
**FINANCIAL RESULTS FOR
THE NINE MONTHS ENDED DECEMBER 2020**

Mitsubishi Corporation

2-3-1 Marunouchi, Chiyoda-ku, Tokyo, JAPAN 100-8086

<https://www.mitsubishicorp.com/>

FINANCIAL HIGHLIGHTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2020
(Based on IFRS) (Consolidated)

1. Consolidated operating results for the nine months ended December 31, 2020

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 nine months ended December 31, 2020	9,110,536	(20.3)	293,318	(46.9)	203,732	(51.8)	169,146	(54.7)	337,260	12.3
December 31, 2019	11,429,500	(6.2)	552,514	(13.9)	422,304	(13.3)	373,308	(15.6)	300,188	(34.8)

	Profit for the period attributable to owners of the Parent per share (basic)	Profit for the period attributable to owners of the Parent per share (diluted)
	Yen	Yen
For the nine months ended December 31, 2020	114.54	114.27
December 31, 2019	241.04	240.52

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

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of December 31, 2020	18,552,219	6,295,888	5,314,918	28.6
March 31, 2020	18,033,424	6,216,894	5,227,359	29.0

Note: The provisional amounts as of March 31, 2020 have been retrospectively adjusted related to business combination.

2. Dividends

	Cash dividend per share (Yen)				
(Record date)	1Q end	2Q end	3Q end	4Q end	Annual
Fiscal Year ended March 31, 2020	—	64.00	—	68.00	132.00
Fiscal Year ending March 31, 2021	—	67.00	—		
Fiscal Year ending March 31, 2021 (Forecast)				67.00	134.00

Note: Change from the latest released dividend forecasts: No

3. Consolidated forecasts for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

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, 2021	200,000	(62.6)	135.47

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 : None

-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) (December 31, 2020) 1,485,723,351 (March 31, 2020) 1,590,076,851

-2- Number of treasury stock at quarterly-end (December 31, 2020) 9,787,770 (March 31, 2020) 105,580,338

-3- Average number of shares during each of the nine months ended December 31, 2020 and 2019 (December 31, 2020) 1,476,760,847 (December 31, 2019) 1,548,725,315

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 2021" on page 5.

Contents

1. Qualitative Information	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	3
(4) Forecasts for the Year Ending March 2021	5
2. Condensed Consolidated Financial Statements	6
(1) Condensed Consolidated Statement of Financial Position	6
(2) Condensed Consolidated Statement of Income	8
(3) Condensed Consolidated Statement of Comprehensive Income	9
(4) Condensed Consolidated Statement of Changes in Equity	10
(5) Condensed Consolidated Statement of Cash Flows	11
3. Changes in Accounting Policies and Accounting Estimates	12
4. Notes Concerning Going Concern Assumption	12

* Mitsubishi Corporation will hold an earnings conference call for the nine months ended December 2020, 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 call:

From 18:00 to 19:00 on Wednesday, February 3, 2021 (JST)

1. Qualitative Information

(Profit for the period, as used hereinafter, refers to profit for the period attributable to owners of the Parent.)

(1) Results of Operations

Revenues was ¥9,110.5 billion, a decrease of ¥2,319.0 billion, or 20% year over year. This was mainly due to decreased transaction volumes in the Petroleum business and the Steel business.

Gross profit was ¥1,167.4 billion, a decrease of ¥185.6 billion, or 14% year over year, mainly due to decreased market prices in the Australian metallurgical coal business and a decrease in franchise commissions from franchise stores in the Convenience store business.

Selling, general and administrative expenses was ¥1,029.8 billion, a decrease of ¥41.8 billion, or 4% year over year, mainly due to reductions in business activities due to the impact of COVID-19.

Gains on investments decreased ¥14.7 billion, or 33% year over year, to ¥29.8 billion, mainly due to rebound from disposal gains due to sales of overseas power generating assets and fair value evaluation profit due to Chiyoda Corporation becoming a consolidated subsidiary recorded in the previous year.

Impairment losses on property, plant and equipment and others amounted to ¥6.4 billion, an improvement of ¥3.5 billion, or 35% year over year, mainly due to rebound from impairments of ship facilities in the previous year.

