FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 2022

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Mitsubishi Corporation

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2022

(Based on IFRS) (Consolidated)

1. Consolidated operating results for the year ended March 31, 2022

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, 2022	17,264,828	34.0	1,293,116	410.1	1,004,459	659.6	937,529	443.3	1,569,186	169.2
March 31, 2021	12,884,521	(12.8)	253,527	(60.9)	132,241	(77.7)	172,550	(67.8)	582,825	833.6

	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, 2022	635.06	625.73	15.0	6.4
March 31, 2021	116.86	116.57	3.2	1.4

Share of profit of investments accounted for using the equity method for the years ended March 31, 2022 and 2021 were 393,803 million and 97,086 million respectively.

(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, 2022	21,912,012	7,857,172	6,880,232	31.4	4,659.68
March 31, 2021	18,634,971	6,538,390	5,613,647	30.1	3,803.01

(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, 2022	1,055,844	(167,550)	(693,396)	1,555,570
March 31, 2021	1,017,550	(357,297)	(691,184)	1,317,824

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, 2021	–	67.00	–	67.00	134.00	197,805	114.7	3.7
March 31, 2022	–	71.00	–	79.00	150.00	221,487	23.6	3.5
March 31, 2023 (Forecast)	–	75.00	–	75.00	150.00	–	25.7	–

Scheduled dividends payment date: June 27, 2022.

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
For the year ending	Millions of Yen	%	Yen
March 31, 2023	850,000	(9.3)	583.58

4. Notes

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

New companies: 6

Diamond Distributed Energy Investments, LLC
MC URBAN DEVELOPMENT VIETNAM COMPANY LIMITED
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

Excluded companies: ―

Diamond Distributed Energy Investments, LLC, MC URBAN DEVELOPMENT VIETNAM COMPANY LIMITED, MCOP INVESTMENT PTE. LTD., MV2 VIETNAM REAL ESTATE TRADING JOINT STOCK COMPANY, MV HOLDING ONE MEMBER LIABILITY LIMITED COMPANY and SV REAL ESTATE INVESTMENT DEVELOPMENT BUSINESS JOINT STOCK COMPANY became a consolidated subsidiary during the year ended March 31 2022.

(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 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, 2022)	1,485,723,351	(March 31, 2021)	1,485,723,351
-2- Number of treasury stock at year-end	(March 31, 2022)	9,178,013	(March 31, 2021)	9,618,263
-3- Average number of shares during each of the following fiscal years	(March 31, 2022)	1,476,279,440	(March 31, 2021)	1,476,571,830

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.

Disclosure Regarding Audit Procedures

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

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※ Mitsubishi Corporation will hold an earnings conference online for the year ended March 2022 on May 12, 2022 (Thursday) from 13:00 to 15:00 (Japan Time), inviting institutional investors and analysts to join. The conference material will be accessible in Japanese from the following URL:
https://www.mitsubishicorp.com/jp/ja/ir/index.html

(English interpretation of the conference will be posted on our web site as soon as it becomes available.)

Operating Results and Financial Position

1. Operating Results and Financial Position of the Year Ended March 2022

(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 2022 Results

Revenues was ¥17,264.8 billion, an increase of ¥4,380.3 billion, or 34% year over year. This was mainly due to rising prices and increased transaction volumes owing to improved market conditions.

Gross profit was ¥2,150.8 billion, an increase of ¥545.7 billion, or 34% year over year, mainly due to improved market conditions in the Australian metallurgical coal business and the Salmon farming business, as well as increased production and sales volumes in the Automotive-related business and increased sales prices in the Steel business.

Selling, general and administrative expenses was ¥1,432.0 billion, an increase of ¥34.3 billion, or 2% year over year, mainly due to increases arising from the normalization of economic activities, despite a decrease due to deconsolidation of subsidiaries caused by disposal or divestment of shares.

Gains on investments increased ¥13.2 billion, or 21% year over year, to ¥75.3 billion, mainly due to improved fund-related earnings and the sale of overseas power businesses, despite impairment losses on the sale of an aircraft leasing company.

Impairment losses on property, plant and equipment and others amounted to ¥64.5 billion, an improvement of ¥139.5 billion, or 68% year over year, reflecting impairment losses on goodwill to Lawson and its intangible assets in the previous year.

Other income (expense)-net increased ¥5.3 billion, or 29% year over year, to an income amount of ¥23.3 billion, mainly due to gains related to derivatives.

Finance income increased ¥68.7 billion, or 58% year over year, to ¥186.5 billion, mainly due to increased dividend income from resource-related investments.

Finance costs remained nearly the same year over year at ¥46.7 billion.

Share of profit of investments accounted for using the equity method increased ¥296.7 billion, or 306% year over year, to ¥393.8 billion, reflecting improved profitability at Mitsubishi Motors Corporation and impairment losses in the previous year as well as increased equity earnings across a wide range of businesses due to improved market conditions.

As a result, profit before tax increased ¥1,039.6 billion, or 410% year over year, to ¥1,293.1 billion.

Accordingly, profit for the year increased ¥764.9 billion, or 443% year over year, to ¥937.5 billion.

(2) Segment Information

1) Natural Gas Group

The Natural Gas Group engages in the natural gas/oil development and production business and the liquefied natural gas (LNG) business in North America, Southeast Asia, Australia, Russia, and other regions.

The segment recorded profit for the year of ¥105.1 billion, an increase of ¥83.9 billion year over year.

The increase in earnings mainly reflected increase in equity earnings in the LNG-related business and the North American shale gas business and increase in dividend income in the LNG-related business.

2) Industrial Materials Group

The Industrial Materials Group engages in sales and trading, investment and business development related to a wide range of materials, including steel products, silica sand, cement, ready-mixed concrete, carbon, PVC and functional chemicals, serving industries including automobiles and mobility, construction, and infrastructure.

The segment recorded profit for the year of ¥36.8 billion, an increase of ¥32.1 billion year over year.

The increase in earnings mainly reflected increase in equity earnings in the North American plastic building materials business and the Steel business.

3) Petroleum & Chemicals Solution Group

The Petroleum & Chemicals Solution Group engages in sales and trading, business development and investing related to a wide range of oil- and chemical-related fields, such as crude oil and oil products, LPG, ethylene, methanol, salt, ammonia, plastics, and fertilizers.

The segment recorded profit for the year of ¥40.3 billion, an increase of ¥14.1 billion year over year.

The increase in earnings mainly reflected increase in trading profit in the Petrochemicals business and increase in equity earnings in the LPG-related business.

4) Mineral Resources Group

The Mineral Resources Group engages in "managing" business by investing in and developing mineral resources, such as metallurgical coal, copper, iron ore, and aluminum, while leveraging high-quality and functions in steel raw materials, and non-ferrous resources and products through a global network to reinforce supply systems.

