Prices as of 2026-11-16 close · Financials as of Q2 (interim) of FY3/2027 (2026-09-30; Kessan Tanshin released 2026-11-04, semi-annual securities report filed 2026-11-13)

Mitsui & Co. 8031.T

Mitsui & Co.: 1H profit up 36% and full-year guidance raised to ¥1.05tn; operating cash flow roughly halved

Profit attributable to owners of the parent for 1H FY3/2027 was ¥574.9bn, up 35.7% YoY; Q2 alone was ¥280.8bn, up 21.0% YoY. The company raised its full-year profit guidance from ¥920.0bn to ¥1.05tn and its core operating cash flow guidance (a company KPI) from ¥1.05tn to ¥1.12tn. Excluding asset recycling, valuation/one-off items and FVTPL (fair value through profit or loss) as defined by the company, 1H profit was approximately ¥470.2bn, up about 22% YoY (est.); Q2 alone was approximately ¥243.5bn (est.), above the ¥230.0bn threshold set in the previous report. The principal issue identified in the filings review is weak cash conversion: 1H operating cash flow was only ¥223.4bn, down 47.9% YoY, with a working-capital outflow of ¥350.0bn and free cash flow (company definition) of only ¥23.4bn. The weighted scorecard score rose from 2.75 in the previous report to 3.00, reflecting a one-point increase in Fundamentals from 3 to 4 with other dimensions unchanged; on a USD basis relative to the S&P 500, the result remains in the Neutral range.

Rating · 12 months · vs S&P 500	Price	Market cap	1-year change
Neutral Confirmed 2026-11-17 · Rating definitions	¥5,086 2026-11-16 close	¥14.34T Wholesale Trade	+26.9% YTD +12.1%
Current-year P/E	**Next earnings**		
14.2x EPS 358.73 (consensus mean)	2027-02-03 yfinance calendar		

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Market context

Japanese equities have corrected markedly over the past three months: the Nikkei 225 closed at 59,662, down 13.8% over 3M and 8.7% over 1M; TOPIX (proxied by the 1306.T ETF, as yfinance has no ^TOPX data) fell 5.7% over 3M. The S&P 500 closed at 7,561.67,

down 2.9% over 3M and up 10.5% YTD. AI-related stocks fell sharply after the US midterm elections in the first week of November, and the Nikkei recorded its largest weekly decline since March 2020 before rebounding 6.5% the following week.
The Japanese 10-year government bond yield was 2.90% (Ministry of Finance, November 13), down 12bp over 1M but up about 24bp in the week to November 13; the US 10-year Treasury yield was 5.15%, down 4bp over 1M. USD/JPY stood at 159.6, with the yen down 0.9% over 1M and close to the 160 level, prompting verbal warnings from the Ministry of Finance. The VIX was 20.0.

The trading-company sector has been relatively resilient: the TOPIX-17 Trading Companies & Wholesale ETF (1629.T) rose 8.3% over 3M and 32.7% over 1Y. In yen terms, Mitsui & Co. rose 7.5% over 3M, 26.9% over 1Y and 12.1% YTD, outperforming TOPIX by 13.3 percentage points over 3M.

The rating benchmark is the S&P 500 in USD terms: in USD, the stock returned +22.9% over 1Y, outperforming the S&P 500 by 10.7 percentage points; it outperformed by 10.2 percentage points over 3M, underperformed by 14.8 percentage points over 6M and underperformed by 0.8 percentage points YTD. The weekly-return beta is −0.33 and the correlation is −0.13, indicating low correlation with US equities; exchange rates and commodity prices remain the principal drivers.

Indices and sector

	Last	1W	1M	3M	YTD	1Y
Nikkei 225	59,662.02	+1.5%	-8.7%	-13.8%	+18.5%	+18.4%
TOPIX (1306 ETF)	410.90	+2.2%	-4.1%	-5.7%	+17.0%	+18.9%
S&P 500	7,561.67	+2.5%	-2.0%	-2.9%	+10.5%	+12.2%
USD/JPY	159.57	+0.8%	+0.9%	+0.2%	+2.0%	+3.2%
TOPIX-17 商社・卸売 ETF（1629.T）	286.20	+4.0%	+3.1%	+8.3%	+26.4%	+32.7%
8031.T	**5,086.00**	**+6.4%**	**+1.7%**	**+7.5%**	**+12.1%**	**+26.9%**

Rates, volatility and relative performance

10-year JGB yield 2.90% 1M -12bp	VIX 20.00 1M +0.01	10-year Treasury yield 5.15% 1M -4bp	Beta vs S&P -0.33 1-year correlation -0.13	3M excess return +10.2% vs S&P 500
1Y excess return +10.7% vs S&P 500				

Macro and market events

Date	Event	Implications for the company	Source
2026-11-16	Japan's Q3 real GDP contracted at an annualized 0.1%; Brent crude around $96 as further tanker mine strikes were reported in the Strait of Hormuz	GDP came in below the Reuters poll estimate (+0.3%), and the Nikkei 225 fell 2.4% on the day. Brent crude at around $96/bbl is below the company's 2H JCC assumption of $110. As crude prices are reflected in earnings with a lag of 4–6 months (about 55%), current prices should have a limited effect on 2H FY3/2027 and mainly affect FY3/2028 (our inference). Each $1 change in the consolidated oil price changes annual profit by ¥9.0bn (net basis; earnings presentation, 2026-11-04).	CNBC
2026-11-13	US October CPI rose 0.4% MoM (released November 10); markets fully priced a December rate hike; USD/JPY approached 160	Higher-than-expected US inflation strengthened expectations of a December hike, and USD/JPY rose to near 160; a Japanese Ministry of Finance official said currency moves had been excessively rapid. A weaker yen benefits Mitsui's yen-denominated profit (each ¥1 move in USD/JPY affects annual profit by ¥4.6bn; 2H assumption 155), but because the rating is measured on a USD total-return basis, the currency effect is partly offset (our inference). If Japanese authorities intervene and the yen appreciates rapidly, yen-denominated profit and the USD share-price return would move in opposite directions.	T. Rowe Price

