

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021



MITSUMI OIL EXPLORATION CO.,LTD.

Please note that the accompanying consolidated financial statements and notes are translation of the original Japanese document prepared in accordance with the provision set forth in the Companies Act of Japan and applicable regulations and in accordance with the accounting principles generally accepted in Japan and is only for reference purpose. In the event of any differences between this translated consolidated financial statements and the original Japanese document, the original Japanese document shall prevail.

Consolidated Balance Sheet

March 31, 2021

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2021	March 31, 2020	March 31, 2021
Current Assets			
Cash and cash equivalents	¥381,176	¥338,096	\$3,443,013
Receivables-trade (Note 7)	8,348	11,753	75,400
Inventories	807	508	7,289
Other current assets	6,121	4,243	55,293
Total Current Assets	396,452	354,600	3,580,994
Investments and Other Assets			
Investments in securities (Note 7)	47,859	80,957	432,291
Other assets	1,508	1,048	13,621
Total Investments and Other Assets	49,367	82,005	445,912
Property and Equipment (Note 3)			
Buildings and structures	1,964	2,291	17,744
Wells	22,975	53,012	207,526
Machinery and equipment	10,706	16,718	96,702
Land	7	7	63
Construction in progress	2,650	7,165	23,934
Other	118	65	1,063
Total Property and Equipment	38,420	79,259	347,033
Intangible Assets			
Mineral rights	5,684	26,103	51,338
Exploration expenditures	22,648	20,551	204,568
Allowance for exploration expenditures	(24,966)	(23,446)	(225,508)
Other	107	100	965
Total Intangible Assets	3,472	23,309	31,364
Total Assets	¥487,711	¥539,172	\$4,405,302

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Consolidated Balance Sheet

March 31, 2021

LIABILITIES AND EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2021	March 31, 2020	March 31, 2021
Current Liabilities			
Short-term debt	-	¥1,300	-
Current portion of long-term debt	-	2,989	-
Accounts payable (Note 7)	¥7,687	6,648	\$69,438
Income taxes payable (Note 7)	10,527	18,535	95,086
Accrued expenses	2,425	4,205	21,907
Deposits received (Note 7)	926	146	8,365
Derivatives liabilities	253	-	2,289
Asset retirement obligations (Note 2(q), 4)	12,475	8,078	112,686
Other current liabilities	470	1,391	4,248
Total Current Liabilities	34,765	43,293	314,018
Long-Term Liabilities			
Long-term debt (Note 7)	-	12,380	-
Deferred tax liabilities	415	2,582	3,747
Asset retirement obligations (Note 2(q), 4)	113,672	106,409	1,026,753
Long-term accounts payable (Note 7)	19	2,063	175
Other long-term liabilities	464	17,201	4,188
Total Long-Term Liabilities	114,570	140,635	1,034,863
Total Liabilities	149,335	183,929	1,348,881
Contingent Liabilities (Note 6)			
Equity (Note 5)			
Common stock	33,133	33,133	299,281
Shares authorized for both 2021 and 2020: 80,000,000			
Shares outstanding for both 2021 and 2020: 66,266,800			
Capital surplus	-	2,394	-
Retained earnings	282,352	274,800	2,550,375
Total	315,485	310,327	2,849,656
Accumulated Other Comprehensive Income			
Unrealized gains on available-for-sale securities	11,096	14,298	100,228
Deferred gains (losses) on hedges	(65)	(224)	(587)
Foreign currency translation adjustments	7,249	26,210	65,482
Total	18,281	40,284	165,123
Noncontrolling Interests	4,610	4,632	41,643
Total Equity	338,376	355,244	3,056,421
Total Liabilities and Equity	¥487,711	¥539,172	\$4,405,302

See notes to consolidated financial statements.

