best estimate of the amount of expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted to their present value using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

### ***Asset retirement obligations***

The companies recognize costs of dismantling and removing assets mainly related to mining and oil and gas production facilities, and the companies record the provision for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the companies capitalize the related cost by increasing the carrying amount of the asset. Over time, the liability is increased to its present value to reflect the passage of time, and the capitalized cost is depreciated over the useful life of the related asset.

### ***Employee benefits***

The Company and certain subsidiaries have defined benefit pension plans and severance indemnity plans. The costs of defined benefit pension plans and severance indemnity plans are accrued based on amounts determined using actuarial procedures based on the projected unit credit method. The Company and certain subsidiaries recognize the overfunded or underfunded status of a defined benefit plan as an asset or a liability

in the consolidated statements of financial position. The remeasurements of defined benefit pension plans are recognized immediately in other components of equity in equity and are transferred to retained earnings on recognition.

The Company and certain subsidiaries also have defined contribution pension plans. Payments to defined contribution pension plans are recognized as an expense when employees have rendered service.

### ***Revenue recognition***

Revenue is recognized as follows:

#### *Revenue from contracts with customers*

Revenue from contracts with customers is recognized at the time when the performance obligations are satisfied, based on the 5 step approach (1. Identifying the contract with a customer, 2. Identifying the performance obligations of the contract, 3. Determining the transaction price, 4. Allocating the transaction price to performance obligations in the contract and 5. Recognizing the revenue when the entity satisfies a performance obligation). Upon the identification of the performance obligations of the contract, a consideration of whether an entity is a principal or an agent is made, and if the nature of the entity's promise is a performance obligation to provide the specified goods or services as a principal, revenue is recognized at the gross amount, and if the nature of the entity's promise is a performance obligation to arrange for the provision of goods or services by another party, then revenues received as an agent is recognized at the amount of any fee or commission to which it expects to be entitled or as a net amount. Revenue is recognized when (or as) the companies satisfy a performance obligation by transferring a promised good or service (i.e. an asset) to a customer when (or as) the customer obtains control of that asset. The time when the customer obtains control of that asset is determined based on the ability to direct the use of and obtain substantially all of the remaining benefits from the asset.

The companies' main performance obligation is the sale of various products; the sale of a wide variety of manufactured products such as metals, chemicals, foods, and general consumer merchandise; the sales of coal, iron ore, oil, and gas; and the development and sale of real estate. The companies recognize revenue based on the transfer, acceptance by the customer, or the dispatch of goods for domestic transactions, and recognize revenue based on the transfer of the risks and costs, which is determined by the incoterms, for international transactions. In case that the performance obligation is rendering of services such as logistic and warehouse, information and communication, technical support, and arrangements related to the order, financing or delivery for commissions, revenue is recognized at the time when the completion of services or the elapse of period for rendering services. In regard to determining the time when the customer obtains control of that asset, the verified right to receive the consideration, the legal title, the physical possession, the significant risk and rewards, and the acceptance are assessed.

The consideration is normally received within a year and performance obligation do not include a significant financing component.

For transactions where the performance obligation is satisfied over time, and only if its progress towards complete satisfaction of the performance obligation can be reasonably measured, revenue is recognized by measuring the progress towards the completion of the satisfaction of the performance obligation. Even if the progress towards complete satisfaction of a performance obligation may not be reasonably measurable, if the costs incurred in satisfying the performance obligation are expected to be recovered, revenue is recognized only to the extent of the costs incurred until the progress can be reasonably measured.

#### *Other revenue*

Other revenue principally includes revenues from leasing activities in real estate, rolling stock, ocean transport vessels, aircraft, equipment and others; revenues from derivative commodity instruments and derivative financial instruments held for trading purposes; revenues from FVTPL investments; and revenues from financing. See accounting policies for *Leasing* and *Derivative instruments and hedging activities* for revenue recognition policies regarding leasing and derivative transactions, respectively.



## ***Income taxes***

Income taxes comprise current taxes and deferred taxes. Deferred income taxes reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and their tax bases, tax loss carryforwards and tax credit carryforwards. These deferred income taxes are measured using the currently enacted or substantively enacted tax rates in effect for the year in which the temporary differences, tax loss carryforwards or tax credit carryforwards are expected to reverse. Deferred tax assets are recognized except for cases where such deferred tax assets are not deemed to be recoverable.

Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries and equity accounted investees unless the companies are able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are measured at the tax rates that are applicable to the expected manner of recovery or settlement by management.

Upon the introduction of the Expansion of the Petroleum Resource Rent Tax Act in Australia, companies are allowed to elect to use market value as a starting base for transitional projects existing at May 1, 2010. A company electing to use the market value approach can obtain a deduction for the amortization of the market value of the project. The Company's Australian subsidiaries and equity accounted investees apply the market value approach. The Petroleum Resource Rent Tax is regarded as an income tax subject to tax effect accounting in accordance with IAS 12 "Income Taxes" and deferred tax assets have been recognized for the operating assets based on the differences in book values for financial reporting purposes and their tax bases except for the portion that is deemed not to be recoverable. In determining recoverability, several tax deductible items such as royalties and the impact of future augmentation, which will be incurred on tax losses carried forward in the Petroleum Resource Rent Tax, have been considered.

The companies recognize uncertain tax positions in income taxes in the consolidated financial statements if it is not probable that the taxation authority will accept an uncertain tax treatment.

## ***Earnings per share***

Basic earnings per share attributable to owners of the parent are computed by dividing profit for the year attributable to owners of the parent by the weighted-average number of common stock outstanding during the reporting period, adjusted for the number of treasury stock acquired. Diluted earnings per share attributable to owners of the parent reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

## **Accounting Estimates**

The following is a list of items for which the amount was recorded in the consolidated financial statements for the current fiscal year based on the accounting estimates, and which may have a significant impact on the consolidated financial statements for the next fiscal year.

It is expected that the impact of the spread of COVID-19 infections subsides and economic activities are revitalized, however, the pace of economic recovery varies among products, businesses, and locations. Therefore, the estimates are determined based on each situation.

In addition, the Ukraine situation and the resulting sanctions against Russia may have a global impact, which may affect various business fields in which we operate, however, the extent of the impact varies among products, businesses, and locations. Therefore, the estimates are determined based on each situation.

### 1. Impairment and its reversal of non-financial Assets and Investments in Equity Accounted investee

(1) Amount recorded on the consolidated statements of financial position	
Property, plant and equipment	¥ 2,190,902 million
Investment property	¥ 318,570 million
Intangible assets	¥ 253,039 million
Investments accounted for using the equity method	¥ 3,387,371 million

(2) Other information

The Company and its subsidiaries perform impairment tests for non-financial assets (property, plant and equipment, investment property and intangible assets) and investments accounted for using the equity method as described in “3. Summary of Significant Accounting Policies”. In addition, the Company and its consolidated subsidiaries perform an impairment’s reversal test, except for goodwill.

Of the recoverable amount, the fair value is assessed as the price in an orderly transaction between market participants, such as the market price of marketable investments in equity accounted investees and the price on the appraisal report by the independent third party.

The value in use is estimated using cash flow projections and discount rates based on the business plan authorized by our management or, if this is not available, on the operating plan reflecting the most recent condition of the non-financial asset, and a profit margin which is deemed to be the market average and the risks inherent in the non-financial assets or cash-generation units is used as discount rate to calculate value in use.

The factors to be considered when estimating future cash flow and determining discount rates vary because of the difference in nature of the assets and in operating circumstances, such as location, owner, operator, profitability and other factors.

For example, with respect to non-financial assets or cash-generating units related to resource businesses such as crude oil, future cash flows are estimated using the oil price and the Company forecasts that Brent Crude price will be US\$100/bbl in the short term and US\$70/bbl in the medium and long term, considering the recent market price and several third parties’ forecasts.

These estimates may be affected by uncertain future operating circumstances and changes in the external environment, and if actual cash flows differ from the estimates or the discount rate is revised, it may have a significant impact on the amount of recoverable amount in the consolidated financial statements for the next fiscal year.

2. Revaluation of financial instruments

(1) Amount recorded on the consolidated statements of financial position

Trade and other receivables(Current)	¥ 2,303,140 million
Trade and other receivables(Non-current)	¥ 319,977 million
Other investments	¥ 2,347,414 million

(2) Other information

Trade and other receivables

The Company and its subsidiaries measure the loss allowance for trade and other receivables as described in “3. Summary of Significant Accounting Policies”.

The Estimates in measuring the loss allowance may be affected by future changes in credit risk and other factors. If the expected credit losses are revised due to existence of significant increase in credit risk and credit impairment, the amount of the loss allowance may be significantly affected in the consolidated financial statements for the next fiscal year.

Other investments

The Company and its subsidiaries measure other investments at fair value other than financial assets measured at amortized cost as described in “3. Summary of Significant Accounting Policies”.

Other investments include non-marketable other investments measured at fair value principally using the discounted cash flow method, the market comparison approach and other appropriate valuation techniques considering various assumptions, including expected future cash flows and discount rates reflecting the related risk of the investee. They are classified as level 3 considering the degree to which these inputs are observable in the relevant markets.

Cash flow projections used in the discounted cash flow method are based on the business plan authorized by investee’s management, and a profit margin which is deemed to be the market average and the risks inherent in the investment is used as discount rate to calculate fair value.

The fair value of non-marketable investment in the LNG project as of March 31, 2022 included in other investments was ¥305,281 million, and the significant unobservable inputs used in measuring the fair value was the price of crude oil.

The Company forecasts that Brent Crude price will be US\$100/bbl in the short term and US\$70/bbl in the medium and long term, considering the recent market price and several third parties' forecasts. These estimates may be affected by uncertain future operating circumstances and changes in the external environment, and if actual cash flows differ from the estimates or the discount rate is revised, it may have a significant impact on the amount of fair value in the consolidated financial statements for the next fiscal year.

### 3. Provisions

- (1) Amount recorded on the consolidated statements of financial position
- |                         |                   |
|-------------------------|-------------------|
| Provisions(Current)     | ¥ 48,589 million  |
| Provisions(Non-current) | ¥ 266,161 million |

(2) Other information

The Company and its subsidiaries record an asset retirement obligation for costs of dismantling and removing assets mainly related to mining and oil and gas production facilities as provisions as described in “3. Summary of Significant Accounting Policies”.

The estimates of an asset retirement obligation may be affected by uncertain future operating circumstances and changes in the external environment, and if costs of dismantling and removing assets is revised, it may have a significant impact on the amount of an asset retirement obligation in the consolidated financial statements for the next fiscal year.