Date	Event	Implications for the company	Source
2026-11-06	AI-related stocks fell sharply after the US midterm elections; the Nikkei 225 recorded its largest weekly decline since 2020	The Nasdaq 100 fell 6.3% on November 5, and the Nikkei 225 fell about 9% over the week, more than 20% below its peak. Mitsui & Co. fell 8.3% on November 6 (¥4,620) and recovered to ¥5,100 over the following week. The company's direct exposure to AI investment is low, and the decline mainly reflected lower overall risk appetite; however, the company lists price corrections in AI-related assets as one of the financial-market risks in its Kessan Tanshin.	NBC News
2026-10-30	The Bank of Japan kept its policy rate unchanged at 1.25% by an 8–1 vote	One board member proposed a hike to 1.5%, and markets expect a hike in December. Transmission runs through two channels: first, funding costs, with net interest-bearing debt of ¥4.24tn at end-September and 1H interest paid of ¥106.3bn (+13.1% YoY); second, the exchange rate, as a hike that strengthens the yen would reduce the yen value of overseas profit but raise USD-denominated shareholder returns.	Yahoo Finance
2026-10-28	The Federal Reserve held the federal funds rate at 3.75%–4.00%, with two members favoring a hike	US rates remain elevated, supporting USD/JPY; the US 10-year Treasury yield is 5.15%. The higher-rate environment raises hurdle rates for Mitsui's new investments; the CEO stated in the Q&A that the weighted average cost of capital and investment hurdle rates have been adjusted upward accordingly (Q&A, 2026-11-06).	Fox Business

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Company events

2026-11-13

Neutral Company announcement

Semi-annual securities report: maximum potential payments under guarantees declined to ¥1.088tn

At end-September, maximum potential payments under guarantees were ¥1.088tn (¥1.148tn at end-March), with a guaranteed balance of ¥575.5bn, or ¥532.2bn after recoverable amounts. The major-shareholder table notes that National Indemnity (a wholly owned subsidiary of Berkshire Hathaway) is a principal shareholder, but it is not included in the table because its actual holding at end-September could not be confirmed (semi-annual securities report, 2026-11-13).

Source: 半期报告书（2026-11-13）

2026-11-04

Neutral Company announcement

Management allocation expanded by ¥130.0bn; target for total cash outflow under the medium-term plan raised to more than ¥6tn

The three-year cumulative cash-in forecast under Medium-term Management Plan 2029 was raised from ¥4.74tn to ¥4.87tn, comprising core operating cash flow of ¥3.50tn and asset recycling of ¥1.37tn; growth investment rose from ¥970.0bn to ¥1.32tn (including Penske). A further approximately ¥800.0bn of growth investment has not yet been decided. The CEO stated in the Q&A that additional share buybacks and increases in the progressive dividend would be implemented flexibly "at a relatively early timing", that total cash outflow could reach ¥6tn, and that net DER could then approach the upper end of the 0.5–0.6x range (earnings presentation p.10–12; Q&A, 2026-11-06). Because higher shareholder returns and rising leverage both apply, the impact is assessed as neutral.

Source: 说明会资料（2026-11-04）、问答（2026-11-06）

2026-11-04

Negative Earnings

1H operating cash flow of ¥223.4bn, down 47.9% YoY, with a working-capital outflow of ¥350.0bn

Operating cash flow fell from ¥428.7bn in the prior-year period to ¥223.4bn; the working-capital outflow was ¥350.0bn, which the company attributes mainly to higher trade receivables (Energy and Wellness Ecosystem segments). Investing cash flow was –¥200.0bn, and free cash flow (company definition: operating cash flow plus investing cash flow) fell from ¥187.6bn to ¥23.4bn. The company KPI, core operating cash flow, was ¥511.6bn (+14.1%), widening the gap with reported operating cash flow. A yfinance news headline indicates that the share price fell to a three-week low on the day because of weaker cash flow.

Source: 决算短信（2026-11-04）

2026-11-04

Positive Earnings

1H profit of ¥574.9bn (+35.7%); full-year guidance raised to ¥1.05tn

Q2 profit attributable to owners of the parent was ¥280.8bn (+21.0% YoY). Full-year guidance was raised by ¥130.0bn from ¥920.0bn to ¥1.05tn (+25.9% vs the prior year), core operating cash flow guidance was raised from ¥1.05tn to ¥1.12tn, and profit forecasts were raised for five segments. Of the increase, asset recycling and valuation/one-off gains rose from ¥94.0bn to ¥140.0bn (+¥46.0bn), and the remaining approximately ¥84.0bn came from underlying earnings power (earnings presentation p.21, p.26). Full-year EPS guidance is ¥372.39, and the annual dividend is maintained at ¥140.

Source: 決算短信、说明会资料（2026-11-04）

2026-11-02

Positive Company announcement

October buyback of ¥42.9bn; cumulative execution of ¥85.0bn (42.5% of the authorization)

In October the company repurchased 8,679,200 shares for ¥42.92bn; cumulative purchases from August 5 to October 31 were 16,965,100 shares for ¥85.04bn, an average price of approximately ¥5,013 per share (est.). Execution was only ¥11.25bn in August and approximately ¥30.9bn in September (est., derived from the cumulative figure of approximately ¥42.1bn at end-September disclosed in the Kessan Tanshin), indicating a clear acceleration. The remaining ¥114.96bn must be completed by January 29, 2027, or approximately ¥38.3bn per month (est.), in line with the October level.