Other income (expense)-net improved ¥23.8 billion year over year, to an income amount of ¥9.6 billion, mainly due to fluctuations of foreign currency exchange.

Finance income decreased ¥56.8 billion, or 41% year over year, to ¥82.3 billion, mainly due to decreased dividend income from resource-related investments and decreased interest income as a result of lower US dollar interest rates.

Finance costs decreased ¥18.0 billion, or 34% year over year, to ¥35.2 billion, mainly due to lower US dollar interest rates.

Share of profit of investments accounted for using the equity method decreased ¥92.0 billion, or 56% year over year, to ¥72.0 billion, mainly due to impairment losses as well as decreased earnings at Mitsubishi Motors Corporation.

As a result, profit before tax decreased ¥259.2 billion, or 47% year over year, to ¥293.3 billion.

Accordingly, profit for the period decreased ¥204.2 billion, or 55% year over year, to ¥169.1 billion.

(2) Financial Position

Total assets at December 31, 2020 was ¥18,552.2 billion, an increase of ¥518.8 billion, or 3%, from March 31, 2020.

Current assets was ¥7,167.7 billion, an increase of ¥230.3 billion, or 3%, from March 31, 2020. This was mainly due to an increase in cash and cash equivalents from operating transactions.

Non-current assets was ¥11,384.5 billion, an increase of ¥288.5 billion, or 3%, from March 31, 2020. This was mainly due to exchange translation of property, plant and equipment resulting from the appreciation of the Australian dollar in the Australian metallurgical coal business.

Total liabilities was ¥12,256.3 billion, an increase of ¥439.8 billion, or 4%, from March 31, 2020.

Current liabilities was ¥5,593.3 billion, an increase of ¥247.0 billion, or 5%, from March 31, 2020. This was mainly due to an increase in trade and other payables attributable to increased transaction volumes due to seasonal factors at the end of the year in the Food product distribution business and the Convenience store business.

Non-current liabilities was ¥6,663.0 billion, an increase of ¥192.7 billion, or 3%, from March 31, 2020. This was mainly due to an increase in long-term borrowings due to new fund procurements.

Total equity was ¥6,295.9 billion, an increase of ¥79.0 billion, or 1%, from March 31, 2020.

Equity attributable to owners of the Parent was ¥5,314.9 billion, an increase of ¥87.5 billion, or 2%, from March 31, 2020. This was mainly due to an increase in retained earnings accumulated by profit for the period and exchange differences on translating foreign operations resulting from the appreciation of the Australian dollar despite a decrease in retained earnings as result of the payment of dividends.

Non-controlling interests decreased ¥8.5 billion, or 1%, from March 31, 2020, to ¥981.0 billion.

Net interest-bearing liabilities (excluding lease liabilities), which is gross interest-bearing liabilities minus cash and cash equivalents and time deposits, decreased ¥150.5 billion, or 3%, from March 31, 2020, to ¥4,185.8 billion.

(3) Cash Flows

Cash and cash equivalents at December 31, 2020 was ¥1,548.8 billion, an increase of ¥226.0 billion from March 31, 2020.

(Operating activities)

Net cash provided by operating activities was ¥847.9 billion, mainly due to cash flows from operating transactions, dividend income and decreases in working capital requirements due to decreased transaction volume by the impact of COVID-19, despite the payment of income taxes and interests.

(Investing activities)

Net cash used in investing activities was ¥314.9 billion. The main uses of cash were payments for the purchase of property, plant and equipment and investments and loans to affiliated companies, which exceeded inflows from the sales of other investments and investments in affiliated companies.

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

New/Sustaining Investments

- European integrated energy business (Power Solution)
- Investment in HERE Technologies (Other)
- LNG-related business (Natural Gas)
- Australian metallurgical coal business (Mineral Resources)
- North American real estate business (Urban Development)
- Copper business (Mineral Resources)

Sales and Collection

- Listed stocks (Food Industry/Consumer Industry, etc.)
- North American real estate business (Urban Development)
- North American shale business (Natural Gas)

As a result, free cash flows, the sum of operating and investing cash flows, was positive ¥533.0 billion.