Consolidated Statement of Income

Year ended March 31, 2021

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021
Net sales	¥99,593	¥155,454	\$899,582
Cost of sales	60,269	71,172	544,390
Gross profit	39,323	84,282	355,192
Selling, general, and administrative expenses	7,007	5,926	63,292
Operating income	32,316	78,356	291,899
Other income (expenses)			
Interest and dividend income	1,621	7,004	14,644
Interest expense	(201)	(473)	(1,813)
Equity in earnings (losses) of associated companies	(9,545)	(4,320)	(86,218)
Foreign exchange gain (loss)	2,167	(2,592)	19,578
Loss on write-off of asset retirement obligation of fully depreciated assets related to change in accounting estimate (Note 2(q))	(14,935)	(19,889)	(134,901)
Realized gain on derivatives	968	1,276	8,740
Gain on sales of investments in securities	6,254	7,325	56,491
Gain on sales of shares of subsidiaries and affiliates	15,220	-	137,477
Provision for exploration expenditure	(2,572)	(1,177)	(23,234)
Impairment loss	-	(6,293)	-
Other - net	263	1,164	2,378
Other income (expenses) - net	(759)	(17,975)	(6,858)
Income before income taxes	31,557	60,382	285,042
Income taxes			
Current	28,119	49,745	253,987
Deferred	(1,957)	(182)	(17,681)
Total income taxes	26,161	49,563	236,306
Net income	5,396	10,818	48,736
Net income attributable to noncontrolling interests	(205)	81	(1,853)
Net income attributable to owners of the parent	¥5,601	¥10,737	\$50,589
		Yen	U.S. dollars (Note 1)
	Year ended	Year ended	Year ended
Per share of common stock	March 31, 2021	March 31, 2020	March 31, 2021
Net income	¥84.51	¥162.03	\$0.76
Cash dividends applicable to the year	-	-	-

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Year ended March 31, 2021

	Millions of yen							
	Common stock	Capital surplus	Retained earnings	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Noncontrolling interests	Total equity
BALANCE, March 31, 2019	¥33,133	¥2,409	¥276,388	¥26,353	(¥232)	¥26,869	¥8,898	¥373,818
Cash dividends, ¥186 per share			(12,326)					(12,326)
Net income			10,737					10,737
Changes in parent's ownership interest due to transaction with noncontrolling interests		(15)					(4,610)	(4,624)
Net changes of items other than shareholders' equity				(12,055)	8	(659)	344	(12,362)
Net change in the year	-	(15)	(1,588)	(12,055)	8	(659)	(4,266)	(18,575)
BALANCE, March 31, 2020	¥33,133	¥2,394	¥274,800	¥14,298	(¥224)	¥26,210	¥4,632	¥355,244
Changes in scope of consolidation		(2,479)	2,037		264	(14,454)		(14,632)
Net income			5,601					5,601
Transfer from retained earnings to capital surplus		85	(85)					-
Net changes of items other than shareholders' equity				(3,201)	(105)	(4,507)	(22)	(7,836)
Net change in the year	-	(2,394)	7,552	(3,201)	159	(18,961)	(22)	(16,867)
BALANCE, March 31, 2021	¥33,133	-	¥282,352	¥11,096	(¥65)	¥7,249	¥4,610	¥338,376

	Thousands of U.S. dollars (Note 1)							
	Common stock	Capital surplus	Retained earnings	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Noncontrolling interests	Total equity
BALANCE, March 31, 2020	\$299,281	\$21,625	\$2,482,158	\$129,144	(\$2,023)	\$236,748	\$41,843	\$3,208,776
Changes in scope of consolidation		(22,393)	18,396		2,383	(130,554)		(132,168)
Net income			50,589					50,589
Transfer from retained earnings to capital surplus		768	(768)					-
Net changes of items other than shareholders' equity				(28,916)	(948)	(40,712)	(200)	(70,776)
Net change in the year	-	(21,625)	68,217	(28,916)	1,435	(171,266)	(200)	(152,355)
BALANCE, March 31, 2021	\$299,281	-	\$2,550,375	\$100,228	(\$587)	\$65,482	\$41,643	\$3,056,421

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Year ended March 31, 2021

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts maintained by Mitsui Oil Exploration Co., Ltd. (“MOECO”), in accordance with the provisions set forth in the Companies Act of Japan and applicable regulations (the “Companies Act”) and in accordance with the accounting principles generally accepted in Japan. The information provided in the notes to the consolidated financial statements is limited to that required by the Companies Act. The consolidated statement of cash flows is presented herein, although the preparation of such statement is not required under the Companies Act.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to MOECO's consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2020 consolidated financial statements to conform to the classifications used in 2021.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which MOECO is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥110.71= US\$1, the rate of exchange at March 31, 2021. The translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Statement of comprehensive income is not required as a part of the basic financial statements under the Companies Act of Japan and applicable regulations and, accordingly, is not presented herein.

