
**FINANCIAL RESULTS FOR
THE SIX MONTHS ENDED SEPTEMBER 2023**

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FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023
(Based on IFRS) (Consolidated)

1. Consolidated operating results for the six months ended September 30, 2023

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

(1) Revenues and income

	Revenues		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the six months ended September 30, 2023	9,561,011	(10.8)	674,186	(33.0)	519,959	(31.8)	466,076	(35.3)	1,165,212	(10.6)
September 30, 2022	10,721,878	38.8	1,006,419	101.5	761,991	93.7	720,006	99.7	1,303,836	241.0

	Profit for the period attributable to owners of the Parent per share (basic)		Profit for the period attributable to owners of the Parent per share (diluted)	
	Yen		Yen	
For the six months ended September 30, 2023	330.11		328.58	
September 30, 2022	490.54		488.48	

Note 1: "Profit for the period attributable to owners of the Parent per share (basic)" and "Profit for the period attributable to owners of the Parent per share (diluted)" are calculated based on "Profit for the period attributable to owners of the Parent."

Note 2: On November 2, 2023, the Board of Directors passed a resolution to conduct a stock split which is scheduled to take effect on January 1, 2024. Each share of common stock will be split into three shares. "Profit for the period attributable to owners of the Parent per share (basic)" and "Profit for the period attributable to owners of the Parent per share (diluted)" are calculated based on the number of shares before the stock split.

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets
As of	Millions of Yen	Millions of Yen	Millions of Yen	%
September 30, 2023	22,891,903	9,866,622	8,777,732	38.3
March 31, 2023	22,147,501	9,119,036	8,065,640	36.4

2. Dividends

(Record date)	Cash dividend per share (Yen)				
	1Q end	2Q end	3Q end	4Q end	Annual
Fiscal Year ended March 31, 2023	—	77.00	—	103.00	180.00
Fiscal Year ending March 31, 2024	—	105.00	—	—	—
Fiscal Year ending March 31, 2024 (Forecast)	—	—	—	35.00	—

Note 1: Change from the latest released dividend forecasts: Yes

Note 2: As the stock split is scheduled to take effect on January 1, 2024, the interim dividend for the fiscal year ending March 2024 (105.00 Yen) will be made based on the number of shares before the stock split and the year-end dividend for the fiscal year ending March 2024 (35.00 Yen) will be made based on the number of shares after the stock split. If the stock split is not considered, the annual dividend for the fiscal year ending March 2024 (Forecast) will be 210.00 yen.

3. Consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Note:
%: change from the previous year.

	Profit attributable to owners of the Parent		Profit attributable to owners of the Parent per share	
	Millions of Yen	%	Yen	
For the year ending March 31, 2024	950,000	(19.5)	680.38	

Note1: Change from the latest released earnings forecasts: Yes

Note2: "Profit attributable to owners of the Parent per share" is calculated based on the number of shares before the stock split.

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in scope of consolidation): None

New companies: —

Excluded companies: —

(2) Changes in accounting policies and accounting estimates

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

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

-3- Changes in accounting estimates: None

Please refer to page 13, "3. Changes in Accounting Policies and Accounting Estimates."

(3) Number of shares issued (Common stock)

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

(September 30, 2023) 1,437,493,951 (March 31, 2023) 1,458,302,351

-2- Number of treasury stock at quarterly-end

(September 30, 2023) 44,523,614 (March 31, 2023) 29,509,808

-3- Average number of shares during each of the six months ended September 30, 2023 and 2022 (September 30, 2023) 1,411,873,902 (September 30, 2022) 1,467,775,423

Disclosure Regarding Quarterly Review Procedures

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

Forward-looking Statements

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. The achievement of said forecasts cannot be promised. Actual results may therefore differ materially from these statements for various reasons. For cautionary notes concerning assumptions for earnings forecasts, please refer to "1. (4) Forecasts for the Year Ending March 2024" on page 6.

