FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 2024

Mitsubishi Corporation

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May 2, 2024
Mitsubishi Corporation

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2024

(Based on IFRS) (Consolidated)

1. Consolidated operating results for the year ended March 31, 2024

Note:
Figures less than one million yen are rounded.
%: change from the previous year

(1) Revenues and income

	Revenues		Profit before tax		Profit for the year		Profit for the year attributable to owners of the Parent		Comprehensive income	
For the year ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2024	19,567,601	(9.3)	1,362,594	(18.9)	1,024,858	(19.4)	964,034	(18.4)	1,800,849	1.2
March 31, 2023	21,571,973	24.9	1,680,631	30.0	1,271,499	26.6	1,180,694	25.9	1,778,888	13.4

	Profit for the year attributable to owners of the Parent per share (basic)	Profit for the year attributable to owners of the Parent per share (diluted)	Return on equity attributable to owners of the Parent	Pre-tax income to total assets ratio
For the year ended	Yen	Yen	%	%
March 31, 2024	230.10	222.37	11.3	6.0
March 31, 2023	269.76	268.56	15.8	7.6

Note 1: Share of profit of investments accounted for using the equity method for the years ended March 31, 2024 and 2023 were ¥444,385 million and ¥500,180 million respectively.

Note 2: "Profit for the year attributable to owners of the Parent per share (basic)" and "Profit for the year attributable to owners of the Parent per share (diluted)" are calculated based on "Profit for the year attributable to owners of the Parent."

Note 3: On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. The calculation of basic earnings per share and diluted earnings per share is done under the assumption that the stock split occurred at the start of the previous fiscal year.

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets	Equity per share attributable to owners of the Parent
As of	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
March 31, 2024	23,459,572	10,094,829	9,043,867	38.6	2,206.97
March 31, 2023	22,147,501	9,119,036	8,065,640	36.4	1,881.69

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
For the year ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2024	1,347,380	(205,761)	(1,086,233)	1,251,550
March 31, 2023	1,930,138	(177,466)	(1,766,638)	1,556,999

2. Dividends

	Cash dividends per share (Yen)					Cash dividends (annual)	Payout ratio (consolidated)	Dividends on equity attributable to owners of the Parent (consolidated)
(Record date)	1Q end	2Q end	3Q end	4Q end	Annual	Millions of Yen	%	%
March 31, 2023	—	25.67	—	34.33	60.00	259,339	22.2	3.5
March 31, 2024	—	35.00	—	35.00	70.00	289,692	30.4	3.4
March 31, 2025 (Forecast)	—	50.00	—	50.00	100.00	—	42.2	—

Note 1: Scheduled dividends payment date: June 24, 2024.
For the dividend forecast for the fiscal year ending March 31, 2025, please also refer to the Presentation Material.

Note 2: On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. The calculation of cash dividends per share is done under the assumption that the stock split occurred at the start of the previous fiscal year.

3. Consolidated forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

Note:
%: change from the previous year.

	Profit attributable to owners of the Parent		Profit attributable to owners of the Parent per share
For the year ending	Millions of Yen	%	Yen
March 31, 2025	950,000	(1.5)	236.75

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in scope of consolidation): Yes

New companies: －

Excluded companies: 4

MCOP INVESTMENT PTE. LTD.

MV2 VIETNAM REAL ESTATE TRADING JOINT STOCK COMPANY

MV HOLDING ONE MEMBER LIABILITY LIMITED COMPANY

SV REAL ESTATE INVESTMENT DEVELOPMENT BUSINESS JOINT STOCK COMPANY

The Company sold the shares of Diamond Realty Investment Ocean Park Co., Ltd. to a third party during the year ended March 31, 2024. As a result, the above four subsidiaries were excluded from the scope of consolidation of Mitsubishi Corporation.

(2) Changes in accounting policies and accounting estimates

-1- Changes in accounting policies required by IFRS : Yes

-2- Changes in accounting policies other than -1-: None

-3- Changes in accounting estimates : None

Please refer to page 24, "(1) Changes in Accounting Policies and Changes in Accounting Estimates" under "2. Notes Concerning Consolidated Financial Statements" of "Consolidated Financial Statements and Notes Concerning Consolidated Financial Statements".

(3) Number of shares issued (Common stock)

-1- Number of shares issued at year-end (including treasury stock)	(March 31, 2024)	4,179,018,153	(March 31, 2023)	4,374,907,053
-2- Number of treasury stock at year-end	(March 31, 2024)	81,159,032	(March 31, 2023)	88,529,424
-3- Average number of shares during each of the following fiscal years	(March 31, 2024)	4,189,638,462	(March 31, 2023)	4,376,782,976

Note 1: Please refer to page 26, "(3) Earnings Per Share" under "2. Notes Concerning Consolidated Financial Statements" of "Consolidated Financial Statements and Notes Concerning Consolidated Financial Statements" regarding the number of shares that serve as the basis for calculating consolidated profit for the year attributable to Mitsubishi Corporation per share.

Note 2: On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. The number of shares outstanding at year-end, the number of shares of treasury stock at year-end, and the average number of shares during each of the following fiscal years have been calculated as if the stock split had occurred at the start of the previous fiscal year.

<u>Disclosure Regarding Audit Procedures</u>

This earnings release is not subject to audit procedures by certified public accountant or audit corporation.

<u>Forward-looking Statements</u>

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. The achievement of said forecasts cannot be promised. Actual results may therefore differ materially from these statements for various reasons.

Contents

*Presentation materials and IR meetings on financial results:
Presentation materials on financial results can be found on our web site. Mitsubishi Corporation will hold an IR meeting on financial results for analysts and institutional investors on May 2, 2024. Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

Operating Results and Financial Position

1. Operating Results and Financial Position of the Year Ended March 2024

(Profit for the year, as used hereinafter, refers to profit for the year attributable to owners of the Parent.)