The segment recorded profit for the year of ¥420.7 billion, an increase of ¥342.6 billion year over year.

The increase in earnings mainly reflected increase in market prices in the Australian metallurgical coal business, increase in dividend income in the Copper business and increase in equity earnings in the Iron ore business.

5) Industrial Infrastructure Group

The Industrial Infrastructure Group engages in businesses and related trading in the field of energy infrastructure, industrial plants, construction machinery, machinery tools, agricultural machinery, elevators, escalators, facility management, ships, and aerospace-related equipment.

The segment recorded profit for the year of ¥17.3 billion, a decrease of ¥3.9 billion year over year.

The decrease in earnings mainly reflected the impairment losses on intangible assets related to investment in Chiyoda Corporation.

6) Automotive & Mobility Group

The Automotive & Mobility Group is deeply involved in the entire automotive value chain, spanning car production to after-sales services, and especially in sales of and financing for passenger and commercial cars. The Group also engages in mobility related businesses which fulfills needs related to passenger and cargo transportation.

The segment recorded profit for the year of ¥106.8 billion, an increase of ¥134.9 billion year over year.

The increase in earnings mainly reflected the one-off losses at Mitsubishi Motors in the previous year, as well as increase in equity earnings in Mitsubishi Motors and the Asian automotive business.

7) Food Industry Group

The Food Industry Group engages in sales, trading, business development and other operations across a wide range of business areas related to food, including food resources, fresh foods, consumer goods, and food ingredients, spanning from raw ingredient production and procurement to product manufacturing.

The segment recorded profit for the year of ¥79.3 billion, an increase of ¥39.9 billion year over year.

The increase in earnings mainly reflected improvement in equity earnings in the Salmon farming business.

8) Consumer Industry Group

The Consumer Industry Group engages in supplying products and services across a range of fields, including retail & distribution, logistics, healthcare, apparel, and tire etc.

The segment recorded profit for the year of ¥21.0 billion, an increase of ¥94.2 billion year over year.

The increase in earnings mainly reflected impairment losses on goodwill to Lawson and its intangible assets of ¥83.6 billion recorded as "Impairment losses on property, plant and equipment and others" etc. in the previous year.

9) Power Solution Group

The Power Solution Group engages in a wide range of business areas in power- and water-related businesses which is the industrial base domestically and in the overseas. Specifically, the Group engages in power generating and transmission businesses, power trading businesses, power retail businesses. The Group also engages in lithium-ion battery production, battery service businesses such as distributed power supply businesses, as well as the development of hydrogen energy sources etc.

The segment recorded profit for the year of ¥50.5 billion, an increase of ¥8.2 billion year over year.

The increase in earnings mainly reflected increase in disposal gains on overseas power generating assets.

10) Urban Development Group

The Urban Development Group engages in development, operation and management businesses in a number of areas, such as urban development and real estate, corporate investing, leasing, and infrastructure.

The segment recorded profit for the year of ¥40.0 billion, an increase of ¥14.6 billion year over year.

The increase in earnings mainly reflected increase in disposal gains on assets in the North American real estate development business and increase in fund evaluation profit, despite impairment losses on the sale of an aircraft leasing company.

(3) <u>Changes in Assets, Liabilities and Equity</u>

Total assets at March 31, 2022 was ¥21,912.0 billion, an increase of ¥3,277.0 billion, or 18%, from March 31, 2021.

Current assets was ¥9,531.0 billion, an increase of ¥2,428.1 billion, or 34%, from March 31, 2021. This was mainly due to an increase in trade and other receivables attributable to rising prices and increased transaction volumes reflecting recovery in demand.

Non-current assets was ¥12,381.0 billion, an increase of ¥848.9 billion, or 7%, from March 31, 2021. This was mainly due to an increase in property, plant and equipment and investments accounted for using the equity method attributable to the depreciation of the Japanese yen.

Total liabilities was ¥14,054.8 billion, an increase of ¥1,958.2 billion, or 16%, from March 31, 2021.

Current liabilities was ¥7,317.8 billion, an increase of ¥1,947.6 billion, or 36%, from March 31, 2021. This was mainly due to an increase in trade and other payables attributable to rising prices and increased transaction volumes reflecting recovery in demand.

Non-current liabilities was ¥6,737.0 billion, an increase of ¥10.6 billion, or 0%, from March 31, 2021.

Total equity was ¥7,857.2 billion, an increase of ¥1,318.8 billion, or 20%, from March 31, 2021.

Equity attributable to owners of the Parent was ¥6,880.2 billion, an increase of ¥1,266.6 billion, or 23%, from March 31, 2021. 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.

Non-controlling interests increased ¥52.2 billion, or 6%, from March 31, 2021, to ¥976.9 billion.

Net interest-bearing liabilities (excluding lease liabilities), which is gross interest-bearing liabilities minus cash and cash equivalents and time deposits, decreased ¥238.7 billion, or 6%, from March 31, 2021, to ¥3,939.7 billion.

(4) Cash Flows

Cash and cash equivalents at March 31, 2022 was ¥1,555.6 billion, an increase of ¥237.8 billion from March 31, 2021.

(Operating activities)

Net cash provided by operating activities was ¥1,055.8 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 ¥167.6 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

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

Sales and Collection

- North American shale gas business (Natural Gas)
- Overseas power business (Power Solution)
- North American real estate business (Urban Development)
- Aircraft leasing business (Urban Development)

As a result, free cash flows, the sum of operating and investing cash flows, was positive ¥888.2 billion.

(Financing activities)

Net cash used in financing activities was ¥693.4 billion. The main uses of cash were repayments of lease liabilities, payments of dividends, and repayments of short-term debts.

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) in the year ended March 31, 2022 was positive ¥1,236.5 billion, an increase of ¥611.3 billion, year over year.

As a result, Adjusted free cash flows was positive ¥1,068.9 billion.

2. <u>Forecasts for the Year Ending March 2023</u>

For the year ending March 2023, profit for the year is expected to be ¥850.0 billion. For the segment-specific forecasts and market condition assumptions, please refer to financial results for the year ended March 2022 (Results for the Year Ended March 2022 and Forecasts for the Year Ending March 2023). Please see the "Business Risks" section for principal risks that have the potential to affect the operating performance.

3. <u>Business Risks</u>

(1) <u>Risks of Changes in Global Macroeconomic Conditions</u>

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 2022, the global economy as a whole recovered from the economic crisis caused by the COVID-19 pandemic. However, due to additional waves of COVID-19 infection in some areas, albeit with less virulent strains of the virus, and the impact of the Russia-Ukraine situation, the pace of recovery slowed at times. The global economy is expected to continue growing, but there remain many risk factors that could have a negative economic impact, including such geopolitical risks as the Russia-Ukraine situation and U.S.-China tensions; the reduction of U.S. monetary easing; and persistently high resource and energy prices. The situation will require careful monitoring.

