Mitsubishi Corporation (Americas)

(A Wholly-Owned Subsidiary of
Mitsubishi Corporation)

Financial Statements as of March 31, 2022,
March 31, 2021, and April 1, 2020 (the Date of
Transition to IFRS) and for the
Years Ended March 31, 2022 and 2021, and
Independent Auditor's Report

MITSUBISHI CORPORATION (AMERICAS)
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mitsubishi Corporation (Americas)
New York, New York

Opinion

We have audited the financial statements of Mitsubishi Corporation (Americas) (the "Company") (a wholly-owned subsidiary of Mitsubishi Corporation), which comprise the statements of financial position as of March 31, 2022 and 2021, and April 1, 2020 (the date of transition to International Financial Reporting Standards), and the related statements of profit and loss, comprehensive income, changes in equity, and cash flows for the years ended March 31, 2022 and 2021, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022 and 2021, and April 1, 2020 (the date of transition to International Financial Reporting Standards), and the results of its operations and its cash flows for the years ended March 31, 2022 and 2021, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 17 to the financial statements, because of extensive transactions with related parties, the financial statements may not be indicative of the financial position, results of operations or cash flows if the Company had operated without such affiliations. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern at least, but not limited to, twelve months from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

September 15, 2022

MITSUBISHI CORPORATION (AMERICAS)
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2022 AND 2021, AND
APRIL 1, 2020 (THE DATE OF TRANSITION TO IFRS)
(In thousands US dollars, except for share data)

		March 31		April 1,
ASSETS	**Notes**	**2022**	**2021**	**2020**
CURRENT ASSETS:				
Cash and cash equivalents	11	$ 52,564	$ 17,377	$ 497
Loans receivable:	11, 17			
Parent and group companies		2,632,090	62,965	43,976
Other		100	145	143
Miscellaneous receivables:	11, 17			
Parent and group companies		3,861	3,348	2,205
Other		195	131	3,239
Lease receivable	11, 17, 18	48	46	44
Income tax receivable	13, 17	115,943	64,171	81,291
Payment for others	13	100,358	152,793	234,353
Other financial assets	11	36	160	33
Other current assets	17	6,754	1,256	1,706
Total current assets		2,911,949	302,392	367,487
NON-CURRENT ASSETS:				
Investments in affiliated companies	1, 3	3,241,011	3,199,812	3,206,088
Other investments	11	75,748	82,490	62,718
Noncurrent lease receivable	11, 17, 18	67	115	160
Property and equipment	5	10,571	11,465	8,836
Right-of-use assets	18	111,577	20,202	23,853
Intangible assets	6	757	811	1,116
Deferred tax assets	13	-	-	1,700
Other noncurrent financial assets	11	218	200	227
Other noncurrent assets		262	198	79
Total noncurrent assets		3,440,211	3,315,293	3,304,777
TOTAL ASSETS		$ 6,352,160	$ 3,617,685	$ 3,672,264

(Continued)

MITSUBISHI CORPORATION (AMERICAS)
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2022 AND 2021, AND
APRIL 1, 2020 (THE DATE OF TRANSITION TO IFRS)
(In thousands US dollars, except for share data)

		March 31		April 1,
LIABILITIES AND EQUITY	**Notes**	**2022**	**2021**	**2020**
CURRENT LIABILITIES:				
Current borrowings:	8, 11, 12, 17			
Parent and group companies		$ 2,060,000	$ 450,000	$ 700,000
Other		1,063,000	-	-
Miscellaneous payables and accrued expenses:	11, 17			
Parent and group companies		820	1,117	2,822
Other		8,679	4,295	3,579
Lease liabilities	12, 17, 18	2,806	5,189	4,762
Income tax payables	13, 17	23,477	85,925	147,852
Other financial liabilities	11	144	100	1
Other current liabilities		1,031	834	481
Total current liabilities		3,159,957	547,460	859,497
NON-CURRENT LIABILITIES:				
Noncurrent borrowings:	8, 11, 12, 17			
Parent and group companies		-	840,000	785,000
Other		783,944	-	-
Noncurrent lease liabilities	12, 17, 18	114,764	18,360	22,840
Deferred tax liabilities	13	8,219	816	-
Other noncurrent financial liabilities	11	-	-	578
Other noncurrent liabilities		122	179	236
Total noncurrent liabilities		907,049	859,355	808,654
Total liabilities		4,067,006	1,406,815	1,668,151
EQUITY:				
Stockholder’s Equity:				
Common stock without par value (authorized—200 shares issued and outstanding—16 shares)		1,941,562	1,941,562	1,941,562
Retained earnings		304,139	230,338	31,416
Accumulated other comprehensive income:				
Other investments designated as FVOCI	11, 16	39,453	38,970	31,135
Total accumulated other comprehensive income		39,453	38,970	31,135
Total stockholder’s equity		2,285,154	2,210,870	2,004,113
TOTAL LIABILITIES AND EQUITY		$ 6,352,160	$ 3,617,685	$ 3,672,264

See notes to the financial statements. (Concluded)

MITSUBISHI CORPORATION (AMERICAS)
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

STATEMENTS OF PROFIT AND LOSS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(In thousands US dollars)

	Notes	2022	2021
REVENUES	9, 17	$ 9,411	$ 11,091
GROSS PROFIT		9,411	11,091
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE	10, 14, 18	(58,196)	(51,278)
FINANCE INCOME (EXCLUDING DIVIDEND INCOME)	17, 18	1,298	493
DIVIDEND INCOME	11, 17	327,418	280,678
FINANCE COSTS	17, 18	(10,627)	(13,695)
GAIN ON INVESTMENTS	11	199	731
SUNDRY INCOME (NET OF LOSS OF $174 IN 2022 AND $82 IN 2021)	15	442	327
INCOME BEFORE INCOME TAX BENEFIT		269,945	228,347
INCOME TAX BENEFIT	13	7,901	1,991
NET INCOME		$ 277,846	$ 230,338

See notes to the financial statements.

MITSUBISHI CORPORATION (AMERICAS)
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(In thousands US dollars)

	Note	2022	2021
NET INCOME		$ 277,846	$ 230,338
OTHER COMPREHENSIVE INCOME—Net of tax	16		
Items that will not be reclassified to net income:			
Gains on other investments designated as FVOCI		26,776	7,835
Total other comprehensive income—net of tax		26,776	7,835
COMPREHENSIVE INCOME		$ 304,622	$ 238,173

See notes to the financial statements.

MITSUBISHI CORPORATION (AMERICAS)
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(In thousands US dollars)

	2022	2021
COMMON STOCK:		
Balances—beginning and end of year	$ 1,941,562	$ 1,941,562
RETAINED EARNINGS:		
Balances—beginning of year	230,338	31,416
Net income	277,846	230,338
Dividend	(230,338)	(31,416)
Transfer from other components of equity	26,293	-
Balances—end of year	304,139	230,338
ACCUMULATED OTHER COMPREHENSIVE INCOME:		
Balances—beginning of year	38,970	31,135
Gains on other investments designated as FVOCI—net of tax	26,776	7,835
Transfer to Retained earnings	(26,293)	-
Balances—end of year	39,453	38,970
TOTAL STOCKHOLDER’S EQUITY	$ 2,285,154	$ 2,210,870

See notes to the financial statements.

