
**FINANCIAL RESULTS FOR
THE SIX MONTHS ENDED SEPTEMBER 2022**

Mitsubishi Corporation

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FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022
(Based on IFRS) (Consolidated)

1. Consolidated operating results for the six months ended September 30, 2022

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, 2022	10,721,878	38.8	1,006,419	101.5	761,991	93.7	720,006	99.7	1,303,836	241.0
September 30, 2021	7,726,735	34.9	499,365	248.0	393,303	284.1	360,560	315.9	382,350	150.8

	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)
	Yen	Yen
For the six months ended		
September 30, 2022	490.54	488.48
September 30, 2021	244.25	243.50

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
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of				
September 30, 2022	23,213,831	8,902,020	7,895,841	34.0
March 31, 2022	21,912,012	7,857,172	6,880,232	31.4

2. Dividends

(Record date)	Cash dividend per share (Yen)				
	1Q end	2Q end	3Q end	4Q end	Annual
Fiscal Year ended March 31, 2022	—	71.00	—	79.00	150.00
Fiscal Year ending March 31, 2023	—	77.00			
Fiscal Year ending March 31, 2023 (Forecast)			—	78.00	155.00

Note: Change from the latest released dividend forecasts: Yes

3. Consolidated forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

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, 2023	1,030,000	9.9	705.66

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): None

New companies: —

Excluded companies: —

(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 : Yes

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, 2022) 1,474,145,351 (March 31, 2022) 1,485,723,351

-2- Number of treasury stock at quarterly-end

(September 30, 2022) 17,408,845 (March 31, 2022) 9,178,013

-3- Average number of shares during each of the six months ended September 30, 2022 and 2021

(September 30, 2022) 1,467,775,423 (September 30, 2021) 1,476,182,649

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 2023" on page 5.

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* Mitsubishi Corporation will hold an earnings conference online for the six months ended September 2022, 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 online:

From 13:00 to 14:30 on Thursday, November 10, 2022 (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 ¥10,721.9 billion, an increase of ¥2,995.2 billion, or 39% year over year. This was mainly due to increased market prices and transaction volumes.

Gross profit was ¥1,298.7 billion, an increase of ¥420.9 billion, or 48% year over year, mainly due to increased market prices in the Australian metallurgical coal business.

Selling, general and administrative expenses was ¥762.9 billion, an increase of ¥76.0 billion, or 11% year over year, mainly due to the depreciation of the Japanese yen in relation to foreign currency translation.

Gains on investments increased ¥116.7 billion, or 409% year over year, to ¥145.2 billion, mainly due to sales gains on an investment in a real estate management company.

Other income (expense)-net decreased ¥15.3 billion, or 76% year over year, to an income amount of ¥4.9 billion, mainly due to fluctuations in evaluation profit on biological assets.

Finance income remained nearly the same year over year at ¥89.7 billion.

Finance costs increased ¥21.5 billion, or 100% year over year, to ¥43.0 billion, mainly due to higher U.S. dollar interest rates.

Share of profit of investments accounted for using the equity method increased ¥84.6 billion, or 45% year over year, to ¥274.7 billion, mainly due to increased equity earnings resulting from higher natural gas and crude oil prices.

As a result, profit before tax increased ¥507.0 billion, or 102% year over year, to ¥1,006.4 billion.

Accordingly, profit for the period increased ¥359.4 billion, or 100% year over year, to ¥720.0 billion.

(2) Financial Position

Total assets at September 30, 2022 was ¥23,213.8 billion, an increase of ¥1,301.8 billion, or 6%, from March 31, 2022.

Current assets was ¥9,788.7 billion, an increase of ¥257.7 billion, or 3%, from March 31, 2022. This was mainly due to an increase in trade and other receivables due to higher prices and an increase in other financial assets attributable to an increase in commodity derivative assets caused by market fluctuations.

Non-current assets was ¥13,425.1 billion, an increase of ¥1,044.1 billion, or 8%, from March 31, 2022. This was mainly due to an increase in investments accounted for using the equity method and property, plant and equipment attributable to the depreciation of the Japanese yen in relation to foreign currency translation.

Total liabilities was ¥14,311.8 billion, an increase of ¥257.0 billion, or 2%, from March 31, 2022.

Current liabilities was ¥7,635.1 billion, an increase of ¥317.3 billion, or 4%, from March 31, 2022. This was mainly due to an increase in trade and other payables due to higher prices.