(1) Summary of the Year Ended March 2024 Results

(Billions of Yen)	Year ended March 31, 2023	Year ended March 31, 2024	Change	Remarks
Revenues	21,572.0	19,567.6	(2,004.4)	Decreased market prices
Gross profit	2,560.0	2,359.7	(200.3)	Decreased market prices in the Australian metallurgical coal business
Selling, general and administrative expenses	(1,607.5)	(1,692.3)	(84.8)	The depreciation of the Japanese yen in relation to foreign currency translation and increased personnel costs
Gains (losses) on investments	197.0	233.0	+36.0	Gain on sale and valuation related to Overseas power generating business
Gains (losses) on disposal and sale of property, plant and equipment and others	(0.3)	37.2	+37.5	Gain on sale of investment property and property, plant and equipment
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(31.6)	(29.6)	+2.1	Impairment losses on assets in the Overseas food business
Other income (expenses) -net	(25.4)	(104.1)	(78.8)	Losses related to the Salmon farming business
Finance income	203.6	305.4	+101.7	Increased dividend income and interest income due to increased U.S. dollar interest rates
Finance costs	(115.4)	(191.1)	(75.8)	Increased U.S. dollar interest rates
Share of profit (loss) of investments accounted for using the equity method	500.2	444.4	(55.8)	Decreased natural gas and crude oil prices
Profit (loss) before tax	1,680.6	1,362.6	(318.0)	—
Income taxes	(409.1)	(337.7)	+71.4	—
Profit (loss) for the year	1,271.5	1,024.9	(246.6)	—
Profit (loss) for the year attributable to Owners of the Parent	1,180.7	964.0	(216.7)	—

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

(2) **Segment Information**

The breakdown of net profit by segment were as follows:

(Billions of Yen)	Year ended March 31, 2023	Year ended March 31, 2024	Change	Remarks
Natural Gas	170.6	219.5	+48.9	Trading losses recorded in the previous year, increased trading earnings in the LNG sales business and increased dividend income from LNG-related business, despite decreased earnings in the LNG-related business
Industrial Materials	62.0	64.4	+2.4	—
Chemicals Solution	29.5	9.5	(20.0)	Impairment losses and deduction of deferred tax liabilities recorded in the previous year in the Chemical manufacturing business
Mineral Resources	439.3	295.5	(143.8)	Decreased earnings due to lower Australian metallurgical coal prices
Industrial Infrastructure	31.9	42.7	+10.8	Gains on sale of overseas business investment and increased earnings in the Commercial vessel business
Automotive & Mobility	131.6	141.4	+9.8	Losses due to sales slump in Chinese business in the previous year and gains related to the sale of overseas business, despite decreased earnings in the ASEAN automotive business
Food Industry	63.4	14.9	(48.5)	Decreased earnings in the Salmon farming business and impairment losses related to the Overseas food business, despite gains on sale of an affiliated company
Consumer Industry	18.9	49.3	+30.4	Increased earnings in the Convenience store business and reversal of impairment losses on intangible assets related to the investment in Lawson
Power Solution	61.9	92.0	+30.1	Increased gains on sales of assets in the Overseas power generating business
Urban Development	123.3	41.5	(81.8)	Gains on sale of a real estate management company in the previous year

(3) **Financial Position**

(Billions of Yen)	March 31, 2023	March 31, 2024	Change	Remarks
Total assets	22,147.5	23,459.6	+1,312.1	—
Current assets	9,109.3	11,676.5	+2,567.2	Increase in assets classified as held for sale due to the transfer of non-current assets owned by Lawson
Non-current assets	13,038.2	11,783.1	(1,255.1)	Decrease due to the transfer of assets owned by Lawson to assets classified as held for sale, while the increase in investments accounted for using the equity method due to the depreciation of the Japanese yen
Total liabilities	13,028.5	13,364.7	+336.2	—
Current liabilities	6,694.7	8,132.1	+1,437.4	Increase due to the classification of non-current liabilities owned by Lawson as held for sale, and the new issuance of commercial paper
Non-current liabilities	6,333.8	5,232.7	(1,101.1)	Decrease due to the classification of liabilities owned by Lawson as held for sale
Total equity	9,119.0	10,094.8	+975.8	—
Equity attributable to owners of the Parent	8,065.6	9,043.9	+978.3	Increase in retained earnings accumulated by profit for the period and exchange differences on translating foreign operations due to the depreciation of the Japanese yen
Non-controlling interests	1,053.4	1,051.0	(2.4)	—
Net interest-bearing liabilities (excluding lease liabilities)	3,237.6	3,782.3	+544.7	—

(4) Cash Flows

Cash and cash equivalents at March 31, 2024 was ¥1,251.6 billion, a decrease of ¥305.4 billion from March 31, 2023. The breakdown of cash flows were as follows:

(Billions of Yen)	Year ended March 31, 2023	Year ended March 31, 2024	Change	Remarks
Cash flows from operating activities	1,930.1	1,347.4	(582.7)	Breakdown Cash flows from operating transactions and dividend income, despite the payment of income taxes Year-over-year changes Decrease in cash flows from operating transactions and increase in requirements for working capital, etc.
Cash flows from investing activities	(177.5)	(205.8)	(28.3)	Breakdown Payments for property, plant and equipment and investments in affiliated companies, despite cash flows from sale of investments in affiliated companies and collection of loans Year-over-year changes The sale of investment in a real estate management company in the previous fiscal year, despite increase due to collection of loans
Free cash flows	1,752.6	1,141.6	(611.0)	—
Cash flows from financing activities	(1,766.6)	(1,086.2)	+680.4	Breakdown Acquisition of treasury stock, repayments of lease liabilities and payments of dividends Year-over-year changes Cash flows from short-term debt financing due to increased demand for working capital, etc., despite increase in acquisition of treasury stock
Effect of exchange rate changes on cash and cash equivalents	15.4	47.9	+32.5	—
Net increase (decrease) in cash and cash equivalents included in assets classified as held for sale	—	(408.8)	(408.8)	Decrease due to reclassification of cash and cash equivalents held by Lawson to held for sale
Net increase (decrease) in cash and cash equivalents	1.4	(305.4)	(306.8)	—

Underlying operating cash flows (after repayments of lease liabilities)	1,284.7	1,178.5	(106.2)	Breakdown Cash flows from profit for the year and dividend income, despite the payment of lease liabilities Year-over-year changes Decrease in profit for the year
Adjusted free cash flows	1,107.2	972.7	(134.5)	—

In addition to the aforementioned operating cash flows for financial accounting purpose, in order to present the source of funds for future investments and shareholder returns appropriately, the Company defined “Underlying operating cash flows (after repayments of lease liabilities)”, which is operating cash flows excluding changes in working capital whilst including repayments of lease liabilities which are necessary in the ordinary course of business activities, and “Adjusted free cash flows”, which is the sum of “Underlying operating cash flows (after repayments of lease liabilities)” and investing cash flows.

Main items (Segments) included in investing cash flows were as follows:

New/Sustaining Investments	Sales and Collection
- European integrated energy business (Power Solution) - Australian metallurgical coal business (Mineral Resources) - North American real estate business (Urban Development) - Overseas power business (Power Solution) - Convenience store business (Consumer Industry) - Vietnamese real estate business (Urban Development) - LNG-related business (Natural Gas) - North American shale gas business (Natural Gas) - Salmon farming business (Food Industry)	- European automobile finance business (Automotive & Mobility) - Domestic investment property business (Urban Development) - Investment in an affiliated company (Food Industry) - North American shale gas business (Natural Gas) - Copper business (Mineral Resources) - Domestic data center business (Urban Development)

The dividends were paid in compliance with the shareholder returns policy of progressive dividends in line with sustained profit growth. The acquisition of treasury stock was carried out in order to optimize total payout ratio, as well as the Company's capital structure. Regarding financing through debt, the policy is to maintain debts at an appropriate level in light of liquidity and financial soundness.