2. Summary of Significant Accounting Policies

a) Principles of consolidation and accounting for investments in affiliates

The accompanying consolidated financial statements include the accounts of MOECO, 20 subsidiaries (together, the “Group”), and 7 affiliates. The 20 subsidiaries are Moeco Thailand Co., Ltd., Moeco Cambodia Co., Ltd., Moeco Vietnam Petroleum Co., Ltd., Moeco Southwest Vietnam Petroleum Co., Ltd., Moeco Tuna E&P Co., Ltd., Moeco Libya Co., Ltd., Siam Moeco Ltd., MOECO International B.V., MOECO ASIA PTE. LTD., MOECO ASIA MG3 PTE. LTD., MOECO ASIA PSCG PTE. LTD., MOECO ASIA EP2 PTE. LTD., MOECO Oil & Gas Asia PTE. LTD., MOECO Asia Offshore PTE. LTD., MOECO Asia South PTE. LTD., MOECO OIL (SARAWAK) SDN.BHD., MOECO Southwest Vietnam Pipeline B.V., MOECO Sakakemang B.V., MOECO Southeast Jambi B.V., and MOECO South Sakakemang B.V. The 7 affiliates are Mitsui E&P Middle East B.V., Orange Energy Limited, Mitsui E&P UK Ltd., Erawan2 FSO Bahamas Ltd., Mitsui E&P Brasil Ltda., Mitsui E&P Argentina S.A., and Iwate Geothermal Power Co., Ltd., and are accounted for by the equity method. Under the control and influence concepts, those companies in which MOECO, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method. For the year ended March 31, 2021, Moeco Thai Oil Development Co., Ltd. was excluded from the scope of consolidation due to an absorption merger, and MOEX USA Corporation, MOEX Gulf of Mexico Corporation, MOEX Oil & Gas Texas LLC, MOEX Offshore 2007 LLC, MOEX North America LLC, were excluded from the scope of consolidation due to a sell-off. For the year ended March 31, 2021, Mitsui E&P USA LLC, Mitsui E&P Texas Holdings LLC were excluded from the scope of an affiliate and accounted for by the equity method due to a sell-off. As the closing date of certain subsidiaries and affiliates, which is December 31, differed from the consolidated closing date, necessary adjustments have been made to the financial statements of those companies to reflect any significant transactions made between MOECO's closing date and those of the consolidated subsidiaries.

The excess of cost over the underlying net assets, excluding noncontrolling interests at fair value, as of their dates of acquisition, is accounted for as goodwill and amortized over 20 years by the straight-line method.

All significant intercompany balances and transactions are eliminated in consolidation.

b) Cash equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits that represent short-term investments, all of which mature or become due within six months of the date of acquisition.

c) Inventories

Inventories are stated at the lower of cost, determined by the retail method, or net selling value.

d) Marketable and Investment securities

Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:

Marketable available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Nonmarketable available-for-sale securities are stated at cost, determined by the moving-average method.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

e) Property and equipment

Property and equipment are stated at cost. Depreciation is mainly calculated by the straight-line method over the estimated useful lives of the respective assets.

f) Mineral rights

Mineral rights are carried at cost, less accumulated amortization, which is calculated by the straight-line method over the duration of the petroleum production period, mainly fixed within a contract with the government.

g) Allowance for exploration expenditures

The costs that have been invested in exploration activities, such as geological and geophysical expenses, drilling, and other administration, are capitalized as exploration expenditures in intangible assets. An allowance for exploration expenditures is provided for future possible loss on exploration expenditures in the case of failure in exploration considering the possibility of recovery of exploration expenditures, as there is a fairly low probability of success of exploration before approval for development by oil-producing countries. Moreover, an allowance for exploration expenditures that is incurred before the decision to transition to development has occurred is maintained until commencement of selling and realization of profitability for activities that are still in the development stage because of uncertainty.