Non-current liabilities was ¥6,676.7 billion, a decrease of ¥60.3 billion, or 1%, from March 31, 2022. This was mainly due to a decrease in bonds and borrowings due to the repayment of borrowings and the transfer of long-term borrowings to current portion of long-term borrowings.

Total equity was ¥8,902.0 billion, an increase of ¥1,044.8 billion, or 13%, from March 31, 2022.

Equity attributable to owners of the Parent was ¥7,895.8 billion, an increase of ¥1,015.6 billion, or 15%, from March 31, 2022. This was mainly due to an increase in retained earnings accumulated by profit for the period and exchange differences on translating foreign operations resulting from the depreciation of the Japanese yen, despite a decrease in retained earnings as a result of the payment of dividends.

Non-controlling interests increased ¥29.3 billion, or 3%, from March 31, 2022, to ¥1,006.2 billion.

Net interest-bearing liabilities (excluding lease liabilities), which is gross interest-bearing liabilities minus cash and cash equivalents and time deposits, decreased ¥266.1 billion, or 7%, from March 31, 2022, to ¥3,673.6 billion.

(3) Cash Flows

Cash and cash equivalents at September 30, 2022 was ¥1,430.9 billion, a decrease of ¥124.7 billion from March 31, 2022.

(Operating activities)

Net cash provided by operating activities was ¥1,057.3 billion, mainly due to cash flows from operating transactions and dividend income, as well as decreases in working capital requirements, despite the payment of income taxes.

(Investing activities)

Net cash used in investing activities was ¥20.5 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 sale of an investment in a real estate management company and the sales of investments in affiliated companies.

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

New/Sustaining Investments

- Copper business (Mineral Resources)
- European integrated energy business (Power Solution)
- Australian metallurgical coal business (Mineral Resources)
- Overseas power business (Power Solution)
- North American real estate business (Urban Development)
- LNG-related business (Natural Gas)
- Convenience store business (Consumer Industry)

Sales and Collection

- Investment in a real estate management company (Urban Development)
- North American shale gas business (Natural Gas)
- Aluminum smelting business (Mineral Resources)
- Integrated engineering business (Industrial Infrastructure)
- Overseas water business (Power Solution)

As a result, free cash flows, the sum of operating and investing cash flows, was positive ¥1,036.8 billion.

(Financing activities)

Net cash used in financing activities was ¥1,215.5 billion. The main uses of cash were repayments of debts, repayments of lease liabilities, payments of dividends and the acquisition of treasury stock.

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 its capital structure. 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 ¥707.0 billion.

As a result, Adjusted free cash flows was positive ¥686.5 billion.

(4) Forecasts for the Year Ending March 2023

In addition to Natural Gas and Mineral Resources, which were bolstered by market factors, Automotive & Mobility, Power Solution, Industrial Materials and other segments are forecast to see greater earnings than original forecast. Accordingly, the forecast for the year ending March 2023 has been revised as follows.

Consolidated Forecast for the Year Ending March 2023 (April 1, 2022 to March 31, 2023)

(Billions of Yen)

	Previous full-year forecast (May 10, 2022) (A)	Revised full-year forecast (B)	Change (B-A)	Change (%)
Profit attributable to owners of the Parent	850.0	1,030.0	180.0	21%

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, 2022 and September 30, 2022

ASSETS	Millions of Yen	
	March 31, 2022	September 30, 2022
Current assets		
Cash and cash equivalents	1,555,570	1,430,942
Time deposits	147,878	114,929
Short-term investments	7,000	2,000
Trade and other receivables	4,283,171	4,397,679
Other financial assets	774,833	924,997
Inventories	1,776,616	1,836,148
Biological assets	98,268	102,776
Advance payments to suppliers	99,671	151,352
Assets classified as held for sale	202,157	230,247
Other current assets	585,881	597,679
Total current assets	9,531,045	9,788,749
Non-current assets		
Investments accounted for using the equity method	3,502,881	4,005,527
Other investments	1,957,880	1,883,600
Trade and other receivables	829,686	1,002,732
Other financial assets	218,701	331,995
Property, plant and equipment	2,784,039	3,024,840
Investment property	94,399	92,897
Intangible assets and goodwill	1,221,568	1,233,415
Right-of-use assets	1,520,536	1,539,458
Deferred tax assets	53,548	96,122
Other non-current assets	197,729	214,496
Total non-current assets	12,380,967	13,425,082
Total	21,912,012	23,213,831