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*Presentation materials and IR meetings on financial results:

Presentation materials on financial results can be found on our web site. Mitsubishi Corporation will hold an IR meeting on financial results for analysts and institutional investors on November 2, 2023. Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

1. Qualitative Information

(1) Results of Operations

(Billions of Yen)	Six months ended September 30, 2022	Six months ended September 30, 2023	Change	Remarks
Revenues	10,721.9	9,561.0	(1,160.9)	Decreased market prices
Gross profit	1,298.7	1,153.3	(145.4)	Decreased market prices in the Australian metallurgical coal business
Selling, general and administrative expenses	(762.9)	(811.8)	(48.9)	Increased personnel costs and the depreciation of the Japanese yen in relation to foreign currency translation
Gains (losses) on investments	145.2	51.3	(93.9)	Gain on sale of investments in a real estate management company in the previous fiscal year
Gains (losses) on disposal and sale of property, plant and equipment and others	3.3	21.4	+18.2	Gain on sale of investment property
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(4.2)	(1.8)	+2.4	Impairment losses on intangible assets at overseas business investees in the previous year
Other income (expenses) -net	4.9	(1.3)	(6.1)	Fluctuations in evaluation profit (loss) on derivatives
Finance income	89.7	126.8	+37.1	Increased U.S. dollar interest rates
Finance costs	(43.0)	(91.8)	(48.8)	Increased U.S. dollar interest rates
Share of profit (loss) of investments accounted for using the equity method	274.7	228.0	(46.7)	Lower crude oil, natural gas and iron ore prices
Profit (loss) before tax	1,006.4	674.2	(332.2)	—
Income taxes	(244.4)	(154.2)	+90.2	—
Profit (loss) for the period	762.0	520.0	(242.0)	—
Profit (loss) for the period attributable to Owners of the Parent	720.0	466.1	(253.9)	—

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

(2) Financial Position

(Billions of Yen)	March 31, 2023	September 30, 2023	Change	Remarks
Total assets	22,147.5	22,891.9	+744.4	
Current assets	9,109.3	9,013.1	(96.2)	Decrease in assets classified as held for sale resulting from sales of European automobile finance business and investment property
Non-current assets	13,038.2	13,878.8	+840.6	Increase in investments accounted for using the equity method and property, plant and equipment due to the depreciation of the Japanese yen
Total liabilities	13,028.5	13,025.3	(3.2)	
Current liabilities	6,694.7	6,649.1	(45.6)	—
Non-current liabilities	6,333.8	6,376.2	+42.4	—
Total equity	9,119.0	9,866.6	+747.6	
Equity attributable to owners of the Parent	8,065.6	8,777.7	+712.1	Increase in exchange differences on translating foreign operations due to the depreciation of the Japanese yen
Non-controlling interests	1,053.4	1,088.9	+35.5	—
Net interest-bearing liabilities (excluding lease liabilities)	3,237.6	3,317.9	+80.3	—

(3) Cash Flows

Cash and cash equivalents at September 30, 2023 was ¥1,534.2 billion, a decrease of ¥22.8 billion from March 31, 2023. The breakdown of cash flows were as follows:

(Billions of Yen)	Six months ended September 30, 2022	Six months ended September 30, 2023	Change	Remarks
Cash flows from operating activities	1,057.3	696.7	(360.6)	<u>Breakdown</u> Cash flows from operating transactions and dividend income, despite the payment of income taxes <u>Year-over-year changes</u> Decrease in cash flows from operating transactions and the impact of decrease in working capital in the previous fiscal year
Cash flows from investing activities	(20.5)	33.9	+54.4	<u>Breakdown</u> Cash flows from sale of investments in affiliated companies and collection of loans, despite payments for property, plant and equipment and investments in affiliated companies <u>Year-over-year changes</u> Increase due to collection of loans and sale of investment property, despite the sale of investment in a real estate management company in the previous fiscal year
Free cash flows	1,036.8	730.6	(306.2)	—
Cash flows from financing activities	(1,215.5)	(797.3)	+418.2	<u>Breakdown</u> Repayment of debts and acquisition of treasury stock <u>Year-over-year changes</u> Decrease in repayment of debts
Effect of exchange rate changes on cash and cash equivalents	54.1	43.8	(10.3)	—
Net increase (decrease) in cash and cash equivalents	(124.7)	(22.8)	+101.9	—
Underlying operating cash flows (after repayments of lease liabilities)	707.0	608.2	(98.8)	<u>Breakdown</u> Cash flows from profit for the period and dividend income, despite the payment of lease liabilities <u>Year-over-year changes</u> Decrease in profit for the period
Adjusted free cash flows	686.5	642.1	(44.4)	—

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

are necessary in the ordinary course of business activities, and “Adjusted free cash flows”, which is the sum of “Underlying operating cash flows (after repayments of lease liabilities)” and investing cash flows.

