
**FINANCIAL RESULTS FOR
THE THREE MONTHS ENDED JUNE 2023**

Mitsubishi Corporation

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FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED JUNE 30, 2023
(Based on IFRS) (Consolidated)

1. Consolidated operating results for the three months ended June 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 three months ended										
June 30, 2023	4,735,665	(13.0)	444,700	(39.8)	347,443	(37.8)	317,721	(40.5)	717,034	(21.1)
June 30, 2022	5,443,439	43.5	739,293	198.4	558,329	180.8	533,951	184.7	908,415	239.7

	Profit for the period attributable to owners of the Parent per share (basic)	Profit for the period attributable to owners of the Parent per share (diluted)
	Yen	Yen
For the three months ended		
June 30, 2023	223.55	222.56
June 30, 2022	362.21	360.72

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

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets
As of	Millions of Yen	Millions of Yen	Millions of Yen	%
June 30, 2023	22,551,300	9,545,634	8,473,609	37.6
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	—				
Fiscal Year ending March 31, 2024 (Forecast)		100.00	—	100.00	200.00

Note: Change from the latest released dividend forecasts: No

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	920,000	(22.1)	663.79

Note: Change from the latest released earnings forecasts: No

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 12, "3. Changes in Accounting Policies and Accounting Estimates."

(3) Number of shares issued (Common stock)

-1- Number of shares issued at quarterly-end (including treasury stock) (June 30, 2023) 1,437,493,951 (March 31, 2023) 1,458,302,351

-2- Number of treasury stock at quarterly-end (June 30, 2023) 29,342,457 (March 31, 2023) 29,509,808

-3- Average number of shares during each of the three months ended June 30, 2023 and 2022 (June 30, 2023) 1,421,255,173 (June 30, 2022) 1,474,151,586

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 5.

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* Presentation materials are released on Mitsubishi Corporation's website (Investor Relations section).

* Mitsubishi Corporation will hold an earnings conference online for the three months ended June 2023, inviting institutional investors and analysts to join.

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

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

Time and date of the earnings conference online:

From 16:30 to 17:30 on Thursday, August 3, 2023 (JST)

1. Qualitative Information

(1) Results of Operations

(Billions of Yen)	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Remarks
Revenues	5,443.4	4,735.7	(707.7)	Decreased market prices
Gross profit	774.7	624.3	(150.4)	Decreased market prices in the Australian metallurgical coal business
Selling, general and administrative expenses	(374.9)	(392.5)	(17.6)	Increased personnel costs and the depreciation of the Japanese yen in relation to foreign currency translation
Gains (losses) on investments	135.9	44.5	(91.4)	Gain on sale of investment in a real estate management company in the previous fiscal year
Gains (losses) on disposal and sale of property, plant and equipment and others	1.4	19.6	+18.2	Gain on sale of investment property
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(1.4)	(0.8)	+0.6	—
Other income (expenses) -net	7.9	(8.9)	(16.8)	Fluctuations in evaluation profit (loss) on derivatives
Finance income	60.2	80.3	+20.1	Increased U.S. dollar interest rates
Finance costs	(17.9)	(43.9)	(26.0)	Increased U.S. dollar interest rates
Share of profit (loss) of investments accounted for using the equity method	153.4	121.9	(31.5)	Decreased equity earnings resulting from lower natural gas, crude oil and iron ore prices
Profit (loss) before tax	739.3	444.7	(294.6)	—
Income taxes	(181.0)	(97.3)	+83.7	—
Profit (loss) for the period	558.3	347.4	(210.9)	—
Profit (loss) for the period attributable to Owners of the Parent	534.0	317.7	(216.3)	—

* 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	June 30, 2023	Change	Remarks
Total assets	22,147.5	22,551.3	+403.8	-
Current assets	9,109.3	9,006.6	(102.7)	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	13,544.7	+506.5	Increase in property, plant and equipment and investments accounted for using the equity method due to the depreciation of the Japanese yen.
Total liabilities	13,028.5	13,005.7	(22.8)	-
Current liabilities	6,694.7	6,613.4	(81.3)	Decrease in trade and other payables due to seasonal factors in European integrated energy business.
Non-current liabilities	6,333.8	6,392.3	+58.5	-
Total equity	9,119.0	9,545.6	+426.6	-
Equity attributable to owners of the Parent	8,065.6	8,473.6	+408.0	Increase in exchange differences on translating foreign operations due to the depreciation of the Japanese yen.
Non-controlling interests	1,053.4	1,072.0	+18.6	-
Net interest-bearing liabilities (excluding lease liabilities)	3,237.6	3,244.9	+7.3	-

(3) Cash Flows

Cash and cash equivalents at June 30, 2023 was ¥1,665.1 billion, an increase of ¥108.1 billion from March 31, 2023.

(Operating activities)

Net cash provided by operating activities was ¥486.6 billion, mainly due to cash flows from operating transactions and dividend income, as well as decreases in working capital requirements, despite the payment of income taxes.