### 4. Measurement of defined benefit obligations

- (1) Amount recorded on the consolidated statements of financial position
- |                                |                  |
|--------------------------------|------------------|
| Retirement benefit liabilities | ¥ 38,045 million |
|--------------------------------|------------------|

(2) Other information

The Company and certain subsidiaries record the difference between the defined benefit obligation related to defined benefit pension plans and severance indemnity plans and the fair value of plan assets as retirement benefit liabilities as described in “3. Summary of Significant Accounting Policies”.

The estimates of defined benefit obligation are based on actuarial various assumptions such as discount rate, the discount rate used by the companies is determined based on the yield on highly rated fixed-rate corporate bonds at the measurement date. Differences in actual results or revisions to these actuarial assumptions may have a significant impact on the amount of defined benefit obligation in the consolidated financial statements for the next fiscal year.

### 5. Recoverability of deferred tax assets

- (1) Amount recorded on the consolidated statements of financial position
- |                     |                   |
|---------------------|-------------------|
| Deferred tax assets | ¥ 100,743 million |
|---------------------|-------------------|

(2) Other information

The Company and its subsidiaries determine the recoverability of deferred tax assets as described in “3. Summary of Significant Accounting Policies”.

The amount of recoverable deferred tax assets is estimated based on all available evidence including the timing when the temporary differences, tax loss carryforwards or tax credit carryforwards are expected to reverse and the forecast of future taxable incomes of the Company and its subsidiaries. The future taxable income is estimated mainly based on expected resource prices, reserve estimation by external institutions and long-term sales agreements.

The estimates of recoverability of deferred tax assets may be affected by uncertain future economic conditions and other factors, and if the forecast of future taxable incomes is revised or statutory tax rates are changed, it may have a significant impact on the amount of deferred tax assets in the consolidated financial statements for the next fiscal year.

## 6. Impact of climate change

The businesses of the Company and its consolidated subsidiaries that are affected by climate change and of which related assets and liabilities are material is the business in the Energy segment.

The significant accounting estimates and judgments at the end of the current fiscal year are as follows.

The Energy segment consists mainly of oil and gas development businesses and LNG businesses. If the demand for oil and gas and LNG were to decline due to further restrictions and tighter regulations as the global trend toward low-carbon and decarbonization intensifies, it may lead to impairment of property, plant, and equipment of existing projects and a decrease in the fair value of other investments. These valuations are primarily affected by the price of crude oil, and the assumptions are estimated by considering the recent market price and the medium- to long-term outlook published by several third-party organizations. Of the third-party organizations, the Company focus on STEPS (Stated Policies Scenario) among scenarios published by the IEA, but we also refer to other scenarios.

The main assets and liabilities in the energy segment recorded in the consolidated statements of financial position as of the end of the current fiscal year are as follows.

Property, plant and equipment	¥661,809 million
Investments accounted for using the equity method	¥434,334 million
Other investments	¥348,270 million
Provisions(Non-current)	¥175,600 million

### Changes in Accounting Estimates

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

#### Impairment loss related to selling the entire interest in MT Falcon Holdings

Mitsui & Co., Ltd. recognized an impairment loss of ¥9,749 million in the Machinery & Infrastructure segment, with the conclusion of the sale and purchase agreement to sell its entire interest in MT Falcon Holdings S.A.P.I.de C.V., an equity accounted investee which owns and operates gas combined-cycle power plants and a gas-pipeline in Mexico. The impairment loss for the related investment accounted for using the equity method is recorded in “Gain (loss) on securities and other investments – net” in the Consolidated Statements of Income.

Other changes in accounting estimates are described in the Note of Financial Instruments and Other matters “Impact of the Ukraine situation on the Russian LNG business”.

### Notes to Consolidated Statements of Financial Position

#### 1. Pledged assets and related liabilities

(1) Assets pledged as collateral ¥ 716,417 million

The following assets are pledged as collateral for certain short-term debt, long-term debt, and guarantee of contracts, etc.:

Cash and deposits	¥ 299,553 million
Trade and other receivables (current and non-current)	¥ 28,765 million
Investments	¥ 314,054 million
Property, plant and equipment (after deducting accumulated depreciation and impairment losses)	¥ 74,045 million

(2) Liabilities related to the assets pledged as collateral ¥ 117,185 million

2. Loss allowance for doubtful receivables directly deducted from trade and other receivables
- |                           |                  |
|---------------------------|------------------|
| (current and non-current) | ¥ 78,699 million |
| (current)                 | ¥ 21,917 million |
| (non-current)             | ¥ 56,782 million |
3. Accumulated depreciation and impairment losses of property, plant and equipment ¥ 2,933,344 million
4. Accumulated depreciation and impairment losses of investment property ¥ 84,093 million
5. Accumulated amortization and impairment losses of intangible assets ¥ 259,286 million

6. Contingent liabilities  
(Guarantees)

The table below summarizes the maximum potential amount of future payments of the companies' guarantees as of March 31, 2022.

Financial Guarantees	¥ 1,104,947 million
Performance Guarantees	¥ 100,074 million

The maximum potential amounts of future payments of the companies' guarantees bear no relationship to the anticipated losses on these guarantees and indemnifications, and, in the aggregate, they greatly exceed anticipated losses.

The companies believe that the likelihood to perform guarantees which would materially affect the consolidated financial position, or operating results of the companies is remote at March 31, 2022.

## Notes to Consolidated Statements of Changes in Equity

### 1. Number of common stock issued as of March 31, 2022

1,642,355,644 shares

41,423,291 shares of the Company's treasury stock (including shares held by associated companies) are included in the number of common stock issued, of which 3,852,902 shares are in regard to a share-based compensation plan for employees.

### 2. Dividends from capital surplus and/or retained earnings

#### (1) Amount of dividends paid

Resolution	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 18, 2021	¥75,258	¥45	March 31, 2021	June 21, 2021
Board of Directors' meeting held on November 2, 2021	¥73,297	¥45	September 30, 2021	December 2, 2021

#### (2) Dividends whose record date is in the current fiscal year but whose effective date is in the following fiscal year.

The following resolution on dividends on common stock has been proposed on the agenda of the ordinary general meeting of shareholders to be held on June 22, 2022.

① Total amount of dividends (Millions of yen)	¥96,289
② Dividends per share (Yen)	¥60
③ Record date	March 31, 2022
④ Effective date	June 23, 2022

The dividends will be paid from retained earnings.

### 3. The type and number of shares to be issued upon the exercise of stock acquisition rights as of March 31, 2022 (except for those shares whose first date of exercise period has not passed).

510,500 shares

## Financial Instruments

### 1. General information

The companies' basic funding policy is to secure liquidity required for their smooth operations and to maintain the strength and soundness of the statement of financial position. In order to achieve their objectives, their principal strategy is to obtain long-term funds from financial institutions and through the issuance of corporate bonds. In addition, the companies hold sufficient cash and highly-liquid short-term financial instruments in order to maintain liquidity to flexibly meet capital requirements and to minimize the harmful effect of the deteriorated financial market on future debt-service requirements.

Credit risk associated with notes and accounts receivable is managed through approvals of credit lines by management and monitoring counterparty's operations continuously.

Other investments mainly consisting of financial assets measured at FVTOCI and FVTPL are measured at fair value on a quarterly basis.

The companies are exposed to market risks related to foreign currency exchange rates, interest rates and commodity prices in the ordinary course of business. In order to offset or reduce these risks, the companies use various derivative instruments.

The companies have strictly separated the trading sections from the sections that record the results and positions of derivative instruments. Executive officers in charge of risk management assess derivative instruments and the market risks surrounding these instruments, and establish the companies' risk

management policy, based on comprehensive evaluation and analysis periodically reported from independent risk management sections.

## 2. Fair value of financial instruments

The following table presents the carrying amount and fair value of financial instruments included within the Consolidated Statement of Financial Position as of March 31, 2022. The fair values of current financial assets and current financial liabilities are not disclosed because the carrying amounts are approximately the same as its fair values.

	<b>Millions of Yen</b>		
	<b>March 31, 2022</b>		
	Carrying amount	Fair value	Difference
<b>Financial Assets</b>			
Non-current assets			
Other investments	2,347,414	2,347,646	232
Trade and other receivables and Other financial assets (Note)	487,822	487,811	(11)
<b>Financial Liabilities</b>			
Non-current liabilities			
Long-term debts, less current portion and Other financial liabilities (Note)	4,332,406	4,382,277	49,871

(Note) Derivative assets and derivative liabilities are included in current and non-current Other financial assets and Other financial liabilities, respectively. These are measured at fair value and their carrying amounts are ¥ 643,893 million and ¥ 675,660 million, respectively.

## 3. Breakdown of Fair value level of financial instruments

IFRS 13 “Fair Value Measurement” defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 establishes the fair value hierarchy that may be used to measure fair value, which is provided as follows. The companies recognize transfers of assets or liabilities between levels of the fair value hierarchy as of the end of each reporting period when the transfers occur.

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:

Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the assets or liabilities
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3:

Unobservable inputs for the assets or liabilities.

### (1) Fair value of financial instruments

#### ① Valuation techniques

Primary valuation techniques used for each financial instrument measured at fair value are as follows:

Other investments (which maturities of 1 year or less has been classified as “Other financial assets”).

- Other investments other than measured at amortized cost are measured at fair value.
- Publicly traded other investments are measured using quoted market prices and classified as level 1.
- Non-marketable other investments are measured at fair value principally using the discounted cash flow method, the market comparison approach and other appropriate valuation techniques considering various assumptions, including expected future cash flows and discount rates reflecting the related risks of the investee. They are classified as level 3, considering the degree to which these inputs are observable in the relevant markets.

#### Derivative Instruments

- Derivative instruments mainly consist of derivative commodity instruments and derivative financial instruments.
- Exchange-traded derivative commodity instruments measured using quoted market prices in an active market are classified as level 1. Certain derivative commodity instruments measured using observable inputs of the quoted prices obtained from markets, financial information providers, and brokers, are classified as level 2. Also, the derivative commodity instruments measured using unobservable inputs are classified as level 3.
- Derivative financial instruments are mainly measured by discounted cash flow analysis using foreign exchange and interest rates or quoted prices currently available for similar types of agreements and are classified as level 2.

#### ② Valuation process

The valuation process involved in level 3 measurements for each applicable asset and liability is governed by the model validation policy and related procedures pre-approved by appropriate personnel. Based on the policy and procedures, the personnel determine the valuation model to be utilized to measure each asset and liability at fair value. We engage independent external experts of valuation to assist in the valuation process for certain assets over a specific amount, and their results of valuations are reviewed by the responsible personnel of the Company. All of the valuations, including those performed by the external experts, are reviewed and approved by the responsible personnel of the Company.

#### ③ Information by fair value hierarchy

No assets or liabilities were transferred between level 1 and 2 for the year ended March 31, 2022.