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2022	September 30, 2022
Current liabilities		
Bonds and borrowings	1,603,420	1,552,407
Trade and other payables	3,382,112	3,592,650
Lease liabilities	253,519	244,806
Other financial liabilities	884,112	1,019,476
Advances from customers	238,656	311,159
Income tax payables	169,827	180,866
Provisions	92,154	101,204
Liabilities directly associated with assets classified as held for sale	9,585	7,682
Other current liabilities	684,448	624,891
Total current liabilities	7,317,833	7,635,141
Non-current liabilities		
Bonds and borrowings	4,039,749	3,667,088
Trade and other payables	47,814	58,057
Lease liabilities	1,338,788	1,361,547
Other financial liabilities	218,053	413,016
Retirement benefit obligation	127,394	129,427
Provisions	280,633	321,744
Deferred tax liabilities	643,862	681,524
Other non-current liabilities	40,714	44,267
Total non-current liabilities	6,737,007	6,676,670
Total liabilities	14,054,840	14,311,811
Equity		
Common stock	204,447	204,447
Additional paid-in capital	226,483	227,129
Treasury stock	(25,544)	(65,509)
Other components of equity		
Other investments designated as FVTOCI	511,059	400,206
Cash flow hedges	(121,321)	(157,113)
Exchange differences on translating foreign operations	880,674	1,518,007
Total other components of equity	1,270,412	1,761,100
Retained earnings	5,204,434	5,768,674
Equity attributable to owners of the Parent	6,880,232	7,895,841
Non-controlling interests	976,940	1,006,179
Total equity	7,857,172	8,902,020
Total	21,912,012	23,213,831

(2) Condensed Consolidated Statement of Income
for the six months ended September 30, 2021 and 2022

	Millions of Yen	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Revenues	7,726,735	10,721,878
Cost of revenues	(6,848,925)	(9,423,168)
Gross profit	877,810	1,298,710
Selling, general and administrative expenses	(686,866)	(762,864)
Gains (losses) on investments	28,468	145,205
Gains (losses) on disposal and sale of property, plant and equipment and others	2,404	3,263
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(3,060)	(4,168)
Other income (expense)-net	20,228	4,863
Finance income	91,817	89,709
Finance costs	(21,527)	(42,993)
Share of profit (loss) of investments accounted for using the equity method	190,091	274,694
Profit (loss) before tax	499,365	1,006,419
Income taxes	(106,062)	(244,428)
Profit (loss) for the period	393,303	761,991
Profit (loss) for the period attributable to:		
Owners of the Parent	360,560	720,006
Non-controlling interests	32,743	41,985
	393,303	761,991
Profit (loss) for the period attributable to Owners of the Parent per share (in Yen)		
Basic	244.25	490.54
Diluted	243.50	488.48

(3) Condensed Consolidated Statement of Comprehensive Income
for the six months ended September 30, 2021 and 2022

	Millions of Yen	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit (loss) for the period	393,303	761,991
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	11,560	(83,487)
Remeasurement of defined benefit pension plans	(46)	86
Share of other comprehensive income (loss) of investments accounted for using the equity method	(4,069)	(5,106)
Total	7,445	(88,507)
Items that may be reclassified to profit or loss for the period:		
Cash flow hedges	(82,240)	(110,833)
Exchange differences on translating foreign operations	10,253	516,231
Share of other comprehensive income (loss) of investments accounted for using the equity method	53,589	224,954
Total	(18,398)	630,352
Total other comprehensive income (loss)	(10,953)	541,845
Total comprehensive income (loss)	382,350	1,303,836
Comprehensive income (loss) attributable to:		
Owners of the Parent	354,635	1,234,133
Non-controlling interests	27,715	69,703
	382,350	1,303,836

(4) Condensed Consolidated Statement of Changes in Equity
for the six months ended September 30, 2021 and 2022