MITSUBISHI CORPORATION (AMERICAS)
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(In thousands US dollars)

	2022	**2021**
OPERATING ACTIVITIES:		
Net income	$ 277,846	$ 230,338
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,882	6,633
Gain on investments	(199)	(731)
Income taxes	(7,901)	(1,991)
Finance income (excluding dividend income)	(1,298)	(493)
Dividend income	(327,418)	(280,678)
Finance costs	10,627	13,695
Changes in operating assets and liabilities:		
Miscellaneous receivables	173	(1,289)
Other financial and non-financial assets	(5,453)	175
Other noncurrent financial and non-financial assets	(82)	(92)
Miscellaneous payables and accrued expenses	4,010	246
Other financial and non-financial liabilities	241	452
Other noncurrent financial and non-financial liabilities	(57)	(635)
	(40,629)	(34,370)
Cash generated from operating activities:		
Interest received	769	528
Interest paid	(8,301)	(15,309)
Income tax received	59,077	65,836
Income tax paid	(112,675)	(26,658)
Dividends received	327,247	283,891
Net cash provided by operating activities	225,488	273,918

(Continued)

MITSUBISHI CORPORATION (AMERICAS)
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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(In thousands US dollars)

	2022	2021
INVESTING ACTIVITIES:		
Proceeds from disposal of affiliated companies	$ -	$ 7,026
Proceeds from sales of other investments	-	434
Purchases of other investments	(332)	(10,307)
Proceeds from sales of property and equipment	-	73
Purchases of property and equipment	(851)	(3,687)
Purchases of intangible assets	(378)	(108)
Increase in loans receivable to Parent and group companies	(2,119,125)	(18,989)
Net cash used in investing activities	(2,120,686)	(25,558)
FINANCING ACTIVITIES:		
Proceeds from issuance of current borrowings	2,673,000	400,000
Repayment of current borrowings	-	(650,000)
Proceeds from issuance of noncurrent borrowings	333,938	515,000
Repayment of noncurrent borrowings	(840,000)	(460,000)
Repayment of lease liabilities	(6,215)	(5,064)
Payment of dividends	(230,338)	(31,416)
Net cash provided by (used in) financing activities	1,930,385	(231,480)
NET CHANGE IN CASH AND CASH EQUIVALENTS	35,187	16,880
CASH AND CASH EQUIVALENTS—Beginning of year	17,377	497
CASH AND CASH EQUIVALENTS—End of year	$ 52,564	$ 17,377
NON-CASH ITEMS IN INVESTING AND FINANCING ACTIVITIES:		
Transfer from other investments to affiliated companies	$ 41,311	$ -
Increase in loans receivable in exchange for noncurrent borrowings assigned from the group company (Note 8)	$ 450,000	$ -

See notes to the financial statements. (Concluded)

1. GENERAL INFORMATION

Mitsubishi Corporation (Americas) (the "Company" or MCA) is incorporated in the United States. It is a wholly-owned subsidiary of Mitsubishi Corporation (MC), Tokyo, Japan (the "Parent"). The Parent is the ultimate controlling party. The address of its registered office and principal place of business is 151 West 42nd Street, New York. On August 1, 2022, MCA's office has relocated from 655 Third Avenue, New York to 151 West 42nd Street, New York.

MC has had a presence in the United States since 1954, when Mitsubishi International Corporation (MIC) was incorporated as a wholly-owned subsidiary of MC. In 2012, MCA was established as the US holding company for MIC and other MC Group companies in North America. MCA is a global integrated business enterprise with 10 business groups that operate across virtually every industry. These include natural gas, industrial materials, petroleum & chemicals, mineral resources, industrial infrastructure, automotive & mobility, food industry, consumer industry, power solution and urban development. Through its various business groups and subsidiaries, MCA engages in strategic investment and global trading of industrial and consumer products. MCA manages investments, provides funds to MC group companies in North America in need of cash by funding via borrowings from third-party financial institutions, and provides services to MC group companies in North America.

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to the Parent through dividends. The Company's overall strategy remains unchanged over the reported years. The capital structure of the Company consists of net debt (borrowings as detailed in Note 8 offset by cash and cash equivalents) and equity of the Company (comprising issued capital and retained earnings).

On March 11, 2020, the World Health Organization declared the recent novel coronavirus disease ("COVID-19") outbreak a pandemic. In response to the outbreak many states have implemented measures to combat the outbreak, such as travel restrictions and shelter in place orders. Although there were many waves due to the various variants of the virus, the situation in the U.S. has improved as the vaccination has become widespread. States have lifted most restrictions and the pandemic has been getting under control. The extent to which COVID-19 will continue to impact the Company's results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning various variants of the virus and the actions to contain or treat its impact, among others.

2. BASIS OF PREPARATION

2.1 Compliance with International Financial Reporting Standards and matters concerning its First-Time Adoption—These financial statements have been prepared on an accrual basis in accordance with the International Financial Reporting Standards, International Accounting Standards (IAS), and IFRIC Interpretations (collectively IFRS) as issued by the International Accounting Standards Board (IASB).

The Company adopted IFRS with a transition date of April 1, 2020, and have applied IFRS 1, *First-Time Adoption of International Financial Reporting Standards*. For all periods up to and including March 31, 2021, the Company only prepared financial information for MC consolidation purpose in accordance with IFRS accounting standards and MC accounting policies (the "Financial Information"). The reason why IFRS 1 is applicable is because the Financial Information does not contain an explicit and unreserved statement that it complied with IFRS accounting standards and is prepared without a complete set of financial statements as defined in IAS 1.

2.2 Basis of Measurement—The financial statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at their fair values at the end of each reporting period, as stated in Note 3, "Significant accounting policies."

2.3 Significant Accounting Judgments, Estimates, and Assumptions—In preparing the financial statements, management is required to make judgments, estimates, and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual and next financial year results may differ materially from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods that are affected.

Significant judgment and estimates are required in the determination of the deferred tax assets (Note 13) and fair value measurement of financial instruments (Note 11).

2.4 Functional Currency and Presentation Currency—Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in thousands of US dollars unless otherwise stated, which is the Company's presentational currency.

2.5 Standalone Financial Statements—Based on IFRS 10 *Consolidated Financial Statements*, MCA does not prepare consolidated financial statements and prepares standalone financial statements in accordance with IAS 27 *Separate Financial Statements* since the Parent prepares consolidated financial statements in accordance with IFRS.

2.6 Exemption Applied—IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirement under IFRS. The Company has applied the following exemption.

Property and equipment and investments were carried at cost in the Financial Information. The Company has elected the deemed cost exemption and used these values as the basis for subsequent depreciation and impairment tests.

The carrying amount of assets and liabilities were measured by applying IFRS 1 based on the Company's date of transition to IFRS.

2.7 Reconciliation to IFRS—By applying the exemptions, there were no adjustments from the Financial Information as of April 1, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Subsidiaries and Affiliated Companies—In accordance with IAS27 10 (a), the Company accounts for investments in subsidiaries, joint ventures and associates at cost. An affiliated company is an entity which is not controlled by the Company but for which the Company is able to exert significant influence over the decisions on financial and operating or business policies. If the Company has 20% but no more than 50% of the voting rights of another entity, the Company is presumed to have significant influence over the entity. However, some of the entities in which the Company holds less than 20% has been classified as affiliated companies due to significant influence achieved by combined interests held by MC or other affiliates.