Source: TDnet（2026-11-02）

2026-10-15

Undetermined Company announcement

Merger agreement signed with Penske Corporation to take Penske Automotive private at $212 per share

The offer was raised from the $210 proposed in July to $212, covering approximately 18.29 million free-float shares for a total of approximately $3.9bn. Mitsui will contribute up to $1.6bn (approximately ¥240.0bn) to the acquisition vehicle, raising its stake from approximately 20.3% to approximately 36%; the earnings presentation lists an investment amount of approximately ¥248.0bn. The transaction requires shareholder approval (including a majority of unaffiliated shareholders) and regulatory approval and is expected to close in Q4 FY3/2027, with a minor impact on this fiscal year; the project is not included in Medium-term Management Plan 2029, and additional earnings contribution is expected from FY3/2028 (TDnet, 2026-10-15). PAG contributed ¥27.1bn of profit in FY3/2026. The earnings contribution and investment return cannot yet be quantified, so the impact is assessed as pending.

Source: TDnet（2026-10-15）

2026-08-04

Positive Company announcement

¥200.0bn share buyback with full cancellation; shareholder-return policy revised to more than 50% of core operating cash flow

The buyback period runs from 2026-08-05 to 2027-01-29 with a cap of 60 million shares, and all repurchased shares are scheduled to be cancelled on 2027-02-05. Under Medium-term Management Plan 2029, the shareholder-return target is more than 50% of cumulative three-year core operating cash flow, with a progressive-dividend floor of ¥140.

Source: 自己株式取得公告（2026-08-04）

Red denotes positive, green negative (Chinese market convention), grey neutral and blue undetermined.

2026-07-01

Positive Company announcement

Berkshire's stake rose to 10.83%; no subsequent amendment report has been identified

National Indemnity filed Amendment Report No.4: 310,311,400 shares, with the holding ratio rising from 9.82% to 10.83%; the reporting obligation arose on June 24, and the stated purpose is pure investment. Web searches as of November 16 found no subsequent report, but without EDINET API access, whether any newer report exists could not be verified. The CEO stated in the Q&A that Berkshire continues to position the holding as a long-term pure investment (Q&A, 2026-11-06).

Source: EDINET 変更报告书（2026-07-01）

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Rating and scorecard

AlphaScope rating

Neutral Total return expected to be within ±10 percentage points of the S&P 500 over the next 12 months · Weighted scorecard 3.00

The weighted score is 3.00 (Fundamentals 4, Valuation 2, Momentum 3, Earnings quality 3, Risk 3), within the Neutral range (2.4–3.6). The previous report scored 2.75; the change reflects a one-point increase in Fundamentals.

The rating measures 12-month total return in USD relative to the S&P 500 (the publisher applies a uniform benchmark to all stocks), so yen exchange-rate movements are fully reflected.

Of the upgrade conditions set in the previous report, the two profit-related conditions have been met: Q2 profit excluding one-off items was approximately ¥243.5bn (est.), above ¥230.0bn, and full-year guidance was raised to ¥1.05tn. However, the scorecard result remains below the 3.6 lower bound of the Buy range, constrained mainly by valuation (consensus P/E broadly in line with the peer median and a PEG of about 2.7) and weak 1H cash conversion (operating cash flow down 47.9% YoY). The suggested rating therefore remains Neutral, with no deviation.

Upside factors: consensus converging toward company guidance (EPS ¥372.39); an additional buyback announced after completion of the ¥200.0bn program; expansion of LNG trading volumes in FY3/2028 (the company expects own-account volumes of 15–20 million tonnes by 2030); further buying by Berkshire.

Downside risks: implied 2H profit of approximately ¥475.1bn, 17% below 1H, as asset recycling gains are difficult to sustain; Brent crude (about $96) below the 2H JCC assumption of $110; continued working-capital outflows; rapid yen appreciation following intervention; the Penske transaction and approximately ¥800.0bn of undecided investment raising net DER.

Conditions for a rating change: the rating could be raised to Buy if Q3 operating cash flow recovers to a level close to core operating cash flow, consensus is revised above company guidance and valuation remains no higher than the peer median; it could be lowered if working-capital outflows widen further, an impairment arises on Middle East LNG or net DER exceeds 0.6x.

Ratings are research opinions based on public information. They are intended for all readers and do not take into account any individual's financial circumstances. For rules and distribution, see Rating definitions

Fundamentals	Valuation	Momentum	Earnings quality	Risk
4 / 5	2 / 5	3 / 5	3 / 5	3 / 5

A higher risk score indicates lower risk. The five dimensions are weighted to derive a suggested rating, which is finalised once confirmed by the publisher.

Basis for the scores

Fundamentals
4 / 5

Revenue at a general trading company largely reflects commodity transaction volumes, so the revenue-based rule has limited relevance; this dimension therefore also considers profit and core operating cash flow.

> Trailing 12-month revenue was ¥15.56tn, up 10.4% YoY; Q2 revenue was ¥3.97tn, up 14.9% YoY, corresponding to the 4-point band.
>
> 1H profit rose 35.7%; excluding asset recycling, valuation/one-off items and FVTPL, it was approximately ¥470.2bn, up about 22% YoY (est., calculated from the variance analysis on p.20 of the earnings presentation), driven by commodity prices (+¥29.0bn), foreign exchange (+¥24.0bn) and businesses such as chemicals, oil trading and automotive (approximately +¥38.0bn excluding the FVTPL effect).
>
> Full-year guidance implies profit growth of 25.9% and core operating cash flow growth of 14.4% (vs ¥978.9bn in FY3/2026).
>
> ROE is approximately 11.6% (trailing 12-month profit of ¥985.1bn ÷ average equity attributable to owners, est.), close to but still below the company's 12% target.

The score is raised by one point from the previous report because revenue growth increased from 6.5% to 10.4% and Q2 data confirmed profit growth excluding one-off items. Negative factors are the decline in the Q2 gross margin to 8.1% (Q1: 9.5%) and Q2 core operating cash flow of ¥230.6bn, essentially flat YoY (−0.7%).

`TTM revenue +10.4%; 1H profit +35.7%, about +22% excluding one-offs (est.); FY guidance +25.9%; ROE approximately 11.6% (est.)`

Valuation
2 / 5

Based on the yfinance consensus EPS of ¥358.73 for the current fiscal year (FY3/2027), the P/E is 14.2x, 2.0% above the peer median of 13.9x, corresponding to the 3-point band; based on company guidance EPS of ¥372.39, the P/E is 13.7x, 1.8% below the median, also in the 3-point band.