(Financing activities)

Net cash used in financing activities was ¥315.6 billion. The main uses of cash were payments of dividends, repayments of lease liabilities and the acquisition of treasury stock, which exceeded cash provided by financing activities.

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 consideration of the cash flows during the period of Midterm Corporate Strategy 2018 and the appropriate capital standards, and with the aim of improving capital efficiency. Regarding financing through debt, the policy is to maintain debts at an appropriate level in light of liquidity and financial soundness.

In addition to the aforementioned operating cash flows for financial accounting purpose, in order to present the source of funds for future investments and shareholder returns appropriately, Mitsubishi Corporation defined “Underlying operating cash flows (after repayments of lease liabilities)”, which is operating cash flows excluding changes in working capitals whilst including repayments of lease liabilities which are necessary in the ordinary course of business activities, and “Adjusted free cash flows”, which is the sum of “Underlying operating cash flows (after repayments of lease liabilities)” and investing cash flows.

Underlying operating cash flows (after repayments of lease liabilities) was positive ¥446.9 billion.

As a result, Adjusted free cash flows was positive ¥132.0 billion.

(4) Forecasts for the Year Ending March 2021

There has been no change to the forecasts for the year ending March 2021 announced on August 13, 2020.

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, 2020 and December 31, 2020

ASSETS	Millions of Yen	
	March 31, 2020	December 31, 2020
Current assets		
Cash and cash equivalents	1,322,812	1,548,836
Time deposits	101,016	115,195
Short-term investments	49,331	37,534
Trade and other receivables	3,168,074	3,222,845
Other financial assets	308,468	174,330
Inventories	1,294,479	1,339,901
Biological assets	58,871	72,528
Advance payments to suppliers	45,776	67,183
Assets classified as held for sale	46,595	11,293
Other current assets	541,968	578,029
Total current assets	6,937,390	7,167,674
Non-current assets		
Investments accounted for using the equity method	3,246,335	3,207,615
Other investments	1,708,071	1,751,971
Trade and other receivables	655,267	728,933
Other financial assets	134,220	96,349
Property, plant and equipment	2,232,941	2,444,811
Investment property	96,709	94,858
Intangible assets and goodwill	1,395,053	1,418,606
Right-of-use assets	1,429,288	1,445,040
Deferred tax assets	36,146	38,197
Other non-current assets	162,004	158,165
Total non-current assets	11,096,034	11,384,545
Total	18,033,424	18,552,219

Note: The provisional amounts as of March 31, 2020 have been retrospectively adjusted related to business combination.

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2020	December 31, 2020
Current liabilities		
Bonds and borrowings	1,472,769	1,456,009
Trade and other payables	2,547,012	2,835,539
Lease liabilities	205,780	235,808
Other financial liabilities	213,181	241,932
Advances from customers	178,689	139,767
Income tax payables	40,000	31,934
Provisions	87,564	83,097
Liabilities directly associated with assets classified as held for sale	1,167	191
Other current liabilities	600,109	569,053
Total current liabilities	5,346,271	5,593,330
Non-current liabilities		
Bonds and borrowings	4,287,354	4,393,830
Trade and other payables	56,692	59,354
Lease liabilities	1,297,530	1,272,749
Other financial liabilities	40,286	63,304
Retirement benefit obligation	123,690	123,835
Provisions	162,622	179,548
Deferred tax liabilities	469,314	534,382
Other non-current liabilities	32,771	35,999
Total non-current liabilities	6,470,259	6,663,001
Total liabilities	11,816,530	12,256,331
Equity		
Common stock	204,447	204,447
Additional paid-in capital	228,153	229,051
Treasury stock	(294,580)	(27,223)
Other components of equity		
Other investments designated as FVTOCI	359,974	406,496
Cash flow hedges	(27,422)	(64,544)
Exchange differences on translating foreign operations	82,634	187,433
Total other components of equity	415,186	529,385
Retained earnings	4,674,153	4,379,258
Equity attributable to owners of the Parent	5,227,359	5,314,918
Non-controlling interests	989,535	980,970
Total equity	6,216,894	6,295,888
Total	18,033,424	18,552,219

Note: The provisional amounts as of March 31, 2020 have been retrospectively adjusted related to business combination.