	Millions of Yen	
	Six months ended September 30, 2021	Six months ended September 30, 2022
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	228,552	226,483
Compensation costs related to share-based payment	1,340	1,076
Sales of treasury stock upon exercise of share-based payment	(229)	(933)
Equity transactions with non-controlling interests and others	(2,882)	503
Balance at the end of the period	226,781	227,129
Treasury stock:		
Balance at the beginning of the period	(26,750)	(25,544)
Sales of treasury stock upon exercise of share-based payment	545	2,306
Purchases and sales-net	(5)	(86,732)
Cancellation	—	44,461
Balance at the end of the period	(26,210)	(65,509)
Other components of equity:		
Balance at the beginning of the period	784,685	1,270,412
Other comprehensive income (loss) attributable to owners of the Parent	(5,925)	514,127
Transfer to retained earnings	(21,752)	(23,439)
Balance at the end of the period	757,008	1,761,100
Retained earnings:		
Balance at the beginning of the period	4,422,713	5,204,434
Cumulative effects of change in accounting policy	—	(17,003)
Adjusted balance at the beginning of the period	4,422,713	5,187,431
Profit (loss) for the period attributable to owners of the Parent	360,560	720,006
Cash dividends paid to owners of the Parent	(98,910)	(116,658)
Sales of treasury stock upon exercise of share-based payment	(145)	(1,083)
Cancellation of treasury stock	—	(44,461)
Transfer from other components of equity	21,752	23,439
Balance at the end of the period	4,705,970	5,768,674
Equity attributable to owners of the Parent	5,867,996	7,895,841
Non-controlling interests:		
Balance at the beginning of the period	924,743	976,940
Cash dividends paid to non-controlling interests	(30,277)	(44,030)
Equity transactions with non-controlling interests and others	7,545	3,566
Profit (loss) for the period attributable to non-controlling interests	32,743	41,985
Other comprehensive income (loss) attributable to non-controlling interests	(5,028)	27,718
Balance at the end of the period	929,726	1,006,179
Total equity	6,797,722	8,902,020
Comprehensive income (loss) attributable to:		
Owners of the Parent	354,635	1,234,133
Non-controlling interests	27,715	69,703
Total comprehensive income (loss)	382,350	1,303,836

(5) Condensed Consolidated Statement of Cash Flows
for the six months ended September 30, 2021 and 2022

	Millions of Yen	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating activities:		
Profit (loss) for the period	393,303	761,991
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	268,847	282,664
(Gains) losses on investments	(28,468)	(145,205)
(Gains) losses on property, plant and equipment, intangible assets, goodwill and others	656	905
Finance (income) -net of finance costs	(70,290)	(46,716)
Share of (profit) loss of investments accounted for using the equity method	(190,091)	(274,694)
Income taxes	106,062	244,428
Changes in trade receivables	(154,745)	82,546
Changes in inventories	(131,341)	16,860
Changes in trade payables	73,916	60,032
Other-net	(125,042)	8,865
Dividends received	248,455	266,008
Interest received	40,185	50,014
Interest paid	(31,001)	(51,426)
Income taxes paid	(45,679)	(198,944)
Net cash provided by (used in) operating activities	354,767	1,057,328
Investing activities:		
Payments for property, plant and equipment and others	(181,174)	(214,919)
Proceeds from disposal of property, plant and equipment and others	7,745	13,304
Purchases of investments accounted for using the equity method	(87,782)	(69,475)
Proceeds from disposal of investments accounted for using the equity method	87,505	159,582
Acquisitions of businesses-net of cash acquired	(5,031)	(20,546)
Proceeds from disposal of businesses-net of cash divested	7,517	115,059
Purchases of other investments	(13,554)	(12,081)
Proceeds from disposal of other investments	66,399	49,129
Increase in loans receivable	(40,601)	(110,069)
Collection of loans receivable	24,178	23,888
Net (increase) decrease in time deposits	(4,940)	45,608
Net cash provided by (used in) investing activities	(139,738)	(20,520)
Financing activities:		
Net increase (decrease) in short-term debts	105,528	(413,541)
Proceeds from long-term debts	523,134	110,253
Repayments of long-term debts	(546,174)	(518,430)
Repayments of lease liabilities	(139,199)	(152,566)
Dividends paid to owners of the Parent	(98,910)	(116,658)
Dividends paid to non-controlling interests	(30,277)	(44,030)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(5,569)	(6,240)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	17,048	12,787
Net (increase) decrease in treasury stock	(6)	(87,099)
Net cash provided by (used in) financing activities	(174,425)	(1,215,524)
Effect of exchange rate changes on cash and cash equivalents	5,421	54,088
Net increase (decrease) in cash and cash equivalents	46,025	(124,628)
Cash and cash equivalents at the beginning of the period	1,317,824	1,555,570
Cash and cash equivalents at the end of the period	1,363,849	1,430,942

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 2022 are identical to those for the previous fiscal year, except for the following:

New standards and interpretations applied

Standards and interpretations	Outline
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amended)	Clarification of costs to consider in assessing whether a contract is onerous

IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amended)

The Company has applied IAS 37 (Amended) from the first three months of the fiscal year ending March 2023. In accordance with transitional provisions, the Company has adopted the method of recognizing the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings of the year ending March 2023.