The score is lowered by one notch because the PEG is high: analysts expect EPS growth of only 5.2% next fiscal year (358.73 → 377.56), implying a PEG of about 2.7, above 2.5. Using company guidance as the base, next-year consensus is only 1.4% above this year's guidance, implying even lower growth. Consensus is below the company's raised guidance and may not yet fully reflect the November 4 upgrade (our inference).

Supporting factors: a shareholder yield of about 4.2% (dividend of ¥140 equivalent to 2.8% and the ¥200.0bn buyback equivalent to 1.4%, est.) and a P/B of about 1.59x.

`Current-year P/E 14.2x (13.7x on guidance); peer median 13.9x; EPS growth 0y→+1y 5.2%, PEG approximately 2.7`

Momentum
3 / 5

Relative to the S&P 500 in USD terms: +10.2 percentage points over 3M and +10.7 percentage points over 1Y, but −14.8 percentage points over 6M and −0.8 percentage points YTD. The share price of ¥5,086 is 1.5% above the 50-day moving average and 3.7% below the 200-day moving average. Given the divergence between short and long periods, the score of 3 is unchanged from the previous report.

`USD excess return: 3M +10.2%, 6M −14.8%, 1Y +10.7%, YTD −0.8%; 3.7% below the 200-day moving average`

Earnings quality
3 / 5

Two points deducted from 5:

> **Non-operating gains exceed 10% (−1)**: 1H gain on securities of ¥118.6bn represented 16.7% of profit before income taxes of ¥709.5bn, mainly fair-value gains on the remaining interest in CIM Group and gains related to the deconsolidation of the Brazilian passenger rail subsidiary (Kessan Tanshin, 2026-11-04); the ratio was 10.1% on a trailing 12-month basis and 9.1% for Q2 alone. Asset recycling and valuation/one-off gains as defined by the company totaled ¥103.7bn, or 18.0% of 1H profit.
>
> **The company KPI includes one-off and valuation items (−1)**: core operating cash flow was ¥511.6bn in 1H; the variance explanation lists "overseas energy-related one-off items" and shows "FVTPL losses" in the Wellness Ecosystem and Innovation segments (earnings presentation p.18), indicating that the metric moves with one-off and valuation items. Shareholder returns are set at more than 50% of this metric.

Items not deducted: trailing 12-month operating cash flow minus purchases of property, plant and equipment was −¥442.1bn, far below profit, mainly reflecting the Rhodes Ridge iron ore investment in October–December 2025 (expansionary investment explained by the company). The 1H working-capital outflow of ¥350.0bn was attributed by the company to higher trade receivables, with no reference to extended payment terms; however, trade receivables at end-September rose 24.4% YoY, faster than Q2 revenue growth of 14.9%, and days sales outstanding were approximately 58 days (about 53 days a year earlier, est.), which is noted as a monitoring item. Annual and TTM base data are consistent with yfinance, and no restatement was identified.

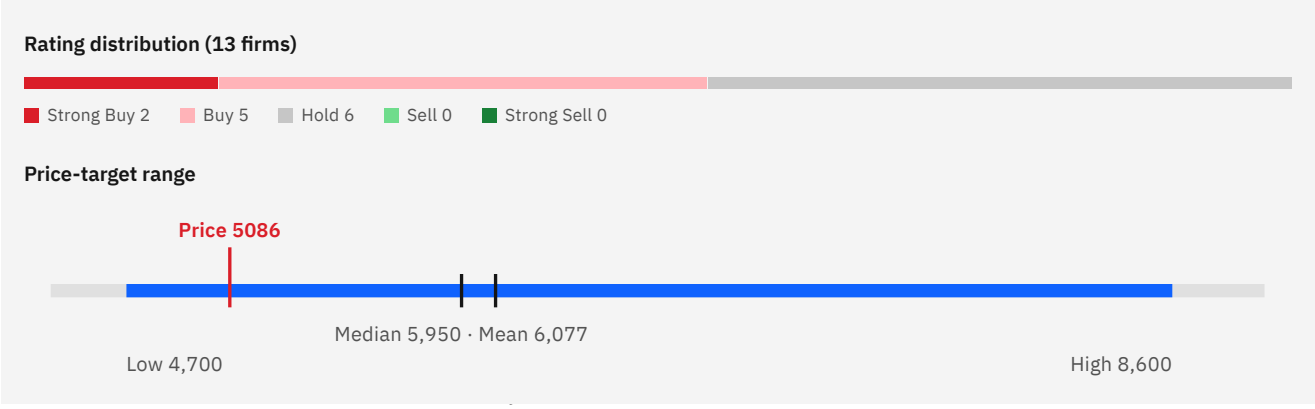
`1H gain on securities 16.7% of pre-tax profit (TTM 10.1%); asset recycling plus one-offs 18.0% of profit; operating cash flow ¥223.4bn vs profit ¥574.9bn`

Risk
3 / 5

Two points deducted from 5:

Off-balance-sheet guarantees (−1): maximum potential payments under guarantees at

Street consensus



Aggregated by yfinance from 13 analysts; update time unknown. The distribution is shown for reference only and does not imply endorsement of any price target.

Items not deducted: 1-year volatility of 35.2% and maximum drawdown of −32.7% are within thresholds; net DER is 0.47x (0.47x at end-March); short- and long-term debt due within one year of approximately ¥681.3bn is covered by cash of ¥957.3bn; there is no customer concentration. Monitoring item: the company indicated that total cash outflow under the medium-term plan could reach ¥6tn, with net DER potentially approaching 0.6x.