Significant investments held by the Company at March 31, 2022, March 31, 2021, and the Date of Transition consisted of the following:

Name of investees	Principal place of business	Ownership Interest (%) 2022	2021	Date of transition
Mitsubishi International Corporation	U.S.A.	100	100	100
Diamond Generating Corporation	U.S.A.	100	100	100
Diamond Gas North America Corporation	U.S.A.	100	100	100
Diamond Realty Investments, Inc.	U.S.A.	100	100	100

The changes in the investments in subsidiaries and associates for the years ended March 31, 2022 and 2021 consisted of the following:

	Investment in subsidiaries	Investment in associates	Total
Balances—April 1, 2020	$ 3,186,584	$ 19,504	$ 3,206,088
Disposal	(5,667)	-	(5,667)
Impairment	-	(609)	(609)
Balances—March 31, 2021	$ 3,180,917	$ 18,895	$ 3,199,812
Impairment	-	(112)	(112)
Transfer from Other investments	-	41,311	41,311
Balances—March 31, 2022	$ 3,180,917	$ 60,094	$ 3,241,011

3.2 Foreign Currency Translations and Transactions—Items in the financial statements denominated in foreign currencies are recorded at the exchange rate in effect at the transaction date, and monetary items are retranslated at the exchange rate as at the fiscal year end. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses from foreign currency transactions, such as those resulting from the settlement of foreign receivables or payables during the period, are recognized in "Sundry Income—net" in the statements of profit and loss in such period. The difference arising from the retranslation of monetary items is recognized in "Sundry Income—net" in the statements of profit and loss.

3.3 Financial Instruments—The Company applies IFRS 9, *Financial Instruments* (revised in July 2014), to the accounting treatment of financial instruments.

i) Nonderivative Financial Assets—The Company recognizes all financial assets at the transaction date on which the Company became a party to the contract concerning such financial instruments.

The Company recognizes financial assets at its fair value. Financial assets not recorded at fair value through profit or loss, also includes transaction costs that are directly attributable to the acquisition of the financial assets. After initial recognition, financial assets are measured either at amortized cost or at fair value. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

Nonderivative financial assets are classified and measured as follows:

Financial Assets Measured at Amortized Cost—Financial assets are measured at amortized cost using the effective interest method if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate is the rate that discounts estimated future cash receipts (including all fees paid or received, transaction costs, and other premium/discounts) through the expected life of financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial Assets Measured at Fair Value through Other Comprehensive Income ("FVOCI")—A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at FVOCI;

Other Financial Assets Measured at Fair Value—Financial assets other than those measured at amortized cost or at fair value through other comprehensive income are measured at fair value, and changes in their fair value are recognized as profit or loss ("FVPL"). However, the Company elects to designate some equity instruments as changes in their fair value are recognized as other comprehensive income if the investments are not held for trading. A financial asset is classified as held for trading if:

(a) It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or

(b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or

(c) It is a derivative (except for derivatives that are financial guarantee contracts or designated and effective hedging instruments).

Changes in the fair value of equity instruments measured at FVOCI are directly transferred from other comprehensive income to retained earnings in the event of derecognition of such assets, and are not recognized in net profit or loss. Dividend income from equity instruments measured at FVOCI is recognized in "Dividend Income" in the statements of profit and loss at the time when the right to receive payment of the dividend is established.

ii) ***Derecognition of Financial Assets***—The Company derecognizes financial assets when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and substantially all the risks and rewards of ownership are transferred.

iii) ***Cash and Cash Equivalents***—Cash and cash equivalents are short-term (original maturities of three months or less), highly liquid investments, including certificate of deposit that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

iv) ***Nonderivative Financial Liabilities***—The Company initially recognizes debt securities issued by the Company on the issue date. All other financial liabilities are recognized on the transaction date on which the Company becomes a party to the contract concerning the financial instruments.

The Company derecognizes financial liabilities when the obligation specified in the contract is discharged or cancelled or expires.

Financial liabilities are initially recognized at fair value, net of direct transaction costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash payments (including all fees paid, transaction costs, and other premium/discounts) through the expected life of the financial liability, or a shorter period (where appropriate) to the net carrying amount on initial recognition.

v) ***Equity—Comprehensive Income***—In accordance with IASB International Accounting Standards (IAS) 1, *Presentation of Financial Statements*, the

Company has included amounts for comprehensive income (which consists of net profit or loss and other comprehensive income) in the statements of changes in equity and the statements of comprehensive income. Other comprehensive income consists of all changes to stockholder's equity other than those resulting from net profit or loss and shareholder transactions. For the Company, other comprehensive income consist of income on other investments designated as FVOCI, on a net of tax basis, where applicable. Accumulated other comprehensive income, which is primarily the cumulative amount of other comprehensive income, is a separate component of total stockholder's equity.

vi) Derivative Instruments—The Company recognizes all derivative instruments as assets or liabilities at fair value as at the date on which they become party to the relevant agreements. Subsequent to initial recognition, derivative instruments are measured at fair value.

The Company uses derivative instruments to manage exposures to foreign currency.

In addition, the Company has foreign exchange forward contracts that have been entered into principally to manage exposure to transaction and translation risk associated with certain assets, obligations and commitments denominated in foreign currencies. Such contracts have not been designated as fair value hedges for accounting purposes and are marked to market with changes in fair value recognized in "Sundry Income—net" in the statements of profit and loss.

vii) Offsetting of Financial Assets and Liabilities—If the Company currently has a legally enforceable right to offset the recognized amount of financial assets against the recognized amount of financial liabilities and has the intention either to settle on a net basis or to realize assets and settle liabilities simultaneously, the Company offsets financial assets against financial liabilities and presents the net amount in the statements of financial position.

viii) Impairment—The Company has applied IFRS 9 (revised in July 2014), *Financial Instruments*. The Company recognizes loss allowances for Expected Credit Losses (ECL) on the financial instruments that are measured at amortized cost and debt instruments that are measured at FVOCI.

ECL is a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate (EIR).

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL, except for trade receivables. The Company measures ECL for all trade receivables at lifetime ECL.

The Company measures ECL for financial instruments using a provision matrix, except when a financial instrument is in default. When a financial instrument is in default, the Company measures ECL using present value of the difference between the cash flows due to the Company under the contract and the expected (probability-weighted) cash flows due to the Company.

When ECL is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics,

such as:

- instrument type;
- credit risk ratings;
- remaining term to maturity

Credit-impaired financial assets—A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether financial assets are credit-impaired at each reporting date.

A financial instrument is considered credit impaired if the counterparty has not yet legally bankrupted but has negative equity and there is no possibility of recovery.

Definition of default—The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is measured based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECL and the identification of a significant increase in credit risk.

The Company considers an event of default to be the same with credit-impaired as it is consistent with the Company's credit risk management policy. IFRS 9 includes a rebuttable presumption that a financial asset has defaulted when contractual payments are more than 90 days past due.

Significant increase in credit risk—The Company monitors all financial instruments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and the Company expert's credit assessment.

The Company maintains an internal credit rating system using "G", "N" and "W" to present increasing level of credit risks with "G" representing lowest credit risk and "W" representing highest credit risk. Various factors are evaluated when assessing the internal credit rating of a counterparty including past due status of the related financial assets. IFRS 9 included a presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

An entity may assume that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. To determine whether a financial instrument has low credit risk, the Company uses internal credit rating. Better internal credit rating lowers the credit risk.