Millions of Yen					
March 31, 2022	Fair value measurements using			Netting adjustments*	Total fair value
	Level 1	Level 2	Level 3		
<b>Assets:</b>					
Other financial assets					
(Current):					
Financial assets			554		554
measured at FVTPL					
Total other financial			554		554
assets					
Other investments:					
Financial assets	8,517		259,241		267,758
measured at FVTPL					
Financial assets	1,335,522		732,436		2,067,958
measured at FVTOCI					
Total other investments	1,344,039		991,677		2,335,716
Derivative assets:					
Foreign exchange		119,211			
contracts					
Interest rate		47,883			
contracts					
Commodity	104,675	2,513,315	12,649		
contracts					
Others			22,364		
Total derivative assets	104,675	2,680,409	35,013	(2,176,203)	643,894
<b>Liabilities:</b>					
Derivative liabilities:					
Foreign exchange		166,076			
contracts					
Interest rate contracts		12,246			
Commodity	203,761	2,430,220	2,239		
contracts					
Others			7,633		
Total derivative	203,761	2,608,542	9,872	(2,146,515)	675,660
liabilities					

\* Amounts of netting adjustments include the net amount when, and only when, the companies currently have a legally enforceable right to set off the recognized amounts, and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

- ④ Reconciliation of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

The reconciliation of financial assets measured at FVTPL for the year ended March 31, 2022 were as follows:

	<b>Millions of Yen</b>
	<b>March 31, 2022</b>
Balance at beginning of period	114,944
Classification change (Note 1)	33,922
Gains (losses)	23,290
Purchases (Note 1)	101,076
Sales/Redemptions	(7,672)
Transfers into Level 3	-
Transfers out of Level 3 (Note 2)	(10,095)
Others (Note 3)	4,330
Balance at end of period	<u>259,795</u>
Net change in unrealized gains (losses) still held at end of period	<u>23,969</u>

Note 1 During the fiscal year ended March 31, 2022, the corporate bond denominated in JPY 33,000 million issued by PT CT Corpora has been replaced to the convertible bond and the other convertible bond denominated in JPY 67,000 million newly issued by PT CT Corpora has been subscribed by the Company. In the above reconciliation, the amount transferred from financial assets measured at amortized cost to financial assets measured at FVTPL due to the replacement from the corporate bond to the convertible bond is included in “Classification change”, and the amount subscribed for the newly issued convertible bond is included in “Purchases”.

Note 2 “Transfers out of Level 3” is due to the transfer into Level 1 as the initial public offering of the shares.

Note 3 “Others” includes the effect of changes in foreign exchange rates (including in the foreign currency translation adjustments) and others.

Gains (losses) related to financial assets measured at FVTPL (“FVTPL gains (losses)”) were included in “Revenue” and “Gain(loss) on securities and other investments-net”.

The reconciliation of financial assets measured at FVTOCI for the year ended March 31, 2022 were as follows:

	<b>Millions of Yen</b>
	<b>March 31, 2022</b>
Balance at beginning of period	709,166
Other comprehensive income (Note 1)	8,344
Purchases	24,099
Sales	(8,384)
Transfers into Level 3 (Note 2)	528
Transfers out of Level 3 (Note 3)	(11,098)
Others (Note 4)	9,781
Balance at end of period	<u>732,436</u>

Note 1 “Other comprehensive income” for the year ended March 31, 2022 increased mainly due to the effect of change in foreign exchange rates and increase of fair value in investment in the mineral & resources projects reflecting the rise in iron ore prices, while the fair value in investment in LNG project decreased mainly due to the

reassessment of the discount rate in connection with the downgrade of the Russian government credit rating.

- Note 2 “Transfers into Level 3” is due to the transfer from level 1 as a result of delisting.  
 Note 3 “Transfers out of Level 3” is due to the transfer into Level 1 as the initial public offering of the shares.  
 Note 4 “Others” includes the effect of changes in scope of consolidation

Other comprehensive income related to financial assets measured at FVTOCI was included in “Financial assets measured at FVTOCI” and “Foreign currency translation adjustment” in the Consolidated Statements of Comprehensive Income.

The reconciliation of derivative assets for the year ended March 31, 2022 were as follows:

	<b>Millions of Yen</b>
	<b>March 31, 2022</b>
Balance at beginning of period	18,561
Gains (losses)	17,828
Other comprehensive income	2,682
Purchases	–
Set off	(3,598)
Transfers out of Level 3 (Note 1)	(460)
Others	–
Balance at end of period	<u>35,013</u>
Net change in unrealized gains (losses) still held at end of period	<u>17,828</u>

- Note 1 “Transfers out of Level 3” is due to the transfer into Level 2 as the change of measurements for derivative commodity instruments.

The reconciliation of derivative liabilities for the year ended March 31, 2022 were as follows:

	<b>Millions of Yen</b>
	<b>March 31, 2022</b>
Balance at beginning of period	6,053
Gains (losses)	2,835
Other comprehensive income	1,462
Purchases	–
Set off	(104)
Transfers out of Level 3 (Note 1)	(374)
Others	–
Balance at end of period	<u>9,872</u>
Net change in unrealized gains (losses) still held at end of period	<u>2,835</u>

- Note 1 “Transfers out of Level 3” is due to the transfer into Level 2 as the change of measurements for derivative commodity instruments.

Gains and losses of above table in relation to the derivative assets and liabilities for the year ended March 31, 2022 have been recorded in “Revenue”, “Cost” and “Other income (expense) - net” in the Consolidated Statements of Income. Other comprehensive income has been recorded in “Foreign currency translation adjustments” and “Cash flow hedges” in the Consolidated Statements of Comprehensive Income.

⑤ Quantitative information about Level 3 fair value measurements

Information about valuation techniques and significant unobservable inputs used for level 3 assets measured at fair value on a recurring basis as of March 31, 2022 were as follows:

March 31,2022	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL			
Financial assets measured at FVTOCI	Income approach	Discount rate	6.5%~20.7%

In addition to the above, the price of crude oil is one of the significant unobservable inputs used in measuring the fair value of nonmarketable equity securities related to LNG business. The Company forecasts that Brent Crude price will be US\$100/bbl in the short term and US\$70/bbl in the medium and long term, considering the recent market price and several third parties’ forecasts.

⑥ Information about sensitivity to changes in significant unobservable inputs

For recurring fair value measurements of financial assets measured at FVTOCI using the income approach, increases (decreases) in discount rates would result in a lower (higher) fair value.

(2) Financial assets and liabilities which are not measured by fair value

Financial assets and liabilities classified as non-current and are not measured by fair value were as follows:

	Millions of Yen	
	March 31, 2022	
	Carrying amount	Fair value
<b>Financial Assets</b>		
Non-current assets		
Other investments measured at amortized cost	11,698	11,930
Trade and other receivables(Note 1) and Other financial assets (excluding derivative assets) (Note 2)	389,849	389,838
<b>Financial Liabilities</b>		
Non-current liabilities		
Long-term debts, less current portion and Other financial liabilities (excluding derivative liabilities) (Note 2)	4,272,785	4,322,656

(Note 1) Trade and other receivables include loan receivable. Long-term debt includes borrowings and bonds payable. The fair values of non-current receivables with floating rates, including long-term

loans receivable, and long-term debt with floating rates approximately equal their respective carrying amounts. The fair values of non-current receivables with fixed rates and long-term debt with fixed rates are estimated by discounted cash flow analysis, using interest rates currently available for similar types of loans, accounts receivable and borrowings with similar terms and remaining maturities.

(Note 2) The fair values of other financial assets and other financial liabilities (excluding derivative assets and liabilities) approximate their respective carrying amounts.

Non-current financial assets and liabilities (excluding derivative assets and liabilities) are classified as Level 2 other than below as their fair values are measured using the discounted cash flow method based on observable inputs including market interest rates.

Fair value	93,724 Millions of Yen
Valuation techniques and inputs	Their valuation is based on significant unobservable inputs such as credit spreads, default probabilities, and estimated loss rates on individual receivables using the discounted cash flow method.

## Notes to Investment Property

### 1. Status of investment property

The Company and certain subsidiaries own rental office buildings and rental commercial facilities in Tokyo and other areas.

### 2. Fair value of investment property

The carrying amount of investment property as of March 31, 2022 was ¥318,570 million and fair value of investment property was ¥674,629 million.

The carrying amount of investment property is measured at cost less any accumulated depreciation and accumulated impairment losses. The fair value of investment property as of March 31, 2022 is based on a valuation conducted by independent valuation appraisers who have recent experience in the locations and categories of the investment property being valued, and have the appropriate and recognized professional qualifications (such as a registered appraiser). The valuation is based on inputs such as estimated rents and discount rates using primarily the income approach and conforms to the standards of the country where the investment property is located.

## Notes to Revenues

### 1. Disaggregation of revenue recognized from contracts with customers

Among “Revenue”, the disaggregation of revenue recognized from contracts with customers by business segment is as follows. The following business segment categories are same as in “SEGMENT INFORMATION”. “SEGMENT INFORMATION” has been aggregated into reportable segments based on the similarities in the nature of the products and services, the production processes, the type of customer, the methods used for distribution, and the regulatory environments surrounding their businesses, along with the similarities in the economic characteristics based on the profitability indicators using Gross Profit, Profit (Loss) for the Year Attributable to Owners of the parent, etc.

Revenue other than revenue recognized from contracts with customers includes revenue related to lease and financial instruments, etc.

(Unit: Millions of Yen)

	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	All Other	Total
Revenue recognized from contracts with customers	1,583,842	1,148,472	776,465	2,836,941	601,546	1,996,229	156,750	1,425	9,101,670

### 2. Contract balances

The balances of receivables from contracts with customers and contract liabilities are as follows.

(Unit: Millions of Yen)

	Balance at March 31, 2022
Receivables from contracts with customers	1,793,630
Contract liabilities	177,484

In the Consolidated Statements of Financial Position, receivables from contracts with customers are included in “Trade and other receivables” and contract liabilities are included in “Advances from customers”. Contract liabilities mainly consist of advances from customers prior to delivery in ships and aircrafts sales transactions. If the time between transfer of goods or services to the customer and payment is within 1 year, the impact of material financial factors is not adjusted. Of the revenue recognized in the year ended March 31, 2022, the amount included in contract liabilities as of the beginning of the fiscal year is ¥74,952 million.