`Maximum potential guarantee payments ¥1.088tn (7.6% of market cap); net DER 0.47; volatility 35.2%, maximum drawdown −32.7%`

04

Financial analysis

Quarterly results

Quarter end	Revenue	QoQ	YoY	Gross margin	Op. margin	Net income	Diluted EPS	Op. cash flow	Free cash flow
2025-09-30	¥3.46T	+4.8%	-0.9%	9.2%	–	¥232.1B	80.66	¥166.2B	¥259.8B
2025-12-31	¥3.60T	+4.0%	-1.5%	9.7%	–	¥188.2B	65.60	¥51.2B	¥878.2B
2026-03-31	¥3.64T	+1.2%	-1.1%	9.9%	–	¥222.0B	77.97	¥473.0B	¥579.0B
2026-06-30	¥4.35T	+19.5%	+31.7%	9.5%	–	¥294.1B	103.65	¥42.3B	¥136.1B

Quarter end	Revenue	QoQ	YoY	Gross margin	Op margin	Net income	Diluted EPS	Op. cash flow	Free cash flow
2026-09-30	¥3.97T	-8.6%	+14.9%	8.1%	–	¥280.8B	99.05	¥181.1B	¥344.0B

Source: EDINET / TDnet (季度数据由公司 IR 资料库的决算短信 PDF 文本解析得到（累计值差分成单季，Q4 = 全年 − 前三季），EPS 为累计 EPS 差分的近似值；TDnet 只保留约 1 个月，XBRL 版本已下架时无法使用。). Free cash flow = operating cash flow − capital expenditure. Q4 EPS is frequently missing from XBRL; company-reported figures prevail.

Valuation

Basis	EPS	P/E
GAAP, trailing 12 months	346.27	14.7x
Adjusted, trailing 12 months (street basis)	346.59	14.7x
Current fiscal year estimate (0y)	358.73	14.2x
Next fiscal year estimate (+1y)	377.56	13.5x

yfinance's trailingPE of 14.7x is consistent with trailing four-quarter IFRS basic EPS of ¥346.59. Two bases exist for the current fiscal year: analyst consensus of ¥358.73 (14.2x) and company guidance of ¥372.39 (13.7x). In contrast to the previous report, consensus is now 3.7% below company guidance and may not yet fully reflect the November 4 upgrade (our inference). yfinance earnings_history shows Q2 EPS of ¥99.15 against an estimate of ¥119.95 (−17.3%), but the basis and update timing of that estimate are unclear, and it should not be used to conclude that results fell short of market expectations.

Based on the current price. Forward EPS is the yfinance consensus mean, on an adjusted basis.

Key points from the filings

Principal changes from the previous report (2026-09-30, data as of Q1)

- **Earnings and guidance**: following Q1 profit of ¥294.1bn (+53.4%), Q2 alone was ¥280.8bn (+21.0%); full-year guidance was raised from ¥920.0bn to ¥1.05tn, and core operating cash flow guidance from ¥1.05tn to ¥1.12tn.
- **Cash flow**: Q1 operating cash flow was ¥42.3bn; Q2 alone recovered to ¥181.1bn (est., derived from cumulative figures), but the 1H total was still 47.9% below the prior-year period.
- **Buyback**: only ¥11.25bn (5.6%) had been executed at the time of the previous report; cumulative execution reached ¥85.04bn (42.5%) by end-October.
- **Penske**: progressed from a non-binding proposal ($210 per share) to a signed merger agreement ($212 per share), with Mitsui's stake to rise to approximately 36%.
- **Berkshire**: the July 1 figure of 10.83% remains the latest confirmed holding, and no new amendment report has been identified (whether one exists could not be verified).
- **Asset recycling**: 1H asset recycling gains were ¥83.3bn (Q1: ¥50.1bn), and asset recycling and one-off gains included in the full-year plan rose from ¥94.0bn to ¥140.0bn.
- **Guarantees**: maximum potential payments declined from ¥1.148tn to ¥1.088tn.

Review findings (in order of importance)

- **About 18% of 1H profit came from asset recycling and one-off items.** yfinance shows only Q2 EPS of ¥99.15. According to the breakdown on p.26 of the earnings presentation (2026-11-04): asset recycling of ¥83.3bn (CIM Group reorganization ¥45.3bn, Brazilian passenger

rail ¥20.6bn, Soda Aromatic ¥6.7bn, Oman oil and gas fields and others) and valuation/one-off items of ¥20.4bn (Nutrinova consolidation ¥12.1bn, partial reversal of impairment at an overseas chemical business ¥7.1bn and others), totaling ¥103.7bn, or 18.0% of profit of ¥574.9bn; FVTPL totaled only +¥1.0bn in 1H (Q1 +¥24.0bn, Q2 approximately −¥23.0bn, est.). Excluding these three items, 1H profit was approximately ¥470.2bn versus approximately ¥384.7bn a year earlier, up about 22% (est.). Q2 alone was approximately ¥243.5bn on this basis, and Q1 approximately ¥226.7bn (est.).

The gap between operating cash flow and the company KPI widened. The company defines core operating cash flow as operating cash flow excluding changes in working capital, less repayments of lease liabilities. 1H core operating cash flow was ¥511.6bn (+14.1%), whereas reported operating cash flow was only ¥223.4bn (−47.9%), with a working-capital outflow of ¥350.0bn. "Other, net" in the cash flow statement was an outflow of ¥280.5bn, which the company notes mainly reflects a decrease in other financial liabilities; trade receivables increased by ¥187.1bn. Meanwhile, dividends received fell 8.0% YoY to ¥255.1bn while equity-method income rose 15.8%, indicating a lower cash return ratio from associates' profit (Kessan Tanshin, 2026-11-04).

Composition of full-year guidance. Of the raised guidance of ¥1.05tn, asset recycling and valuation/one-off gains account for ¥140.0bn (¥103.7bn already realized in 1H), leaving an underlying portion of approximately ¥910.0bn (approximately ¥826.0bn in the original plan). Implied 2H profit is approximately ¥475.1bn, 17% below 1H; the 2H consolidated oil price assumption is $116 (1H: $84) and the USD/JPY assumption is 155 (1H actual: 160.04) (earnings presentation p.21, p.28).

Equity-method income accounts for about 40% of pre-tax profit. 1H equity-method income was ¥292.2bn, 41.2% of pre-tax profit of ¥709.5bn; the trailing 12-month ratio was 39.0%. This profit is non-cash and depends on dividends from associates.

