

FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021
(Based on IFRS) (Consolidated)

1. Consolidated operating results for the six months ended September 30, 2021

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

(1) Revenues and income

	Revenues		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the six months ended										
September 30, 2021	7,726,735	34.9	499,365	248.0	393,303	284.1	360,560	315.9	382,350	150.8
September 30, 2020	5,728,347	(25.8)	143,477	(59.7)	102,408	(62.1)	86,687	(64.2)	152,480	480.7

	Profit for the period attributable to owners of the Parent per share (basic)	Profit for the period attributable to owners of the Parent per share (diluted)
For the six months ended	Yen	Yen
September 30, 2021	244.25	243.50
September 30, 2020	58.68	58.55

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

(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
As of	Millions of Yen	Millions of Yen	Millions of Yen	%
September 30, 2021	19,542,664	6,797,722	5,867,996	30.0
March 31, 2021	18,634,971	6,538,390	5,613,647	30.1

2. Dividends

(Record date)	Cash dividend per share (Yen)				
	1Q end	2Q end	3Q end	4Q end	Annual
Fiscal Year ended March 31, 2021	□	67.00	□	67.00	134.00
Fiscal Year ending March 31, 2022	□	71.00			
Fiscal Year ending March 31, 2022 (Forecast)			□	71.00	142.00

Note: Change from the latest released dividend forecasts: Yes

3. Consolidated forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

Note:
%: change from the previous year.

	Profit attributable to owners of the Parent		Profit attributable to owners of the Parent per share	
	Millions of Yen	%	Yen	
For the year ending				
March 31, 2022	740,000	328.9	501.27	

Note: Change from the latest released earnings forecasts: Yes

4. Notes

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

New companies: 1 (Diamond Distributed Energy Investments, LLC)

Excluded companies: □

Diamond Distributed Energy Investments, LLC became a consolidated subsidiary during the period.

(2) Changes in accounting policies and accounting estimates

-1- Changes in accounting policies required by IFRS : None

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

-3- Changes in accounting estimates : None

Please refer to page 12, "3. Changes in Accounting Policies and Accounting Estimates."

(3) Number of shares issued (Common stock)

-1- Number of shares issued at quarterly-end (including treasury stock)

(September 30, 2021) 1,485,723,351 (March 31, 2021) 1,485,723,351

-2- Number of treasury stock at quarterly-end

(September 30, 2021) 9,420,229 (March 31, 2021) 9,618,263

-3- Average number of shares during each of the six months ended September 30, 2021 and 2020 (September 30, 2021) 1,476,182,649 (September 30, 2020) 1,477,188,740

Disclosure Regarding Quarterly Review Procedures

This earnings release is not subject to independent Auditor's review procedures.

Forward-looking Statements

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. For cautionary notes concerning assumptions for earnings forecasts, please refer to "1. (4) Forecasts for the Year Ending March 2022" on page 5.

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* Mitsubishi Corporation will hold an earnings conference call for the six months ended September 2021, inviting institutional investors and analysts to join.

The conference material can be accessed live in Japanese from our website (Investor Relations section) at the following URL:

<https://www.mitsubishicorp.com/jp/ja/ir/index.html>

Time and date of the earnings conference call:

From 16:40 to 17:40 on Friday, November 5, 2021 (JST)

1. Qualitative Information

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

(1) Results of Operations

Revenues was ¥7,726.7 billion, an increase of ¥1,998.4 billion, or 35% year over year. This was mainly due to rising prices and increased transaction volumes owing to improved market conditions.

Gross profit was ¥877.8 billion, an increase of ¥116.6 billion, or 15% year over year, mainly due to improved market conditions in the Australian metallurgical coal business and Salmon farming business, as well as increased selling prices in the Steel business.

Selling, general and administrative expenses remained nearly the same year over year at ¥686.9 billion.

Gains on investments increased ¥11.7 billion, or 70% year over year, to ¥28.5 billion, mainly due to improved fund-related earnings, despite impairment losses on the planned sale of an aircraft leasing company.