The Company's accounting policy is to use the practical expedient and measures lifetime ECL for all trade receivables without significant financing component using a provision matrix. As a result, there is no distinction between Stage 1 and Stage 2 of the impairment model for trade receivables. Most, if not all, of the loans are granted to Group companies and they are covered by letter of guarantee from MC, as such, they are subject to limited risk of default.

Incorporation of forward-looking information—The Company uses forward-looking information that is available without undue cost or effort in determining whether credit risk of a financial instrument has increased significantly since initial recognition. The Company incorporates external and internal forward looking information including economic data and forecasts published by governmental bodies and monetary authorities to its internal credit ratings.

Measurement of ECL—The key inputs used for measuring ECL are:

- probability of default (PD);

- loss given default (LGD);

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the likelihood of default occurring over a given time horizon. It is estimated as at a point in time. The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is calculated based on market data as well as past experience of the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from any collateral or other credit enhancement.

The Company measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice.

Write-off—If the Company believes that there is no reasonable expectations of recovering a financial asset, the gross carrying amount of the financial asset shall be directly written-off (i.e. derecognition) at an amount equal to credit loss, and reverse the loss allowance at an amount of the credit loss or the balance of the loss allowance before reversal, whichever is smaller, and offset the loss from write-off with reversal gains. Furthermore, loss allowance shall be recalculated based on the expected credit loss on the gross carrying amount of the financial asset after the write-off.

Modification of financial assets—A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing receivable would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached). If the contractual cash flows on a financial asset have been renegotiated or modified and the financial asset was not derecognized, the Company assesses at the reporting date whether there has been a significant increase in the credit risk of the financial asset.

Loans receivable and miscellaneous receivables in the statements of financial position are reported net of loss allowances.

3.4 Property and Equipment

Recognition and Measurement—Property and equipment are recorded at cost, net of accumulated depreciation.

Cost includes the expenses directly attributable to the acquisition of the assets, the costs of dismantling and removing the items and restoring the site on which they are located. If the useful life of property and equipment varies from component to component, each component is recognized as a separate item of property and equipment.

Depreciation—Depreciation is calculated based on the depreciable amount. The depreciable amount is calculated by deducting the residual value from the cost of the asset or the amount equivalent to the cost. Depreciation is determined principally on a straight-line basis over the estimated useful lives of the property. Leasehold improvements are amortized on the straight-line basis over the estimated useful life of the property or the life of the lease, whichever is shorter.

The useful lives used in computing depreciation are based on the Company's estimate of the service life of the classes of property are as follows:

	Years
Leasehold improvements	1–11
Buildings and structures	30
Machinery and equipment	5–10
Furniture, fixtures, and vehicles	1–10

The above depreciation method was adopted as it most closely reflects the pattern in which the asset's future economic benefits are expected to be consumed. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Maintenance and repair costs are expensed as incurred.

Derecognition—The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property and equipment is included in "Sundry Income—net" in the statements of profit and loss when the item is derecognized.

3.5 Intangible Assets—The Company capitalizes purchased software as intangible assets. Intangible assets are amortized on the straight-line basis over the estimated useful life. The useful life used in computing amortization is based on the Company's estimate of the service life of the classes of intangible assets as follows:

	Years
Capitalized software costs	5

3.6 Leases—IFRS 16 introduced under lessee accounting new requirements on the recognition and measurement of all leases and provided exemptions for short-term leases and leases for which the underlying asset is of low value. The Company has elected, a practical expedient under IFRS 16, not to reassess whether existing contracts contain leases at the date of initial application and apply this standard to existing contracts that were identified as containing a lease applying IAS 17 and IFRIC 4, *Determining whether an Arrangement contains a Lease*. In addition, the Company elected not to apply recognition and measurement requirements to leases for which the lease term ends within 12 months of the date of initial application. Under the new requirements as a lessee, the Company has recognized right-of-use assets and lease liabilities for all leases except when the Company elected to apply practical expedient for short-term leases (defined as leases with a lease term of 12 months or less) and leases for which the underlying asset is of low value.

Company as a Lessor—The Company acts as a sub-lessor in certain leasing transactions with related parties, which are classified as finance leases. Amounts due from lessees under finance leases are recognized as "Lease receivable" and "Noncurrent lease receivable" in the statements of financial position at the amount of net investment in the leases, and unearned income is allocated over the lease term at a constant periodic rate of return on the net investments and recognized in the fiscal year to which it is attributed.

Company as a Lessee—The Company recognizes "Right-of-use assets", "Lease liabilities" and "Noncurrent lease liabilities" in the statements of financial position for all leases as a lessee except short-term leases and leases for which the underlying asset is of low value.

3.7 Impairment of Nonfinancial Assets—If there are any events or changes in circumstances indicating that the carrying amount of the Company's nonfinancial assets and deferred tax assets may not be recoverable, the recoverable amount of such assets are estimated by assuming that there are indications of impairment.

Assessment for impairment is performed with respect to each asset, cash-generating unit, or group of cash-generating units at the end of each reporting period. If the carrying amount of the asset, cash-generating unit, or group of cash-generating units exceeds its recoverable amount, an impairment loss is recognized in net profit or loss.

The recoverable amount of the asset, cash-generating unit, or group of cash-generating units is the higher of the value in use or the fair value, less costs to sell. Value in use is calculated by discounting the estimated future cash flows to the present value using the pretax discount rate reflecting the risks specific to the asset or the cash-generating unit. In cases where cash flows are generated by multiple assets, the smallest unit that generates cash flows more or less independently from cash flows of other assets or group of assets is referred to as a cash-generating unit.

An impairment recognized in the past is reversed if there are indications of reversal of impairment and changes in the estimates used to determine the asset's recoverable amount. Reversal of impairment loss is recognized up to the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.8 Provisions—Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations, and is discounted when the time value of money is material.

3.9 Revenue—The Company has applied IFRS 15, *Revenue from Contracts with Customers*, which has introduced a 5-step approach to revenue recognition.

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company generates revenue from providing services to related parties and third parties. The services include collecting information, and consultation services. MCA receives fees for those services based on a time and material basis.

Refer to note 9 for a breakdown of Revenues.

3.10 Income Taxes—Income tax expenses consist of current and deferred taxes. They are recognized in net profit or loss, excluding items recognized directly in other comprehensive income.

Deferred taxes are recognized for temporary differences between the financial statement and income tax bases of assets and liabilities.

From a federal tax return perspective, the Company is the parent of the federal consolidated tax filings. Refer to note 13 for further details.

For taxable temporary differences concerning investments to subsidiaries and affiliated companies deferred tax liabilities are recognized. However, deferred tax liabilities are not recognized in cases where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences concerning investments to subsidiaries and affiliated companies are recognized only to the extent that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized only with respect to unused tax losses, unused tax credits, and deductible temporary differences where it is probable to reduce future taxable income. The recoverability of deferred tax assets is reviewed at the end of each period and the Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

3.11 Fair Value Measurements—Certain assets and liabilities are required to be recognized at fair value. The estimated fair values of those assets and liabilities have been determined using market information, such as quoted market price and valuation methodologies, such as market approach, income approach, and cost approach. There are three levels of inputs that may be used to measure fair value.