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

New/Sustaining Investments	Sales and Collection
<ul style="list-style-type: none"> - European integrated energy business (Power Solution) - Australian metallurgical coal business (Mineral Resources) - North American real estate business (Urban Development) - Convenience store business (Consumer Industry) - Overseas power business (Power Solution) - LNG-related business (Natural Gas) - North American shale gas business (Natural Gas) 	<ul style="list-style-type: none"> - European automobile finance business (Automotive & Mobility) - Domestic investment property business (Urban Development) - Investment in an affiliated company (Food Industry) - Copper business (Mineral Resources) - North American shale gas business (Natural Gas)

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

(4) Forecasts for the Year Ending March 2024

Considering net profit in Natural Gas, Automotive & Mobility, Industrial Materials, Consumer Industry and other segments has been firm and is expected to increase, the forecast for the year ending March 2024 has been revised as follows.

Consolidated Forecast for the Year Ending March 2024 (April 1, 2023 to March 31, 2024)

(Billions of Yen)

	Previous full-year forecast (May 9, 2023) (A)	Revised full-year forecast (B)	Change (B-A)	Change (%)
Profit attributable to owners of the Parent	920.0	950.0	30.0	3%

Note:

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

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position
March 31, 2023 and September 30, 2023

ASSETS	Millions of Yen	
	March 31, 2023	September 30, 2023
Current assets		
Cash and cash equivalents	1,556,999	1,534,159
Time deposits	95,291	56,842
Short-term investments	42,127	45,310
Trade and other receivables	4,127,275	4,154,881
Other financial assets	392,644	372,306
Inventories	1,771,382	1,848,407
Biological assets	109,953	120,010
Advance payments to suppliers	139,140	185,235
Assets classified as held for sale	243,663	40,708
Other current assets	630,829	655,278
Total current assets	9,109,303	9,013,136
Non-current assets		
Investments accounted for using the equity method	3,921,494	4,246,627
Other investments	1,816,851	1,876,626
Trade and other receivables	1,013,428	1,132,613
Other financial assets	160,892	154,446
Property, plant and equipment	2,992,042	3,265,344
Investment property	81,986	76,587
Intangible assets and goodwill	1,207,402	1,241,991
Right-of-use assets	1,590,283	1,626,030
Deferred tax assets	39,082	40,779
Other non-current assets	214,738	217,724
Total non-current assets	13,038,198	13,878,767
Total	22,147,501	22,891,903

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2023	September 30, 2023
Current liabilities		
Bonds and borrowings	1,395,890	1,475,775
Trade and other payables	3,369,018	3,520,289
Lease liabilities	264,083	273,063
Other financial liabilities	354,066	295,763
Advances from customers	296,463	317,924
Income tax payables	185,432	77,414
Provisions	84,618	66,708
Liabilities directly associated with assets classified as held for sale	25,812	18,496
Other current liabilities	719,297	603,690
Total current liabilities	6,694,679	6,649,122
Non-current liabilities		
Bonds and borrowings	3,493,991	3,433,107
Trade and other payables	59,235	63,998
Lease liabilities	1,403,606	1,415,720
Other financial liabilities	177,380	154,672
Retirement benefit obligation	118,470	123,278
Provisions	342,808	365,299
Deferred tax liabilities	679,144	750,688
Other non-current liabilities	59,152	69,397
Total non-current liabilities	6,333,786	6,376,159
Total liabilities	13,028,465	13,025,281
Equity		
Common stock	204,447	204,447
Additional paid-in capital	225,858	226,793
Treasury stock	(124,083)	(250,781)
Other components of equity		
Other investments designated as FVTOCI	405,431	443,432
Cash flow hedges	53,044	90,179
Exchange differences on translating foreign operations	1,257,065	1,794,004
Total other components of equity	1,715,540	2,327,615
Retained earnings	6,043,878	6,269,658
Equity attributable to owners of the Parent	8,065,640	8,777,732
Non-controlling interests	1,053,396	1,088,890
Total equity	9,119,036	9,866,622
Total	22,147,501	22,891,903