Impairment losses on property, plant and equipment and others remained nearly the same year over year at ¥3.1 billion.

Other income (expense)-net improved ¥26.0 billion year over year, to an income amount of ¥20.2 billion, mainly due to fluctuations in evaluation profit on biological assets owing to improved market conditions.

Finance income increased ¥47.3 billion, or 106% year over year, to ¥91.8 billion, mainly due to increased dividend income from resource-related investments.

Finance costs decreased ¥3.5 billion, or 14% year over year, to ¥21.5 billion, mainly due to lower U.S. dollar interest rates.

Share of profit of investments accounted for using the equity method increased ¥150.3 billion, or 378% year over year, to ¥190.1 billion. This was mainly due to impairment losses in the previous year and recovery in vehicle sales at Mitsubishi Motors Corporation as well as increased equity earnings in many businesses reflecting improved market conditions.

As a result, profit before tax increased ¥355.9 billion, or 248% year over year, to ¥499.4 billion.

Accordingly, profit for the period increased ¥273.9 billion, or 316% year over year, to ¥360.6 billion.

(2) Financial Position

Total assets at September 30, 2021 was ¥19,542.7 billion, an increase of ¥907.7 billion, or 5%, from March 31, 2021.

Current assets was ¥7,747.8 billion, an increase of ¥644.9 billion, or 9%, from March 31, 2021. This was mainly due to an increase in other financial assets attributable to an increase in commodity derivative assets caused by market fluctuations.

Non-current assets was ¥11,794.8 billion, an increase of ¥262.7 billion, or 2%, from March 31, 2021. This was mainly due to an increase in investments accounted for using the equity method attributable to new or additional investments.

Total liabilities was ¥12,744.9 billion, an increase of ¥648.3 billion, or 5%, from March 31, 2021.

Current liabilities was ¥6,079.7 billion, an increase of ¥709.5 billion, or 13%, from March 31, 2021. This was mainly due to an increase in other financial liabilities attributable to an increase in commodity derivative liabilities caused by market fluctuations.

Non-current liabilities was ¥6,665.3 billion, a decrease of ¥61.1 billion, or 1%, from March 31, 2021. This was mainly due to a decrease in bonds and borrowings due to the transfer of long-term borrowings to current portion of long-term borrowings.

Total equity was ¥6,797.7 billion, an increase of ¥259.3 billion, or 4%, from March 31, 2021.

Equity attributable to owners of the Parent was ¥5,868.0 billion, an increase of ¥254.4 billion, or 5%, from March 31, 2021. This was mainly due to an increase in retained earnings accumulated by profit for the period, despite a decrease in retained earnings as a result of the payment of dividends.

Non-controlling interests increased ¥5.0 billion, or 1%, from March 31, 2021, to ¥929.7 billion.

Net interest-bearing liabilities (excluding lease liabilities), which is gross interest-bearing liabilities minus cash and cash equivalents and time deposits, increased ¥48.9 billion, or 1%, from March 31, 2021, to ¥4,227.3 billion.

(3) Cash Flows

Cash and cash equivalents at September 30, 2021 was ¥1,363.8 billion, an increase of ¥46.0 billion from March 31, 2021.

(Operating activities)

Net cash provided by operating activities was ¥354.8 billion, mainly due to cash flows from operating transactions and dividend income, despite increases in working capital requirements and the payment of income taxes.

(Investing activities)

Net cash used in investing activities was ¥139.7 billion. The main uses of cash were payments for the purchase of property, plant and equipment and investments and loans to affiliated companies, which exceeded inflows from the sales of investments in affiliated companies and other investments.

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

New/Sustaining Investments

- Australian metallurgical coal business (Mineral Resources)
- Copper business (Mineral Resources)

- North American real estate business (Urban Development)
- LNG-related business (Natural Gas)
- European integrated energy business (Power Solution)
- Convenience store business (Consumer Industry)

Sales and Collection

- North American shale gas business (Natural Gas)
- North American real estate business (Urban Development)

As a result, free cash flows, the sum of operating and investing cash flows, was positive ¥215.1 billion.