### 3. Transaction price allocated to the remaining performance obligations

The total transaction price allocated to the remaining performance obligations in the current fiscal year is ¥6,921.0 billion, these remaining performance obligations are expected to recognize revenue over a period of 18 years from the end of the fiscal year as the performance obligations are satisfied. Approximately 40% of the total transaction price allocated to the remaining performance obligations is expected to be recognized within 3 years. The contracts that have an original expected duration of one year or less, and the contract that the companies recognize the revenue at the amount of consideration to which the companies have a right to invoice for the transactions which performance obligation satisfied over time, are not included. In addition, there is no significant consideration from contracts with customers not included in the transaction price. If the price at the time of revenue recognition is undecided at the fiscal year end, the future price is reasonably estimated based on the contract conditions and the prices published by third parties and allocated to the remaining performance obligations.

### 4. Assets recognized from the costs to obtain or fulfill a contract with a customer

For the year ended March 31, 2022, the amounts of assets recognized from the costs to obtain or fulfill contracts with customers are immaterial. Also, if the amortization period of the asset to be recognized is within a year, the incremental costs of obtaining a contract is recognized as a cost when incurred.

## Per Share Information

Equity attributable to owners of the parent per share	¥ 3,501.21
Basic earnings per share attributable to owners of the parent	¥ 561.61
Diluted earnings per share attributable to owners of the parent	¥ 561.38

In a calculation of per share information, the number of shares related to the share-based compensation plan for employees is included in the number of treasury stock. The number of treasury stock is deducted from the number of shares of common stock issued, in a calculation of the average number of shares of common stock outstanding. The average number of treasury stock is 33,149,695 shares.

## Subsequent Events

### Acquisition of Shares in Aker Mainstream Renewables AS

Shamrock Investment International AS, a subsidiary in the Machinery & Infrastructure Segment, has decided to invest in Mainstream Renewable Power Limited, a renewable energy company. The Company completed payment on April 7, 2022 based on the share subscription agreement of EUR 575 million (¥77,568 million\*) with Aker Mainstream Renewables AS, a holding company of Mainstream Renewable Power Limited. As a result, the Company acquired 27.5% of shares in Aker Mainstream Renewables AS and the investment in Aker Mainstream Renewables AS is expected to be accounted for using the equity method.

(\*) Yen amounts are converted using TTM (1EUR = ¥134.9) as of April 7, 2022.

### Stock Repurchase

At the meeting of the Board of Directors held on May 2, 2022, 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 50 million shares (3.1% of the total number of shares outstanding excluding treasury stock)
- (3) Total amount  
Up to ¥100,000 million

- (4) Period  
From May 6, 2022 to September 22, 2022
- (5) Repurchase method  
Auction market on Tokyo Stock Exchange

#### Impact of the decision to reject the environmental permit application for Anglo American Sur S.A.

The Company invests in Anglo American Sur S.A., a copper mining company in Chile, through Inversiones Mineras Becrux SpA, the joint venture of MMRD Gama Limitada, a subsidiary of the Company, in the Mineral & Metal Resources Segment. The operator, Anglo American Sur S.A., is in the process of obtaining the environmental permit required for the integrated project to expand the current open pit within Los Bronces operating site and develop a new underground section of the mine in Chile from 2019. However, on April 23, 2022, Anglo American plc, the ultimate parent company of Anglo American Sur S.A., announced that the Environmental Assessment Service of Chile (“SEA”) had issued a report recommending rejection of the permit application, and on May 3, 2022, Anglo American plc also announced that SEA had issued its formal decision to reject the application. The Company, together with other shareholders of Anglo American Sur S.A., is clarifying SEA’s decision and considering its options going forward to preserve its business value, including the continuation of the ongoing process.

The Company continues to review the impact on production plan, its consolidated financial position, operating results and cash flow.

#### **Other matters**

##### 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, 2022, and the outstanding balance of related provision as of March 31, 2022 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.

##### Impact of the Security Situation in Northern Mozambique on LNG Project

The Company participates in the Mozambique LNG Project through Mitsui E&P Mozambique Area 1 Limited, its joint venture in the Energy Segment. In April 2021, all project personnel evacuated the project site due to the deteriorating security situation in northern Mozambique where the project site is located, and April 26, 2021, the project operator, TotalEnergies SE of France, announced that it had declared force majeure under the Joint Operating Agreement.

While the prospect of this project is still under examination, the Company does not expect a significant impact on our consolidated financial position, operating results and cash flow at this stage.

##### Impact of the Ukraine situation on the Russian LNG business

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

In the current fiscal year, the fair value of other investments related to Sakhalin II operations held by Mitsui Sakhalin Holdings B.V., a subsidiary of the Company, decreased by ¥44,143 million from the balance at December 31, 2021, mainly due to the reassessment of the discount rate in connection with the downgrade of the Russian government credit rating, and the valuation difference is recorded in “Financial assets measured at FVTOCI” in the Consolidated Statement of Comprehensive Income.

In addition, the carrying amount of the investment in Japan Arctic LNG B.V., an associated company that



invests in and finances the Arctic LNG 2 Project, decreased from the balance at December 31, 2021 due to the revaluation of the assets value held by Japan Arctic LNG B.V. in connection with the downgrade of the Russian government credit rating. The Company recorded a loss of ¥4,626 million in “Share of Profit (Loss) of Investments Accounted for Using the Equity Method” in the Consolidated Statement of Income and a loss of ¥36,415 million in “Share of other comprehensive income of investments accounted for using the equity method” in the Consolidated Statements of Comprehensive Income. Further, with regard to loans and financial guarantees to the project, the Company estimated the additional losses due to the downgrading of the credit rating in Russia and recorded a provision for loss valuation allowance of ¥4,081 million in “Selling, general and administrative expenses” in the Consolidated Statements of Income and ¥12,171 million in “Other income (expense) - net” in the Consolidated Statements of Income.

The Russian LNG project-related balances of investment and loans(\*), and financial guarantees as contingent liabilities, were ¥222,528 million and ¥182,160 million, respectively, at the end of the current fiscal year. The provision for loss on guarantees is included in “Other financial liabilities” ¥18,097 million. These estimates may be affected by uncertain future developments in Russia and Ukraine, and any further changes in the credit ratings of Russian government. Also, any changes in the Company’s policies regarding its Russian LNG business may have a significant impact on the amounts of related investments, loans and guarantees in the consolidated financial statements for the next fiscal year.

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

## Non-Consolidated Financial Statements

### Statements of Changes in Equity

Year ended March 31, 2022

(Millions of Yen)

	Shareholders' Equity							
	Common Stock	Capital Surplus		Legal Reserve	Retained Earnings			Total Retained Earnings
		Capital Reserve	Total Capital Surplus		Other Retained Earnings			
					General Reserve	Special Reserve	Retained Earnings - Carry Forward	
<b>Balance at beginning of current year</b>	342,080	368,356	368,356	27,745	176,851	1,619	1,108,892	1,315,108
Changes of items during the year								
Cash dividends							(148,555)	(148,555)
Net Income							339,049	339,049
Acquisition of treasury stock								
Disposal of treasury stock							(336)	(336)
Cancellation of treasury stock							(156,589)	(156,589)
Compensation costs related to share-based payment	303	303	303					
Net changes during the year of items in valuation and translation adjustments								
Total changes of items during the year	303	303	303	-	-	-	33,567	33,567
<b>Balance at end of current year</b>	342,383	368,660	368,660	27,745	176,851	1,619	1,142,460	1,348,676

	Shareholders' Equity		Valuation and Translation Adjustments			Share Subscription Rights	Total Equity
	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Available-for-Sale Securities	Deferred Losses on Derivatives under Hedge Accounting	Total Valuation and Translation Adjustments		
<b>Balance at beginning of current year</b>	(89,407)	1,936,138	421,536	(123,654)	297,881	609	2,234,630
Changes of items during the year							
Cash dividends		(148,555)					(148,555)
Net Income		339,049					339,049
Acquisition of treasury stock	(174,653)	(174,653)					(174,653)
Disposal of treasury stock	571	234				(157)	76
Cancellation of treasury stock	156,589	-					-
Compensation costs related to share-based payment		607				17	624
Net changes during the year of items in valuation and translation adjustments			145,431	(206,333)	(60,901)		(60,901)
Total changes of items during the year	(17,492)	16,682	145,431	(206,333)	(60,901)	(140)	(44,359)
<b>Balance at end of current year</b>	(106,899)	1,952,821	566,968	(329,988)	236,980	469	2,190,271

Year ended March 31, 2021 (Supplementary Information)

(Millions of Yen)

	Shareholders' Equity							
	Common Stock	Capital Surplus		Legal Reserve	Retained Earnings			Total Retained Earnings
		Capital Reserve	Total Capital Surplus		Other Retained Earnings			
					General Reserve	Special Reserve	Retained Earnings - Carry Forward	
<b>Balance at beginning of current year</b>	341,775	368,052	368,052	27,745	176,851	1,619	1,151,426	1,357,643
Changes of items during the year								
Cash dividends							(135,632)	(135,632)
Net Income							139,834	139,834
Acquisition of treasury stock								
Disposal of treasury stock							(154)	(154)
Cancellation of treasury stock							(46,582)	(46,582)
Compensation costs related to share-based payment	304	304	304					
Net changes during the year of items in valuation and translation adjustments								
Total changes of items during the year	304	304	304	–	–	–	(42,534)	(42,534)
<b>Balance at end of current year</b>	342,080	368,356	368,356	27,745	176,851	1,619	1,108,892	1,315,108

	Shareholders' Equity		Valuation and Translation Adjustments			Share Subscription Rights	Total Equity
	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Available-for-Sale Securities	Deferred Losses on Derivatives under Hedge Accounting	Total Valuation and Translation Adjustments		
<b>Balance at beginning of current year</b>	(64,977)	2,002,493	73,924	(70,741)	3,183	714	2,006,390
Changes of items during the year							
Cash dividends		(135,632)					(135,632)
Net Income		139,834					139,834
Acquisition of treasury stock	(71,292)	(71,292)					(71,292)
Disposal of treasury stock	280	125				(125)	0
Cancellation of treasury stock	46,582	–					–
Compensation costs related to share-based payment		609				20	629
Net changes during the year of items in valuation and translation adjustments			347,612	(52,913)	294,698		294,698
Total changes of items during the year	(24,429)	(66,354)	347,612	(52,913)	294,698	(104)	228,239
<b>Balance at end of current year</b>	(89,407)	1,936,138	421,536	(123,654)	297,881	609	2,234,630

## Notes to Non-Consolidated Financial Statements (Year ended March 31, 2022)

### Significant Accounting Policies

1. Securities are classified and accounted for as follows:  
Trading securities, whose costs of sales are determined by the moving-average method, are stated at market value. Held-to-maturity debt securities are stated at amortized cost, determined by the straight-line method. Investments in subsidiaries and associated companies are stated at cost, determined by the moving-average method.  
Marketable available-for-sale securities, whose costs of sales are determined by the moving-average method, are reported at market value at year-end, with unrealized gains and losses reported in a separate component of equity.  
Non-marketable available-for-sale securities are stated at cost, determined by the moving-average method. Except for trading securities, those securities whose market value or equity in net assets is materially lower than carrying value on and around the balance sheet date are devaluated after determining whether the value could be recoverable.
2. Derivatives are stated at fair value.
3. Inventories are stated at cost. Cost is determined principally by the specific identification method and, for certain items, by the moving-average method or the first-in, first-out method. The balance sheet amount is calculated by reducing book value when the contribution of inventories to profitability declines. Inventories for trading purpose are stated at market value.
4. Depreciation of tangible assets is computed using the declining-balance method. Depreciation of buildings (excluding equipment and fixtures) acquired on or after April 1, 1998 and depreciation of equipment and fixtures and structures acquired on or after April 1, 2016, are computed using the straight-line method. The estimated useful lives for the majority of tangible assets are as follows: Leased-out Property: 5-50 years; Buildings and Structures: 6-50 years.  
Amortization of intangible assets is computed using the straight-line method. Software for the Company's own use is amortized based on the straight-line method over the period it can be used (five years mainly).  
  