The amount of retained earnings decreased by ¥17,003 million (the amount of provisions increased by ¥20,486 million, and deferred tax assets increased by ¥3,483 million) as adjustments of the beginning balance of retained earnings on the date of initial application.

Due to the amendment of IAS 37, the cost of fulfilling a contract comprises costs that relate directly to the contract. Costs that relate directly to a contract consist of both:

- (a) the incremental costs of fulfilling that contract such as direct labor and materials; and
- (b) an allocation of other costs that relate directly to fulfilling contracts such as an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

The Company is required to recognize provisions when the costs of fulfilling a contract exceed the economic benefits of the contract, in which contract is considered onerous.

Before the amendment of IAS 37, the Company had included only (a) the incremental costs of fulfilling a contract as costs that relate directly to the contract, therefore, a part of contracts in LNG sales business required recording additional provisions along with the initial application of IAS 37 (Amended).

Except standards and interpretations outlined above, the adoption of new standards and interpretations had no significant impact on the condensed consolidated financial statements for the six months ended September 2022.

The significant changes in accounting estimates in the condensed consolidated financial statements for the six months ended September 2022 are as follows:

Impact of the Russia-Ukraine Situation

Regarding the impact of the Russia-Ukraine situation as shown in the economic forecasts issued by public institutions, the global economic growth is expected to be under downward pressure due to inflation. Specifically, while the situation escalates, financial and economic sanctions imposed by major countries against Russia and countermeasures taken by Russia in response, such as restrictions

on international cross border remittances and export controls, etc., are likely to remain in place and target an even broader range of items, resulting in restrictions on the supply of goods as well as inflation induced by energy price surges and other factors.

Under these circumstances, the direct and indirect impact of this situation will vary by Company's business segments and regions it operates. The assumptions made by the Company are based on a projection that the impact will remain in place until at least March 31, 2023. It is assumed that it will take time to lift financial and economic sanctions, lift restrictions on international remittances, resolve unforeseen supply situation and normalize trade and supply chains.

The Company's main business in Russia consist of financial service business in the Automotive & Mobility segment and investment in the LNG-related business in the Natural Gas segment. As of September 30, 2022, the carrying amount of total assets related to the Company's business in Russia amount to ¥209,916 million. The Company reflected the assumptions discussed above in the valuation of these assets.

(LNG-related business in Russia)

The Company holds a 10% ownership interest in Sakhalin Energy Investment Company ("SEIC"), which has been engaged in LNG-related business in Russia, and accounts for this investment as a financial asset measured at FVTOCI. Based on the Russian Federation Presidential Decree issued on June 30, 2022 (No. 416) and the Governmental Resolution issued on August 2, 2022 (No. 1369), a new company, Sakhalin Energy LLC ("SELLC") was established to take over the operation of this LNG-related business, and the rights and obligations of SEIC were transferred to SELLC. The Company submitted its notice to continue ownership in the LNG-related business to the Russian government and received approval on August 31, 2022. As a result, the Company continues to hold a 10% ownership interest in the LNG-related business, however, the details related to the operation of SELLC, including the terms of the LLC Members agreement, will need to be discussed once the LLC Members composition of SELLC will be determined. As such, there remains uncertainty surrounding this investment. Since the Company continues to invest in the LNG-related business, the investment in SELLC is accounted as a financial asset measured at FVTOCI, with no gains or losses recognized in profit (loss) to the initial recognition of the investment in SELLC. In addition, the other components of equity recognized in SEIC continues to be recognized as equity components under SELLC.

Under these circumstances, the Company continues to measure the fair value of this investment with the income approach using the probability-weighted average expected present value technique. While the Company anticipates receiving dividends from the investment in SELLC over the project life, taking into account other scenarios, the Company measured the fair value (Level 3) for this investment at ¥70,437 million and consequently recorded a ¥72,958 million decrease (before tax) in other comprehensive income (loss) in the six months ended September 30, 2022.

The Company is currently working to respond to the situation in consultation with the Japanese government and the project partners, and there is a possibility that the fair value may increase or decrease depending on the circumstances in the future. However, any such changes in fair value will be recognized in other comprehensive income (loss) and will therefore have no impact on net profit or loss.

4. Notes Concerning Going Concern Assumption

None

Results for the Six Months Ended September 2022

November 8, 2022

Mitsubishi Corporation

(Forward-Looking Statements)

- This release contains forward-looking statements about Mitsubishi Corporation's future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company's assumptions and beliefs in light of competitive, financial and economic data currently available and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices.
- Accordingly, Mitsubishi Corporation wishes to caution readers that actual results may differ materially from those projected in this release and that Mitsubishi Corporation bears no responsibility for any negative impact caused by the use of this release.