(Financing activities)

Net cash used in financing activities was ¥174.4 billion. The main uses of cash were repayments of lease liabilities, payments of dividends and repayments of long-term debts, which exceeded cash provided by financing activities due to increases in working capital requirements.

The dividends were paid in compliance with the shareholder returns policy of progressive dividends in line with sustained profit growth. Regarding financing through debt, the policy is to maintain debts at an appropriate level in light of liquidity and financial soundness.

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, Mitsubishi Corporation defined “Underlying operating cash flows (after repayments of lease liabilities)”, which is operating cash flows excluding changes in working capitals 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.

Underlying operating cash flows (after repayments of lease liabilities) was positive ¥493.2 billion.

As a result, Adjusted free cash flows was positive ¥353.5 billion.

(4) Forecasts for the Year Ending March 2022

Considering resource price increases in the Mineral Resources segment, as well as strong progress in the Automotive, LNG-related, and many other businesses, the forecast for the year ending March 2022 has been revised as follows.

Consolidated Forecast for the Year Ending March 2022 (April 1, 2021 to March 31, 2022)

(Billions of Yen)

	Previous full-year forecast (May 7, 2021) (A)	Revised full-year forecast (B)	Change (B-A)	Change (%)
Profit attributable to owners of the Parent	380.0	740.0	360.0	95%

Note:

Earnings forecast and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. Therefore, they do not constitute a guarantee that they will be achieved. Actual results may differ materially from these statements for various reasons.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position
March 31, 2021 and September 30, 2021

ASSETS	Millions of Yen	
	March 31, 2021	September 30, 2021
Current assets		
Cash and cash equivalents	1,317,824	1,363,849
Time deposits	148,081	150,674
Short-term investments	15,201	8,431
Trade and other receivables	3,269,390	3,451,717
Other financial assets	209,402	539,400
Inventories	1,348,861	1,455,907
Biological assets	74,182	85,734
Advance payments to suppliers	58,027	78,807
Assets classified as held for sale	41,020	64,133
Other current assets	620,905	549,167
Total current assets	7,102,893	7,747,819
Non-current assets		
Investments accounted for using the equity method	3,290,508	3,433,156
Other investments	1,816,029	1,806,659
Trade and other receivables	763,124	791,312
Other financial assets	93,102	154,716
Property, plant and equipment	2,510,238	2,544,445
Investment property	95,419	93,513
Intangible assets and goodwill	1,248,462	1,228,149
Right-of-use assets	1,469,700	1,500,147
Deferred tax assets	42,233	49,323
Other non-current assets	203,263	193,425
Total non-current assets	11,532,078	11,794,845
Total	18,634,971	19,542,664

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2021	September 30, 2021
Current liabilities		
Bonds and borrowings	1,262,522	1,529,519
Trade and other payables	2,665,060	2,837,008
Lease liabilities	235,498	238,921
Other financial liabilities	256,657	639,774
Advances from customers	133,474	138,886
Income tax payables	53,178	63,636
Provisions	89,268	76,309
Liabilities directly associated with assets classified as held for sale	12,762	1,889
Other current liabilities	661,766	553,729
Total current liabilities	5,370,185	6,079,671
Non-current liabilities		
Bonds and borrowings	4,381,793	4,212,337
Trade and other payables	54,893	43,378
Lease liabilities	1,304,703	1,326,907
Other financial liabilities	55,817	140,892
Retirement benefit obligation	129,126	129,500
Provisions	195,997	193,317
Deferred tax liabilities	569,641	583,809
Other non-current liabilities	34,426	35,131
Total non-current liabilities	6,726,396	6,665,271
Total liabilities	12,096,581	12,744,942
Equity		
Common stock	204,447	204,447
Additional paid-in capital	228,552	226,781
Treasury stock	(26,750)	(26,210)
Other components of equity		
Other investments designated as FVTOCI	457,123	446,811
Cash flow hedges	(52,355)	(119,186)
Exchange differences on translating foreign operations	379,917	429,383
Total other components of equity	784,685	757,008
Retained earnings	4,422,713	4,705,970
Equity attributable to owners of the Parent	5,613,647	5,867,996
Non-controlling interests	924,743	929,726
Total equity	6,538,390	6,797,722
Total	18,634,971	19,542,664