2. Forecasts for the Year Ending March 2025

For the year ending March 2025, profit for the year is expected to be ¥950.0 billion. For the segment-specific forecasts and market condition assumptions, please refer to the presentation material for the year ended March 2024 (Results of FY2023 and Forecast for FY2024 Presentation Materials). Please see the "Business Risks" section for principal risks that have the potential to affect the operating performance.

3. Business Risks

(1) Risks of Changes in Global Macroeconomic Conditions

Changes in global and regional macroeconomic conditions are deeply linked to personal consumption and capital expenditure and impact commodity markets. As a result, macroeconomic conditions can cause changes in the prices, volumes and costs of commodities and products handled in our global businesses across diverse industrial sectors, significantly impacting our operating results and financial standing.

In the year ended March 2024, despite persistent inflation, the global economy continued to rise steadily. The global economy is expected to continue to maintain moderate growth under the situation of the expected shift in monetary policy in the U.S. and Europe, including the start of interest rate cuts. However, the U.S.-China conflict, the Russia-Ukraine situation, the situation in the Middle East, and other geopolitical risks, as well as concerns about the outlook of the Chinese economy, require attention. We will continue to monitor these situations carefully.

(2) Market Risks

("Profit for the year" refers to profit for the year attributable to owners of the Parent. Unless otherwise stated, effects on future profit for the year are the estimated effects in the year ending March 2025, based on results for the year ended March 2024.)

1) Commodity Market Risk

In the course of our business activities, we are exposed to various risks relating to fluctuations of commodity prices as a trader, an owner of rights to natural and energy resources, and a producer and seller of the industrial products of our affiliated companies. These commodity market risks can significantly impact our operating results and financial standing through fluctuation of purchase and sales prices specifically in the mineral and energy trading.

In addition, commodity prices can be the significant input for the valuation of our investment. Especially in the case of long-term projects, as medium- to long-term price forecasts have a more significant impact on the valuation of our investment than short-term price fluctuations, we formulate a forecast, taking into account fundamentals such as the future supply/demand environment and data provided by external financial institutions and other organizations. If long-term stagnation or increases are forecasted in commodities markets, impairment loss or reversal of impairment loss on our property, plant and equipment and investments accounted for using the equity method could impact our operating results.
For details of our specific investments, please refer to the section entitled "(5) Business Investment Risk (Specific Investments)".

(Energy Resources)

We engage in the natural gas and oil development and production business and the liquefied natural gas (LNG) business in North America, Southeast Asia, Australia, and other regions. Accordingly, fluctuations in natural gas and oil prices could have a significant impact on our operating results.

In the year ended March 2024, the price of Brent crude oil rose from the upper US$70/BBL at the end of December to the upper US$80/BBL at the end of March against the backdrop of OPEC-plus's extension of its policy of coordinated production cuts until the end of 2024, the continued decline in US petroleum product inventories, and heightened awareness of geopolitical risks in the Middle East. We are aware that prices will continue to be volatile, rising and falling depending on factors such as heightened geopolitical risks, economic conditions in various countries, and OPEC/non-OPEC production trends.

Furthermore, while most of our LNG sales are based on long-term contracts, LNG prices are linked to crude oil prices. It is estimated that a US$1/BBL fluctuation in the price of crude oil would have an approximately ¥1.5 billion effect on profit for the year, mainly through equity method earnings. However, fluctuations in the price of LNG and crude oil might not be immediately reflected in our operating results because of the time lag between such fluctuations and their impact on our operations.

A portion of our LNG sales are also made under spot contracts, and the Asian LNG spot price started at around US$11 per million British thermal unit (Btu) in early January. However, the price hovered around US$8 per barrel in mid-February, affected by sluggish demand due to a warm winter and a strong LNG inventory buildup. The price temporarily rose to the upper half of US$9 per million Btu due to lower temperatures, but fell to the upper half of US$8 per million Btu by the end of March due to tapering off of demand.

(Mineral Resources)

Through a wholly owned subsidiary, Mitsubishi Development Pty Ltd (MDP), in Brisbane, Australia, we sell metallurgical coal, which is used for steel manufacturing. Fluctuations in the price of metallurgical coal may affect our operating results through MDP's earnings. MDP's operating results cannot be determined by the coal price alone since MDP's results are also significantly affected by fluctuations in exchange rates among the Australian dollar, U.S. dollar and yen, as well as adverse weather and labor disputes etc.

In addition, as a producer, we are exposed to the risk of price fluctuations in copper. It is estimated that a US$100 fluctuation in the price per MT of copper would have a ¥3.2 billion effect on our profit for the year (a US¢10 price fluctuation per lb. of copper would have a ¥7.0 billion effect on our profit for the year). However, variables beside price fluctuations may also have an impact. These include the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditures). Therefore, the impact on earnings may not be determined by the copper price alone.

2) Foreign Currency Risk

We are exposed to the risk of fluctuations in foreign currency rates against the yen in the course of our trading activities, such as export, import, and offshore trading. While we use forward contracts and other hedging strategies as needed, there is no assurance that we can completely avoid foreign currency risk.

With respect to our overseas investments, there is a risk that foreign currency exchange fluctuations could cause increase or decrease in the yen conversion value of dividends received from these investments and equity in earnings of overseas subsidiaries and affiliates which are denominated in foreign currencies, and appreciation in the yen relative to foreign currencies has a negative impact on profit for the year. In terms of sensitivity, a ¥1 change relative to the U.S. dollar would have an approximately ¥5.0 billion effect on profit for the year.

In addition, because shareholders' equity can be fluctuated through exchange differences on translating foreign operations, we implement hedging mainly by forward contracts as needed to prevent foreign currency risk on some large investments.

3) Stock Price Risk

As of March 31, 2024, we owned ¥1,371.1 billion (market value) of marketable securities, mostly equity issued by customers, suppliers and affiliates. These investments expose us to the risk of fluctuations in stock prices. The valuation above includes net unrealized gains of ¥330.8 billion based on market prices, a figure that could change depending on future trends in stock prices. In our corporate pension fund, some of the pension assets are managed as marketable stocks. Accordingly, a fall in stock prices could reduce pension assets.

4) Interest Rate Risk

As of March 31, 2024, we had gross interest-bearing liabilities (excluding lease liabilities) of ¥5,128.0 billion. Because almost all of these liabilities bear floating interest rates, there is a risk of an increase in interest expenses caused by a rise in interest rates.