Comprehensive income declined. 1H comprehensive income attributable to owners was ¥428.1bn, down 30.7% YoY, mainly due to fair-value losses of ¥129.8bn (pre-tax) on FVTOCI (fair value through other comprehensive income) financial assets and −¥72.8bn of other comprehensive income at equity-method companies (Kessan Tanshin). The company does not disclose which holdings generated the FVTOCI losses.

Base data reconcile. For FY3/2025 and FY3/2026, revenue, profit, diluted EPS, operating cash flow and purchases of property, plant and equipment in yfinance's annual data match the Kessan Tanshin item by item; trailing 12-month revenue of ¥15.56tn, operating cash flow of ¥747.6bn and basic EPS of ¥346.59 (yfinance trailingEps ¥346.27) are also consistent. The discrepancies are concentrated in yfinance's derived fields; see the corrections table.

Items disclosed only in the filings

Berkshire holding: EDINET Amendment Report No.4 (National Indemnity Company, filed 2026-07-01, reporting obligation arising 6-24) is the latest confirmed data: 310,311,400 shares, 10.83% of shares issued, for pure investment. The major-shareholder table in the semi-annual securities report (2026-11-13) does not include National Indemnity because the company could not confirm its actual holding at end-September, but notes that it is a principal shareholder. The custody account STATE STREET BANK AND TRUST COMPANY 505104 in the table holds 312,271 thousand shares (10.95% of shares issued excluding treasury shares), close to National Indemnity's reported share count; whether this account belongs to Berkshire could not be verified. Whether a new amendment report has been filed since July could not be verified without EDINET API access. If the shares repurchased under the ¥200.0bn program are cancelled on 2027-02-05, the holding ratio would rise passively with an unchanged share count.

Guarantees: at end-September, maximum potential payments were ¥1.088tn (of which ¥682.1bn for equity-method companies), the guaranteed balance was ¥575.5bn, or ¥532.2bn after recoverable amounts; ¥225.4bn falls due within one year (semi-annual securities report, note 13).

Penske transaction terms: the PC-Mitsui investors' expected acquisition cost is approximately $3.9bn (approximately ¥585.0bn); Mitsui's equity contribution is capped at $1.6bn and Penske Corporation's at $0.6bn, with the remainder borrowed by the acquisition vehicle from third-party lenders; completion is not conditional on financing and requires approval by a majority of unaffiliated shareholders (TDnet, 2026-10-15; subsequent-events note in the semi-annual securities report).

Russia: the "other investments" balance for Sakhalin-2 fell from ¥58.8bn at end-March to ¥50.3bn at end-September; fair value continues to be measured using a probability-weighted expected present value technique, and the company states that the change is not material (Kessan Tanshin note 8). The CEO stated in the Q&A that Sakhalin-2 accounts for about 9% of Japan's LNG imports.

Middle East: the company expects the net impact of the Middle East situation on FY3/2027 profit to be +¥40.0bn (positives: oil/LNG production and trading, US methanol, tankers, chemical trading; negatives: Middle East LNG dividends, Middle East methanol, logistics and mine diesel costs) (earnings presentation p.8).

Commodity sensitivities (FY3/2027): consolidated oil price $1 = ¥9.0bn (net; full-year assumption $99); iron ore $1/t = ¥3.0bn; copper $100/t = ¥0.5bn (full-year assumption $13,574); USD/JPY ¥1 = ¥4.6bn (full-year assumption 157.52); AUD ¥1 = ¥1.8bn (earnings presentation p.28).

Capitalized interest: the CEO confirmed in the Q&A that interest attributable to the Rhodes Ridge mining rights is capitalized (Q&A, 2026-11-06), so interest expense in the income statement is lower than the actual interest burden; the amount is not disclosed.

Accounting policy: the 2024 amendments to IFRS 9 and IFRS 7 apply from this fiscal year, with an immaterial impact according to the company; the scope of consolidation decreased by one company (the Brazilian passenger rail subsidiary).

Investor Day: to be held on 2026-12-03 with the CEO, CFO and others presenting (earnings presentation).

US listing history: the company delisted from Nasdaq in 2011 and has no SEC filings; primary sources are limited to EDINET / TDnet and company IR materials.