(i) Level 1—Quoted prices (unadjusted) in active markets in which transactions take place with sufficient frequency and volume on an ongoing basis for identical assets or liabilities that the Company can access at the measurement date.

(ii) Level 2—Quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

(iii) Level 3—Unobservable inputs for the assets or liabilities which reflect the assumptions that market participants would use when pricing the assets or liabilities. The Company develops unobservable inputs using the best information available in the circumstances, which might include the Company's own data.

4. NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The Company is currently assessing the possible impacts of the application of the following new and revised major IFRSs that have been issued, but are not yet effective:

Standards and Interpretations	Title	Application (Fiscal Year of Commencement Thereafter)	Application by the Company (The reporting period ending)
IFRS 17	Insurance contracts	January 1, 2023	March 31, 2024
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023	March 31, 2024

IFRS 17, *Insurance Contracts*

In May 2017, the IASB issued IFRS 17, *Insurance Contracts*, which establishes principles for the recognition, measurement, presentation and disclosure for insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 is effective for periods beginning on or after January 1, 2023. Early adoption is permitted. The Company is currently assessing the potential impacts, if any, the adoption of this guidance may have on the financial statements.

IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

In May 2021, the IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* which provides targeted amendments to IAS 12, *Income* Taxes. Under IAS 12, deferred tax liabilities do not have to be recognized for taxable temporary differences arising from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of transaction, affects neither accounting profit nor taxable profit (tax loss). Also under IAS 12, deferred tax assets do not have to be recognized for deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither accounting profit nor taxable profit (tax loss). *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrows the recognition exemption so that it no longer applies to transactions that give rise to equal taxable and deductible temporary tax differences. The amendments are effective for periods beginning on or after January 1, 2023. Early adoption is permitted. The Company is currently assessing the potential impacts, if any, the adoption of this guidance may have on the financial statements.

5. PROPERTY AND EQUIPMENT

The following is a breakdown of the changes in gross carrying amount and accumulated depreciation of property and equipment for the years ended March 31, 2022 and 2021.

Cost	Land	Building and Structures	Machinery and Equipment	Furniture Fixtures and Vehicles	Total
Balances—April 1, 2020	$ 1,749	$ 11,464	$ 469	$ 4,880	$ 18,562
Additions	-	3,629	14	600	4,243
Sales	-	-	-	(47)	(47)
Retirement	-	(40)	-	(187)	(227)
Balances—March 31, 2021	1,749	15,053	483	5,246	22,531
Additions	-	96	21	353	470
Retirement	-	-	-	(97)	(97)
Other changes	-	(71)	-	71	-
Balances—March 31, 2022	$ 1,749	$ 15,078	$ 504	$ 5,573	$ 22,904

Accumulated Depreciation	Land	Building and Structures	Machinery and Equipment	Furniture Fixtures and Vehicles	Total
Balances—April 1, 2020	$ -	$ (5,676)	$ (438)	$ (3,612)	$ (9,726)
Depreciation expense	-	(1,054)	(12)	(507)	(1,573)
Sales	-	-	-	40	40
Retirement	-	34	-	159	193
Balances—March 31, 2021	-	(6,696)	(450)	(3,920)	(11,066)
Depreciation expense	-	(922)	(16)	(512)	(1,450)
Retirement	-	-	-	86	86
Other changes	-	99	-	(2)	97
Balances—March 31, 2022	$ -	$ (7,519)	$ (466)	$ (4,348)	$ (12,333)
Net book value:					
As of April 1, 2020	$ 1,749	$ 5,788	$ 31	$ 1,268	$ 8,836
As of March 31, 2021	$ 1,749	$ 8,357	$ 33	$ 1,326	$ 11,465
As of March 31, 2022	$ 1,749	$ 7,559	$ 38	$ 1,225	$ 10,571

6. INTANGIBLE ASSETS

The following is a breakdown of the changes in gross carrying amount and accumulated amortization of intangible assets for the years ended March 31, 2022 and 2021, and at the date of transition.

Cost	2022	2021	Date of Transition
Balances—beginning of year	$ 1,918	$ 1,847	
Additions	378	108	
Retirement	-	(37)	
Balances—end of year	$ 2,296	$ 1,918	

Accumulated Amortization	2022	2021	Date of Transition
Balances—beginning of year	$ (1,107)	$ (731)	
Amortization expense	(432)	(389)	
Retirement	-	13	
Balances—end of year	$ (1,539)	$ (1,107)	
Net book value	$ 757	$ 811	$ 1,116

7. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In the normal course of business, the Company is exposed to market risk from changes in foreign exchange rates. To manage the exposure to those risks, the Company generally identifies its net exposure and utilizes transactions which can mitigate market risks. Additionally, the Company enters into derivative transactions pursuant to the Company's risk management policies in response to counterparty exposure and to hedge specific risks. The types of derivatives used by the Company are foreign exchange forward contracts.

8. BORROWINGS

Borrowings (current liabilities) as of March 31, 2022 and 2021, and at the date of transition, consisted of the following:

	2022	2021	Date of Transition
Loans from Parent and group companies	$ 2,060,000	$ 450,000	$ 700,000
Loans from financial institutions	150,000	-	-
Commercial paper	913,000	-	-
Total short-term borrowings	$ 3,123,000	$ 450,000	$ 700,000

The following interest rates on current borrowings represent weighted-average rates on outstanding balances as of March 31, 2022 and 2021, and at the date of transition.

	Interest Rate		
	2022	2021	Date of Transition
Loans from Parent and group companies	0.5 %	0.2 %	1.1 %
Loans from financial institutions	1.1	-	-
Commercial paper	0.4	-	-

As of March 31, 2022 and 2021, and at the date of transition, noncurrent borrowings bore interest at floating rates. Borrowings (noncurrent liabilities) as of March 31, 2022 and 2021, and at the date of transition, is composed of the following:

	2022	2021	Date of Transition
Parent and group companies—maturing through 2025—at floating rate, 0.93% as of March 31, 2021, and maturing through 2021—at floating rates, 1.76% to 2.24% at the date of transition	$ -	$ 840,000	$ 785,000
Financial institutions—maturing through 2028—at floating rates, principally 0.68% to 1.84% as of March 31, 2022	783,944	-	-
Total noncurrent borrowings	$ 783,944	$ 840,000	$ 785,000

The Company has certain debt covenants which have been complied with as of March 31, 2022.

Effective February 1, 2022, the Company entered into a committed revolving credit facility agreement with MIC (the "Agreement") to have a back-up facility of its funding in the amount of 1 Billion US Dollars, of which 200 Million US Dollars shall be dedicated and specifically available to the Company on a same day basis. The term of the agreement is from February 1, 2022 to September 30, 2022. There was no amount outstanding as of March 31, 2022. MIC is a party to the joint revolving credit agreement (the "Global Facility Agreement") whose termination date is September 30, 2022 together with the Parent in the amount of 1 Billion US Dollars, of which 200 Million US Dollars shall be dedicated and specifically available to the Company on a same day basis. All the terms and conditions of the Agreement have the same meaning and definition as those of the Global Facility Agreement unless otherwise agreed between MIC and the Company. All the terms and conditions of the Global Facility Agreement shall be incorporated into the Agreement, as if "Lender" means MIC and "Borrower" means the Company.