The vast majority of these interest-bearing liabilities correspond to trade receivables, loans receivable and other operating assets that are affected by changes in interest rates. Because a rise in interest rates produces an increase in income from these assets, while there is a timing difference, interest rate risk is offset. For the remaining interest-bearing liabilities exposed to interest rate risk without such offsets, commensurate asset holdings such as investment securities, property and equipment generate trading income as well as other income streams such as dividends that are strongly correlated with economic cycles. Accordingly, even if interest rates increase as the economy improves, leading to higher interest expenses, we believe that these expenses would be offset by an increase in income from the corresponding assets held. However, our operating results may be negatively affected temporarily if there is a rapid rise in interest rates because increased income from commensurate assets held would fail to offset immediately the effects of a preceding increase in interest expenses.

To monitor market movements in interest rates and respond flexibly to market risks, we have established the Asset Liability Management (ALM) Committee. This committee manages the risk of interest rate fluctuations.

(3) Credit Risk

We extend credit to customers in the form of trade credit, including accounts receivable and advance payments, finance, guarantees and investments as part of our various operating transactions. We are therefore exposed to credit risks in the form of losses arising from deterioration in the credit of or bankruptcy of customers. Furthermore, we utilize derivative instruments, primarily swaps, options and futures, for the purpose of hedging various risks arising from our businesses. In this case, we are exposed to the credit risk of the counterparties regarding these derivative contracts.

To manage this risk, we have established credit and transaction limits for each customer as well as introduced an internal rating system. Based on internal rules determined by internal ratings and the amount of credit, we also require collateral or a guarantee depending on the credit profile of the counterparty. However, there is no guarantee that we will be able to completely avoid credit risk with these strategies. We reduce transactions and take measures to protect our receivables when there is deterioration in the credit condition of customers. We also have a policy for dealing with bankrupt customers and work to collect receivables. However, failure to collect receivables and other credit could affect our operating results.

(4) <u>Country Risk</u>

We are exposed to country risks in relation to transactions and investments with overseas companies in the form of possible delays or inability to collect payments or conduct business activities due to political and socioeconomic conditions in the countries where such companies are domiciled.

The ALM Committee, chaired by the Corporate Functional Officer (CFO), assesses the risk situation in each country and is responsible for establishing and managing the country risk countermeasure system.

The country risk countermeasure system classifies countries into categories based on risk factor type. Country risk is controlled within a certain range through the establishment of risk limits for each category. To address the country risks related to individual projects, we take appropriate risk hedging measures, such as taking out insurance, depending on the nature of the project. Risks related to Russia and Ukraine are managed and controlled through this system.

However, even with these risk hedging measures, it is difficult to completely avoid risks caused by deterioration in the political, economic, or social conditions in the countries or regions where our customers, portfolio companies or ongoing projects are located. Such eventualities may have an impact on our operating results.

(5) <u>Business Investment Risk</u>

We participate in the management of various companies by acquiring equity and other types of interests. These business investment activities are carried out with the aim of increasing our commercial rights and deriving capital gains. However, we are exposed to various risks related to business investments, such as the possible inability to recover our investments, exit losses, or being unable to earn the planned profits. Regarding the management of business investment risk, in the case of new business investments, we clarify the meaning and purpose of the investment, quantitatively estimate the downside risk of investments, and evaluate whether the return on the investments, based on the characteristics of the business, exceeds the expected rate of return. After investing, we formulate annual business plans for each investment and manage risks to achieve our investment goals. Furthermore, we clarify retention policies, including the sale of our equity interest or the liquidation of the investee in order to efficiently replace assets in our portfolio, in the event that the investments are generating lower earnings than indicated in the plan.

Although we follow strict standards for the selection and management of investments, it is difficult to completely avoid the risk of investments not delivering the expected profits. Therefore, our operating results could be affected by changes in the business environment and withdrawals from an investment etc.

For details of commodity market risks included in business investments, please refer to the section entitled “(2) 1) Commodity Market Risk”.

(Specific Investments)

a. Investments in Australian Metallurgical Coal and Other Mineral Resource Interests

In November 1968, we established MDP to engage in the development of coal (metallurgical coal, which is used for steel manufacturing). In 2001, we acquired through MDP a 50% interest in the BMA metallurgical coal business (BMA) in Queensland, Australia, for approximately ¥100.0 billion, and have been engaging in this business with the partner, BHP Group Limited, headquartered in Melbourne, Australia. BMA has grown into one of the world's largest metallurgical coal businesses. As of March 31, 2024, the book value of MDP's fixed assets is ¥962.7 billion.

As of March 31, 2024, assets related to the Blackwater and Daunia coal mines amounted to ¥197.6 billion. These assets primarily constituted property, plant and equipment, such as mineral resource-related assets, and are classified as "held for sale" asset groups measured at book value. On October 18, 2023, an agreement was made to sell the assets to Whitehaven Coal Ltd. of Australia. The transaction is anticipated to take place within a year, provided that normal or customary criteria are met. These assets are directly linked to liabilities totaling ¥65.6 billion, the majority of which are asset retirement obligations.

On April 2, 2024, MDP completed the divestment of all interests in the Blackwater and Daunia mines. Please refer to "(4) Subsequent Events" under "2.Notes Concerning Consolidated Financial Statements"of"Consolidated Financial Statements and Notes Concerning Consolidated Financial Statements".

b. Investments in Interests in Chilean Copper Assets

We hold shares in Anglo American Sur S.A. (AAS), which holds Chilean copper resource interests, with Anglo American Plc (AAC), headquartered in London, United Kingdom, and a joint venture between Corporación Nacional del Cobre de Chile, a nationally operated copper production company headquartered in Santiago, and Mitsui & Co., Ltd.

AAC holds a 50.1% ownership interest in AAS, the joint venture holds a 29.5% interest, and we hold a 20.4% interest, which we acquired for US$4.51 billion.

AAS holds a significant portfolio of copper assets in Chile, including the Los Bronces mine, the El Soldado mine, the Chagres copper smelter and large-scale prospective exploration properties. (AAS's total copper production was approximately 260,000 tons in 2023.)

We apply the equity method to the investment in AAS. As an investment accounted for using the equity method, we conduct impairment tests for our investment in AAS. As AAS's production and development plans are long-term, medium- to long-term price forecasts have a more significant impact on the valuation of our investment in AAS than short-term price fluctuations. We therefore evaluate risk from a medium- to long-term perspective, including the latest copper price forecasts and development plans.

The investment book value is ¥155.5 billion as of March 31, 2024.

c. Investments in Interests in Peruvian Copper Assets

Together with AAC, headquartered in London, United Kingdom, we hold a 40% interest in Anglo American Quellaveco S.A. (AAQ), headquartered in Lima, Peru, which holds the resource interests to the Quellaveco copper mine project (Quellaveco) in Peru.

Quellaveco is a large-scale mine with copper deposits estimated to contain 8.2 million tons (content mineral basis) of copper ore reserves, and is highly cost competitive. Production of copper concentrate began in 2022. (Actual copper production was approximately 320,000 tons in 2023.)