(2) Condensed Consolidated Statement of Income
for the nine months ended December 31, 2019 and 2020

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Revenues	11,429,500	9,110,536
Cost of revenues	(10,076,520)	(7,943,095)
Gross profit	1,352,980	1,167,441
Selling, general and administrative expenses	(1,071,608)	(1,029,805)
Gains (losses) on investments	44,487	29,789
Gains (losses) on disposal and sale of property, plant and equipment and others	949	3,633
Impairment losses on property, plant and equipment and others	(9,915)	(6,414)
Other income (expense)-net	(14,182)	9,617
Finance income	139,087	82,263
Finance costs	(53,243)	(35,216)
Share of profit (loss) of investments accounted for using the equity method	163,959	72,010
Profit (loss) before tax	552,514	293,318
Income taxes	(130,210)	(89,586)
Profit (loss) for the period	422,304	203,732
Profit (loss) for the period attributable to:		
Owners of the Parent	373,308	169,146
Non-controlling interests	48,996	34,586
	422,304	203,732
Profit (loss) for the period attributable to Owners of the Parent per share (in Yen)		
Basic	241.04	114.54
Diluted	240.52	114.27

(3) Condensed Consolidated Statement of Comprehensive Income
for the nine months ended December 31, 2019 and 2020

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss) for the period	422,304	203,732
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	(1,526)	71,349
Remeasurement of defined benefit pension plans	10	(244)
Share of other comprehensive income (loss) of investments accounted for using the equity method	2,304	(3,495)
Total	788	67,610
Items that may be reclassified to profit or loss for the period:		
Cash flow hedges	(6,124)	(14,573)
Exchange differences on translating foreign operations	(58,203)	120,729
Share of other comprehensive income (loss) of investments accounted for using the equity method	(58,577)	(40,238)
Total	(122,904)	65,918
Total other comprehensive income (loss)	(122,116)	133,528
Total comprehensive income (loss)	300,188	337,260
Comprehensive income (loss) attributable to:		
Owners of the Parent	251,619	305,451
Non-controlling interests	48,569	31,809
	300,188	337,260

(4) Condensed Consolidated Statement of Changes in Equity
for the nine months ended December 31, 2019 and 2020

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Common stock:		
Balance at the beginning of the period	204,447	204,447
Balance at the end of the period	204,447	204,447
Additional paid-in capital:		
Balance at the beginning of the period	228,340	228,153
Compensation costs related to share-based payment	1,990	1,631
Sales of treasury stock upon exercise of share-based payment	(1,080)	(751)
Equity transactions with non-controlling interests and others	498	18
Balance at the end of the period	229,748	229,051
Treasury stock:		
Balance at the beginning of the period	(8,279)	(294,580)
Sales of treasury stock upon exercise of share-based payment	1,771	1,175
Purchases and sales-net	(233,543)	(19,780)
Cancellation	—	285,962
Balance at the end of the period	(240,051)	(27,223)
Other components of equity:		
Balance at the beginning of the period	914,807	415,186
Other comprehensive income (loss) attributable to owners of the Parent	(121,689)	136,305
Transfer to retained earnings	(16,757)	(22,106)
Balance at the end of the period	776,361	529,385
Retained earnings:		
Balance at the beginning of the period	4,356,931	4,674,153
Cumulative effects of change in accounting policy	(9,079)	—
Adjusted balance at the beginning of the period	4,347,852	4,674,153
Profit (loss) for the period attributable to owners of the Parent	373,308	169,146
Cash dividends paid to owners of the Parent	(197,704)	(199,853)
Sales of treasury stock upon exercise of share-based payment	(670)	(332)
Cancellation of treasury stock	—	(285,962)
Transfer from other components of equity	16,757	22,106
Balance at the end of the period	4,539,543	4,379,258
Equity attributable to owners of the Parent	5,510,048	5,314,918
Non-controlling interests:		
Balance at the beginning of the period	940,674	989,535
Cumulative effects of change in accounting policy	(2,677)	—
Adjusted balance at the beginning of the period	937,997	989,535
Cash dividends paid to non-controlling interests	(40,391)	(35,168)
Equity transactions with non-controlling interests and others	3,901	(5,206)
Profit (loss) for the period attributable to non-controlling interests	48,996	34,586
Other comprehensive income (loss) attributable to non-controlling interests	(427)	(2,777)
Balance at the end of the period	950,076	980,970
Total equity	6,460,124	6,295,888
Comprehensive income (loss) attributable to:		
Owners of the Parent	251,619	305,451
Non-controlling interests	48,569	31,809
Total comprehensive income (loss)	300,188	337,260