The Company and the Parent entered into a Private Placement Memorandum dated December 15, 2021, which is governed by the laws of the State of New York. The Parent (the "Guarantor") guarantees payment in full, as and when the same becomes due and payable, of the principal of and interest, if any, on the short-term unsecured notes of U.S. commercial paper (the "Notes") issued by the Company. In the event of a default in payment of principal of or interest on any Notes, the holders of such Notes, may institute legal proceedings directly against the Guarantor to enforce this guarantee without first proceeding against the Company.

Changes in liabilities arising from financing activities

	April 1, 2020	Cash Flows	Non-Cash changes	March 31, 2021
Current borrowings:				
Parent and group companies	$ 700,000	$ (250,000)	$ -	$ 450,000
Lease liabilities	4,762	(5,064)	5,491	5,189
Noncurrent borrowings:				
Parent and group companies	785,000	55,000	-	840,000
Noncurrent lease liabilities	22,840	-	(4,480)	18,360

	April 1, 2021	Cash Flows	Non-Cash changes	March 31, 2022
Current borrowings:				
Parent and group companies	$ 450,000	$ 1,610,000	$ -	$ 2,060,000
Financial institutions	-	150,000	-	150,000
Commercial Paper	-	913,000	-	913,000
Lease liabilities	5,189	(6,215)	3,832	2,806
Noncurrent borrowings:				
Parent and group companies	840,000	(840,000)	-	-
Financial institutions	-	333,938	450,006	783,944
Noncurrent lease liabilities	18,360	-	96,404	114,764

The majority of non-cash changes in "Noncurrent borrowings: Financial institutions" is related to assignment and transfer of borrowings from MIC. During the year ended March 31, 2022, the loans from financial institutions which were held by MIC were transferred to MCA based on the financing strategy of MCA and MIC. A portion of the transfer was done as a non-cash transaction, where MIC transferred the borrowings from a financial institution to MCA and instead recognized borrowings from MCA. MCA recognized a loan to MIC and borrowings from a financial institution. Other borrowings from financial institutions were paid back prior to maturity by MIC and MCA entered into new loan agreements with financial institutions.

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers for the years ended March 31, 2022 and 2021 are as follows.

Type of Contracts	Providing services	2022	2021
Contracts with Customers within the scope of IFRS 15	Providing services	$ 9,411	$ 11,091

Most performance obligations from contracts with customers have original expected duration of one year or less. The Company has applied a practical expedient under IFRS 15.121 and remaining performance obligation is not disclosed.

10. EMPLOYEE BENEFITS

Defined Contribution Plan—The Company has a defined contribution plan. The expense related to the defined contribution plan was $954 and $775 for the years ended March 31, 2022 and 2021, respectively, and recognized in "Selling, general, and administrative expense" in the statements of profit and loss.

11. FAIR VALUE MEASUREMENTS

The following table presents the Company's fair value hierarchy for assets measured at fair value on a recurring basis as of March 31, 2022 and 2021 and at the date of transition.

March 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at FVPL	$ -	$ -	$19,097	$ 19,097
Financial assets measured at FVOCI	-	-	56,651	56,651
Other noncurrent financial assets	-	-	200	200
Total	$ -	$ -	$75,948	$ 75,948

March 31, 2021	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at FVPL	$ -	$ -	$18,501	$ 18,501
Financial assets measured at FVOCI	-	-	63,989	63,989
Other noncurrent financial assets	-	-	200	200
Total	$ -	$ -	$82,690	$ 82,690

Date of Transition	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at FVPL	$ -	$ -	$ 8,670	$ 8,670
Financial assets measured at FVOCI	-	-	54,048	54,048
Other noncurrent financial assets	-	-	200	200
Total	$ -	$ -	$62,918	$ 62,918

Assets are classified in their entirety based on the lowest level of input that is a significant component of the fair value measurement. There were no transfers between different levels during the years presented.

The following table presents the changes in Level 3 assets that are measured at fair value on a recurring basis for the years ended March 31, 2022 and 2021.

Year Ended March 31, 2022	Balance—Beginning of Year	Realized and Unrealized Included in Earnings	Realized and Unrealized Included in OCI	Increase Due to Purchases and Other	Decrease Due to Sales and Other	Balance—End of Year	Net Change in Unrealized Gains Still Held at End of Year
Financial assets measured at FVPL	$ 18,501	$ 311	$ -	$ 285	$ -	$ 19,097	$ 311
Financial assets measured at FVOCI	63,989	-	33,894	47	(41,279)	56,651	26,512
Other noncurrent financial assets - measured at FVPL	200	-	-	-	-	200	-
Total	$ 82,690	$ 311	$ 33,894	$ 332	$(41,279)	$ 75,948	$ 26,823

Year Ended March 31, 2021	Balance—Beginning of Year	Realized and Unrealized Included in Earnings	Realized and Unrealized Included in OCI	Increase Due to Purchases and Other	Decrease Due to Sales and Other	Balance—End of Year	Net Change in Unrealized Gains (Losses) Still Held at End of Year
Financial assets measured at FVPL	$ 8,670	$ (20)	$ -	$ 10,285	$ (434)	$ 18,501	$ (454)
Financial assets measured at FVOCI	54,048	-	9,918	23	-	63,989	9,918
Other noncurrent financial assets - measured at FVPL	200	-	-	-	-	200	-
Total	$ 62,918	$ (20)	$ 9,918	$ 10,308	$ (434)	$ 82,690	$ 9,464

(Loss) gain on other investments included in net income is recognized in "Gain on investments" in the statements of profit and loss. The net gains or net losses on items at fair value through profit or loss include dividend income. The amount recognized as other comprehensive income for other investments measured at FVOCI is included in "Gains on other investments designated as FVOCI" in the statements of comprehensive income.

The following table represents the amounts recorded for the years ended March 31, 2022 and 2021:

	2022	2021
(Losses) gains on investments:		
Financial assets measured at FVPL	$ 311	$ (20)
Impairment losses of investments	(112)	(626)
Gains from sales of investments	-	1,377
Total gains on investments	$ 199	$ 731

Financial assets measured at FVPL or FVOCI—Financial assets classified in Level 3 are non-marketable equity securities primarily valued by net asset value per share of investees. The fair values of other investments classified in Level 3 are processed by personnel in the accounting department of the Company, with information on the net asset value per share of the investees, information on the future cash flows of the investees, or independent third party appraisals, depending on the accessibility to the information.

The carrying amount of cash and cash equivalents approximates fair value.

The estimated fair values of the Company's financial instruments measured at amortized cost are summarized as follows:

The carrying amounts of current loans receivable, miscellaneous receivables, lease receivable, other financial assets, other noncurrent financial assets, noncurrent lease receivable, current borrowings (including commercial paper), miscellaneous payables, other financial liabilities, and other noncurrent financial liabilities approximate fair value.

For noncurrent borrowing, the fair values are based on current rates at which the Company could borrow funds with similar remaining maturities. The carrying value of long-term debt approximates fair value due to the variable rates of these liabilities. The carrying value of long-term receivables approximates fair value as the interest rates of these assets are based on current rates.

Other Investments—The following is a breakdown of the carrying amounts of other investments as of March 31, 2022 and 2021.

	2022	**2021**
FVPL	$ 19,097	$ 18,501
FVOCI	56,651	63,989
Total	$ 75,748	$ 82,490

The following is a breakdown of the fair values of other investments measured at FVOCI as of March 31, 2022 and 2021.