We apply the equity method to the investment in AAQ. We conduct impairment tests for our investment in AAQ as an investment accounted for using the equity method. Quellaveco's production and development plans are long-term. As such, medium- to long-term price forecasts have a more significant impact on the valuation of our investment in AAQ than short-term price fluctuations. We therefore evaluate this investment from a medium- to long-term perspective that includes the latest copper price forecasts and development plans.

The total of the investment book value and loan to AAQ is ¥547.6 billion as of March 31, 2024.

d. Montney Shale Gas Development Project/LNG Canada Project

We are building a natural gas value chain in Canada, stretching from upstream resource development to LNG production, export and sales. In terms of upstream businesses, we are operating a shale gas development business through our wholly owned consolidated subsidiary CUTBANK DAWSON GAS RESOURCES LTD. with Ovintiv Inc. Our investment stake in the project is 40%, with book value investments accounted for using the equity method of ¥250.1 billion as of March 31, 2024.

Also, to export and sell the natural gas as LNG, we took a final investment decision (FID) on LNG Canada, together with our partners, in 2018. This project involves the construction of liquefaction facilities with annual production capacity of 14 million tons to export LNG to customers in Japan and other East Asian countries. Production is expected to commence during 2025. We are participating in the project through our subsidiary Diamond LNG Canada Partnership and advancing efforts with our partners Shell, Petronas, PetroChina and Korea Gas Corporation. As of March 31, 2024, the book value of fixed assets of Diamond LNG Canada Partnership is ¥341.9 billion.

e. Investment in Lawson Inc.

In 2017, we acquired an additional 16.6% of the issued shares of Lawson Inc. (Lawson) via tender offer. Combined with our existing 33.4% stake, this resulted in a majority shareholding. Accordingly, we made Lawson a consolidated subsidiary. Lawson operates a franchise system and directly managed Lawson convenience stores, an overseas convenience store business, and other peripheral businesses. As of February 29, 2024, Lawson's convenience store network comprised approximately 14,600 stores in Japan and 7,300 stores overseas, for a total of approximately 21,900 stores.

On February 6, 2024, the Company signed a basic transaction agreement with KDDI Corporation (KDDI) regarding a tender offer to be undertaken by the latter for shares of Lawson (¥10,360 per share). The Company also entered a shareholders agreement with KDDI regarding corporate management after the completion of the transaction. On March 28, 2024, KDDI commenced a tender offer for shares of Lawson, and it was completed and concluded on April 25, 2024.
In accordance with the Basic Transaction Agreement, a resolution will be adopted at an Extraordinary Shareholders' Meeting of Lawson to conduct a squeeze-out procedure by means of a reverse stock split of Lawson shares. After the completion of the squeeze-out procedure (i.e., after Lawson goes private), the Company and KDDI plan to adjust their ownership ratios to 50%.

(1) Effective date of the Reverse Stock Split (planned)	Around August 2024
(2) Effective date of the Shareholders Agreement (planned)	Around September 2024

Upon completion of all of the above transactions, the shareholders' agreement will become effective and the Company will no longer have sole control over Lawson, which will be classified as a joint venture. As a result, a gain of ¥183.2 billion and a related income tax expense of ¥60.0 billion are

expected to be recorded in “Gains (losses) on investments” and “Income taxes,” respectively, in the consolidated statements of income in the next fiscal year, mainly due to the portions of which attributable to the remeasurement of investment retained in the former subsidiary at its fair value at the date when control was lost. The estimated and actual amounts of such gains and losses may differ due to changes in book value and other factors until the completion of all of the above transactions. The assets and liabilities held by Lawson are classified as disposal groups, held for sale, and measured at their carrying amounts as it is probable that control over the assets and liabilities related to this business will be lost within one year.
Assets classified as disposal groups held for sale totaled ¥2,678.7 billion and liabilities totaled ¥1,773.2 billion.

f. Investment in Eneco
In March 2020, Diamond Chubu Europe B.V., established jointly by Mitsubishi Corporation and Chubu Electric Power Co., Inc., acquired 100% of the shares of N.V. Eneco, a company that operates an integrated energy business in Europe, for approximately ¥500.0 billion.

Eneco is an integrated energy company boasting excellent competitiveness and adaptability in the business fields of renewable power generation and supply, power trading, and retail and new services. By taking advantage of Eneco’s technological strengths and know-how in renewable energies, we are aiming to accelerate its own renewable developments in Europe and around the world. We are seizing this acquisition as an opportunity to realize its vision of simultaneously generating economic, societal and environmental value through its businesses.

A decline in electricity demand or the European macro economy could impact our operating results via Eneco’s operating results or impairment loss on the goodwill recognized when we acquired Eneco. The book value of this goodwill as of March 31, 2024 (before calculation to reflect the portion attributable to Mitsubishi Corporation) is ¥145.9 billion.

(6) <u>Risks Related to Compliance</u>
We are engaged in businesses in all industries through many offices around the world. These activities subject us to a wide variety of laws and regulations. Specifically, we must comply with the Companies Act, tax laws, Financial Instruments and Exchange Act, anti-monopoly laws, anti-bribery laws, security trade control-related and other international trade-related laws, international sanction-related laws, environmental laws and various business laws in Japan. In addition, in the course of conducting business overseas, we must abide by the laws and regulations in the countries and regions where we operate. In particular, many countries are imposing or strengthening economic sanctions due to the current Russia-Ukraine situation, and we are following developments closely and, under the leadership of the Chief Compliance Officer, responding appropriately.

We have established a Compliance Committee, which is headed by Chief Compliance Officer, who provides direction and supervision related to compliance with laws and regulations on a consolidated basis. Under his/her direction and supervision, the compliance officers of individual business groups and departments plan and implement specific compliance initiatives and strive to enhance awareness of compliance. We also work to ensure that consolidated subsidiaries and affiliates (excluding listed companies) set up compliance management systems on par with that of ours.

Notwithstanding these initiatives, compliance risks cannot be completely avoided. Failure to fulfill our obligations under related laws and regulations could affect our businesses and operating results.

(7) <u>Risks of Crises that Cause Harm to Human Life, Business Interruption, etc.</u>

A crisis occurring in or outside Japan, such as a natural disaster like an earthquake, heavy rain or flood, abnormal climatic conditions, or infectious diseases such as a new strain of influenza, or a large-scale accident, acts of terrorism or riots, or incidents arising from geopolitical causes in East Asia, Europe, the Middle East or elsewhere that affect our employees and damage our offices, facilities or systems could hinder sales and production activities.

We have put in place a variety of countermeasures, including the Emergency Crisis Management Headquarters; response protocols, such as those for checking the safety and wellbeing of persons associated with us when a crisis occurs; business continuity plans (BCPs) for important operations; earthquake-proofing measures for buildings, facilities and systems (including backup of data); regular drills; and emergency stocks of necessary supplies. Furthermore, we implement business continuity management (BCM) to prepare for crises. These comprehensive management activities include formulating first response protocols and BCPs based on risk and impact analyses of all kinds of events and the continuous operation of the PDCA cycle.