(2) <u>Market Risks</u>

("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 2023, based on results for the year ended March 2022.)

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 investees. Product categories that may have a large impact on our operating results are as follows:

(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 oil and gas prices could have a significant impact on our operating results.

The price of Dubai crude oil approached US$80/BBL at the end of December 2021 but rose from January onward. Reflecting concerns over possible decreases or interruptions in crude oil exports from Russia in light of the Russia-Ukraine situation, which began in February, and the decision at the March 2 meeting of OPEC-Plus to ignore calls for additional production increases, crude oil prices rose to exceed US$100/BBL. On March 8, the United States announced a ban on imports of Russian crude oil, and on March 9, the price rose to almost US$130/BBL. Subsequently, in light of a decision by IEA member countries to release oil reserves, the price settled at around US$100/BBL as of the end of March. We expect prices to remain highly volatile in the short term.

Furthermore, while most of our LNG sales are based on long-term contracts, some are on the spot market. LNG spot prices in Asia started 2022 higher than in previous years, at over US$20 per million British thermal unit (Btu) in early January. Concerns about decreases in the supply of Russian gas due to the Russia-Ukraine situation led to a spike in natural gas prices in Europe, causing spot prices to rise to a record high of US$84 in early March, but prices have subsequently been below US$40.

In many cases, 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 approximate ¥2.5 billion effect on profit for the year for LNG and crude oil combined in a 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.

(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 ¥1.6 billion effect on our profit for the year (a US¢10 price fluctuation per lb. of copper would have a ¥3.6 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.

In addition, as production and development plans are long-term, medium- to long-term price forecasts have a more significant impact on the valuation of our investment than short-term price fluctuations. If long-term stagnation or increases are forecast 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.

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, there is no assurance that we can completely avoid foreign currency risk.

In addition, dividends received from overseas businesses and equity in earnings of overseas consolidated subsidiaries and affiliates are relatively high in proportion to our profit for the year. Because most of these earnings are denominated in foreign currencies, which are converted to yen solely for reporting purposes, 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 ¥4.0 billion effect on profit for the year.

Regarding our investments in overseas businesses, an appreciation in the yen poses the risk of lowering shareholders' equity through a negative effect on exchange differences on translating foreign operations. Consequently, as needed we implement various measures to prevent increased exposure to foreign currency risk on investments, such as by hedging foreign currency risks with respect to new large investments. However, there is no assurance that we can completely avoid these risks.

3) Stock Price Risk

As of March 31, 2022, we owned approximately ¥1,010.0 billion (market value) of marketable securities, mostly equity issues of customers, suppliers and affiliates. These investments expose us to the risk of fluctuations in stock prices. The valuation above includes net unrealized gains of approximately ¥160.0 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, 2022, we had gross interest-bearing liabilities (excluding lease liabilities) of ¥5,643.2 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 establishes fund procurement strategy and 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 these risks. 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.
In particular, if additional global waves of COVID-19 accompanying mutations and increased virulence or the emergence of geopolitical risks cause further corporate credit and funding difficulties, a resulting increase in bankruptcy among our customers could impact our operating results.

(4) Country Risk

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.

We take appropriate risk hedging measures that involve, in principle, hedges via third parties through such means as taking out insurance, depending on the nature of the project. Furthermore, we have established a country risk countermeasure system and Regional Strategy Committee to manage country risk.
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.
The Regional Strategy Committee is chaired by the Corporate Functional Officer for Global Strategy. Its responsibilities include assessing the risk situation in various countries, establishing and managing the country risk countermeasure system, and evaluating individual projects. 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.

The Company's main business in Russia is the sales finance business in the Automotive & Mobility Group and the investment in LNG-related businesses in the Natural Gas Group, with total assets relating to the Company's operations in Russia amounting to ¥228.8 billion at March 31, 2022.

(5) Business Investment Risk

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.

Notwithstanding these initiatives, 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.

(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, currently producing 65 million tons per year. As of March 31, 2022, the book value of MDP's fixed assets is ¥1,002.9 billion.

The commodity market risks have the potential to affect MDP's profit, in turn affecting our operating performance. For details, please refer to the section entitled "(2) 1) Commodity Market Risk (Mineral Resources).

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. In the fiscal year ended March 31, 2021, we transferred shares of AAS to Chili-based M.C. Inversiones Limitada, our core mineral resource development company in Central and South America, in order to evolve AAS's business management, including flexibly implementing initiatives in Chile with partners, and thereby raise AAS's business value.

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 370,000 tons in 2021.)

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 latest revisions in copper price forecasts and development plan. In relation to copper prices, 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. The book value of the investment in AAS was approximately ¥170.0 billion as of March 31, 2022.

For the status of permitting process related to the investments in AAS, please refer to "(4) Subsequent Events" under "2.Notes Concering Consolidated Financial Statements" of "Consolidated

Financial Statements and Notes Concerning Consolidated Financial Statements" .

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 one of the world's largest undeveloped copper deposits, estimated to contain 8.8 million tons (content mineral basis) of copper ore reserves, and is highly cost competitive. Construction on the project commenced in August 2018 and is advancing toward a planned production start in mid-2022. After full-scale production commences, copper production attributable to Mitsubishi Corporation is estimated to increase by about 120,000 tons per year.

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 is still under development and AAQ'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 latest copper price forecasts and development plan. We formulate these forecasts of copper prices taking into account fundamentals such as the future supply/demand environment and data provided by external financial institutions and other organizations.

The total of the investment book value and loan to AAQ is approximately ¥370.0 billion as of March 31, 2022.

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 a book value of ¥207.4 billion as of March 31, 2022.

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 in the mid-2020s. We are participating in the project through our subsidiary Diamond LNG Canada Partnership (in which we hold a 96.7% interest and Toho Gas holds a 3.3% interest) and advancing efforts with our partners Shell, Petronas, PetroChina and Korea Gas Corporation. Risks in the commodity market have the potential to affect this project, in turn affecting our operating performance. For details, please refer to the section entitled "(2) 1) Commodity Market Risk (Energy Resources)."

In addition to the items mentioned above, we are evaluating our other investments in copper asset interests, as well as investments related to crude oil, gas, and LNG in order to recognize key risks. As production and development plans are long-term, medium- to long-term price forecasts have a more significant impact on the valuation of our investment than short-term price fluctuations.

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 28, 2022, Lawson's convenience store network comprised approximately 14,700 stores in Japan and 4,800 stores overseas, for a total of approximately 19,500 stores.
During the year ended March 31, 2021, we recorded after-tax impairment losses of ¥83.6 billion (the portion attributable to Mitsubishi Corporation) on a portion of the intangible assets and goodwill recognized when Lawson became a subsidiary based on revisions to said subsidiary's business plans made by Mitsubishi Corporation in light of the weakening of recent financial results and unclear outlook due to the impact of the COVID-19.