(5) Condensed Consolidated Statement of Cash Flows
for the nine months ended December 31, 2019 and 2020

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Operating activities:		
Profit (loss) for the period	422,304	203,732
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	334,180	392,910
(Gains) losses on investments	(44,487)	(29,789)
(Gains) losses on property, plant and equipment and others	8,966	2,781
Finance (income) -net of finance costs	(85,844)	(47,047)
Share of (profit) loss of investments accounted for using the equity method	(163,959)	(72,010)
Income taxes	130,210	89,586
Changes in trade receivables	189,872	4,658
Changes in inventories	(192,649)	(45,854)
Changes in trade payables	(151,736)	159,929
Other-net	143,558	60,893
Dividends received	254,636	188,081
Interest received	85,357	60,969
Interest paid	(70,160)	(50,252)
Income taxes paid	(166,616)	(70,652)
Net cash provided by (used in) operating activities	693,632	847,935
Investing activities:		
Payments for property, plant and equipment and others	(242,367)	(300,893)
Proceeds from disposal of property, plant and equipment and others	30,036	32,842
Purchases of investments accounted for using the equity method	(131,355)	(187,963)
Proceeds from disposal of investments accounted for using the equity method	102,060	82,785
Acquisitions of businesses-net of cash acquired	130,838	3,139
Proceeds from disposal of businesses-net of cash divested	59,806	15,760
Purchases of other investments	(30,761)	(28,825)
Proceeds from disposal of other investments	94,693	92,245
Increase in loans receivable	(138,254)	(54,410)
Collection of loans receivable	44,141	42,805
Net (increase) decrease in time deposits	2,476	(12,395)
Net cash provided by (used in) investing activities	(78,687)	(314,910)
Financing activities:		
Net increase (decrease) in short-term debts	294,727	126,508
Proceeds from long-term debts	363,005	667,490
Repayments of long-term debts	(415,994)	(636,149)
Repayments of lease liabilities	(200,107)	(210,855)
Dividends paid to owners of the Parent	(197,704)	(199,853)
Dividends paid to non-controlling interests	(40,391)	(35,168)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(25,408)	(12,852)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	13,992	5,037
Net (increase) decrease in treasury stock	(233,250)	(19,787)
Net cash provided by (used in) financing activities	(441,130)	(315,629)
Effect of exchange rate changes on cash and cash equivalents	(12,700)	8,628
Net increase (decrease) in cash and cash equivalents	161,115	226,024
Cash and cash equivalents at the beginning of the period	1,160,582	1,322,812
Cash and cash equivalents at the end of the period	1,321,697	1,548,836

3. Changes in Accounting Policies and Accounting Estimates

The significant accounting policies applied to the condensed consolidated financial statements for the nine months ended December 2020 are identical to the accounting policies applied to the consolidated financial statements for the previous fiscal year.

4. Notes Concerning Going Concern Assumption

None

Results for the Nine Months Ended December 2020

February 3, 2021

Mitsubishi Corporation

(Forward-Looking Statements)

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

(Notes Regarding These Presentation Materials)

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

Results for the Nine Months Ended December 2020

(Billion Yen)	Nine months ended December 2019	Nine months ended December 2020	Fluctuation	Forecasts for the year ending March 2021	Progress
Consolidated Net Income	373.3	169.1	(204.2)	200.0	85%
Business-related sector	253.1	127.9	(125.2)	130.4	98%
Market-related sector*	113.6	33.5	(80.1)	51.6	65%
Annual dividend per share	134 yen				