(Investing activities)

Net cash provided by investing activities was ¥63.4 billion. The main sources of cash were gains from the sale of investments in affiliated companies and investment property, despite the payments for investments and loans to affiliated companies and the purchase of property, plant and equipment.

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

New/Sustaining Investments

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

Sales and Collection

- Automobile finance business (Automotive & Mobility)
- Domestic investment property business (Urban Development)
- Investment in an affiliated company (Food Industry)

As a result, free cash flows, the sum of operating and investing cash flows, was positive ¥550.0 billion.

(Financing activities)

Net cash used in financing activities was ¥475.5 billion. The main uses of cash were payments of dividends, the acquisition of treasury stock, and repayments of debts and lease liabilities.

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.

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

Underlying operating cash flows (after repayments of lease liabilities) was positive ¥344.0 billion.

As a result, Adjusted free cash flows was positive ¥407.4 billion.

(4) Forecasts for the Year Ending March 2024

There has been no change to the forecasts for the year ending March 2024 announced on May 9, 2023.

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 June 30, 2023

ASSETS	Millions of Yen	
	March 31, 2023	June 30, 2023
Current assets		
Cash and cash equivalents	1,556,999	1,665,148
Time deposits	95,291	90,224
Short-term investments	42,127	43,600
Trade and other receivables	4,127,275	4,031,609
Other financial assets	392,644	423,054
Inventories	1,771,382	1,816,401
Biological assets	109,953	108,828
Advance payments to suppliers	139,140	172,494
Assets classified as held for sale	243,663	43,914
Other current assets	630,829	611,343
Total current assets	9,109,303	9,006,615
Non-current assets		
Investments accounted for using the equity method	3,921,494	4,065,676
Other investments	1,816,851	1,793,821
Trade and other receivables	1,013,428	1,137,641
Other financial assets	160,892	171,232
Property, plant and equipment	2,992,042	3,178,492
Investment property	81,986	78,389
Intangible assets and goodwill	1,207,402	1,242,060
Right-of-use assets	1,590,283	1,616,088
Deferred tax assets	39,082	41,169
Other non-current assets	214,738	220,117
Total non-current assets	13,038,198	13,544,685
Total	22,147,501	22,551,300

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2023	June 30, 2023
Current liabilities		
Bonds and borrowings	1,395,890	1,492,755
Trade and other payables	3,369,018	3,297,088
Lease liabilities	264,083	268,970
Other financial liabilities	354,066	336,165
Advances from customers	296,463	306,538
Income tax payables	185,432	180,159
Provisions	84,618	67,568
Liabilities directly associated with assets classified as held for sale	25,812	18,621
Other current liabilities	719,297	645,486
Total current liabilities	6,694,679	6,613,350
Non-current liabilities		
Bonds and borrowings	3,493,991	3,507,519
Trade and other payables	59,235	59,736
Lease liabilities	1,403,606	1,418,171
Other financial liabilities	177,380	152,694
Retirement benefit obligation	118,470	122,388
Provisions	342,808	364,141
Deferred tax liabilities	679,144	693,964
Other non-current liabilities	59,152	73,703
Total non-current liabilities	6,333,786	6,392,316
Total liabilities	13,028,465	13,005,666
Equity		
Common stock	204,447	204,447
Additional paid-in capital	225,858	226,686
Treasury stock	(124,083)	(141,294)
Other components of equity		
Other investments designated as FVTOCI	405,431	396,007
Cash flow hedges	53,044	87,812
Exchange differences on translating foreign operations	1,257,065	1,583,934
Total other components of equity	1,715,540	2,067,753
Retained earnings	6,043,878	6,116,017
Equity attributable to owners of the Parent	8,065,640	8,473,609
Non-controlling interests	1,053,396	1,072,025
Total equity	9,119,036	9,545,634
Total	22,147,501	22,551,300

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

	Millions of Yen	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenues	5,443,439	4,735,665
Cost of revenues	(4,668,727)	(4,111,326)
Gross profit	774,712	624,339
Selling, general and administrative expenses	(374,936)	(392,464)
Gains (losses) on investments	135,868	44,469
Gains (losses) on disposal and sale of property, plant and equipment and others	1,437	19,643
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(1,391)	(767)
Other income (expense)-net	7,877	(8,878)
Finance income	60,241	80,323
Finance costs	(17,900)	(43,867)
Share of profit (loss) of investments accounted for using the equity method	153,385	121,902
Profit (loss) before tax	739,293	444,700
Income taxes	(180,964)	(97,257)
Profit (loss) for the period	558,329	347,443
Profit (loss) for the period attributable to:		
Owners of the Parent	533,951	317,721
Non-controlling interests	24,378	29,722
	558,329	347,443
Profit (loss) for the period attributable to Owners of the Parent per share (in Yen)		
Basic	362.21	223.55
Diluted	360.72	222.56