Going forward, deterioration in the business environment could affect our operating performance via the performance of Lawson or impairment losses on goodwill. The book value of this goodwill as of March 31, 2022 (before calculation to reflect the portion attributable to Mitsubishi Corporation) is approximately ¥160.0 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 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 help reduce greenhouse emissions and 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, 2022 (before calculation to reflect the portion attributable to Mitsubishi Corporation) is approximately ¥120.0 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 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, in the individual business groups and corporate departments, the compliance officers of individual 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) Risks from Natural and Other Types of Disasters and Crises

An unforeseeable crisis, 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 COVID-19, or a large-scale accident, acts of terrorism or riots 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.

In response to the global COVID-19 pandemic, we have been taking necessary measures to promptly prevent the infection of employees and halt the spread of infection, in tandem with maintaining appropriate business continuity. Both in Japan and overseas, while maintaining the safety of employees as our highest priority, we are working to respond appropriately to conditions related to the spread of infection, requests from the Japanese national and local governments, and conditions and regulations in other countries. We are implementing thoroughgoing measures to prevent infection and other necessary measures to sufficiently ensure safety as we work to secure appropriate business continuity.

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) Risks Related to Climate Change

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 aim to simultaneously generate economic, societal, and environmental value and, as such, have designated “Contributing to Decarbonized Societies” as one of our materiality and regard climate change as one of the key issues for management to address and respond to as the Company strives to achieve sustainable growth. Accordingly, we are working to address risks related to climate change.

Specifically, the Sustainability & CSR 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.

In addition, the problems of climate change present new business opportunities related to developing and promoting the use of new technologies and alternative products in such areas as renewable energy, electric vehicles and ethical consumption.

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, 2021 and 2022

ASSETS	Millions of Yen	
	March 31, 2021	March 31, 2022
Current assets		
Cash and cash equivalents	1,317,824	1,555,570
Time deposits	148,081	147,878
Short-term investments	15,201	7,000
Trade and other receivables	3,269,390	4,283,171
Other financial assets	209,402	774,833
Inventories	1,348,861	1,776,616
Biological assets	74,182	98,268
Advance payments to suppliers	58,027	99,671
Assets classified as held for sale	41,020	202,157
Other current assets	620,905	585,881
Total current assets	7,102,893	9,531,045
Non-current assets		
Investments accounted for using the equity method	3,290,508	3,502,881
Other investments	1,816,029	1,957,880
Trade and other receivables	763,124	829,686
Other financial assets	93,102	218,701
Property, plant and equipment	2,510,238	2,784,039
Investment property	95,419	94,399
Intangible assets and goodwill	1,248,462	1,221,568
Right-of-use assets	1,469,700	1,520,536
Deferred tax assets	42,233	53,548
Other non-current assets	203,263	197,729
Total non-current assets	11,532,078	12,380,967
Total	18,634,971	21,912,012

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2021	March 31, 2022
Current liabilities		
Bonds and borrowings	1,262,522	1,603,420
Trade and other payables	2,665,060	3,382,112
Lease liabilities	235,498	253,519
Other financial liabilities	256,657	884,112
Advances from customers	133,474	238,656
Income tax payables	53,178	169,827
Provisions	89,268	92,154
Liabilities directly associated with assets classified as held for sale	12,762	9,585
Other current liabilities	661,766	684,448
Total current liabilities	5,370,185	7,317,833
Non-current liabilities		
Bonds and borrowings	4,381,793	4,039,749
Trade and other payables	54,893	47,814
Lease liabilities	1,304,703	1,338,788
Other financial liabilities	55,817	218,053
Retirement benefit obligation	129,126	127,394
Provisions	195,997	280,633
Deferred tax liabilities	569,641	643,862
Other non-current liabilities	34,426	40,714
Total non-current liabilities	6,726,396	6,737,007
Total liabilities	12,096,581	14,054,840
Equity		
Common stock	204,447	204,447
Additional paid-in capital	228,552	226,483
Treasury stock	(26,750)	(25,544)
Other components of equity		
Other investments designated as FVTOCI	457,123	511,059
Cash flow hedges	(52,355)	(121,321)
Exchange differences on translating foreign operations	379,917	880,674
Total other components of equity	784,685	1,270,412
Retained earnings	4,422,713	5,204,434
Equity attributable to owners of the Parent	5,613,647	6,880,232
Non-controlling interests	924,743	976,940
Total equity	6,538,390	7,857,172
Total	18,634,971	21,912,012

(2) Consolidated Statement of Income
Years ended March 31, 2021 and 2022

	Millions of Yen	
	Year ended March 31, 2021	Year ended March 31, 2022
Revenues	12,884,521	17,264,828
Cost of revenues	(11,279,415)	(15,114,064)
Gross profit	1,605,106	2,150,764
Selling, general and administrative expenses	(1,397,707)	(1,432,039)
Gains (losses) on investments	62,082	75,254
Gains (losses) on disposal and sale of property, plant and equipment and others	1,530	6,712
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(204,047)	(64,517)
Other income (expense)-net	17,951	23,289
Finance income	117,826	186,532
Finance costs	(46,300)	(46,682)
Share of profit (loss) of investments accounted for using the equity method	97,086	393,803
Profit (loss) before tax	253,527	1,293,116
Income taxes	(121,286)	(288,657)
Profit (loss) for the year	132,241	1,004,459
Profit (loss) for the year attributable to:		
Owners of the Parent	172,550	937,529
Non-controlling interests	(40,309)	66,930
	132,241	1,004,459
Profit (loss) for the year attributable to Owners of the Parent per share (in Yen)		
Basic	116.86	635.06
Diluted	116.57	625.73

(3) Consolidated Statement of Comprehensive Income
Years ended March 31, 2021 and 2022

	Millions of Yen	
	Year ended March 31,2021	Year ended March 31,2022
Profit (loss) for the year	132,241	1,004,459
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	129,453	82,239
Remeasurement of defined benefit pension plans	29,813	20,412
Share of other comprehensive income (loss) of investments accounted for using the equity method	10,719	10,968
Total	169,985	113,619
Items that may be reclassified to profit or loss for the year:		
Cash flow hedges	(13,882)	(97,950)
Exchange differences on translating foreign operations	306,277	440,530
Share of other comprehensive income (loss) of investments accounted for using the equity method	(11,796)	108,528
Total	280,599	451,108
Total other comprehensive income (loss)	450,584	564,727
Total comprehensive income (loss)	582,825	1,569,186
Comprehensive income (loss) attributable to:		
Owners of the Parent	604,354	1,471,506
Non-controlling interests	(21,529)	97,680
	582,825	1,569,186

(4) Consolidated Statement of Changes in Equity
Years ended March 31, 2021 and 2022