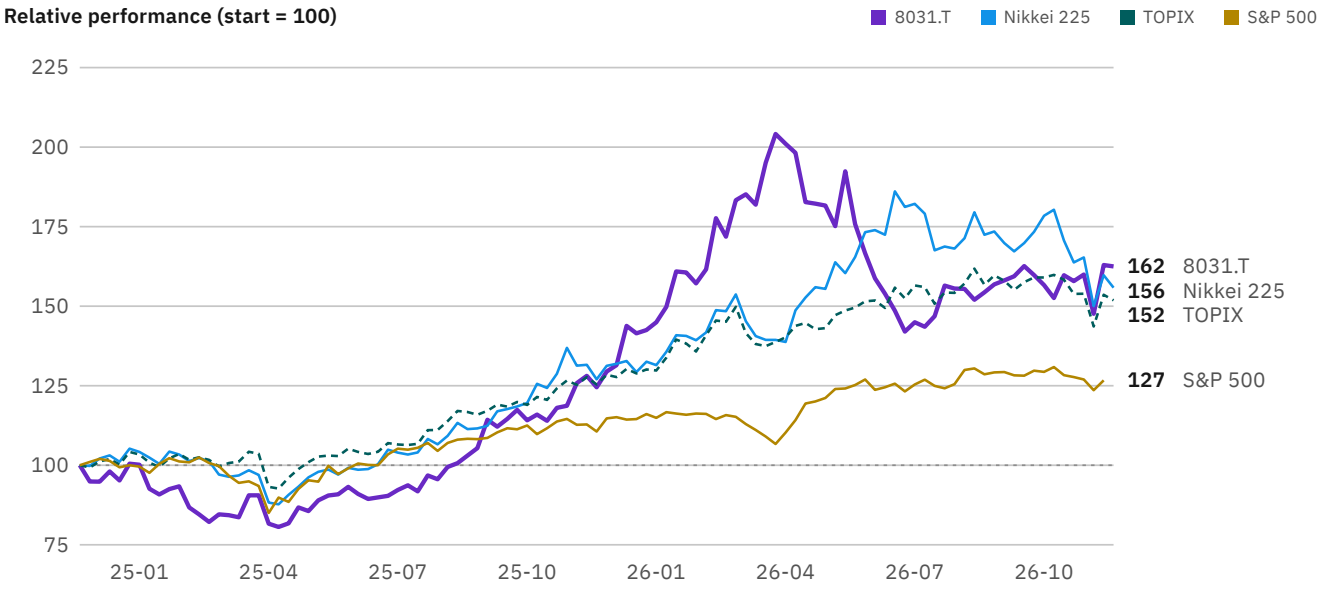
Corrections to third-party data

Item	yfinance	Filing (with calculation)
forwardEps / forwardPE	¥293.85 / 17.3x	This figure matches neither consensus 0y (358.73) or +1y (377.56) nor company guidance (**¥372.39**, Kessan Tanshin 2026-11-04), and it has not been updated between the two reports. The P/E is **13.7x** on company guidance and **14.2x** on consensus.

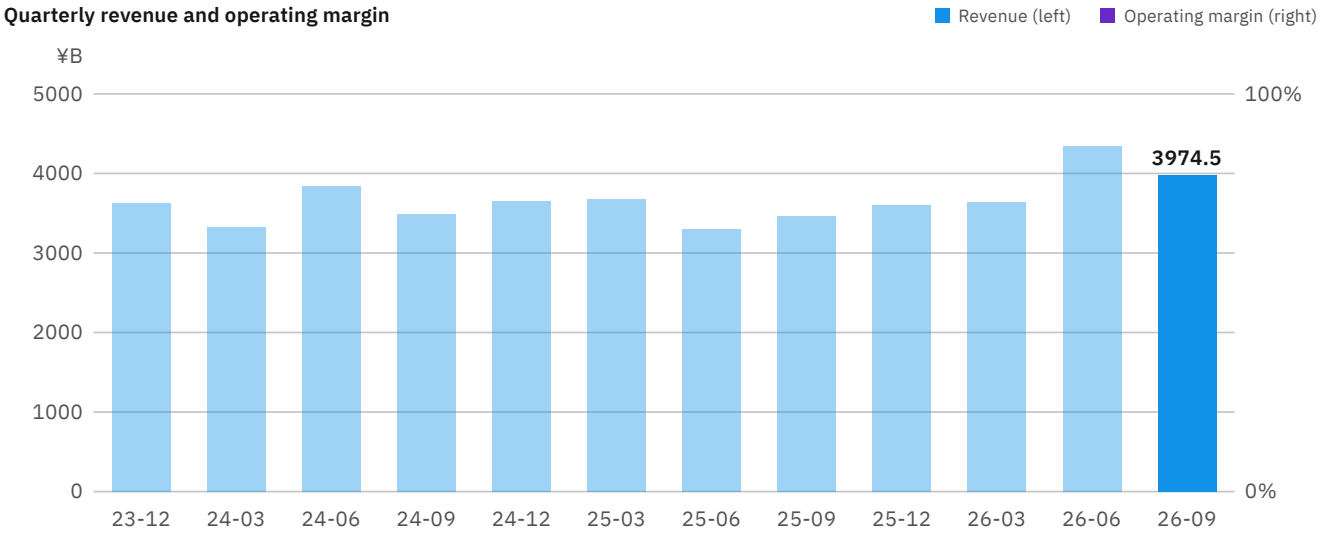
Item	yfinance	Filing (with calculation)
freeCashflow	−¥933.9bn	The calculation basis cannot be reproduced. On Mitsui's own definition (operating cash flow plus investing cash flow), the trailing four quarters total **−¥244.8bn**; operating cash flow of ¥747.6bn minus purchases of property, plant and equipment of ¥1,189.7bn = **−¥442.1bn**. 1H free cash flow on the company definition was **¥23.4bn** (Kessan Tanshin).
earnings_history (quarter ended 2026-09-30)	EPS ¥99.15 vs estimate ¥119.95, a 17.3% shortfall	¥99.15 = 1H basic EPS of 202.88 − Q1 EPS of 103.73 (est., cumulative difference), consistent with the Kessan Tanshin. The estimate of ¥119.95 is higher than Q1 actual; its basis and update timing are unclear and **could not be verified**.
operatingMargins / Operating Income	3.5%; gross profit minus SG&A basis	Mitsui's IFRS income statement has no "operating income" line. The yfinance figure excludes equity-method income (¥292.2bn in 1H, **41.2%** of pre-tax profit) and materially understates earnings power.
dividendYield / trailingAnnualDividendRate	2.55 / blank	dividendYield is expressed as a percentage. The planned FY3/2027 dividend is **¥140** (interim ¥70 + year-end ¥70, Kessan Tanshin), a dividend yield of **2.75%** at the current price.
quarterly_income_stmt / quarterly_cashflow	Blank	Eight quarters were rebuilt from 10 Kessan Tanshin releases for FY3/2025 to FY3/2027 (company IR library PDFs) by differencing cumulative figures, with Q4 = full year − first three quarters.
sector / industry	Industrials / Conglomerates	The TSE sector classification is Wholesale Trade (general trading company); the TOPIX-17 Trading Companies & Wholesale ETF (1629.T) is used as the sector benchmark.
1306.T and 1629.T daily data	Closing prices on 2026-03-30 and 03-31 about 1/10 of normal	These are evident data errors; market.py removes them, and the stock's own data are unaffected.

05

Share price performance



Weekly adjusted closing prices, indexed to 100 on 2024-11-24. Figures on the right are end-of-period values.



Last 12 quarters. Source: EDINET / TDnet.