Leased assets are included in their fixed asset category and are depreciated using the straight-line method over the lease period.
5. To provide for possible losses on collection, the allowance for doubtful receivables that is set aside for receivables in general is computed using the actual ratio of bad debts. For certain receivables, the amount deemed unrecoverable is set aside in the allowance on an individual basis.  
  
The liability for retirement benefits is recorded based on projected benefit obligations and plan assets at the balance sheet date of the Corporate Pension Fund plan and other retirement benefit plans. Estimated retirement benefits are attributed to periods of service under the plan's benefit formula. Unrecognized prior service cost is amortized over seven years from the date of the revision of the pension plan, which is shorter than the average remaining service period of employees. The unrecognized actuarial gain or loss that arose in the current year is amortized over seven years starting with the following fiscal year, which is shorter than the average remaining service period of employees.  
The difference between projected benefit obligations, after deducting the portion corresponding to unrecognized actuarial gain or loss and unrecognized prior service cost, and plan assets is recorded as the liability for retirement benefits or long-term prepaid expense ("Other" of "Investments and other assets") in the balance sheet.  
  
To provide for contingent losses on the obligation for guarantees and commitments to subsidiaries and others, a certain amount is set aside as deemed necessary, considering the financial condition of the primary obligor.
6. Receivables and Payables denominated in foreign currencies are translated into Japanese yen at year-end exchange rates on the balance sheet date. The foreign exchange gains and losses from translation are recognized in the income statement.

7. For derivatives which meet hedge accounting criteria, except for available-for-sale securities, gains or losses on derivatives are deferred until realization of the hedged items. For derivatives which meet hedge accounting criteria for available-for-sale securities, fair value hedge accounting is applied. Foreign currency forward exchange contracts to hedge monetary assets and liabilities denominated in foreign currencies are stated at fair value and accounted for under the principle method of the Accounting Standards for Financial Instruments. The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not re-measured at market value, but the differential paid or received under the swap agreements is recognized on an accrual basis and included in interest expense or income.

The Company enters into derivative financial instrument transactions such as foreign exchange forward contracts and foreign currency borrowings to hedge foreign exchange risk associated with monetary assets and liabilities denominated in foreign currencies, net investments in foreign operations and forward contracts of trade. The Company also enters into derivative financial instrument transactions such as interest rate swap to hedge interest rate risk in the course of business activities. As for market risk, the Company enters into derivative financial instrument transactions such as commodity future, forward to hedge market risk of commodities and trading contracts.

Apart from trading transaction risks, market volatility risks related to foreign currency exchange rates, interest rates and commodity prices in the ordinary course of business are hedged using derivative financial instruments and foreign currency borrowings, considering the specific risk characteristics based on internal risk control policies.

The effectiveness between the hedging instruments and the hedged items is evaluated considering individual transaction characteristics.

The “Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” issued on September 29, 2020 (ASBJ PITF No. 40) has been applied from the fiscal year ended March 31, 2021. The hedging relationships which PITF No. 40 are applied are as follows.

- |                              |   |
|------------------------------|---|
| (1) Hedge accounting method: | Special hedge accounting for interest rate swaps or deferred hedge accounting |
| (2) Hedging instruments:     | Interest rate swaps   |
| (3) Hedged items:            | Long-term borrowings or bonds   |
| (4) Objective of the hedge:  | To offset the fair value change or to fix the cash flows                      |

#### 8. Revenue recognition

Revenue from contracts with customers is recognized at the time when the performance obligations are satisfied, based on the 5 step approach (1. Identifying the contract with a customer, 2. Identifying the performance obligations of the contract, 3. Determining the transaction price, 4. Allocating the transaction price to performance obligations in the contract and 5. Recognizing the revenue when the entity satisfies a performance obligation). Upon the identification of the performance obligations of the contract, a consideration of whether an entity is a principal or an agent is made, and if the nature of the entity’s promise is a performance obligation to provide the specified goods or services as a principal, revenue is recognized at the gross amount, and if the nature of the entity’s promise is a performance obligation to arrange for the provision of goods or services by another party, then revenues received as an agent is recognized at the amount of any fee or commission to which it expects to be entitled or as a net amount. Revenue is recognized when (or as) the companies satisfy a performance obligation by transferring a promised good or service (i.e. an asset) to a customer when (or as) the customer obtains control of that asset. The time when the customer obtains control of that asset is determined based on the ability to direct the use of and obtain substantially all of the remaining benefits from the asset.

The Company’s main performance obligations are the sale of various products; the sale of a wide variety of manufactured products such as metals, chemicals, foods, and general consumer merchandise; the sales of coal, iron ore, oil, and gas. The Company recognizes revenue based on the transfer, acceptance by the customer, or the dispatch of goods for domestic transactions, and recognize revenue based on the transfer of the risks and costs, which is determined by the incoterms, for international transactions. In case that the performance obligation is rendering of services such as arrangements related to the order, financing or delivery for commissions, revenue is recognized at the time when the completion of services or the elapse

of period for rendering services. In regard to determining the time when the customer obtains control of that asset, the verified right to receive the consideration, the legal title, the physical possession, the significant risk and rewards, and the acceptance are assessed.

The consideration is normally received within a year and performance obligation do not include a significant financing component.

For transactions where the performance obligation is satisfied over time, and only if its progress towards complete satisfaction of the performance obligation can be reasonably measured, revenue is recognized by measuring the progress towards the completion of the satisfaction of the performance obligation. Even if the progress towards complete satisfaction of a performance obligation may not be reasonably measurable, if the costs incurred in satisfying the performance obligation are expected to be recovered, revenue is recognized only to the extent of the costs incurred until the progress can be reasonably measured.

9. The consolidated taxation system has been applied.

From the next fiscal year, the Company will make a Transition from the consolidated taxation system to the group tax sharing system. The amount of deferred tax assets and deferred tax liabilities are calculated based on the provisions of the tax law prior to enactment of the “Act Partially Amending the Income Tax Act” (Act No.8 of 2020), following the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ Practical Issues Task Force (PITH) No.39), without applying the provisions of Paragraph 44 of the “Implementation Guidance on Tax Effect Accounting”(ASBJ Guidance No.28).

From the beginning of the next fiscal year, the Company will apply “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Issues Task Force (PITH) No.42), which stipulates the accounting treatment and disclosure of corporate tax, local corporate tax, and tax effect accounting under the group tax sharing system.

## **Changes in Accounting Policies**

### Application of the Accounting Standards for Revenue Recognition

From the beginning of the current fiscal year, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and the “Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021) are applied from the beginning of the current fiscal year, and the method of recognizing revenue was changed based on the following 5-step approach.

1. Identifying the contract with a customer
2. Identifying the performance obligations of the contract
3. Determining the transaction price
4. Allocating the transaction price to performance obligations in the contract
5. Recognizing the revenue when the entity satisfies a performance obligation

In addition, upon the adoption of this standard from the current fiscal year, the presentation items in the statements of income were changed from “Sales” and “Cost of sales” to “Revenue” and “Cost”.

“Revenue” and “Cost” in the statements of income for the current fiscal year decreased by 703.7 billion yen, respectively, compared to “Sales” and “Cost of sales” under the previous standard. This is because “Sales” represents the total consideration for the transfer of goods or services, whereas under the “Accounting Standard for Revenue Recognition”, when the Company has a performance obligation to provide goods or services itself, it is determined to be the principal and revenue is recognized at the gross consideration to which the entity expects to be entitled in exchange for the provision of those goods or services, on the other hand, when the Company assumes a performance obligation to arrange for goods or services to be provided by another party, it is determined to be the agent and revenue is recognized at the net consideration or the fee. Note that among the methods permitted as transitional measures upon application of the “Accounting Standard for Revenue Recognition,” the Company has adopted the method in which the cumulative effect of the initial year of application of the new accounting standard is recognized as an adjustment to retained earnings at the beginning of the current fiscal year, and there is no effect on retained earnings at the beginning of the current fiscal year.

### Application of the Accounting Standards for Fair Value Measurement

From the beginning of the current fiscal year, the Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and its implementation guidance, and the

new accounting policies prescribed in the Accounting Standard are applied prospectively in accordance with the transitional treatment prescribed in paragraph 19 of the “Accounting Standard for Fair Value Measurement” and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). The impact of this application is immaterial.

## Accounting Estimates

The following is a list of items for which the amount was recorded in the financial statements for the current fiscal year based on the accounting estimates, and which may have a significant impact on the financial statements for the next fiscal year.

It is expected that the impact of the spread of COVID-19 infections subsides and economic activities are revitalized, however, the pace of economic recovery varies among products, businesses, and locations. Therefore, the estimates are determined based on each situation.

In addition, the Ukraine situation and the resulting sanctions against Russia may have a global impact, which may affect various business fields in which we operate, however, the extent of the impact varies among products, businesses, and locations. Therefore, the estimates are determined based on each situation.

### 1. Valuation of investments and ownership in subsidiaries and affiliates

#### (1) Amount recorded on the statements of financial position

Investments and ownership in subsidiaries and associated companies

¥ 3,014,736 million (Items with no market price)

#### (2) Other information

For investments and ownership in subsidiaries and affiliates with no market price, if the market value or equity in net assets is materially lower than carrying value on and around the balance sheet date, the investments and ownership are devaluated after evaluating the value could be recoverable.

Since the evaluation of recoverability of the value is based on the business plans of subsidiaries and affiliates, it may be affected by uncertain future economic environment and other factors. If the actual results do not meet the plan, it may have a significant impact on the evaluation of recoverability in the financial statements for the next fiscal year.