(2) Condensed Consolidated Statement of Income
for the six months ended September 30, 2022 and 2023

	Millions of Yen	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Revenues	10,721,878	9,561,011
Cost of revenues	(9,423,168)	(8,407,700)
Gross profit	1,298,710	1,153,311
Selling, general and administrative expenses	(762,864)	(811,837)
Gains (losses) on investments	145,205	51,326
Gains (losses) on disposal and sale of property, plant and equipment and others	3,263	21,427
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(4,168)	(1,759)
Other income (expense)-net	4,863	(1,276)
Finance income	89,709	126,797
Finance costs	(42,993)	(91,826)
Share of profit (loss) of investments accounted for using the equity method	274,694	228,023
Profit (loss) before tax	1,006,419	674,186
Income taxes	(244,428)	(154,227)
Profit (loss) for the period	761,991	519,959
Profit (loss) for the period attributable to:		
Owners of the Parent	720,006	466,076
Non-controlling interests	41,985	53,883
	761,991	519,959
Profit (loss) for the period attributable to Owners of the Parent per share (in Yen)		
Basic	490.54	330.11
Diluted	488.48	328.58

Note: On November 2, 2023, the Board of Directors passed a resolution to conduct a stock split which is scheduled to take effect on January 1, 2024. Each share of common stock will be split into three shares. “Profit (loss) for the period attributable to Owners of the Parent per share (in Yen)” is calculated based on the number of shares before the stock split.

(3) Condensed Consolidated Statement of Comprehensive Income
for the six months ended September 30, 2022 and 2023

	Millions of Yen	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit (loss) for the period	761,991	519,959
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss for the period:		
Gains (losses) on other investments designated as FVTOCI	(83,487)	51,034
Remeasurement of defined benefit pension plans	86	(828)
Share of other comprehensive income (loss) of investments accounted for using the equity method	(5,106)	(11,955)
Total	(88,507)	38,251
Items that may be reclassified to profit or loss for the period:		
Cash flow hedges	(110,833)	26,534
Exchange differences on translating foreign operations	516,231	480,421
Share of other comprehensive income (loss) of investments accounted for using the equity method	224,954	100,047
Total	630,352	607,002
Total other comprehensive income (loss)	541,845	645,253
Total comprehensive income (loss)	1,303,836	1,165,212
Comprehensive income (loss) attributable to:		
Owners of the Parent	1,234,133	1,084,688
Non-controlling interests	69,703	80,524
	1,303,836	1,165,212

(4) Condensed Consolidated Statement of Changes in Equity
for the six months ended September 30, 2022 and 2023

	Millions of Yen	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Common stock:		
Balance at the beginning of the period	204,447	204,447
Balance at the end of the period	204,447	204,447
Additional paid-in capital:		
Balance at the beginning of the period	226,483	225,858
Compensation costs related to share-based payment	1,076	1,341
Sales of treasury stock upon exercise of share-based payment	(933)	(751)
Equity transactions with non-controlling interests and others	503	345
Balance at the end of the period	227,129	226,793
Treasury stock:		
Balance at the beginning of the period	(25,544)	(124,083)
Sales of treasury stock upon exercise of share-based payment	2,306	3,456
Purchases and sales-net	(86,732)	(227,510)
Cancellation	44,461	97,356
Balance at the end of the period	(65,509)	(250,781)
Other components of equity:		
Balance at the beginning of the period	1,270,412	1,715,540
Other comprehensive income (loss) attributable to owners of the Parent	514,127	618,612
Transfer to retained earnings	(23,439)	(6,537)
Balance at the end of the period	1,761,100	2,327,615
Retained earnings:		
Balance at the beginning of the period	5,204,434	6,043,878
Cumulative effects of change in accounting policy	(22,384)	—
Adjusted balance at the beginning of the period	5,182,050	6,043,878
Profit (loss) for the period attributable to owners of the Parent	720,006	466,076
Cash dividends paid to owners of the Parent	(116,658)	(147,169)
Sales of treasury stock upon exercise of share-based payment	(1,083)	(2,308)
Cancellation of treasury stock	(44,461)	(97,356)
Transfer from other components of equity	23,439	6,537
Balance at the end of the period	5,763,293	6,269,658
Equity attributable to owners of the Parent	7,890,460	8,777,732
Non-controlling interests:		
Balance at the beginning of the period	976,940	1,053,396
Cash dividends paid to non-controlling interests	(44,030)	(54,498)
Equity transactions with non-controlling interests and others	3,566	9,468
Profit (loss) for the period attributable to non-controlling interests	41,985	53,883
Other comprehensive income (loss) attributable to non-controlling interests	27,718	26,641
Balance at the end of the period	1,006,179	1,088,890
Total equity	8,896,639	9,866,622
Comprehensive income (loss) attributable to:		
Owners of the Parent	1,234,133	1,084,688
Non-controlling interests	69,703	80,524
Total comprehensive income (loss)	1,303,836	1,165,212