06

Peer comparison

Ticker	Name	Mkt cap	1M	YTD	1Y	P/E TTM	P/E CY	Rev growth	Gross margin	Op. margin
8031.T	**MITSUI & CO**	**¥14.34T**	**+1.7%**	**+12.1%**	**+26.9%**	**14.7x**	**14.2x**	**+14.9%**	**9.3%**	**3.5%**
8058.T	MITSUBISHI CORP	¥19.63T	+13.4%	+52.8%	+46.1%	18.7x	16.2x	+18.3%	9.3%	3.1%
8001.T	ITOCHU CORP	¥16.48T	+4.9%	+23.8%	+28.6%	17.2x	16.8x	+9.9%	16.7%	4.9%
8002.T	MARUBENI CORP	¥8.37T	+5.7%	+21.4%	+30.9%	14.6x	13.2x	+26.0%	14.4%	3.6%

Ticker	Name	Mkt cap	1M	YTD	1Y	P/E TTM	P/E CY	Rev growth	Gross margin	Op. margin
8053.T	SUMITOMO CORP	¥8.09T	-1.9%	+29.8%	+43.5%	12.6x	12.1x	+12.6%	20.4%	5.4%
8015.T	TOYOTA TSUSHO CORP	¥6.16T	-11.7%	+27.0%	+32.7%	15.4x	13.9x	+28.0%	10.8%	5.0%
Peer median		*¥8.37T*	*+4.9%*	*+27.0%*	*+32.7%*	*15.4x*	*13.9x*	*+18.3%*	*14.4%*	*4.9%*

Aggregated by yfinance and not reconciled to filings. Current-year P/E = price ÷ current fiscal-year (fy) EPS estimate, which avoids the next-year basis used by forward P/E.
Peer source: 内置综合商社同行表. The median excludes this stock.

On current-year (FY3/2027) consensus, Mitsui trades at 14.2x versus a peer median of 13.9x (Mitsubishi Corp 16.2x, Itochu 16.8x, Marubeni 13.2x, Sumitomo Corp 12.1x, Toyota Tsusho 13.9x), a 2.0% premium; on company guidance it trades at 13.7x, a 1.8% discount. The previous report showed a 4.8% discount on consensus; the change mainly reflects the stock's share-price performance relative to peers. All five peers have yfinance current-year estimates, so the comparison uses a consistent basis.

The 1-year share-price return (in yen) of +26.9% trails Mitsubishi Corp (+46.1%) and Sumitomo Corp (+43.5%) and is close to Itochu (+28.6%), Marubeni (+30.9%) and Toyota Tsusho (+32.7%). Revenue growth, gross margin and operating margin in the table are not comparable for general trading companies (they reflect commodity transaction volumes and yfinance's own operating-income calculation; see the corrections table) and should not be used for comparison. Toyota Tsusho is centered on automotive-related trading, and its resource exposure differs significantly from the other four.

07

Smart money

Institutional and political holdings: 1 of the tracked investors hold 8031.T

Investor	Data	Period	Value / range	Portfolio weight	Change
Warren Buffett	Japan large stakes	2026-06-25	310,311,400 shares · 10.83% of outstanding	–	Added

From each tracked investor's latest published 13F, insider filing or financial disclosure. 13F data lag by about 45 days. Smart Money →

08

Key items to monitor

2026-12-01

November buyback progress (TDnet)

The remaining ¥114.96bn must be completed by January 29, or approximately ¥38.3bn per month (est.). If November execution is clearly below that level, using the full authorization becomes more difficult.

2026-12-03	**Mitsui & Co. Investor Day 2026**	The CEO indicated in the Q&A that additional buybacks and dividend increases would be implemented flexibly; watch for the size and timing of any additional buyback, the content of the approximately ¥800.0bn of undecided growth investment, and the profit contribution of LNG trading in FY3/2028.
2026-12-09	**FOMC meeting**	Markets have priced a December hike. Higher US rates support USD/JPY, affecting yen-denominated profit and the USD share-price return.
2026-12	**Bank of Japan policy meeting**	Markets expect a hike to 1.5%. Yen appreciation would reduce yen-denominated profit (¥4.6bn per ¥1) but raise USD returns, while also increasing yen funding costs.
2026–2027	**Changes in Berkshire's holding (EDINET amendment reports)**	An amendment report is required for each change of 1% or more in the holding ratio. Further buying would support share demand; a reduction would be a clearly negative signal.
2027-01-29	**End of buyback period**	Whether the full ¥200.0bn authorization is used and whether an additional buyback is announced. All repurchased shares are scheduled to be cancelled on 2027-02-05.
2027-Q1	**Closing of the Penske Automotive take-private**	The unaffiliated-shareholder vote and regulatory approval; Mitsui's equity contribution (cap of $1.6bn) and financing method; the impact on net DER (currently 0.47x).
2027-02-03	**Q3 FY3/2027 results (yfinance calendar; not yet confirmed by the company in the documents reviewed)**	Whether operating cash flow returns to a level close to core operating cash flow; whether quarterly profit excluding one-off items stays above ¥230.0bn; progress toward implied 2H profit of ¥475.1bn; the lagged effect of lower oil prices.

This report is for research purposes only and does not constitute investment advice.

Sources

Market and analyst data: yfinance + EDINET / TDnet / 公司 IR, as of 2026-11-16 close, delayed. Financial data: EDINET / TDnet. Macro and news items link to their sources. Red indicates an increase and green a decrease.

Primary documents: FY3/2027 interim Kessan Tanshin, earnings presentation, Q&A, semi-annual securities report, TDnet buyback progress (2026-11-02), TDnet Penske merger agreement (2026-10-15), amendment report (EDINET S100YO0N). Web searches: kabutore list of large shareholding reports (third-party aggregator, used to confirm that no new report was found after July), CNBC, NBC News, T. Rowe Price, Yahoo Finance, Fox Business (see links for each event).

AlphaScope · alphascope.cc/en/reports/2026-11-16-8031-t · Generated 2026-11-17

Financial data are taken from original SEC EDGAR filings. Market data are delayed, and the sources are stated in each report.

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