	2022	**2021**
Nonmarketable	$ 56,651	$ 63,989
Total	$ 56,651	$ 63,989

Nonmarketable securities consisted of the following:

Security Name	**2022**	**2021**
Diamond Plastics Corporation	$ 55,999	$ 29,487
Continental Conduits, Inc.	-	33,160
Prime Conduit, Inc.	-	750
Other	652	592
Total	$ 56,651	$ 63,989

The amount of dividend income from other investments measured at FVOCI held at March 31, 2022 and 2021 that are recognized for the years ended March 31, 2022 and 2021 are $9,393 and $5,924, respectively.

With respect to other investments measured at FVOCI that were transferred to investments in affiliated companies or disposed, the fair value at the time of transfer or disposal for the years ended March 31, 2022 and 2021 is as follows.

	2022	2021
Fair value at the time of transfer	$ 41,331	$ -

12. RISK MANAGEMENT RELATED TO FINANCIAL INSTRUMENTS

Interest Rate Risk Management—The Company's financing, investing and cash management activities are exposed to risks associated with changes in interest rates.

The Company had gross interest-bearing liabilities of $4,024,514 and $1,313,549 as of March 31, 2022 and 2021, respectively. 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 majority of these interest-bearing liabilities correspond to loan receivable and other operating assets that are positively affected by changes in interest rates. Because a rise in interest rates produces an increase in income from these assets, while there is a time lag, interest rate risk is mitigated. For the remaining interest-bearing liabilities exposed to interest rate risk without such offsets, commensurate asset holdings such as investments generate income streams, such as dividends, that are strongly correlated with economic cycles. Accordingly, even if interest rates increase through economic improvement, leading to higher interest expenses, the Company believes that these expenses would be offset by an increase in income from the corresponding asset holdings.

However, the Company's operating results may be negatively impacted temporarily if there is a rapid rise in interest rates because increased income from commensurate asset holdings would fail to offset the effects of a preceding increase in interest expenses.

Assuming that the interest rate increased/decreased by 1% as of March 31, 2022 and 2021, their impacts on net income and total equity would not be material.

Credit Risk Management—The Company has exposure to credit risk arising from extending credit terms to its counterparties in various transactions with them. In case of deterioration in the credit of or bankruptcy of counterparties, the risk exposure causes the Company credit losses. To manage the credit risk, the Company has maintained credit and transaction limits for each counterparty with an internal rating system. According to the internal rules corresponding to the internal ratings and the amount of credit, the Company also requires collateral or a guarantee depending on the credit profile of the counterparty.

In spite of the various engagements in various businesses and industries, the Company has assessed the nature and characteristics of the credit risk based on a single consistent method, and has managed its credit risk without classification corresponding to the business types or the industries of the counterparty. The Company has considered the counterparties' financial position could offer the relevant and sufficient information on the assessment of the Company's credit risk because the Company has estimated its credit risk has been insignificant relatively, compared to its market risk.

The majority of the Company's receivables are loans to MC group companies. As the Company receives guarantee from MC for such loans, credit risks are mitigated.

Liquidity Risk Management—The Company's basic policy concerning the procurement of funds to support business activities is to procure funds in a stable and cost-effective manner. For funding purposes, the Company selects and utilizes, as needed, both direct financing, such as commercial paper, and indirect financing, including bank loans. The Company seeks to use the most advantageous means, according to market conditions at the time. The Company has a strong reputation in capital markets and with regard to indirect financing, the Company maintains a good relationship with a broad range of financial institutions. This diversity allows the Company to procure funds on terms that are cost competitive.

The breakdown of financial liabilities by due date as of March 31, 2022 and 2021 are as follows:

March 31, 2022	**Due In 1 Year or Less**	**Due After 1 Year Through 5 Years**	**Due After 5 Years**	**Total**
Borrowings	$ 3,123,000	$ 684,394	$ 99,550	$ 3,906,944
Lease liabilities	2,806	17,776	96,988	117,570

March 31, 2021	**Due In 1 Year or Less**	**Due After 1 Year Through 5 Years**	**Due After 5 Years**	**Total**
Borrowings	$ 450,000	$ 840,000	$ -	$ 1,290,000
Lease liabilities	5,189	8,259	10,101	23,549

The Company is a party to a committed revolving credit facility agreement with MIC, as detailed in Note 8.

13. INCOME TAXES

The provision (benefit) for income taxes for the years ended March 31, 2022 and 2021 relating to continuing operations, consists of the following:

	2022	2021
Current:		
In respect of the current year	$ (7,487)	$ (697)
In respect of prior years	(695)	(1,727)
Total current	(8,182)	(2,424)
Deferred:		
In respect of the current year	(769)	(360)
In respect of prior years	1,050	793
Total deferred	281	433
Total tax benefit	$ (7,901)	$ (1,991)

The difference between the actual income tax expense and income tax expense computed by applying the US federal statutory rate to pretax income for the years ended March 31, 2022 and 2021, is explained as follows:

	2022	2021
US federal statutory rate	21.00 %	21.00 %
State taxes (net of Federal tax benefit)	0.01	0.01
Expenses not deductible for income tax purposes	0.06	0.06
Book and tax basis difference of investments in affiliates	0.01	(0.08)
Federal Tax True-up	0.11	(0.34)
Dividend Received Deduction	(24.12)	(25.42)
Others	-	3.90
Average effective tax rate	(2.93)%	(0.87)%

Deferred tax assets and liabilities as of March 31, 2022 and 2021, and at the date of transition, are as follows:

	2022	2021	Date of Transition
Deferred tax assets	$ 9,433	$ 9,774	$ 10,162
Deferred tax liabilities	(17,652)	(10,590)	(8,462)
Total net deferred tax assets (liabilities)	$ (8,219)	$ (816)	$ 1,700

The following table presents the changes in deferred tax for the years ended March 31, 2022 and 2021.

Year Ended March 31, 2022	**Balance—Beginning of Year**	**Recognized in Earnings**	**Recognized in OCI**	**Balance—End of Year**
Deferred tax in relation to:				
Accrued expenses	$ 2,954	$ (923)	$ -	$ 2,031
Depreciation and amortization	868	215	-	1,083
Investments	(5,275)	(64)	(7,122)	(12,461)
Other	637	491	-	1,128
Total	$ (816)	$ (281)	$ (7,122)	$ (8,219)

Year Ended March 31, 2021	**Balance—Beginning of Year**	**Recognized in Earnings**	**Recognized in OCI**	**Balance—End of Year**
Deferred tax in relation to:				
Accrued expenses	$ 3,968	$ (1,014)	$ -	$ 2,954
Depreciation and amortization	597	271	-	868
Investments	(3,499)	307	(2,083)	(5,275)
Other	634	3	-	637
Total	$ 1,700	$ (433)	$ (2,083)	$ (816)

As required by IAS 12, *Income Taxes*, the Company periodically evaluates the likelihood of the realization of deferred tax assets and reduces the carrying amount of these deferred tax assets to the extent that the Company believes a portion will not be realized. The Company considers many factors when assessing the likelihood of future realization of the deferred tax assets, including its recent cumulative earnings experience, expectations of future income, the carryforward periods available for tax reporting periods, and other relevant factors.