## Notes to Balance Sheets

### 1. Pledged assets and related liabilities

(Unit: Millions of Yen)

Assets pledged as collateral		Details		
Type	Book Value at End of Period	For Long-Term Borrowings (Note 1)	As Security for Trading Contracts	For Guarantees
Accounts receivable, trade	¥91	¥91	–	–
Investments in Securities, Investments and ownership in subsidiaries and associated companies	¥230,427	–	¥3,152	¥227,275
Others(Note 3)	¥109,348	–	¥109,348	–
Total	¥339,866	¥91	¥112,500	¥227,275

Note 1: Corresponds to the long-term borrowings secured of ¥31 million.

Note 2: In addition to the above, bank borrowings under certain provisions of loan agreements which require the Company, upon the request of the bank, immediately to provide collateral, which is not specified in the loan agreements, were ¥230,567 million.

Note 3: Security deposits and guarantee deposits related to business and derivative transactions are mainly included.

### 2. Financial assets held as collateral from others, for which the Company has free disposal rights:

¥ 3,027 million

### 3. Accumulated depreciation of tangible assets:

¥ 51,483 million

### 4. Accumulated amortization of intangible assets:

¥ 12,760 million

## 5. Contingent liabilities

### (1) Guarantees

(Unit: Millions of Yen)

The guaranteed	Amount of guarantee (Note 1)
1. Guarantees related to trading partner bank borrowings, trade payables and other	
Mitsui & Co. Cameron LNG Sales, LLC	¥888,351
Mitsui & Co. Energy Trading Singapore Pte. Ltd.	280,709
Oriente Copper Netherlands B.V.	131,930
MOZ LNG1 Financing Company Ltd.	118,486
Japan Arctic LNG B.V.	102,358
Mitsui Bussan Commodities Ltd.	99,597
Mitsui & Co. Financial Services (U.S.A.) Inc.	78,792
Shamrock Investment International AS	78,602
Limited Liability Company Arctic LNG 2	73,635
Lepta Shipping Co., Ltd.	71,326
Other-204 companies	1,453,064
Sub-total (Note 2)	3,376,857
2. Guarantees related to bank borrowings of overseas trading subsidiaries	
Mitsui & Co. (Middle East) B.S.C.(c)	383,379
Mitsui De Mexico, S. de R.L. de C.V.	17,135
Other-1 overseas trading subsidiary	12
Sub-total	400,527
Grand total	¥3,777,385

Note 1: For joint guarantee agreements with two or more guarantors or guarantee agreements with re-guarantees by other companies, the amounts presented above only include the portion which the Company bears under such agreements.

Note 2: Pledged investments and other letters similar to guarantees amounting to ¥ 227,278 million are included.

Note 3: Presented above are mainly subsidiaries and associated companies whose guarantee fee amounts and their payment conditions have been determined individually considering their business substance.

### (2) Notes receivable discounted amount to ¥ 92,334 million

Export bills of exchange under letters of credit, discounted at intermediary banks but not yet paid by the banks extending the letters of credit, of ¥ 77,241 million are included in notes receivable discounted.

## 6. Receivables from and payables to subsidiaries and associated companies:

Short-term receivables: ¥515,709 million

Long-term receivables: ¥262,269 million

Short-term payables: ¥840,104 million

Long-term payables: ¥10,654 million



## Notes to Statements of Income

### 1. Transactions with subsidiaries and associated companies:

Revenue:	¥614,918 million
Cost:	¥843,315 million
Other non-operating transactions:	¥461,896 million

### 2. Loss on write-down of investments in securities and subsidiaries and associated companies

“Loss on write-down of investments in securities and subsidiaries and associated companies” of ¥73,314 million for the year ended March 31, 2022 mainly consists of below.

LNG business in Russia:	¥42,839 million
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## Note to Statements of Changes in Equity

Number of treasury stock as of March 31, 2022

Common stock	41,392,384 shares
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Out of the number of treasury stock above, 3,852,902 shares are related to the share-based compensation plan for employees.

## Tax-Effect Accounting

The principal items, which comprise deferred tax assets and deferred tax liabilities, were as follows:

(Unit: Millions of Yen)

Deferred tax assets	
Allowance for doubtful receivables	¥ 28,032
Allowances for the obligation for guarantees and commitments	2,395
Investments in securities, subsidiaries and associated companies	303,216
Impairment loss of fixed assets	3,866
Accrued bonuses	12,893
Deferred losses on derivatives under hedge accounting	102,296
Loss carryforwards (Note)	90,892
Others	9,620
Subtotal deferred tax assets	553,210
Valuation allowance	(553,210)
Total deferred tax assets	-
Deferred tax liabilities	
Net unrealized gains on available-for-sale securities	216,137
Pension and severance costs	6,897
Total deferred tax liabilities	223,034
Net deferred tax liabilities	¥ 223,034

Note: ¥54,208 million of deferred tax assets arising from loss carryforwards will expire within 5 years and ¥36,684 million will expire after 5 to 10 years.

## Transactions with Related Parties

Company Name: Mitsui Oil Exploration Co., Ltd.

Relationship: Subsidiary

Ownership of Voting Shares: 100% direct ownership

Relationship with Related Parties: Dispatching directors and deposits received

Transaction Content: Deposits received

Transaction Amount: ¥332,752 million

Amounts as of the current fiscal year-end: ¥333,861 million

Transaction Conditions and Transaction Policy: Financing condition is determined considering market interest rates.

Company Name: Mitsui & Co. Financial Services (Australia) Ltd.

Relationship: Subsidiary

Ownership of Voting Shares: 100% in-direct ownership

Relationship with Related Parties: Dispatching directors and loan payable

Transaction Content: Loan payable

Transaction Amount: ¥ 186,287 million

Amounts as of the current fiscal year-end: ¥ 276,000 million

Transaction Conditions and Transaction Policy: Financing condition is determined considering market interest rates.

### Per Share Information

Equity per share	¥	1,368.10
Basic earnings per share	¥	208.16
Diluted earnings per share	¥	208.08

In a calculation of per share information, the number of shares related to the share-based compensation plan for employees is included in the number of treasury stock. The number of treasury stock is deducted from the number of shares of common stock issued, in a calculation of the average number of shares of common stock outstanding. The average number of treasury stock is 33,118,951 shares.

### Subsequent Events

#### Additional investment in subsidiary

As described in “Subsequent Events” in the Notes to Consolidated Financial Statements, the Company decided to make an additional investment in Shamrock Investment International AS, a subsidiary wholly owned by the Company, for the purpose of providing funds to subscribe shares of Aker Mainstream Renewables AS and completed the payment of EUR 582 million (¥78,709 million\*) on April 1, 2022.

(\*) Yen amounts are converted using TTM (1EUR=¥135.24) as of April 1, 2022.

#### Stock Repurchase

At the meeting of the Board of Directors held on May 2, 2022, 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 50 million shares (3.1% of the total number of shares outstanding excluding treasury stock)
- (3) Total amount  
Up to ¥100,000 million
- (4) Period  
From May 6, 2022 to September 22, 2022
- (5) Repurchase method  
Auction market on Tokyo Stock Exchange

#### Impact of the decision to reject the environmental permit application for Anglo American Sur S.A.

The Company invests in Anglo American Sur S.A., a copper mining company in Chile, through Inversiones Mineras Becrux SpA, the joint venture of MMRD Gama Limitada, a subsidiary of the

Company. Part of the investment resources for this project is procured by Oriente Copper Netherlands B.V., a subsidiary in the Netherlands of the Company, and the Company issues parent company guarantees for bank loans. The operator, Anglo American Sur S.A., is in the process of obtaining the environmental permit required for the integrated project to expand the current open pit within Los Bronces operating site and develop a new underground section of the mine in Chile from 2019. However, on April 23, 2022, Anglo American plc, the ultimate parent company of Anglo American Sur S.A., announced that the Environmental Assessment Service of Chile (“SEA”) had issued a report recommending rejection of the permit application, and on May 3, 2022, Anglo American plc also announced that SEA had issued its formal decision to reject the application. The Company, together with other shareholders of Anglo American Sur S.A., is clarifying SEA’s decision and considering its options going forward to preserve its business value, including the continuation of the ongoing process. The Company continues to review the impact on production plan, its financial position and operating results.

## Reference

### Equity Securities Held [Supplementary Information]

Please refer to “(Reference) [Equity Securities Held]” on pages 31-32 of the “Notice of the 103rd Ordinary General Meeting of Shareholders” for the principal information of equity securities held.

#### (i) Concept of the classification of stocks for investment

We may hold investment shares for the purpose of creating new businesses and strong business clusters through both trading and business investment. In addition to profit from such trading, changes in the value of shares and dividends thereon, we strive to increase medium- to long-term economic profit by creating new business opportunities and raising corporate value by providing our functions. Until the previous fiscal year, the policy of the classification of stocks for investment held for pure investment purposes was extremely narrow as “pure fund management stocks”, and as all our investments have strategy in some way, we have classified all our stocks as investments for other than pure investment purposes. Based on our business model, we have revisited the policy of the classification of stocks for investment and have decided to change the criteria for the classification of stocks for investment held for pure investment purposes as “Investment held for the purposes of realizing gains solely arising from changes in the value of shares or dividends thereon”. We defined an investment held for pure investment purposes as one in which we can consider mainly about economic gain from the stock in question at the time of its acquisition or disposal, while considering collaboration and business relationships with investees, and other investments are defined as stocks for investment held for purposes other than pure investment purposes.

As a result of applying this change in the concept of classification, certain overseas stocks and Japanese listed stocks that we have held since the end of the previous fiscal year have been changed to stocks for investment held for pure investment purposes. For target stocks, please refer to “6. Names, number of shares and amount on balance sheet of stocks for investment whose holding purpose was changed from purposes other than pure investment purposes to pure investment purposes” provided below.

Regardless of the classification of stocks for investment held for pure investment purposes and stocks for investment held for purposes other than pure investment purposes, all stocks will continue to be similarly verified in respect of the rationale for holding and the voting rights will be exercised appropriately.

#### (ii) Policy on the exercise of voting rights of stocks for investment

With respect to the exercise of voting rights of stocks for investment, the content of each proposal shall be considered based on the management policies and business plans etc., of the investee, and deliberation shall be conducted on a case-by-case basis while comprehensively considering from the perspectives of (1) whether or not the proposal contribute to enhance corporate value of the investee or mutual benefit of the shareholders, and (2) the impact that the proposal may have on corporate value of the Company in terms of creation of business opportunities, and building, maintaining and strengthening of business and collaborative relationship with the investee.