	Millions of Yen	
	Year ended March 31,2021	Year ended March 31,2022
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	228,153	228,552
Compensation costs related to share-based payment	2,049	2,135
Sales of treasury stock upon exercise of share-based payment	(1,041)	(636)
Equity transactions with non-controlling interests and others	(609)	(3,568)
Balance at the end of the year	228,552	226,483
Treasury stock:		
Balance at the beginning of the year	(294,580)	(26,750)
Sales of treasury stock upon exercise of share-based payment	1,652	1,218
Purchases and sales-net	(19,784)	(12)
Cancellation	285,962	—
Balance at the end of the year	(26,750)	(25,544)
Other components of equity:		
Balance at the beginning of the year	415,186	784,685
Other comprehensive income (loss) attributable to owners of the Parent	431,804	533,977
Transfer to retained earnings	(62,305)	(48,250)
Balance at the end of the year	784,685	1,270,412
Retained earnings:		
Balance at the beginning of the year	4,674,153	4,422,713
Profit (loss) for the year attributable to owners of the Parent	172,550	937,529
Cash dividends paid to owners of the Parent	(199,853)	(203,737)
Sales of treasury stock upon exercise of share-based payment	(480)	(321)
Cancellation of treasury stock	(285,962)	—
Transfer from other components of equity	62,305	48,250
Balance at the end of the year	4,422,713	5,204,434
Equity attributable to owners of the Parent	5,613,647	6,880,232
Non-controlling interests:		
Balance at the beginning of the year	989,535	924,743
Cash dividends paid to non-controlling interests	(40,866)	(54,047)
Equity transactions with non-controlling interests and others	(2,397)	8,564
Profit (loss) for the year attributable to non-controlling interests	(40,309)	66,930
Other comprehensive income (loss) attributable to non-controlling interests	18,780	30,750
Balance at the end of the year	924,743	976,940
Total equity	6,538,390	7,857,172
Comprehensive income (loss) attributable to:		
Owners of the Parent	604,354	1,471,506
Non-controlling interests	(21,529)	97,680
Total comprehensive income (loss)	582,825	1,569,186

(5) Consolidated Statement of Cash Flows
Years ended March 31, 2021 and 2022

	Millions of Yen	
	Year ended March 31,2021	Year ended March 31,2022
Operating activities:		
Profit (loss) for the year	132,241	1,004,459
Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) operating activities:		
Depreciation and amortization	523,830	545,043
(Gains) losses on investments	(62,082)	(75,254)
(Gains) losses on property, plant and equipment and others	202,517	57,805
Finance (income) -net of finance costs	(71,526)	(139,850)
Share of (profit) loss of investments accounted for using the equity method	(97,086)	(393,803)
Income taxes	121,286	288,657
Changes in trade receivables	26,210	(673,674)
Changes in inventories	41,709	(236,396)
Changes in trade payables	74,680	396,298
Other-net	(43,217)	(70,519)
Dividends received	271,204	493,860
Interest received	80,350	80,601
Interest paid	(67,731)	(64,444)
Income taxes paid	(114,835)	(156,939)
Net cash provided by (used in) operating activities	1,017,550	1,055,844
Investing activities:		
Payments for property, plant and equipment and others	(388,981)	(393,833)
Proceeds from disposal of property, plant and equipment and others	47,753	27,888
Payments for investment property	(425)	(443)
Proceeds from disposal of investments property	1,344	1,329
Purchases of investments accounted for using the equity method	(253,316)	(157,003)
Proceeds from disposal of investments accounted for using the equity method	129,938	246,455
Acquisitions of businesses-net of cash acquired	502	(45,154)
Proceeds from disposal of businesses-net of cash divested	28,407	53,278
Purchases of other investments	(43,009)	(26,990)
Proceeds from disposal of other investments	187,756	142,987
Increase in loans receivable	(80,355)	(82,953)
Collection of loans receivable	50,948	60,809
Net (increase) decrease in time deposits	(37,859)	6,080
Net cash provided by (used in) investing activities	(357,297)	(167,550)
Financing activities:		
Net increase (decrease) in short-term debts	(183,322)	(159,572)
Proceeds from long-term debts	795,173	864,567
Repayments of long-term debts	(759,624)	(865,450)
Repayments of lease liabilities	(277,531)	(279,784)
Dividends paid to owners of the Parent	(199,853)	(203,737)
Dividends paid to the non-controlling interests	(40,866)	(54,047)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(18,325)	(20,393)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	12,948	25,033
Net (increase) decrease in treasury stock	(19,784)	(13)
Net cash provided by (used in) financing activities	(691,184)	(693,396)
Effect of exchange rate changes on cash and cash equivalents	25,943	42,848
Net increase (decrease) in cash and cash equivalents	(4,988)	237,746
Cash and cash equivalents at the beginning of the year	1,322,812	1,317,824
Cash and cash equivalents at the end of the year	1,317,824	1,555,570

2. Notes Concerning Consolidated Financial Statements

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

The material accounting policies applied to the consolidated financial statements for the year ended March 2022 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.

(2) Segment Information

Year ended March 31, 2021

Millions of Yen

	Natural Gas	Industrial Materials	Petroleum & Chemicals Solution	Mineral Resources	Industrial Infrastructure	Automotive & Mobility	Food Industry
Gross profit	25,016	105,027	95,524	78,592	88,197	137,067	231,313
Share of profit (loss) of investments accounted for using the equity method	29,509	2,970	4,859	36,435	14,084	(61,406)	17,003
Profit (loss) for the year attributable to owners of the Parent	21,202	4,655	26,232	78,130	21,238	(28,104)	39,429
Total assets	1,579,876	1,128,501	947,528	3,425,026	1,090,182	1,461,360	1,730,763

Millions of Yen

	Consumer Industry	Power Solution	Urban Development	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit	683,892	112,914	38,595	1,596,137	7,231	1,738	1,605,106
Share of profit (loss) of investments accounted for using the equity method	7,091	19,243	27,580	97,368	(346)	64	97,086
Profit (loss) for the year attributable to owners of the Parent	(73,249)	42,257	25,419	157,209	17,899	(2,558)	172,550
Total assets	3,876,324	1,814,988	996,154	18,050,702	2,710,802	(2,126,533)	18,634,971

Year ended March 31, 2022

Millions of Yen

	Natural Gas	Industrial Materials	Petroleum & Chemicals Solution	Mineral Resources	Industrial Infrastructure	Automotive & Mobility	Food Industry
Gross profit	28,527	143,642	105,219	482,490	110,955	179,230	268,780
Share of profit of investments accounted for using the equity method	92,106	35,154	14,247	86,994	2,131	48,210	29,731
Profit for the year attributable to owners of the Parent	105,132	36,785	40,272	420,689	17,281	106,785	79,349
Total assets	2,015,966	1,355,028	1,242,994	4,554,696	1,129,890	1,699,270	1,968,611