In assessing the realizability of the deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, the Company recognized deferred tax assets for deductible temporary differences, tax losses and tax credits where it is probable that future taxable profit will allow the deferred tax asset to be recovered. The underlying assumptions used in forecasting future taxable income require significant judgment and take into account the Company's recent performance.

Deferred tax assets have not been recognized for the Company's US state NOL carryforwards of $1,810 expiring in the periods beginning in 2033 as of March 31, 2022 and $2,083 as of March 31, 2021, respectively, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

The Company did not have any unrecognized tax benefits in the accompanying statements of financial position as of March 31, 2022 and 2021.

The Company files income tax returns in the some states, and Canada jurisdiction. The Company believes it is filing in all jurisdictions deemed necessary and appropriate.

From a federal tax return perspective, the Company is the parent of the federal consolidated tax filings. The initial group filing was for the fiscal year ended March 31, 2013. MCA pays federal income tax to the Internal Revenue Service (IRS) on behalf of the consolidated group. Per the federal tax allocation agreement, each subsidiary reimburses to, or receives a refund for a loss from, MCA for its allocated portion of the federal income tax liability, calculated on a pro forma basis that is adjusted by applicable tax credits with some exceptions. The difference between the amount MCA pays to the IRS and the amount MCA receives from subsidiaries is absorbed by MCA. The amount expected to be collected from the IRS on behalf of the consolidated group based on their deductible temporary differences, tax losses and tax credits is recognized as Payment for others in the statements of financial position.

The Company is subject to US federal income tax examinations, as the parent of the MCA consolidated tax filing, by tax authorities for the year ended March 31, 2019 and subsequent years.

The Company does not expect any significant changes to the estimated amount of unrecognized tax benefits through the next 12 months.

14. SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses are recorded according to their functions due to different economic activities and businesses of the Company. The nature of Selling, general and administrative expenses for the years ended March 31, 2022 and 2021, are as follows:

	2022	2021
Personnel expenses	$ (28,984)	$ (26,497)
Facilities expenses	(10,237)	(8,444)
Information and communication expenses	(7,632)	(6,262)
Transportation and entertainment expenses	(2,864)	(896)
Miscellaneous expenses	(8,479)	(9,179)
Total	$ (58,196)	$ (51,278)

The amount of depreciation and amortization expenses included in Facilities expenses and Information and communication expenses for the years ended March 31, 2022 and 2021, was $(8,882) and $(6,633), respectively.

15. SUNDRY INCOME—NET

Sundry income—net for the years ended March 31, 2022 and 2021, consisted of the following:

	2022	2021
Foreign exchange gain—net	$ 4	$ 14
Other—net	438	313
Total	$ 442	$ 327

16. ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of accumulated other comprehensive income for the years ended March 31, 2022 and 2021, are as follows:

2022	Before Tax	Tax	After Tax
Other investments designated as FVOCI:			
Balances—beginning of year	$ 49,329	$(10,359)	$ 38,970
Other comprehensive income	33,894	(7,118)	26,776
Transfer to retained earnings	(33,282)	6,989	(26,293)
Net current period other comprehensive income	612	(129)	483
Balances—end of year	$ 49,941	$(10,488)	$ 39,453

2021	Before Tax	Tax	After Tax
Other investments designated as FVOCI:			
Balances—beginning of year	$ 39,411	$ (8,276)	$ 31,135
Other comprehensive income	9,918	(2,083)	7,835
Net current period other comprehensive income	9,918	(2,083)	7,835
Balances—end of year	$ 49,329	$(10,359)	$ 38,970

17. TRANSACTIONS WITH RELATED PARTIES

Revenues from the Parent and group companies for the years ended March 31, 2022 and 2021 were $8,832 and $10,558, respectively.

The Company received finance income from the group companies. For the years ended March 31, 2022 and 2021, finance income (excluding dividend income) from the group companies was $1,233 and $83, dividend income from the group companies was $317,995 and $274,683, respectively.

The Company paid a significant portion of finance costs to the Parent and group companies. For the years ended March 31, 2022, and 2021, finance costs to the Parent and group companies were $8,435 and $13,163, respectively.

Assets and liabilities of the Company with the Parent and group companies are as follows:

	March 31, 2022	March 31, 2021	Date of Transition
Assets:			
Miscellaneous receivables—Parent and group companies	$ 3,861	$ 3,348	$ 2,205
Loans receivables—Parent and group companies	2,632,090	62,965	43,976
Lease receivable	115	161	204
Income tax receivable	90,941	57,170	52,738
Other current assets	173	68	30
Liabilities:			
Miscellaneous payables—Parent and group companies	820	1,117	2,822
Borrowings—Parent and group companies	2,060,000	1,290,000	1,485,000
Income tax payables	23,477	85,925	147,852
Lease liabilities	4,498	7,713	9,946

Under the Company's by-laws, from time to time, dividends will be declared with the sole discretion of the Company's Board of Directors, and will pay up to the Company's prior year net income. Such decision will depend upon earnings, market prospects, and future investment opportunities. During the years ended March 31, 2022 and 2021, the Company declared cash dividends of $230,338 and $31,416, respectively.

18. LEASES

As a lessee, the Company has leases for office space, company house and automobile under noncancelable lease terms expiring through 2043 with renewal options provided under various conditions. The lease term is calculated from the commencement date, the date that a lessor makes an underlying asset available for use. The Company may modify certain lease and sublease agreements during the term of the contracts. During fiscal year ended March 31, 2022, lease modifications caused increases of $1 million in "Right-of-use assets" in the statements of financial position. Refer to Note 12 for the maturity analysis of lease liabilities.

The following table presents the information about leases as a lessee.

	2022	2021	Date of transition
Depreciation of right-of-use assets			
Buildings and structures	$ 7,000	$ 4,654	
Automobiles	-	17	
Total	$ 7,000	$ 4,671	
Finance cost on lease liabilities	1,862	777	
Income from subleasing right-of-use assets	3	5	
Total cash outflow for leases	6,215	5,064	
Additions to right-of-use assets	98,375	1,020	
Carrying amount of right-of-use assets—end of year			
Buildings and structures	111,577	20,202	23,836
Automobiles	-	-	17
Total	$111,577	$20,202	$23,853

Maturity analysis of lease receivable is as follows:

	2022	2021	Date of transition
Less than 1 year	$ 50	$ 49	$ 48
1 year to 2 year	51	50	49
2 year to 3 year	17	51	50
3 year to 4 year	-	17	51
4 year to 5 year	-	-	17
Gross Lease receivable	118	167	215
Unearned finance income	(3)	(6)	(11)
Total lease receivable	$ 115	$ 161	$ 204

The total amount of finance income on the net investments in the leases is the same as the total amount of income from subleasing right-of-use assets.

19. SUBSEQUENT EVENTS

The Company has evaluated all events or transactions that occurred after March 31, 2022, up through September 15, 2022 the date that the financial statements were available to be issued. Effective as of August 8, 2022, the Company entered into a sublease agreement with MIC and other group companies for the office space in 151 West 42nd Street, New York. About 40% of the office space will be subleased to MIC and other group companies. The amount of Right-of-use assets recognized for the office space in 151 West 42nd Street was 96 million US Dollars as of March 31, 2022. It has been determined that there were no other subsequent events requiring adjustment to or disclosure in the financial statements.

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's president and authorized for issue on September 15, 2022.

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