(2) Condensed Consolidated Statement of Income
for the six months ended September 30, 2020 and 2021

	Millions of Yen	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Revenues	5,728,347	7,726,735
Cost of revenues	(4,967,101)	(6,848,925)
Gross profit	761,246	877,810
Selling, general and administrative expenses	(687,943)	(686,866)
Gains (losses) on investments	16,833	28,468
Gains (losses) on disposal and sale of property, plant and equipment and others	2,904	2,404
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(3,060)	(3,060)
Other income (expense)-net	(5,778)	20,228
Finance income	44,455	91,817
Finance costs	(24,971)	(21,527)
Share of profit (loss) of investments accounted for using the equity method	39,791	190,091
Profit (loss) before tax	143,477	499,365
Income taxes	(41,069)	(106,062)
Profit (loss) for the period	102,408	393,303
Profit (loss) for the period attributable to:		
Owners of the Parent	86,687	360,560
Non-controlling interests	15,721	32,743
	102,408	393,303
Profit (loss) for the period attributable to Owners of the Parent per share (in Yen)		
Basic	58.68	244.25
Diluted	58.55	243.50

(3) Condensed Consolidated Statement of Comprehensive Income
for the six months ended September 30, 2020 and 2021

	Millions of Yen	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss) for the period	102,408	393,303
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss for the period:		
Gains (losses) on other investments designated as FVTOCI	31,670	11,560
Remeasurement of defined benefit pension plans	(210)	(46)
Share of other comprehensive income (loss) of investments accounted for using the equity method	(7,080)	(4,069)
Total	24,380	7,445
Items that may be reclassified to profit or loss for the period:		
Cash flow hedges	(14,959)	(82,240)
Exchange differences on translating foreign operations	79,464	10,253
Share of other comprehensive income (loss) of investments accounted for using the equity method	(38,813)	53,589
Total	25,692	(18,398)
Total other comprehensive income (loss)	50,072	(10,953)
Total comprehensive income (loss)	152,480	382,350
Comprehensive income (loss) attributable to:		
Owners of the Parent	139,656	354,635
Non-controlling interests	12,824	27,715
	152,480	382,350

(4) Condensed Consolidated Statement of Changes in Equity
for the six months ended September 30, 2020 and 2021

	Millions of Yen	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Common stock:		
Balance at the beginning of the period	204,447	204,447
Balance at the end of the period	204,447	204,447
Additional paid-in capital:		
Balance at the beginning of the period	228,153	228,552
Compensation costs related to share-based payment	1,131	1,340
Sales of treasury stock upon exercise of share-based payment	(721)	(229)
Equity transactions with non-controlling interests and others	197	(2,882)
Balance at the end of the period	228,760	226,781
Treasury stock:		
Balance at the beginning of the period	(294,580)	(26,750)
Sales of treasury stock upon exercise of share-based payment	1,100	545
Purchases and sales-net	(19,777)	(5)
Cancellation	285,962	□
Balance at the end of the period	(27,295)	(26,210)
Other components of equity:		
Balance at the beginning of the period	415,186	784,685
Other comprehensive income (loss) attributable to owners of the Parent	52,969	(5,925)
Transfer to retained earnings	(10,676)	(21,752)
Balance at the end of the period	457,479	757,008
Retained earnings:		
Balance at the beginning of the period	4,674,153	4,422,713
Profit (loss) for the period attributable to owners of the Parent	86,687	360,560
Cash dividends paid to owners of the Parent	(100,957)	(98,910)
Sales of treasury stock upon exercise of share-based payment	(312)	(145)
Cancellation of treasury stock	(285,962)	□
Transfer from other components of equity	10,676	21,752
Balance at the end of the period	4,384,285	4,705,970
Equity attributable to owners of the Parent	5,247,676	5,867,996
Non-controlling interests:		
Balance at the beginning of the period	989,535	924,743
Cash dividends paid to non-controlling interests	(26,656)	(30,277)
Equity transactions with non-controlling interests and others	7,747	7,545
Profit (loss) for the period attributable to non-controlling interests	15,721	32,743
Other comprehensive income (loss) attributable to non-controlling interests	(2,897)	(5,028)
Balance at the end of the period	983,450	929,726
Total equity	6,231,126	6,797,722
Comprehensive income (loss) attributable to:		
Owners of the Parent	139,656	354,635
Non-controlling interests	12,824	27,715
Total comprehensive income (loss)	152,480	382,350