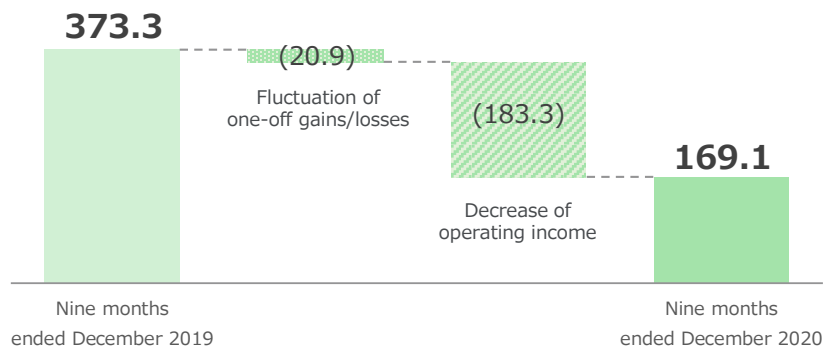
* Market-related sector includes North American shale gas and E&P in Natural Gas segment, Mineral Resource business except for trading and business incubation in Mineral Resource segment, and Ships (commercial vessels) in Industrial Infrastructure segment.

<Year-over-Year fluctuation>

(Billion Yen)

◎ Earnings decreased 204.2 billion yen year-over-year.

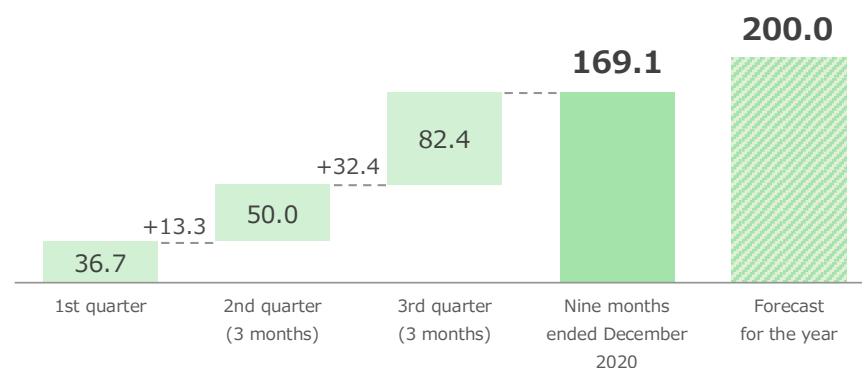
- ✓ In the Business-related sector, net income decreased mainly due to lower operating income in the LNG-related business and in the Automotive-related business, etc., as well as impairment losses etc. in Mitsubishi Motors, despite the rebound from loss related to crude oil trading derivatives at the Singapore petroleum subsidiary recorded in the previous year.
- ✓ In the Market-related sector, net income decreased mainly due to lower operating income in the Australian metallurgical coal business, etc.



<Progress against the forecast for the year>

(Billion Yen)