Millions of Yen

	Consumer Industry	Power Solution	Urban Development	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit	681,647	115,556	29,267	2,145,313	6,977	(1,526)	2,150,764
Share of profit of investments accounted for using the equity method	13,771	15,009	54,424	391,777	2,026	─	393,803
Profit for the year attributable to owners of the Parent	21,023	50,504	40,047	917,867	(551)	20,213	937,529
Total assets	3,930,310	2,650,077	1,136,239	21,683,081	3,012,544	(2,783,613)	21,912,012

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) 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 31,2021	Year ended March 31,2022
Profit for the year attributable to owners of the Parent per share (Yen)		
Basic	116.86	635.06
Diluted	116.57	625.73
Numerator (Millions of Yen):		
Profit for the year attributable to owners of the Parent	172,550	927,261
Denominator (Thousands of shares):		
Basic weighted average common shares outstanding	1,476,572	1,476,279
Effect of dilutive securities:		
Share-based remuneration	3,691	5,617
Diluted outstanding shares	1,480,263	1,481,896

(4) Subsequent Events

Transfer of Shares in Mitsubishi Corp.-UBS Realty Inc.
On March 17, 2022, the Company concluded a share transfer agreement with 76KK, which is an indirect subsidiary of KKR & CO. INC., regarding all the shares the Company holds (51% of all outstanding stock) in Mitsubishi Corp.-UBS Realty Inc. (MC-UBSR), a consolidated subsidiary in the Urban Development segment. As of March 31, 2022, the assets and liabilities owned by MC-UBSR were classified as a disposal group held for sale. On April 28, 2022, all the shares in MC-UBSR owned by the Company (51% of all outstanding stock) were sold to 76KK.

With this sale of shares, the Company has lost control of MC-UBSR. Therefore, in the fiscal year ending March 31, 2023, the Company expects to record ¥112.0 billion in gains on sales following loss of control and ¥28.0 billion in related income tax expenses under “Gains on investments” and “Income taxes” in the Consolidated Statement of Income, respectively. In addition, the Company expects to recognize ¥115.7 billion in consideration received in cash as “Proceeds from disposal of businesses-net of cash divested” in the Consolidated Statement of Cash Flows.

Repurchase and cancellation of shares
The Company resolved at a meeting of the Board of Directors held on May 10, 2022 the repurchase of shares of its common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Companies Act, and has resolved to cancel treasury stock pursuant to Article 178 of the Companies Act, as described below.

1. Details of the Share Repurchase;

Class of shares to be repurchased	: Common stock
No. of shares to be repurchased	: Up to 23 million shares (Represents up to 1.5% of the common shares outstanding (excluding treasury stock))
Total value of stock repurchased of shares	: Up to 70 billion yen
Period of repurchase	: May 11, 2022 to September 11, 2022*

* The planned repurchase period may be changed in accordance with the relevant laws and regulations.

2. Details of the Cancellation of Treasury Stock;

Class of shares to be cancelled	: Common Stock
No. of shares to be cancelled	: The entire number of shares repurchased, excluding the number of shares to be delivered upon exercises of stock options (5 million shares)
Date of cancellation (planned)	: September 30, 2022

Continuation of the Share-Based Compensation Plan
Regarding the share-based compensation plan for employees provided through the Employee Stock Ownership Plan (ESOP) Trust, a decision was reached at a meeting of the Executive Committee, held on May 9, 2022, to continue the plan and make an additional contribution of ¥16.0 billion (this amount includes trust fees and trust expenses). The trust will use this contribution to acquire common stock of the Company.

Status of the permitting process related to the investments in Chilean copper assets

The company holds 20.4% of shares in Anglo American Sur S.A. (AAS) through our Chilean subsidiary M.C. Inversiones Limitada and the company applies the equity method to the investment in AAS. On May 2, 2022 (local time) , AAS received the notice that the Environmental Assessment Service of Chile (SEA) has issued its formal decision (RCA) to reject the environmental permit application for the project of Los Bronces Copper mine owned by AAS that expands the current open pit within Los Bronces' operating site and future development of underground section of the mine.

The company and other shareholders, including Anglo American Plc (AAC) , are examining the details of the RCA and expect to continue following the regulated process to obtain permission in Chile, which includes the potential to request a review to evaluate the full breadth of merits of the project.

The event mentioned above will not have a material impact on the short term business activities of AAS, but might affect the valuation of our investment in AAS, depending on the future permitting process.

The book value of the investment in AAS was ¥167.8 billion as of March 31, 2022.

3. Notes Concerning Going Concern Assumption

None

Results for the Year Ended March 2022 and Forecasts for the Year Ending March 2023

May 10, 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 Year Ended March 2022 and Forecasts for the Year Ending March 2023

(Billion Yen)	Year ended March 2021	Year ended March 2022	Fluctuation	Forecasts for the year ended March 2022 (Released Feb. 3)	Fluctuation	Forecasts for the year ending March 2023
Consolidated Net Income	**172.6**	**937.5**	**+764.9**	**820.0**	**+117.5**	**850.0**
Annual dividend per share	134 yen	150 yen	+16 yen	142 yen	+8 yen	150 yen

A share repurchase amounting to 70.0 billion yen has also been resolved.

Summary of results for the year ended March 2022

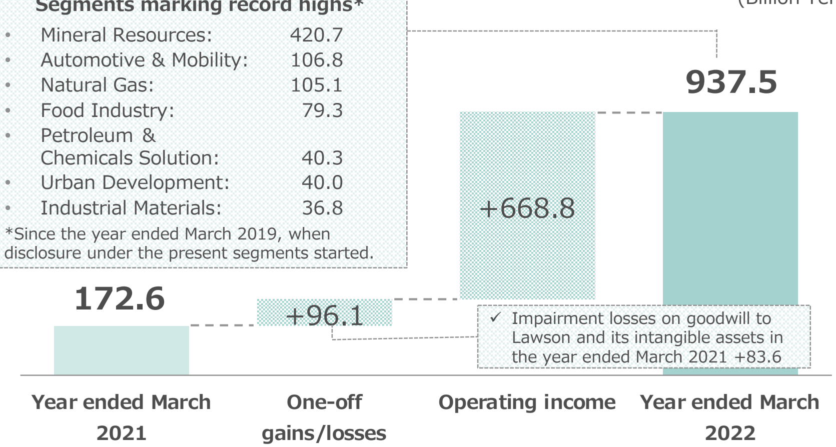
Earnings increased 764.9 billion yen YoY, marking a record high

- ✓ Record high earnings in 7 of the 10 segments.
- ✓ The business environment improved amid economic recovery, and many businesses, such as Automotive and Salmon farming, took advantage of this opportunity, steadily making a profit.
- ✓ Increased resource prices provided another tailwind, and the 900 billion yen financial target of "Midterm Corporate Strategy 2021" was achieved, while making progress in the restructure of unprofitable businesses and asset revaluation.