#### (iii) Method to verify the policy and rational of holdings of stocks for investment

At the Company, the Portfolio Management Committee, which is an advisory body to the Corporate Management Committee, establishes company-wide portfolio strategy as well as investment and loan policies, periodically monitors the company-wide portfolio, and verifies the rationale for holding of all assets including stocks for investment through asset portfolio review that is conducted each year. When acquiring stocks for investment, the Company shall conduct a prior stringent assessment of creating business opportunities, or building, maintaining, or strengthening business and collaborative relationships, in addition to profitability and capital efficiency. At the same time, for listed stocks, the Company shall verify the economic rationale based on the status of dividends, business-related profits, and other related profits, in comparison to total cost such as acquisition cost, fair value and its cost of capital, and conduct verification of qualitative aspects based on the status of and outlook for the creation of business opportunities, as well as business and collaborative relationship with each investee. If, as a result of these verifications, the rationale of holding these assets has significantly declined, our policy is to sell and reduce such assets. Further, the Board of Directors confirms that the qualitative rationale is verified for holding all individual stocks, and identifies stocks that will be considered for sell in the future due to dilution of the rationale, considering both qualitative and quantitative aspects.

**(iv) Stocks for investment held for purposes other than pure investment purposes**

- (a) Method to verify the policy and rational of stock holdings and details of reviews by the Board of Directors

Please refer to (iii) “Method to verify the policy and rational of holdings of stocks for investment” above.

Of the 51 stocks listed as Specified Investment Shares (Amount on balance sheet for the current business year: ¥344,188 million), the purpose for holding the major investees and the amount on balance sheet are as follows, the total amount of which is ¥138,412 million.

1. Seven & i Holdings Co., Ltd. (Amount on balance sheet: ¥94,301 million)

A major retail holding company centered on Seven-Eleven Japan and Ito-Yokado, and our important business partner in the distribution business. Through provision of centralized management functions for food materials/ingredients and packaging (including supply and demand management), as well as logistics functions (such as operations of cooperative distribution centers), we aim to mutually maximize both companies' corporate value.

2. GOLDWIN INC. (Amount on balance sheet: ¥27,122 million)

A major manufacturer of sportswear and sports goods, and our important business partner in the sports and outdoor apparel and equipment field, which is one of the focus areas of our fashion and textile business. Through engaging in transactions in the development, manufacturing and supply of sports apparel-related materials and products, and in co-exploration to seek opportunities for new business creation in Japan and overseas, we aim to contribute to the mutual enhancement of both companies' corporate value.

3. Yamato Kogyo Co., Ltd. (Amount on balance sheet: ¥16,988 million)

An electric furnace steel manufacturer and the most important business partner in our global electric furnace strategy, which actively expands business overseas, mainly manufacturing and sales of steel for construction purposes in the U.S. and Thailand. We have been engaging in transactions of raw materials and products with them and their group companies. We also hold a 20% stake in Siam Yamato Steel Co., Ltd., which is Yamato Kogyo's Thai business.

(b) Number of shares and amount on balance sheet of each Specified Investment Shares and Deemed Stockholdings

Specified Investment Shares

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Number of shares (Shares) Amount on balance sheet (Millions of Yen)		
Seven & i Holdings Co., Ltd.	16,222,480	16,222,480	Refer to the (iv)-(a) above for the purpose of holding.	no
	94,301	72,400		
GOLDWIN INC.	4,367,504	4,367,504	Same as above	yes
	27,122	30,921		
Yamato Kogyo Co., Ltd.	4,573,000	4,573,000	Same as above	no
	16,988	15,022		
TOYOTA MOTOR CORPORATION	7,500,000	1,500,000	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to automobile business area. In addition, the number of shares increased due to a stock split.	yes
	16,668	12,924		
Yamaha Motor Co., Ltd.	4,293,000	4,293,000	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to motorcycle business area, etc.	yes
	11,831	11,638		
Mitsui Chemicals, Inc.	3,474,078	3,474,078	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to basic & green materials, mobility, health care, food packaging business, etc.	yes
	10,734	12,141		
MODEC, INC.	8,387,300	8,387,300	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to long-term charter business for floating production, storage and offloading systems, etc.	no
	10,693	18,980		
KATO SANGYO Co., Ltd.	3,153,000	3,153,000	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to processed food wholesale.	yes
	9,995	11,271		
Sumitomo Metal Mining Co., Ltd.	1,454,000	1,454,000	Mainly in the Mineral & Metal Resources Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to non-ferrous metal business, etc.	no
	8,961	6,948		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
Toray Industries, Inc.	13,776,000	13,776,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to chemicals like raw materials for resin and high performance films, etc.	yes
	8,800	9,815		
Mitsui Fudosan Co., Ltd.	3,000,000	3,000,000	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to real estate business.	yes
	7,860	7,540		
TBS HOLDINGS, INC.	4,288,000	4,288,000	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to media related business.	no
	7,662	9,313		
Nihon Unisys, Ltd. (Note 4)	2,448,509	2,448,509	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to IT related services.	no
	7,627	8,349		
J-OIL MILLS, INC.	4,175,422	2,087,711	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to vegetable oils. In addition, the number of shares increased due to a stock split.	yes
	6,709	8,329		
TOYO ENGINEERING CORPORATION	8,754,000	8,754,000	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to engineering business for ammonia / urea fertilizer chemical plants, petrochemical plants, renewable power plants, carbon neutral related plants, etc.	yes
	5,576	6,845		
NIPPON CORPORATION	3,349,110	3,349,110	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to wheat, wheat flour and processed food businesses.	yes
	5,569	5,549		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
NIPPON STEEL CORPORATION	2,459,954	2,459,954	Mainly in the Iron & Steel Products Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to steel products-related business.	yes
	5,340	4,640		
AIR WATER INC.	2,385,590	2,385,590	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to industrial gases.	no
	4,103	4,628		
TOSOH CORPORATION	2,246,500	2,246,500	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to chlor-alkali business.	yes
	4,075	4,758		
Showa Sangyo Co., Ltd.	1,540,000	1,540,000	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to feed, flour and oils businesses.	no
	4,031	4,781		
Kaneka Corporation	1,108,691	1,108,691	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to chemicals like olefin and vinyl chloride resin.	yes
	3,930	5,044		
JK Holdings Co., Ltd.	3,179,454	3,179,454	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to housing materials.	yes
	3,821	2,791		
Denka Company Limited	1,087,400	1,087,400	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to chemical materials.	yes
	3,697	4,806		
MS & AD Insurance Group Holdings, Inc.	904,900	904,900	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to insurance-related business.	yes
	3,599	2,940		



Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
Nippon Soda Co., Ltd.	1,015,000	1,015,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to methionine business and agrochemicals business.	yes
	3,420	3,547		
ZEON CORPORATION	2,352,000	2,352,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to aliphatic (C5) monomer, specialty chemicals.	yes
	3,208	4,160		
IHI Corporation	939,500	939,500	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to industrial equipment business, etc.	yes
	2,771	2,109		
Morinaga & Co., Ltd.	686,200	686,200	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to dairy products and confectionary ingredients businesses.	no
	2,614	2,713		
Shin Nippon Air Technologies Co., Ltd.	1,266,252	1,266,252	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to business relating to supply and maintenance of air conditioning systems for facilities in nuclear power plants.	no
	2,442	3,046		
JFE Holdings, Inc.	1,354,360	1,354,360	Mainly in the Iron & Steel Products Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to steel products-related business.	no
	2,333	1,845		
Sumitomo Mitsui Financial Group, Inc.	593,100	593,100	The Company holds shares mainly for the purpose of building, maintaining or strengthening financial business relationships.	yes
	2,317	2,376		
S Foods Inc.	705,500	705,500	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to Australian beef related business, etc.	yes
	2,314	2,670		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
Tayca Corporation	1,784,094	1,784,094	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to surfactants, titanium dioxide, etc.	no
	2,303	2,652		
TAKARA HOLDINGS INC.	2,000,000	2,000,000	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to ethanol-related business.	yes
	2,202	3,014		
ISHIHARA SANGYO KAISHA, LTD.	2,019,200	*	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to titanium dioxide and titanium ore.	no
	2,174	*		
PT Pelat Timah Nusantara Tbk	252,335,000	252,335,000	Mainly in the Iron & Steel Products Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to packaging steel business, etc.	no
	2,072	2,214		
ADEKA Corporation	737,600	*	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to processed oils.	no
	1,994	*		
TV TOKYO Holdings Corporation	1,002,050	1,002,050	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to media-related business.	no
	1,994	2,390		
KYOEI STEEL LTD.	1,470,000	1,470,000	Mainly in the Mineral & Metal Resources Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to resource recycling business, etc.	no
	1,968	2,440		
T&D Holdings, Inc.	1,177,000	*	The Company holds shares mainly for the purpose of building, maintaining or strengthening financial business relationships.	yes
	1,966	*		
Japan Airlines Co., Ltd.	791,500	791,500	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to passenger aviation and freight business, etc.	no
	1,812	1,955		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
Mitsubishi UFJ Financial Group, Inc.	2,326,000	4,652,000	The Company holds shares mainly for the purpose of building, maintaining or strengthening financial business relationships.	yes
	1,768	2,752		
DaikyoNishikawa Corporation	3,222,720	3,222,720	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to automobile components, etc.	no
	1,740	2,494		
Yantai north Andre juice co., Ltd.	18,340,000	20,640,000	Mainly in the Lifestyle Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to fruit juice business, etc.	no
	1,721	1,866		
Hankuk Carbon Co., Ltd.	1,318,822	2,637,645	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to carbon fiber reinforced-matrix-composites, etc.	no
	1,569	3,172		
Nitto Denko Corporation	173,700	*	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to electronic materials and devices.	no
	1,532	*		
Mitsuboshi Belting Ltd.	750,000	*	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to automobile components, etc.	no
	1,520	*		
IINO KAIUN KAISHA, LTD.	1,500,000	*	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to shipping business.	no
	1,239	*		
Shochiku Co., Ltd.	100,000	*	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to entertainment-related business such as movies.	yes
	1,228	*		
MITSUI MINING & SMELTING CO., LTD.	340,200	*	The Company holds shares mainly for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to non-ferrous metal business.	yes
	1,141	*		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
CENTRAL SECURITY PATROLS CO., LTD.	445,335	*	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to outsourcing services business.	yes
	1,115	*		
MORIROKU HOLDINGS COMPANY, LTD.	*	1,128,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to automobile components and chemical materials.	no
	*	2,547		
Farmers Edge Inc.	*	1,704,059	Mainly in the Innovation & Corporate Development Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to precision agriculture.	no
	*	2,692		
Lion Corporation	—	1,759,000	Mainly in the Chemicals Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to personal care products. All of the shares were sold during the current fiscal year.	yes
	—	3,797		
Taiwan High Speed Rail Corporation	—	24,000,000	Mainly in the Machinery & Infrastructure Segment, the Company holds shares for the purpose of creating business opportunities, building, maintaining or strengthening business and collaborative relationship in relation to railway-related business. All of the shares were sold during the current fiscal year.	no
	—	2,929		

- Notes
1. We verify the rationale of holding stocks through verification of the status of dividends, business-related profits, and other related profits in comparison to total cost such as acquisition cost, fair value and our cost of capital, as well as verification and review of the qualitative significance of holding stocks. However, the quantitative effects of holding stocks are not disclosed in consideration of our relationships with business partners and others.
  2. “-” represents not possessed as Specified Investment Shares. “\*” means omission due to 1% or less than Mitsui’s capital and out of high ranking of 60.
  3. Holding of Mitsui’s stock is described based solely on the register of shareholders as of March 31, 2022. The shares not held as of March 31, 2022 are based on the register of shareholders as of March 31, 2021. In addition, when the stock is of a holding company, the portion held by major subsidiaries of the holding company is taken into account and described to the extent that it can be confirmed.
  4. Nihon Unisys, Ltd. has changed its corporate name to BIPROGY Inc. since April 1, 2022.