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

	Millions of Yen	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss) for the period	558,329	347,443
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	(96,115)	(10,111)
Remeasurement of defined benefit pension plans	101	(931)
Share of other comprehensive income (loss) of investments accounted for using the equity method	(7,514)	(8,066)
Total	(103,528)	(19,108)
Items that may be reclassified to profit or loss for the period:		
Cash flow hedges	(8,187)	35,127
Exchange differences on translating foreign operations	348,717	319,959
Share of other comprehensive income (loss) of investments accounted for using the equity method	113,084	33,613
Total	453,614	388,699
Total other comprehensive income (loss)	350,086	369,591
Total comprehensive income (loss)	908,415	717,034
Comprehensive income (loss) attributable to:		
Owners of the Parent	859,621	669,022
Non-controlling interests	48,794	48,012
	908,415	717,034

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

	Millions of Yen	
	Three months ended June 30, 2022	Three months ended June 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	325	464
Sales of treasury stock upon exercise of share-based payment	(84)	(76)
Equity transactions with non-controlling interests and others	556	440
Balance at the end of the period	227,280	226,686
Treasury stock:		
Balance at the beginning of the period	(25,544)	(124,083)
Sales of treasury stock upon exercise of share-based payment	284	437
Purchases and sales-net	(46,728)	(115,004)
Cancellation	—	97,356
Balance at the end of the period	(71,988)	(141,294)
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	325,670	351,301
Transfer to retained earnings	(4,460)	912
Balance at the end of the period	1,591,622	2,067,753
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	533,951	317,721
Cash dividends paid to owners of the Parent	(116,658)	(147,169)
Sales of treasury stock upon exercise of share-based payment	(73)	(145)
Cancellation of treasury stock	—	(97,356)
Transfer from other components of equity	4,460	(912)
Balance at the end of the period	5,603,730	6,116,017
Equity attributable to owners of the Parent	7,555,091	8,473,609
Non-controlling interests:		
Balance at the beginning of the period	976,940	1,053,396
Cash dividends paid to non-controlling interests	(29,433)	(33,052)
Equity transactions with non-controlling interests and others	(5,788)	3,669
Profit (loss) for the period attributable to non-controlling interests	24,378	29,722
Other comprehensive income (loss) attributable to non-controlling interests	24,416	18,290
Balance at the end of the period	990,513	1,072,025
Total equity	8,545,604	9,545,634
Comprehensive income (loss) attributable to:		
Owners of the Parent	859,621	669,022
Non-controlling interests	48,794	48,012
Total comprehensive income (loss)	908,415	717,034

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

	Millions of Yen	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Operating activities:		
Profit (loss) for the period	558,329	347,443
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	140,687	145,610
(Gains) losses on investments	(135,868)	(44,469)
(Gains) losses on property, plant and equipment, intangible assets, goodwill and others	(46)	(18,876)
Finance (income) -net of finance costs	(42,341)	(36,456)
Share of (profit) loss of investments accounted for using the equity method	(153,385)	(121,902)
Income taxes	180,964	97,257
Changes in trade receivables	42,826	240,315
Changes in inventories	34,418	50,898
Changes in trade payables	4,462	(207,027)
Changes in margin deposits of derivative transactions and others	98,976	17,676
Other-net	(76,719)	1,054
Dividends received	146,703	157,014
Interest received	22,214	43,137
Interest paid	(17,399)	(46,399)
Income taxes paid	(83,699)	(138,635)
Net cash provided by (used in) operating activities	720,122	486,640
Investing activities:		
Payments for property, plant and equipment and others	(96,541)	(120,088)
Proceeds from disposal of property, plant and equipment and others	5,440	67,624
Purchases of investments accounted for using the equity method	(40,525)	(38,551)
Proceeds from disposal of investments accounted for using the equity method	88,065	100,780
Acquisitions of businesses-net of cash acquired	(15,239)	(3,568)
Proceeds from disposal of businesses-net of cash divested	114,381	17,406
Purchases of other investments	(3,719)	(4,445)
Proceeds from disposal of other investments	29,104	16,599
Increase in loans receivable	(39,673)	(61,038)
Collection of loans receivable	21,025	78,041
Net (increase) decrease in time deposits	16,000	10,611
Net cash provided by (used in) investing activities	78,318	63,371
Financing activities:		
Net increase (decrease) in short-term debts	(131,799)	(46,674)
Proceeds from long-term debts	40,159	23,618
Repayments of long-term debts	(227,539)	(86,020)
Repayments of lease liabilities	(80,705)	(69,811)
Dividends paid to owners of the Parent	(116,658)	(147,169)
Dividends paid to non-controlling interests	(29,433)	(33,052)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(5,177)	(5,094)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	5,567	3,658
Net (increase) decrease in treasury stock	(47,095)	(115,005)
Net cash provided by (used in) financing activities	(592,680)	(475,549)
Effect of exchange rate changes on cash and cash equivalents	56,407	33,687
Net increase (decrease) in cash and cash equivalents	262,167	108,149
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	1,817,737	1,665,148

3. Changes in Accounting Policies and Accounting Estimates

The significant accounting policies applied to the condensed consolidated financial statements for the three months ended June 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 three months ended June 2023.

4. Notes Concerning Going Concern Assumption

None