Segments marking record highs*

- Mineral Resources: 420.7
- Automotive & Mobility: 106.8
- Natural Gas: 105.1
- Food Industry: 79.3
- Petroleum & Chemicals Solution: 40.3
- Urban Development: 40.0
- Industrial Materials: 36.8

*Since the year ended March 2019, when disclosure under the present segments started.



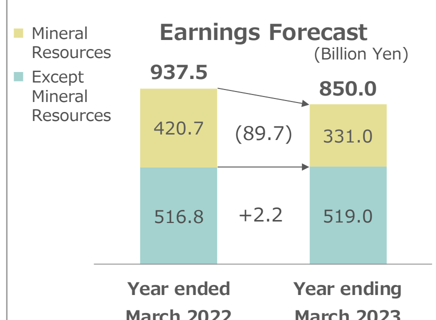
Earnings forecast and shareholder returns

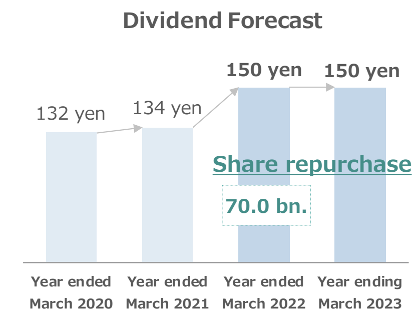
Additional dividend increase and share repurchase based on results for the year ended March 2022

- ✓ Annual dividend per share revised upward to 150 yen (an increase of 8 yen from the most recent forecast).
- ✓ Moreover, based on considerations of financial soundness and the total payout ratio, a share repurchase amounting to 70.0 billion yen has been resolved.

Forecasts for the year ending March 2023

- ✓ The earnings forecast is 850.0 billion yen, a decrease of 87.5 billion yen YoY mainly due to the uncertain business environment (downside risk included).
- ✓ However, the dividend per share will remain at 150 yen, in line with the continuation of the progressive dividend policy.
- ✓ Share repurchases will be decided flexibly based on "Midterm Corporate Strategy 2024."

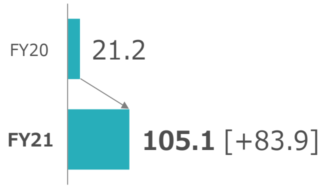




Year-over-Year Segment Net Income

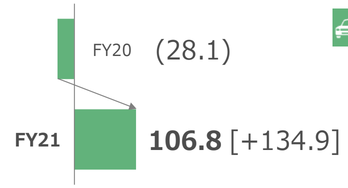
(Billion Yen)

Consolidated Net Income: **Year ended March 2021 (FY20): 172.6**
Year ended March 2022 (FY21): 937.5 **[YoY +764.9]**



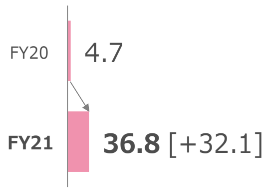
Natural Gas

Increased earnings in the LNG-related business and the North American shale gas business and increased dividend income in the LNG-related business.



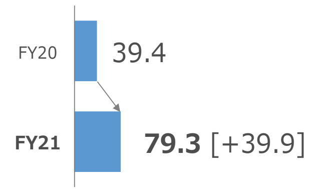
Automotive & Mobility

Increased earnings reflecting the one-off losses at Mitsubishi Motors in the previous year, as well as increased earnings in Mitsubishi Motors and the Asian automotive business.



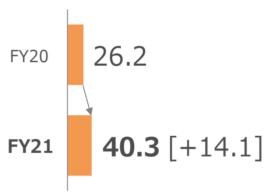
Industrial Materials

Increased earnings in the North American plastic building materials business and the Steel business.



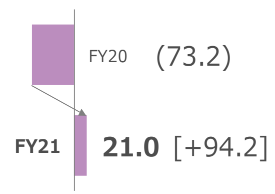
Food Industry

Improved earnings in the Salmon farming business.



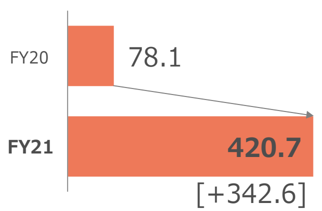
Petroleum & Chemicals Solution

Increased trading profit in the Petrochemicals business and increased earnings in the LPG-related business.



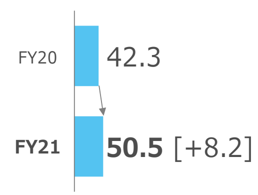
Consumer Industry

Impairment losses on goodwill to Lawson and its intangible assets in the previous year.



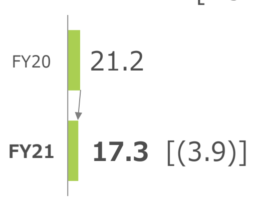
Mineral Resources

Increased market prices in the Australian metallurgical coal business, increased dividend income in the Copper business and increased earnings in the Iron ore business.



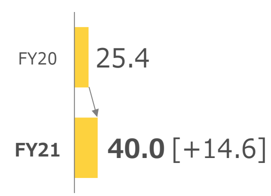
Power Solution

Increased disposal gains on overseas power generating assets.



Industrial Infrastructure

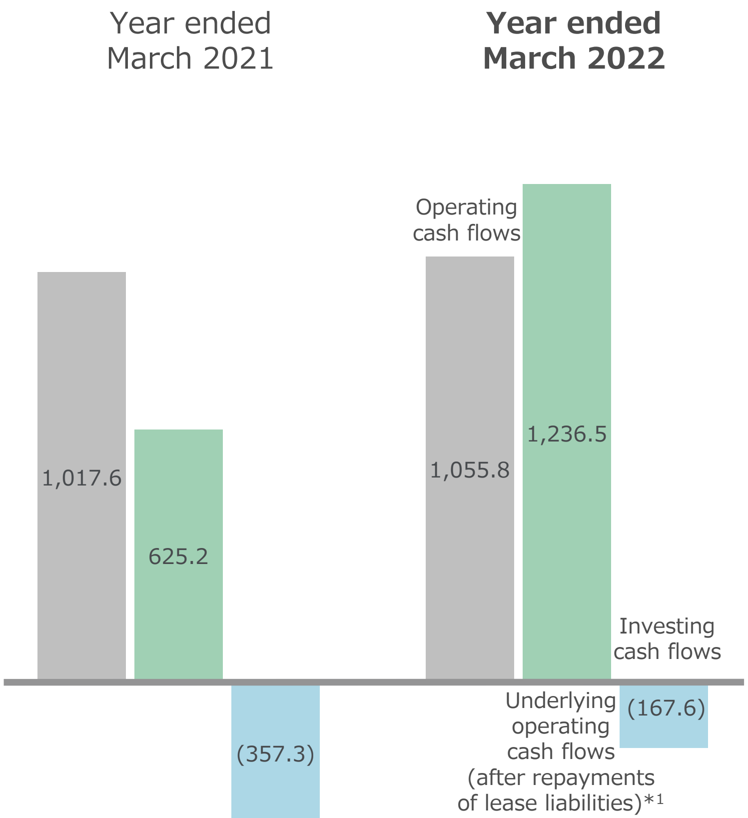
Impairment losses on intangible assets related to investment in Chiyoda Corporation.