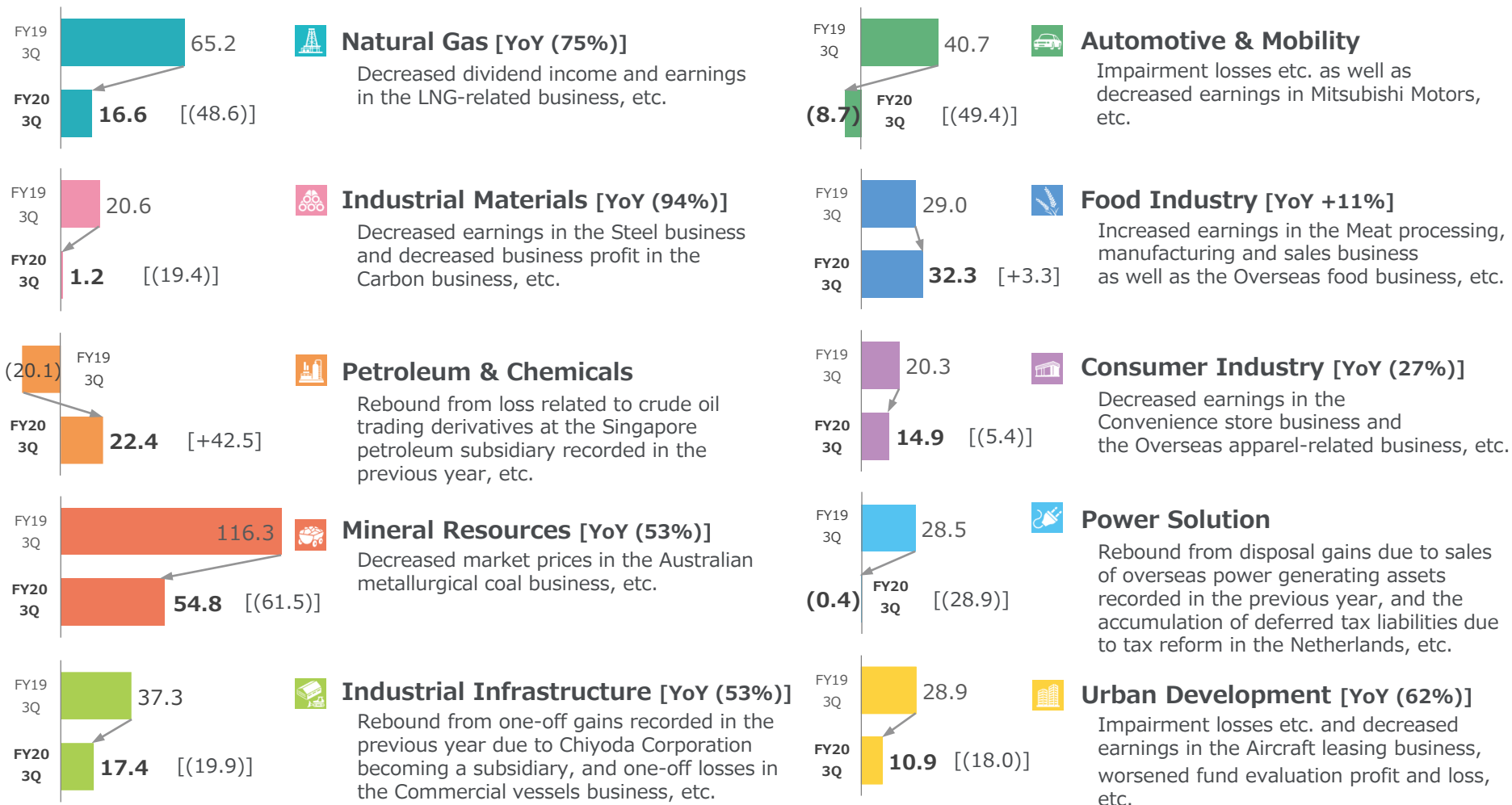
- ◎ Consolidated net income (3 months) shows a steady recovery trend and the progress against the forecast for the year was 85%.
- ◎ Forecast for the year of 200.0 billion yen in consolidated net income remains unchanged, due to the unpredictable situation and the necessity to carefully assess the changes in the business environment etc., as well as the cost related to the structure reform in Mitsubishi Motors to be recorded in the 4th quarter.
- ◎ Annual dividend per share of 134 yen remains unchanged.



Year-over-Year Segment Net Income

Consolidated Net Income : Nine months ended December 2019 (FY19 3Q): **373.3** (Billion Yen)

Nine months ended December 2020 (FY20 3Q): **169.1** [YoY (204.2)]