However, no amount of preparation can completely avoid the risk of damage or other impact, and a natural or other disaster or crisis could affect our operating results.

(8) <u>Risks Related to Climate Change</u>

The impact of climate change includes the effects of frequent extreme weather on water resources, effects on human populations and biodiversity in the natural world, as well as the attendant effects on food resources and other natural resources. These effects are of great consequence for the global environment and mankind, as well as for corporate activities, and may negatively impact our business continuity and the operating results.

Risks related to climate change are broadly categorized as transition risks (risks related to government policy and regulations, technology, markets, etc.) and physical risks. Transition risks include risks of increased operational or facility-related costs due to carbon pricing (carbon taxes, etc.), expanded regulations, or the obsolescence of products and services that rely on existing technologies. Physical risks include the impact on operations of drought or flooding. We believe that while climate change poses significant business risks, it also presents us with new business opportunities for innovation, disruption and growth. Accordingly, we have set “Contributing to Decarbonized Societies” as one of its material issues as we strive to achieve sustainable growth.

Specifically, the Sustainability Committee identifies key risks related to climate change and assesses their potential business impact. For businesses expected to be highly impacted, we implement 1.5℃ scenario analyses based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and reflect the results in our strategy for said businesses based on a comprehensive consideration of our policies, the measures of relevant countries, the analyses of external institutions, and the specific conditions of individual businesses. Furthermore, as announced in Midterm Corporate Strategy 2024, we will adopt and promote mechanisms for simultaneously decarbonizing by classifying each business based on climate-related transition risks and opportunities. These efforts are reported to the Board of Directors.

Note:

Earnings forecast and other forward-looking statements in this release are based on data available, as of the end of the current year, to management and certain assumptions that management believes are reasonable. The achievement of said forecasts cannot be promised, and actual results may therefore differ materially from these statements for various reasons.

Basic Concept Regarding the Selection of Accounting Standards

Mitsubishi Corporation has applied IFRS to enhance its financial reporting's international comparability and availability.

Consolidated Financial Statements and Notes Concerning Consolidated Financial Statements

1. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position
March 31, 2023 and 2024

ASSETS	Millions of Yen	
	March 31, 2023	March 31, 2024
Current assets		
Cash and cash equivalents	1,556,999	1,251,550
Time deposits	95,291	94,113
Short-term investments	42,127	5,388
Trade and other receivables	4,127,275	4,242,973
Other financial assets	392,644	269,269
Inventories	1,771,382	1,724,221
Biological assets	109,953	122,558
Advance payments to suppliers	139,140	151,437
Assets classified as held for sale	243,663	3,072,964
Other current assets	630,829	742,026
Total current assets	9,109,303	11,676,499
Non-current assets		
Investments accounted for using the equity method	3,921,494	4,500,877
Other investments	1,816,851	1,814,773
Trade and other receivables	1,013,428	1,096,313
Other financial assets	160,892	121,894
Property, plant and equipment	2,992,042	2,692,368
Investment property	81,986	28,754
Intangible assets and goodwill	1,207,402	742,893
Right-of-use assets	1,590,283	456,406
Deferred tax assets	39,082	43,345
Other non-current assets	214,738	285,450
Total non-current assets	13,038,198	11,783,073
Total	22,147,501	23,459,572

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2023	March 31, 2024
Current liabilities		
Bonds and borrowings	1,395,890	1,733,684
Trade and other payables	3,369,018	2,848,897
Lease liabilities	264,083	111,821
Other financial liabilities	354,066	254,441
Advances from customers	296,463	321,400
Income tax payables	185,432	64,942
Provisions	84,618	177,840
Liabilities directly associated with assets classified as held for sale	25,812	1,916,404
Other current liabilities	719,297	702,652
Total current liabilities	6,694,679	8,132,081
Non-current liabilities		
Bonds and borrowings	3,493,991	3,394,268
Trade and other payables	59,235	31,872
Lease liabilities	1,403,606	446,818
Other financial liabilities	177,380	108,482
Retirement benefit obligation	118,470	110,356
Provisions	342,808	287,572
Deferred tax liabilities	679,144	789,857
Other non-current liabilities	59,152	63,437
Total non-current liabilities	6,333,786	5,232,662
Total liabilities	13,028,465	13,364,743
Equity		
Common stock	204,447	204,447
Additional paid-in capital	225,858	226,781
Treasury stock	(124,083)	(187,011)
Other components of equity		
Other investments designated as FVTOCI	405,431	471,147
Cash flow hedges	53,044	87,004
Exchange differences on translating foreign operations	1,257,065	1,789,444
Total other components of equity	1,715,540	2,347,595
Retained earnings	6,043,878	6,452,055
Equity attributable to owners of the Parent	8,065,640	9,043,867
Non-controlling interests	1,053,396	1,050,962
Total equity	9,119,036	10,094,829
Total	22,147,501	23,459,572

(2) Consolidated Statement of Income
Years ended March 31, 2023 and 2024

	Millions of Yen	
	Year ended March 31, 2023	Year ended March 31, 2024
Revenues	21,571,973	19,567,601
Cost of revenues	(19,012,011)	(17,207,892)
Gross profit	2,559,962	2,359,709
Selling, general and administrative expenses	(1,607,518)	(1,692,282)
Gains (losses) on investments	197,005	233,007
Gains (losses) on disposal and sale of property, plant and equipment and others	(272)	37,215
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(31,638)	(29,556)
Other income (expense)-net	(25,353)	(104,117)
Finance income	203,642	305,374
Finance costs	(115,377)	(191,141)
Share of profit (loss) of investments accounted for using the equity method	500,180	444,385
Profit (loss) before tax	1,680,631	1,362,594
Income taxes	(409,132)	(337,736)
Profit (loss) for the year	1,271,499	1,024,858
Profit (loss) for the year attributable to:		
Owners of the Parent	1,180,694	964,034
Non-controlling interests	90,805	60,824
	1,271,499	1,024,858
Profit (loss) for the year attributable to Owners of the Parent per share (in Yen)		
Basic	269.76	230.10
Diluted	268.56	222.37

Note: On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. The calculation of Profit (loss) for the year attributable to Owners of the Parent per share (in Yen) is done under the assumption that the stock split occurred at the start of the previous fiscal year.