(Notes Regarding These Presentation Materials)

- Consolidated net income in this presentation shows the amount of net income attributable to owners of the Parent, excluding non-controlling interests.

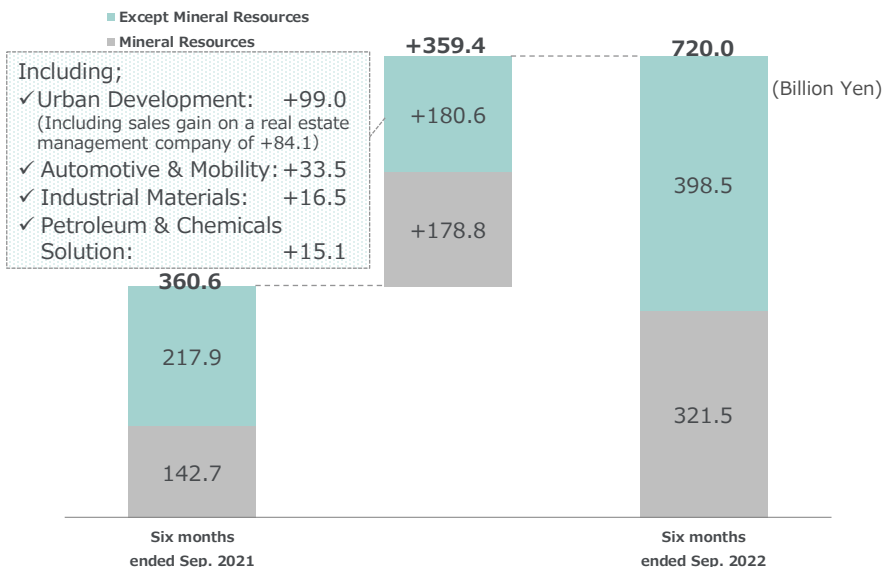
Results for the Six Months Ended September 2022

(Billion Yen)	Six months ended September 2021	Six months ended September 2022	Fluctuation	Revised Forecast for the year ending March 2023	Progress
Consolidated Net Income	360.6	720.0	+359.4	1,030.0	70%

Summary of year-over-year fluctuation

Earnings increased 359.4 billion yen, marking a record high for the first half of the fiscal year

- ✓ Consolidated net income increased significantly, year over year, which also saw a record high for the first half of the fiscal year.
- ✓ In addition to the Mineral Resources segment, many segments saw steady earnings, including Urban Development, which recognized sales gain on a real estate management company in the previous quarter, as well as Automotive & Mobility, Industrial Materials, and Petroleum & Chemicals Solution.



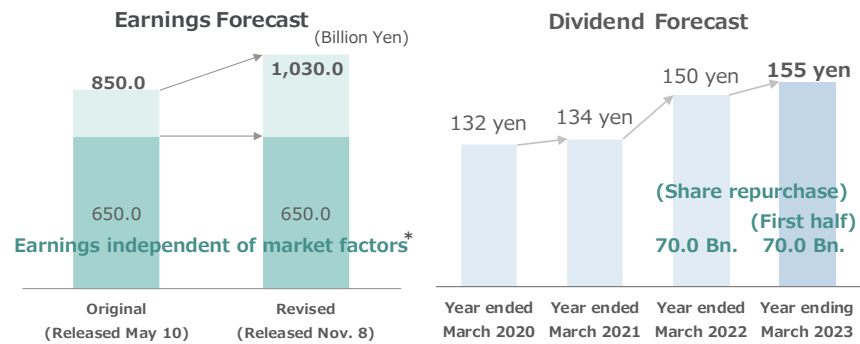
Revision of the forecast for the year

Earnings forecast revised upward by 180.0 billion yen, surpassing 1 trillion yen for the first time.

- ✓ In addition to Mineral Resources and Natural Gas, which were bolstered by market factors, Automotive & Mobility, Power Solution, Industrial Materials and other segments are forecast to see greater earnings than originally forecast.
- ✓ The revised forecast accounts for downward impact risk, such as concerns over worldwide economic recession.
- ✓ The forecast for earnings independent of market factors is unchanged at 650.0 billion yen.

Annual dividend forecast per share revised upward to 155 yen, and a share repurchase amounting to 70.0 billion yen has been resolved.