Urban Development

Increased disposal gains on assets in the North American real estate development business and increased fund evaluation profit, despite impairment losses on the sale of an aircraft leasing company.

Cash Flows



<Adjusted free cash flows*2>

+267.9 +1,068.9

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	
Ref.	Year ended March 2020	672.1	(1,051.4)	550.7	(500.7)	171.4
	Year ended March 2021	625.2	(803.4)	446.1	(357.3)	267.9
Year ended March 2022		**1,236.5**	(700.5)	532.9	**(167.6)**	**1,068.9**
Midterm plan period		**2,533.8**	(2,555.3)	1,529.7	**(1,025.6)**	**1,508.2**

Main items included in Investing CF for the year ended March 2022

New/Sustaining Investments	Sales and Collection
・Copper business (Mineral Resources) ・Australian metallurgical coal business (Mineral Resources) ・LNG-related business (Natural Gas) ・European integrated energy business (Power Solution) ・North American real estate business (Urban Development) ・Convenience store business (Consumer Industry) ・Overseas power business (Power Solution) ・Asian real estate business (Urban Development)	・North American shale gas business (Natural Gas) ・Overseas power business (Power Solution) ・North American real estate business (Urban Development) ・Aircraft leasing business (Urban Development)

*1 **Underlying operating cash flows (after repayments of lease liabilities)**
Operating cash flows excluding changes in working capitals
(=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

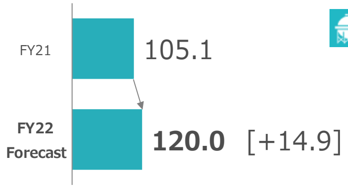
*2 **Adjusted free cash flows**
Total of Underlying operating cash flows (after repayments of lease liabilities) and Investing cash flows

Segment Forecasts for the Year Ending March 2023

(Billion Yen)

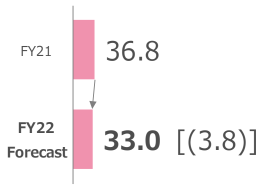
Consolidated Net Income: **Year ended March 2022 (FY21):** **937.5**

Year ending March 2023 (FY22 Forecast): **850.0** **[YoY (87.5)]**



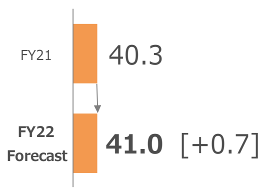
Natural Gas

Increased earnings in the LNG-related business.



Industrial Materials

Decreased earnings in the North American plastic building materials business.



Petroleum & Chemicals Solution

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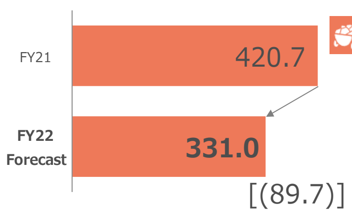
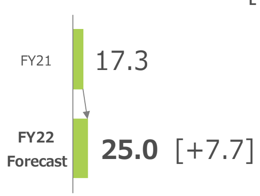


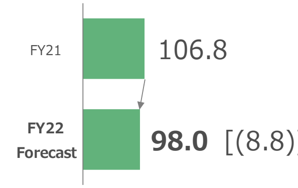
Mineral Resources

Decreased earnings in the Australian metallurgical coal business and the Iron ore business and decreased dividend income in the Copper business, reflecting high market prices in the previous year.



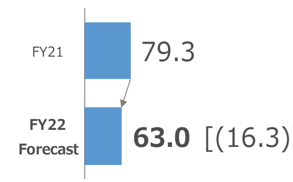
Industrial Infrastructure

Impairment losses on intangible assets related to investment in Chiyoda Corporation in the previous year.



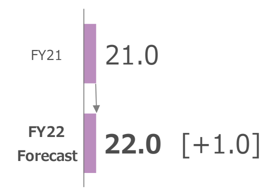
Automotive & Mobility

Decreased earnings in the Asian automotive business.



Food Industry

Decreased earnings in the Salmon farming business, reflecting high market prices in the previous year and increased cost due to higher feed prices.



Consumer Industry*

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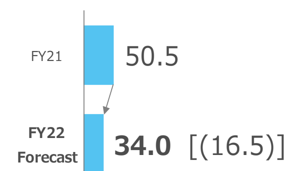
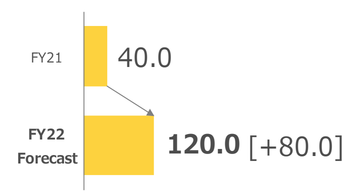


Power Solution*

Decreased disposal gains on power generating assets.



Urban Development

Disposal gains on a real estate management company and impairment losses on the sale of an aircraft leasing company in the previous year, despite decreased disposal gains on assets in the North American real estate development business.

＊ Includes the impact of the July 1 2022 reorganization.

(Reference) Market Conditions

Foreign Exchange, Commodity Prices and Interest Rates

	Year ended March 2022	Forecast for the year ending March 2023*	Fluctuation	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$)	112.39	120.00	+7.61	Depreciation/appreciation of 1 yen per US$1 has a 4.0 billion yen positive/negative impact on full-year earnings.
Crude Oil Price (Dubai) (US$/BBL)	60	91 (Apr-Sep 2022: 96)	+31	A US$1 rise/decline per barrel increases/reduces full-year earnings by 2.5 billion yen. To better account for the differences in fiscal year-ends of consolidated companies and the timing when crude oil price is actually reflected in LNG sales price, the average price for the preceding six-month period (e.g. For the year ending March: average price from Oct. to Sep.) is utilized. In addition to changes in crude oil price, other factors could also affect crude oil-related earnings, such as dividend policy, foreign currency movements, and production/sales volume. Therefore, the impact on earnings cannot be determined by the crude oil price alone.
Copper Price (US$/MT) [US¢/lb]	9,692 [440]	8,818 [400]	(874) [(40)]	A US$100 rise/decline per MT increases/reduces full-year earnings by 1.6 billion yen (A US¢10 rise/decline per lb increases/reduces full-year earnings by 3.6 billion yen). In addition to changes in copper price, other variables affect earnings from copper mines, such as the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditure). Therefore, the impact on earnings cannot be determined by the copper price alone.
YEN Interest (%) TIBOR 3M	0.06	0.10	+0.04	The effect of rising interest rates is mostly offset by an increase in operating and investment profits. However, a rapid rise in interest rates could have a temporary negative effect.
US$ Interest (%) SOFR (calculated on 3M basis)	0.04	2.30	+2.26	

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