(3) Consolidated Statement of Comprehensive Income
Years ended March 31, 2023 and 2024

	Millions of Yen	
	Year ended March 31,2023	Year ended March 31,2024
Profit (loss) for the year	1,271,499	1,024,858
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss for the year:		
Gains (losses) on other investments designated as FVTOCI	(94,571)	102,553
Remeasurement of defined benefit pension plans	15,602	79,260
Share of other comprehensive income (loss) of investments accounted for using the equity method	595	(5,336)
Total	(78,374)	176,477
Items that may be reclassified to profit or loss for the year:		
Cash flow hedges	103,164	36,904
Exchange differences on translating foreign operations	296,053	479,396
Share of other comprehensive income (loss) of investments accounted for using the equity method	186,546	83,214
Total	585,763	599,514
Total other comprehensive income (loss)	507,389	775,991
Total comprehensive income (loss)	1,778,888	1,800,849
Comprehensive income (loss) attributable to:		
Owners of the Parent	1,651,771	1,714,019
Non-controlling interests	127,117	86,830
	1,778,888	1,800,849

(4) Consolidated Statement of Changes in Equity
Years ended March 31, 2023 and 2024

	Millions of Yen	
	Year ended March 31,2023	Year ended March 31,2024
Common stock:		
Balance at the beginning of the year	204,447	204,447
Balance at the end of the year	204,447	204,447
Additional paid-in capital:		
Balance at the beginning of the year	226,483	225,858
Compensation costs related to share-based payment	2,150	3,284
Sales of treasury stock upon exercise of share-based payment	(1,723)	(1,099)
Equity transactions with non-controlling interests and others	(1,052)	(1,262)
Balance at the end of the year	225,858	226,781
Treasury stock:		
Balance at the beginning of the year	(25,544)	(124,083)
Sales of treasury stock upon exercise of share-based payment	4,378	5,240
Purchases and sales-net	(216,740)	(445,026)
Cancellation	113,823	376,858
Balance at the end of the year	(124,083)	(187,011)
Other components of equity:		
Balance at the beginning of the year	1,270,412	1,715,540
Other comprehensive income (loss) attributable to owners of the Parent	471,077	749,985
Transfer to retained earnings	(25,949)	(117,930)
Balance at the end of the year	1,715,540	2,347,595
Retained earnings:		
Balance at the beginning of the year	5,204,434	6,043,878
Cumulative effects of change in accounting policy	(22,384)	—
Adjusted balance at the beginning of the year	5,182,050	6,043,878
Profit (loss) for the year attributable to owners of the Parent	1,180,694	964,034
Cash dividends paid to owners of the Parent	(228,829)	(293,433)
Sales of treasury stock upon exercise of share-based payment	(2,163)	(3,496)
Cancellation of treasury stock	(113,823)	(376,858)
Transfer from other components of equity	25,949	117,930
Balance at the end of the year	6,043,878	6,452,055
Equity attributable to owners of the Parent	8,065,640	9,043,867
Non-controlling interests:		
Balance at the beginning of the year	976,940	1,053,396
Cash dividends paid to non-controlling interests	(56,348)	(84,771)
Equity transactions with non-controlling interests and others	5,687	(4,493)
Profit (loss) for the year attributable to non-controlling interests	90,805	60,824
Other comprehensive income (loss) attributable to non-controlling interests	36,312	26,006
Balance at the end of the year	1,053,396	1,050,962
Total equity	9,119,036	10,094,829
Comprehensive income (loss) attributable to:		
Owners of the Parent	1,651,771	1,714,019
Non-controlling interests	127,117	86,830
Total comprehensive income (loss)	1,778,888	1,800,849

(5) Consolidated Statement of Cash Flows
Years ended March 31, 2023 and 2024

	Millions of Yen	
	Year ended March 31,2023	Year ended March 31,2024
Operating activities:		
Profit (loss) for the year	1,271,499	1,024,858
Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) operating activities:		
Depreciation and amortization	583,294	599,330
(Gains) losses on investments	(197,005)	(233,007)
(Gains) losses on property, plant and equipment, intangible assets, goodwill and others	31,910	(7,659)
Finance (income) -net of finance costs	(88,265)	(114,264)
Share of (profit) loss of investments accounted for using the equity method	(500,180)	(444,385)
Income taxes	409,132	337,736
Changes in trade receivables	179,318	82,648
Changes in inventories	(12,929)	(71,555)
Changes in trade payables	(108,217)	(8,490)
Changes in derivative related assets and liabilities	197,674	39,779
Other-net	26,665	156,024
Dividends received	489,353	485,252
Interest received	121,653	187,571
Interest paid	(134,224)	(212,823)
Income taxes paid	(339,540)	(473,635)
Net cash provided by (used in) operating activities	1,930,138	1,347,380

	Millions of Yen	
	Year ended March 31,2023	Year ended March 31,2024
Investing activities:		
Payments for property, plant and equipment and others	(454,954)	(520,542)
Proceeds from disposal of property, plant and equipment and others	20,276	26,099
Payments for investment property	(611)	(1,296)
Proceeds from disposal of investment property	395	65,738
Purchases of investments accounted for using the equity method	(181,025)	(255,141)
Proceeds from disposal of investments accounted for using the equity method	284,129	349,160
Acquisitions of businesses-net of cash acquired	(25,734)	(12,715)
Proceeds from disposal of businesses-net of cash divested	173,362	(15,852)
Purchases of other investments	(62,425)	(66,483)
Proceeds from disposal of other investments	116,835	137,642
Increase in loans receivable	(157,096)	(112,375)
Collection of loans receivable	46,889	193,848
Net (increase) decrease in time deposits	62,493	6,156
Net cash provided by (used in) investing activities	(177,466)	(205,761)
Financing activities:		
Net increase (decrease) in short-term debts	(408,701)	220,413
Proceeds from long-term debts	214,020	430,656
Repayments of long-term debts	(772,621)	(614,361)
Repayments of lease liabilities	(308,946)	(300,086)
Dividends paid to owners of the Parent	(228,829)	(293,433)
Dividends paid to non-controlling interests	(56,348)	(84,771)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(14,526)	(21,925)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	26,420	22,301
Net (increase) decrease in treasury stock	(217,107)	(445,027)
Net cash provided by (used in) financing activities	(1,766,638)	(1,086,233)
Effect of exchange rate changes on cash and cash equivalents	15,395	47,921
Net increase (decrease) in cash and cash equivalents included in assets classified as held for sale	—	(408,756)
Net increase (decrease) in cash and cash equivalents	1,429	(305,449)
Cash and cash equivalents at the beginning of the year	1,555,570	1,556,999
Cash and cash equivalents at the end of the year	1,556,999	1,251,550

2. Notes Concerning Consolidated Financial Statements

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

The significant accounting policies applied to the consolidated financial statements for the year ended March 2024 are identical to those for the previous fiscal year, except for the following:

New standards and interpretations applied

Standards and interpretations	Outline
IAS 12 Income Taxes (Amended)	Deferred Tax related to Assets and Liabilities arising from a single Transaction

IAS 12 Income Taxes (Amended)

The Company has applied IAS 12 (Amended) from the fiscal year ended March 31, 2024. As a result, the beginning balance of “Investments accounted for using the equity method” and “Retained earnings” in the consolidated statement of financial position, and “Retained earnings” in the consolidated statement of changes in equity for the year ended March 2023, decreased by ¥5,381 million, respectively.