(5) Condensed Consolidated Statement of Cash Flows
for the six months ended September 30, 2022 and 2023

	Millions of Yen	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating activities:		
Profit (loss) for the period	761,991	519,959
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	282,664	295,463
(Gains) losses on investments	(145,205)	(51,326)
(Gains) losses on property, plant and equipment, intangible assets, goodwill and others	905	(19,668)
Finance (income) -net of finance costs	(46,716)	(34,971)
Share of (profit) loss of investments accounted for using the equity method	(274,694)	(228,023)
Income taxes	244,428	154,227
Changes in trade receivables	82,546	64,916
Changes in inventories	16,860	(27,037)
Changes in trade payables	60,032	(29,014)
Changes in margin deposits of derivative transactions and others	19,300	23,955
Other-net	(10,435)	49,496
Dividends received	266,008	277,794
Interest received	50,014	91,869
Interest paid	(51,426)	(98,894)
Income taxes paid	(198,944)	(292,021)
Net cash provided by (used in) operating activities	1,057,328	696,725
Investing activities:		
Payments for property, plant and equipment and others	(214,311)	(242,545)
Proceeds from disposal of property, plant and equipment and others	12,945	7,911
Payments for investment property	(608)	(551)
Proceeds from disposal of investment property	359	64,669
Purchases of investments accounted for using the equity method	(69,475)	(96,068)
Proceeds from disposal of investments accounted for using the equity method	159,582	181,459
Acquisitions of businesses-net of cash acquired	(20,546)	(5,035)
Proceeds from disposal of businesses-net of cash divested	115,059	19,625
Purchases of other investments	(12,081)	(10,288)
Proceeds from disposal of other investments	49,129	38,799
Increase in loans receivable	(110,069)	(79,506)
Collection of loans receivable	23,888	108,546
Net (increase) decrease in time deposits	45,608	46,917
Net cash provided by (used in) investing activities	(20,520)	33,933
Financing activities:		
Net increase (decrease) in short-term debts	(413,541)	(123,010)
Proceeds from long-term debts	110,253	158,614
Repayments of long-term debts	(518,430)	(275,760)
Repayments of lease liabilities	(152,566)	(134,773)
Dividends paid to owners of the Parent	(116,658)	(147,169)
Dividends paid to non-controlling interests	(44,030)	(54,498)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(6,240)	(5,871)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	12,787	12,648
Net (increase) decrease in treasury stock	(87,099)	(227,511)
Net cash provided by (used in) financing activities	(1,215,524)	(797,330)
Effect of exchange rate changes on cash and cash equivalents	54,088	43,832
Net increase (decrease) in cash and cash equivalents	(124,628)	(22,840)
Cash and cash equivalents at the beginning of the period	1,555,570	1,556,999
Cash and cash equivalents at the end of the period	1,430,942	1,534,159

3. Changes in Accounting Policies and Accounting Estimates

The significant accounting policies applied to the condensed consolidated financial statements for the six months ended September 2023 are identical to those for the previous fiscal year, except for the following:

New standards and interpretations applied

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

IAS 12 Income Taxes (Amended)

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

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

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

Except standards and interpretations outlined above, the adoption of new standards and interpretations had no significant impact on the condensed consolidated financial statements for the six months ended September 2023.

4. Notes Concerning Going Concern Assumption

None