(5) Condensed Consolidated Statement of Cash Flows
for the six months ended September 30, 2020 and 2021

	Millions of Yen	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Operating activities:		
Profit (loss) for the period	102,408	393,303
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	261,855	268,847
(Gains) losses on investments	(16,833)	(28,468)
(Gains) losses on property, plant and equipment and others	156	656
Finance (income) -net of finance costs	(19,484)	(70,290)
Share of (profit) loss of investments accounted for using the equity method	(39,791)	(190,091)
Income taxes	41,069	106,062
Changes in trade receivables	404,734	(154,745)
Changes in inventories	37,881	(131,341)
Changes in trade payables	(169,122)	73,916
Other-net	(64,691)	(125,042)
Dividends received	108,403	248,455
Interest received	44,261	40,185
Interest paid	(36,892)	(31,001)
Income taxes paid	(36,311)	(45,679)
Net cash provided by (used in) operating activities	617,643	354,767
Investing activities:		
Payments for property, plant and equipment and others	(194,022)	(181,174)
Proceeds from disposal of property, plant and equipment and others	20,747	7,745
Purchases of investments accounted for using the equity method	(143,504)	(87,782)
Proceeds from disposal of investments accounted for using the equity method	54,280	87,505
Acquisitions of businesses-net of cash acquired	5,372	(5,031)
Proceeds from disposal of businesses-net of cash divested	6,482	7,517
Purchases of other investments	(11,614)	(13,554)
Proceeds from disposal of other investments	57,806	66,399
Increase in loans receivable	(45,513)	(40,601)
Collection of loans receivable	33,364	24,178
Net (increase) decrease in time deposits	2,749	(4,940)
Net cash provided by (used in) investing activities	(213,853)	(139,738)
Financing activities:		
Net increase (decrease) in short-term debts	64,971	105,528
Proceeds from long-term debts	601,760	523,134
Repayments of long-term debts	(572,887)	(546,174)
Repayments of lease liabilities	(140,866)	(139,199)
Dividends paid to owners of the Parent	(100,957)	(98,910)
Dividends paid to non-controlling interests	(26,656)	(30,277)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(2,298)	(5,569)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	4,739	17,048
Net (increase) decrease in treasury stock	(19,710)	(6)
Net cash provided by (used in) financing activities	(191,904)	(174,425)
Effect of exchange rate changes on cash and cash equivalents	3,101	5,421
Net increase (decrease) in cash and cash equivalents	214,987	46,025
Cash and cash equivalents at the beginning of the period	1,322,812	1,317,824
Cash and cash equivalents at the end of the period	1,537,799	1,363,849

3. Changes in Accounting Policies and Accounting Estimates

The significant accounting policies applied to the condensed consolidated financial statements for the six months ended September 2021 are identical to the accounting policies applied to the consolidated financial statements for the previous fiscal year.

In addition, even though the Company stated in the Financial Section of Integrated Report 2021 (Notes to Consolidated Financial Statements 4. NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED) that IAS1(Revised), which clarifies the requirements related to the classification of liabilities as current or non-current, would be applied from the reporting period ended June 2021, the reporting period of its application has been changed to the fiscal year ending March 2023 or later (Undecided) since the standard is expected to be further revised.

4. Notes Concerning Going Concern Assumption

None