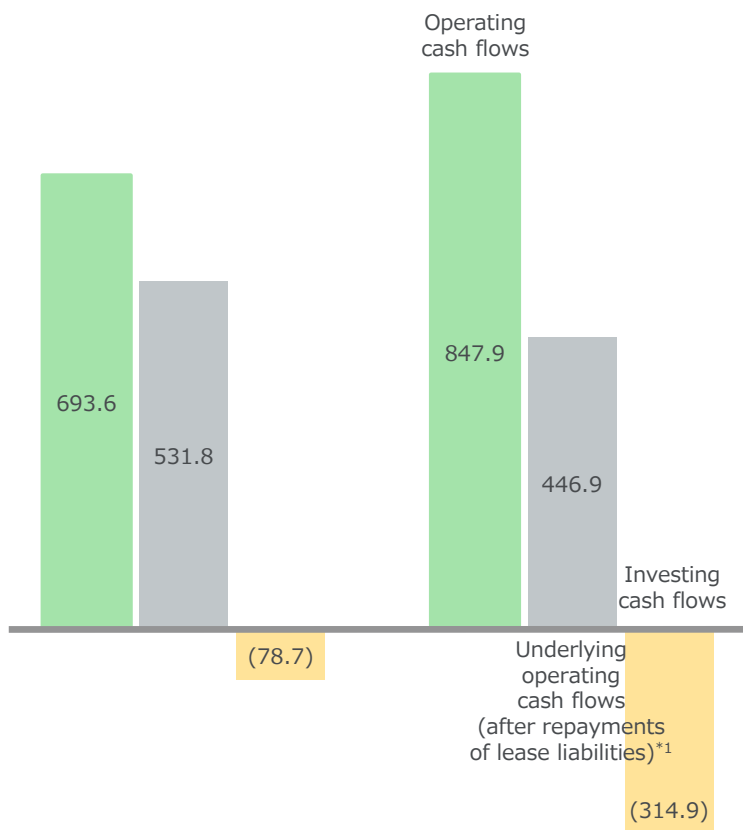
Cash Flows

Nine months ended
December 2019

Nine months ended
December 2020

[Breakdown of cash flows]

(Billion Yen)



		Underlying operating cash flows (after repayments of lease liabilities)	Investing CF			Adjusted Free Cash Flows
			New/Sustaining Investments	Sales and Collection	Net	
Ref.	Year ended March 2020	672.1	(1,051.4)	550.7	(500.7)	171.4
Nine months ended December 2020		446.9	(581.3)	266.4	(314.9)	132.0

[Main items included in Investing CF for the nine months ended December 2020]

New/Sustaining Investments	Sales and Collection
<ul style="list-style-type: none"> •European integrated energy business (Power Solution) •Investments in HERE Technologies (Other) •LNG-related business (Natural Gas) •Australian metallurgical coal business (Mineral Resources) •North American real estate business (Urban Development) •Copper business (Mineral Resources) 	<ul style="list-style-type: none"> •Listed stocks (Food Industry/Consumer Industry, etc.) •North American real estate business (Urban Development) •North American shale business (Natural Gas)

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

*2 Adjusted Free Cash Flows :
Total of Underlying operating cash flows (after repayments of lease liabilities) and Investing CF

(Reference) Market Conditions

[Foreign Exchange, Commodity Prices and Interest Rates]

	Nine months ended December 2020	Forecast for the year ending March 2021*	Fluctuation	Consolidated Net Income Sensitivities for the year ending March 2021 [For crude oil and copper price, preliminary sensitivities at this time are shown for reference, since there is a possibility of significant revision due to changes in production levels etc.]
Foreign Exchange (YEN/US\$)	106.11	105.94	+0.17	Depreciation/appreciation of 1 yen per US\$1 has a 1.5 billion yen positive/negative impact on a full-year earnings.
Crude Oil Price (Dubai) (US\$/BBL)	48	47	+1	A US\$1 rise/decline per barrel increases/reduces full-year earnings by 2.5 billion yen. To better account for the differences in fiscal year-ends of consolidated companies and the timing when crude oil price is actually reflected in LNG sales price, the average price for the preceding 6 month period (e.g. For the year ending March: average price from Oct. to Sep.) is utilized. In addition to changes in crude oil price, other factors could also affect crude oil-related earnings, such as dividend policy, foreign currency movements, and production/sales volume. Therefore, the impact on earnings cannot be determined by the crude oil price alone.
Copper Price (US\$/MT) [US\$/lb]	6,364 [289]	6,680 [303]	(316) [(14)]	A US\$100 rise/decline per MT increases/reduces full-year earnings by 1.3 billion yen (A US\$10 rise/decline per lb increases/reduces full-year earnings by 2.8 billion yen). In addition to changes in copper price, other variables affect earnings from copper mines, such as the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditure). Therefore, the impact on earnings cannot be determined by the copper price alone.
YEN Interest TIBOR 3M (%)	0.07	0.08	(0.01)	The effect of rising interest rates is mostly offset by an increase in operating and investment profits. However, a rapid rise in interest rates could have a temporary negative effect.
US\$ Interest LIBOR 3M (%)	0.35	0.35	±0.00	

* The annual averages are shown for the forecast for the year. Revised from the forecast released on Nov. 5 based on market price updates.
(However, crude oil price is the actual result, as the price for the preceding 6 months period is utilized.)