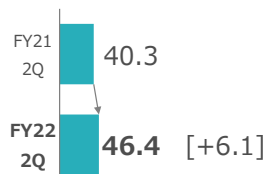
- ✓ Per-share dividend forecast revised upward by 5 yen from the May 10 forecast of 150 yen, in line with the continuation of the progressive dividend policy.
- ✓ In addition, a share repurchase amounting to 70.0 billion yen has been resolved.
- ✓ Additional shareholder returns will be considered based on Midterm Corporate Strategy 2024 over the second half of the fiscal year.



*Earnings adjusted for resource prices (metallurgical coal, copper, iron ore, crude oil, gas and LNG)

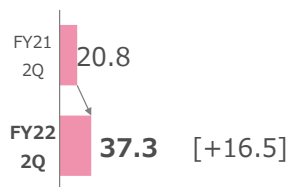
Year-over-Year Segment Net Income

Consolidated Net Income: Six months ended September 2021 (FY21 2Q): 360.6 (Billion Yen)
 Six months ended September 2022 (FY22 2Q): 720.0 [YoY +359.4]



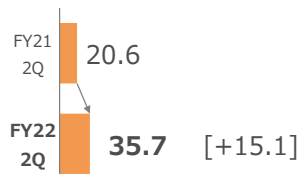
Natural Gas

Increased earnings in the LNG-related business, despite trading losses in the LNG sales business.



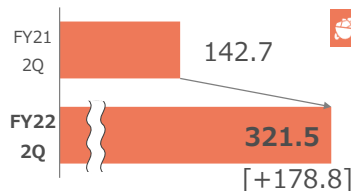
Industrial Materials

Increased earnings in the North American plastic building materials business and increased trading profits in the Functional materials business.



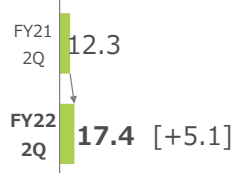
Petroleum & Chemicals Solution

Deduction of deferred tax liabilities in the Chemical manufacturing business and increased earnings in the LPG-related business.



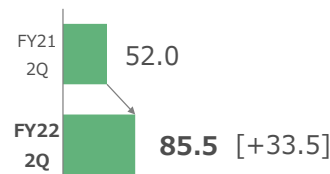
Mineral Resources

Increased market prices in the Australian metallurgical coal business.



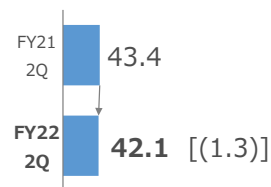
Industrial Infrastructure

Losses related to a dispute on Ichthys LNG project at Chiyoda Corporation in the previous year.



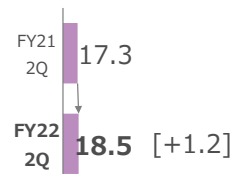
Automotive & Mobility

Increased earnings in the ASEAN automotive business and Mitsubishi Motors.



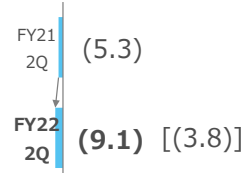
Food Industry

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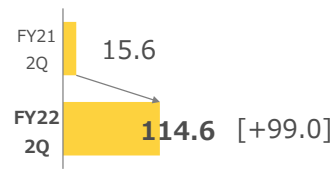
Consumer Industry

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Power Solution

Decreased earnings and losses due to facility defects in the Domestic power generating business, despite increased earnings in the U.S. power business.



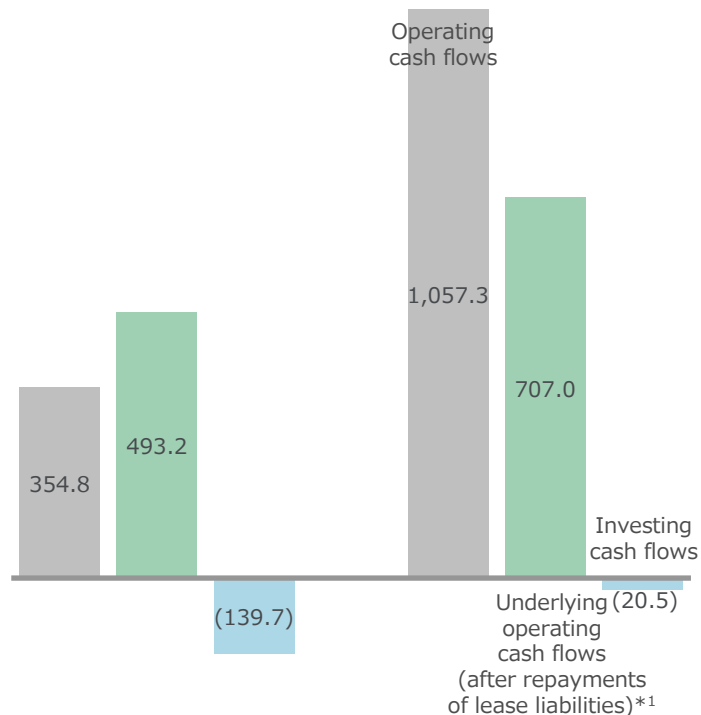
Urban Development

Sales gain on a real estate management company.