## Deemed Stockholdings

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
TOYOTA MOTOR CORPORATION	11,231,000	2,246,200	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation. In addition, the number of shares increased due to a stock split.	yes
	24,960	19,353		
Mitsui Chemicals, Inc.	3,474,000	3,474,000	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
	10,734	12,142		
MS & AD Insurance Group Holdings, Inc.	2,030,100	2,030,100	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
	8,075	6,596		
Mitsui Fudosan Co., Ltd.	2,801,000	2,801,000	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
	7,338	7,040		
Katakura Industries Co., Ltd.	2,200,000	2,200,000	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	no
	4,903	3,201		
Toyo Suisan Kaisha, Ltd.	994,000	994,000	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	no
	4,343	4,622		

Issue	2022	2021	Purpose of holding, quantitative effect of holding and reason for increase in number of shares	Holding of Mitsui's stock
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
TAKARA HOLDINGS INC.	2,170,000	2,170,000	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
	2,389	3,270		
Mitsui O.S.K. Lines, Ltd.	666,500	666,500	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
	2,279	2,583		
NIPPON STEEL CORPORATION	910,000	*	To supplement the pension financial situation, the Company contributes this stock to the Company's employee retirement benefit trust with retaining the authority to give instructions on the exercise of voting rights and decides whether or not to sell based on the pension financial situation.	yes
	1,975	*		

Note: In selection of high ranking issues in terms of the amount recorded on the balance sheet, Specified Investment Shares and Deemed Stockholdings are not combined.

**(v) Dividend income, gain or loss on sales, and valuation gain or loss of stocks for investment whose holding purpose is pure investment in the current fiscal year**

(Millions of yen)

Classification	Year ended March 31, 2022		
	Total amount of dividend income	Total amount of gain or loss on sales	Total amount of valuation gain or loss
Unlisted stocks	15,636	–	(Note 1)
Stocks excluding unlisted stocks	89,565	3,498	536,512
			[(454)] (Note 2)

Notes: 1. For unlisted stocks, "Total amount of valuation gain or loss" has not been provided because they have no market price, and thus their fair value is extremely difficult to determine.

2. The figure shown in square brackets in "Total amount of valuation gain or loss" represents the amount of impairment recognized in the current fiscal year.

**(vi) Names, number of shares and amount on balance sheet of stocks for investment whose holding purpose was changed from purposes other than pure investment purposes to pure investment purposes**

Names of listed stocks	Year ended March 31, 2022	
	Number of shares (Shares)	Total amount on balance sheet (Millions of Yen)
Vale S.A.	286,347,055	702,161
Sims Ltd.	33,450,338	66,349
Recruit Holdings Co., Ltd.	12,000,000	64,968
LUCID GROUP, INC.	14,101,332	43,836
STEM, INC.	2,487,159	3,351
Hexagon Purus AS	5,204,029	2,376
RareJob, Inc.	1,828,100	1,645
Proterra Inc.	1,514,698	1,394
AIRSPAN NETWORKS HOLDINGS INC.	1,174,703	418
Total	–	886,501

Total unlisted stocks (7 stocks)	–	76,230
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Note: The total shown for the amounts of stockholdings regarding respective issues may not match the sum of the individual amounts because the amounts are rounded down to the nearest ¥1.0 million.

## **Appointment Standards for Directors and Audit & Supervisory Board Members and Criteria of Independence for External Members**

### **[Appointment of Directors]**

- 1) Mitsui selects candidates for positions of Director giving consideration to the following appointment standard for Directors.
  - Person with excellent overall character who possesses qualities valuable for the management of Mitsui
  - Person possessing both strong leadership skills and high moral caliber and with law-abiding spirit and a strong intention to contribute to public interest
  - Person with no health concerns for the execution of duties
  - Person possessing capability for smooth performance as a director of “decision-making related to the execution of operations of the company” and “oversight of the execution of duties by directors” to be conducted by the board of directors
  - Person excelling in capability, foresight and insight to make best judgment for the company strictly in compliance with duty of care of a good manager and duty of loyalty expected of a director and in accordance with the “business judgment rule”
- 2) Selection of candidates for positions of Director is conducted after confirmation is obtained from the Nomination Committee that the necessary requirements based on the selection processes and the appointment standard for Directors established by the Nomination Committee are fulfilled.

### **[Appointment of External Directors]**

- 1) Mitsui has decided that as the appointment standard for External Directors, the prospective person’s extensive business experience and knowledge are required to deliberate on such Board of Directors meeting proposals as investments and loans, and knowledge of his or her particular area of business is used.
- 2) Mitsui has decided that in selecting candidates for the positions of External Director, it puts great value on ensuring their independence from Mitsui in the pursuit of their management oversight functions. Also, with a view to overseeing business operations in a way that reflects the standpoint of our diverse stakeholders, Mitsui takes into consideration the field from which candidates originate, along with their gender.

Given that Mitsui is a general trading company with extensive business dealings, it has been decided to make appropriate efforts by the Board of Directors to handle with likely conflicts of interest involving the prospective External Director in individual transactions with external parties.

### **[Appointment of Audit & Supervisory Board Members]**

- 1) Mitsui selects candidates for positions of Audit & Supervisory Board Member giving consideration to the following appointment standard for Audit & Supervisory Board Members.
  - Person of excellent personality and considerable insight, possessing outstanding capability and achievements or abundant knowledge in the fields of legal affairs, financial affairs and accounting, business management, and other various fields
  - With respect to Internal Audit & Supervisory Board Members, person well-acquainted with actual conditions of the Company and possessing capability to conduct appropriate audits
- 2) For the selection of candidates for positions of Audit & Supervisory Board Member, Directors prepare a proposal for election through consultation with Audit & Supervisory Board Members and obtain agreement of the Audit & Supervisory Board in advance. The Audit & Supervisory Board deliberates on the advisability of agreeing with the proposal for election of Audit & Supervisory Board Members to be submitted to the General Meetings of Shareholders by the Board of Directors.

### **[Role and appointment of External Audit & Supervisory Board Members]**

External Audit & Supervisory Board Members are appointed with the objective of further heightening the neutrality and independence of the auditing system, and it is particularly expected that External Audit & Supervisory Board Members objectively express their auditing opinions from the standpoint of neutrality, building on such factors as that independence. When selecting candidates for positions of External Audit &



Supervisory Board Member, the Audit & Supervisory Board confirms that no issues with independence arise by taking into consideration not only the appointment standard provided for in “Appointment of Audit & Supervisory Board Members” above, but also such factors as relations with the Company, the management and important staff.

#### **[Criteria of independence]**

External Directors or External Audit & Supervisory Board Members of Mitsui (hereinafter referred to as “External Members”) who do not fall under any of the following items are to be judged to have independence.

- 1) Person who is currently or was in the past ten years an Executive Director, Executive Officer, Managing Officer, manager, employee, administrative officer, etc. (hereinafter referred to as “executing person”) of Mitsui or Mitsui’s consolidated subsidiaries.
- 2) Person or the executing person of a corporation holding either directly or indirectly 10% or more of total number of the voting rights of Mitsui
- 3) Person whose major business partner is Mitsui or Mitsui’s consolidated subsidiaries (\*1) or the executing person of the same
  - \*1 If the relevant business partner received from Mitsui or Mitsui’s consolidated subsidiary the payment equivalent to 2% or more of its annual consolidated transaction volume in the most recent business year or the relevant business partner obtained from Mitsui or Mitsui’s consolidated subsidiary the money loans equivalent to 2% or more of its consolidated total assets in the most recent business year, the relevant business partner is deemed to be the person whose major business partner is Mitsui or Mitsui’s consolidated subsidiary.
- 4) Major business partner of Mitsui or Mitsui’s consolidated subsidiary (\*2) or the executing person of the same
  - \*2 If Mitsui or Mitsui’s consolidated subsidiary received from the relevant business partner the payment equivalent to 2% or more of Mitsui’s annual consolidated transaction volume in the most recent business year or the relevant business partner provided Mitsui or Mitsui’s consolidated subsidiary with the money loans equivalent to 2% or more of Mitsui’s consolidated total assets, the relevant business partner is deemed to be the major business partner of Mitsui or Mitsui’s consolidated subsidiary.
- 5) Person who is in charge of auditing operations of Mitsui or Mitsui’s consolidated subsidiary, as partners etc. of the auditing firm of the Independent Auditor of Mitsui or Mitsui’s consolidated subsidiary
- 6) Person providing professional services such as consultant, lawyer and certified public accountant who received from Mitsui monetary payment or other property benefits ¥10 million or more in total other than officer remuneration in the most recent business year (if the one who received the relevant property is an organization such as corporation and association, it shall be referred to the person who belongs to an organization which received from Mitsui property benefits more than higher of either ¥10 million or 2% of the consolidated gross sales of such organization)
- 7) Person or the executing person of a corporation who received the annual total of ¥10 million or more of donations or aid funds from Mitsui or Mitsui’s consolidated subsidiary in the most recent business year
- 8) Person who has fallen under any of 2) to 7) above in the past three years
- 9) Spouse or relative within the second degree of kinship (hereinafter referred to as “close relatives”) of the person who is currently or has been recently the important executing person of Mitsui or Mitsui’s consolidated subsidiary (including Director who is not the executing person in the case of External Audit & Supervisory Board Member)
- 10) Close relatives of the person who currently falls or has fallen recently under any of 2) to 7) above (excluding the one who is not important)

The full text of the “Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles”, in which the above are stipulated, is available on the Company’s website.

([https://www.mitsui.com/jp/en/company/outline/governance/system/pdf/corp\\_gov.pdf](https://www.mitsui.com/jp/en/company/outline/governance/system/pdf/corp_gov.pdf))