In the consolidated statement of changes in equity for the year ended March 2023, “Cumulative effects of change in accounting policy” in “Retained earnings” decreased by ¥22,384 million. This includes a decrease of ¥5,381 million due to the application of IAS 12 (Amended) as above, as well as a decrease of ¥17,003 million due to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” (Amended) applied from the previous fiscal year.

In accordance with the application of IAS 12 (Amended), the accounting treatment at the time of initial recognition of transactions that result in recognizing equivalent amounts of taxable and deductible temporary differences is clarified, and “Deferred tax liabilities” and “Deferred tax assets” are recognized in the consolidated statement of financial position for such taxable and deductible temporary differences, respectively. In certain businesses under investments accounted for using the equity method, the Company recognized deferred tax liabilities without recognizing deferred tax assets due to lack of recoverability. As a result, the Company made the retrospective adjustment to “Investments accounted for using the equity method” and “Retained earnings” as described above.

Except standards and interpretations outlined above, the adoption of new standards and interpretations had no significant impact on the consolidated financial statements for the year ended March 2024.

(2) Segment Information

Year ended March 31, 2023

	Millions of Yen						
	Natural Gas	Industrial Materials	Chemicals Solution	Mineral Resources	Industrial Infrastructure	Automotive & Mobility	Food Industry
Gross profit	140	175,200	82,262	656,828	125,293	231,795	314,192
Share of profit of investments accounted for using the equity method	233,173	43,993	9,816	19,164	21,407	69,098	32,318
Profit for the year attributable to owners of the Parent	170,601	61,983	29,479	439,331	31,870	131,575	63,388
Total assets	2,043,043	1,461,661	691,522	4,098,105	1,329,167	2,021,907	2,102,969

	Millions of Yen						
	Consumer Industry	Power Solution	Urban Development	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit	733,277	170,084	29,967	2,519,038	42,128	(1,204)	2,559,962
Share of profit of investments accounted for using the equity method	10,009	3,514	47,891	490,383	9,790	7	500,180
Profit for the year attributable to owners of the Parent	18,861	61,885	123,256	1,132,229	24,105	24,360	1,180,694
Total assets	3,882,050	2,716,166	1,164,595	21,511,185	3,483,890	(2,847,574)	22,147,501

Year ended March 31, 2024

	Millions of Yen						
	Natural Gas	Industrial Materials	Chemicals Solution	Mineral Resources	Industrial Infrastructure	Automotive & Mobility	Food Industry
Gross profit	78,301	162,702	69,819	397,918	137,631	182,085	303,145
Share of profit of investments accounted for using the equity method	133,178	44,177	(8,726)	70,322	18,140	94,406	17,976
Profit for the year attributable to owners of the Parent	219,464	64,356	9,521	295,524	42,749	141,434	14,853
Total assets	2,255,989	1,427,964	675,570	4,379,232	1,455,118	1,976,039	2,206,109

	Millions of Yen						
	Consumer Industry	Power Solution	Urban Development	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit	796,322	155,079	35,227	2,318,229	41,112	368	2,359,709
Share of profit of investments accounted for using the equity method	13,726	19,879	32,483	435,561	8,796	28	444,385
Profit for the year attributable to owners of the Parent	49,320	92,025	41,457	970,703	2,934	(9,603)	964,034
Total assets	4,036,198	2,754,544	1,222,038	22,388,801	3,878,342	(2,807,571)	23,459,572

Notes:

*1. "Other" represents the corporate departments which primarily provide services and operational support to the Company and Affiliated companies.
This column also includes certain revenues and expenses from business activities related to financing and human resource services that are not allocated to reportable operating segments.
Unallocated corporate assets categorized in "Other" consist primarily of cash, time deposits and securities for financial and investment activities.

*2. "Adjustments and Eliminations" includes certain income and expense items that are not allocated to reportable operating segments and intersegment eliminations.

*3. In the fiscal year ended March 2024, the Company set up the Next-Generation Energy Business Group to further promote the growth strategy under Midterm Corporate Strategy 2024. The next-generation fuels and petroleum business of the Petroleum & Chemicals Solution Group was transferred to the new business group, and the Petroleum & Chemicals Solution Group was renamed the Chemicals Solution Group. As a result, segment information for the previous fiscal year regarding the business transferred to the Next-Generation Energy Business Group has been reclassified and included in Other.

*4. In the fiscal year ended March 2024, the tire business of the Consumer Industry Group was transferred to the Automotive & Mobility Group. As a result, segment information for the previous fiscal year regarding the business transferred to the Automotive & Mobility Group has been reclassified.

(3) Earnings Per Share

Reconciliations of the basic and diluted profit for the year attributable to owners of the Parent per share are as follows:

	Year ended March 31,2023	Year ended March 31,2024
Profit for the year attributable to owners of the Parent per share (Yen)		
Basic	269.76	230.10
Diluted	268.56	222.37
Numerator (Millions of Yen):		
Profit for the year attributable to owners of the Parent	1,180,694	964,034
Reconciliation of profit for the year	—	(28,057)
Diluted profit for the year attributable to owners of the Parent	1,180,694	935,977
Denominator (Thousands of shares):		
Basic weighted average common shares outstanding	4,376,783	4,189,638
Effect of dilutive securities:		
Share-based remuneration	19,539	19,503
Diluted outstanding shares	4,396,322	4,209,141

Note: On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. The above reconciliations of the basic and diluted profit for the year attributable to owners of the Parent per share is calculated based on the assumption that the stock split occurred at the start of the previous fiscal year.

(4) Subsequent Events

Completion of divestment of two coal mines under the metallurgical coal business

On April 2, 2024, Mitsubishi Development Pty Ltd, a consolidated subsidiary in the Mineral Resources segment, completed the divestment of all interests in the Blackwater and Daunia mines, in which it holds a 50% interest each through the BHP Mitsubishi Alliance, a metallurgical coal joint venture developed with BHP in Queensland. The purchase price is US$1.6 billion (US$0.05 billion has been received on signing of the Asset Sale Agreement, US$1.00 billion has been received upon completion, and the remaining US$0.55 billion will be received over three years following completion), with coal price and sales volume linked contingent consideration of an aggregate of up to US$0.45 billion payable over three years.

Upon completion of the sale, a gain of ¥137.3 billion and a related income tax expense of ¥41.6 billion are expected to be recorded in Gains (losses) on disposal and sale of property, plant and equipment and others as well as in Income taxes in the consolidated statement of income, respectively, in the next fiscal year. In addition, cash consideration of ¥147.3 billion is expected to be recorded as Proceeds from disposal of property, plant and equipment and others in the consolidated statement of cash flows.

The estimated figures may differ from the actual value due to fluctuations in coal prices, sales volume and foreign exchange rates.

3. Notes Concerning Going Concern Assumption

None