Cash Flows

Six months ended
September 2021

Six months ended
September 2022



<Adjusted free cash flows*2>

+353.5

+686.5

Breakdown of cash flows

(Billion Yen)

	Underlying operating cash flows (after repayments of lease liabilities)	Investing cash flows			Adjusted free cash flows
		New/Sustaining Investments	Sales and Collection	Net	
Six months ended September 2022	707.0	(427.2)	406.7	(20.5)	686.5

Main items included in investing cash flows

New/Sustaining Investments	Sales and Collection
<ul style="list-style-type: none"> ■ Copper business (Mineral Resources) ■ European integrated energy business (Power Solution) ■ Australian metallurgical coal business (Mineral Resources) ■ Overseas power business (Power Solution) ■ North American real estate business (Urban Development) ■ LNG-related business (Natural Gas) ■ Convenience store business (Consumer Industry) 	<ul style="list-style-type: none"> ■ Investment in a real estate management company (Urban Development) ■ North American shale gas business (Natural Gas) ■ Aluminum smelting business (Mineral Resources) ■ Integrated engineering business (Industrial Infrastructure) ■ Overseas water business (Power Solution)

■ Maintain/Expand Earnings Base ■ EX-related ■ DX/Growth-related

*1 Underlying operating cash flows (after repayments of lease liabilities)

Operating cash flows excluding changes in working capital
 (=Net income (including non-controlling interests) - DD&A - profits and losses related to investing activities - equity in earnings of affiliated companies not recovered through dividends - allowance for bad debt etc. - deferred tax)
 whilst including repayments of lease liabilities

*2 Adjusted free cash flows

Total of underlying operating cash flows (after repayments of lease liabilities) and investing cash flows

(Reference) Market Conditions

Foreign Exchange, Commodity Prices and Interest Rates

	Forecast for the year ending March 2023* (Released May 10)	Revised Forecast for the year ending March 2023* (Released Nov. 8)	Fluctuation	Six months ended September 2022	Consolidated net income sensitivities for the year ending March 2023 [For crude oil and copper price, preliminary sensitivities at this time are shown for reference, since there is a possibility of significant revision due to changes in production levels, etc.]
Foreign Exchange (YEN/US\$)	120.00	137.52 (2 nd Half: 141.00)	+17.52	134.03	Depreciation/appreciation of 1 yen per US\$1 has a 5.0 billion yen positive/negative impact on full-year earnings.
Crude Oil Price (Dubai) (US\$/BBL)	92	94	+2	94	A US\$1 rise/decline per barrel increases/reduces full-year earnings by 2.5 billion yen. To better account for the differences in fiscal year-ends of consolidated companies and the timing when crude oil price is actually reflected in LNG sales price, the 12-month average price from six months earlier (e.g. for the year ending March: average price from Oct. to Sep.) and from three months earlier (e.g. for the year ending March: average price from Jan. to Dec.) is utilized. In addition to changes in crude oil price, other factors could also affect crude oil-related earnings, such as dividend policy, foreign currency movements, and production/sales volume. Therefore, the impact on earnings cannot be determined by the crude oil price alone.
Copper Price (US\$/MT) [US ¢ /lb]	8,818 [400]	8,069 [366] (2 nd Half: [340])	(749) [(34)]	8,594 [390]	A US\$100 rise/decline per MT increases/reduces full-year earnings by 2.1 billion yen (A US¢10 rise/decline per lb increases/reduces full-year earnings by 4.6 billion yen). In addition to changes in copper price, other variables affect earnings from copper mines, such as the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditure). Therefore, the impact on earnings cannot be determined by the copper price alone.
YEN Interest (%) TIBOR 3M	0.10	0.08	(0.02)	0.07	The effect of rising interest rates is mostly offset by an increase in operating and investment profits. However, a rapid rise in interest rates could have a temporary negative effect.
US\$ Interest (%) SOFR (calculated on 3M basis)	2.30	2.14	(0.16)	0.88	

*The annual average is shown for the forecast for the year.