Furthermore, an allowance for exploration expenditures is also provided for mineral rights, which includes a signature bonus and so on, associated with the conclusion of a contract with the government.

h) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss is measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

i) Liability for retirement benefits

Liability for retirement benefits is based on benefit reserves and plan assets in the actuarial report at the consolidated balance sheet date.

j) Income taxes

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

k) Foreign currency transactions

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the consolidated balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income.

l) Foreign currency financial statements

The assets, liabilities, revenue, and expense accounts of overseas subsidiaries are translated into yen at the exchange rates of their balance sheet dates, and the differences arising from the translation are presented as "Foreign currency translation adjustments" in equity.

Differences arising from such translation are divided into "Foreign currency translation adjustments" and "Noncontrolling interests" in a separate component of equity.

m) Derivatives

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates and commodity prices. Derivatives are stated at fair value, and realized gains and losses on derivative transactions are recognized in the consolidated statement of income.

n) Per share information

Net income per share attributable to owners of the parent is calculated by dividing profit attributable to owners of the parent by the weighted-average number of common stock outstanding during the reporting period.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

o) Hedge activities

Hedging activities are accounted for on a deferred basis.

p) Accounting estimates

The accounting item in the consolidated financial statements that is based on the accounting estimates and may significantly affect the consolidated financial statements in subsequent year is as follows:

Asset retirement obligation of ¥126,147 million (\$1,139,439 thousand)

q) Change in accounting estimates

For the year ended March 31, 2021, the Group has changed the accounting estimate of expenses related to the removal cost of some facilities producing crude oil and natural gas because it was found that the estimated removal expenses have increased due to an increase in the unit costs of each process of the removal of facilities in Thailand. Because of this change in accounting estimate, the Group revised asset retirement obligations and added ¥15,578 million (\$140,708 thousand) from the amount of the liability for asset retirement obligations. Also, gross profit and operating income respectively decreased by ¥47 million (\$421 thousand) and income before income taxes decreased by ¥14,982 million (\$135,322 thousand). Meanwhile, the Group recorded the increase of depreciation for changes in estimate for asset retirement obligations of depreciated asset in previous years of ¥14,935 million (\$134,901 thousand) as "Loss on write-off of asset retirement obligation of fully depreciated assets related to change in accounting estimate".

This change in accounting estimate will result in a decrease to income before income taxes of ¥813 million (\$7,341 thousand) in subsequent years.

3. Accumulated Depreciation and impairment

Accumulated depreciation and impairment of property and equipment for the years ended March 31, 2021 and 2020, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2021	March 31, 2020	March 31, 2021
Accumulated depreciation and impairment of property and equipment	¥671,553	¥633,781	\$6,065,878

4. Asset Retirement Obligations

The Group has estimated expenses to remove some facilities producing crude oil and natural gas in Thailand and recorded asset retirement obligations, which are expected to be incurred at the time of termination of the projects in the Gulf of Thailand. The discount rate is the distribution rate of U.S. Treasury Bills.

The changes in asset retirement obligations for the years ended March 31, 2021 and 2020, were as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021
Balance at beginning of year	¥114,487	¥94,095	\$1,034,119
Additional provisions associated with acquisition of property and equipment	392	3,026	3,541
The decrease associated with disposition of property and equipment	(6,810)	(4,456)	(61,508)
The increase associated with change of estimate	15,578	21,015	140,708
Adjustment associated with passage of time	2,764	2,697	24,968
Foreign currency translation adjustments	2,354	(1,890)	21,263
The decrease associated with changes in scope of consolidation	(2,618)	-	(23,652)
Balance at end of year	¥126,147	¥114,487	\$1,139,439

5. Equity

Japanese companies are subject to the Companies Act. The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total aggregate amount of legal reserve and additional paid-in capital equals 25% of the amount of common stock.

6. Contingent Liabilities

On March 31, 2021, MOECO had the following contingent liabilities:

(1) Guarantees of indebtedness of an affiliated company

MOECO provides guarantees to the financial institutions in relation to the borrowing of MOECO's affiliated company amounting to ¥395million (\$3,569 thousand).

Mitsui & Co., Ltd. (the "Parent") provides guarantees to the financial institutions in relation to the borrowing of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the Parent amounting to ¥47,663 million (\$430,518 thousand).

(2) Revolving guarantees of contract performance bond of an affiliated company

The Parent provides revolving guarantees to the operator in relation to the contract performance of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the Parent amounting to a maximum limit of ¥4,498 million (\$40,627 thousand).

The JV partner provides revolving guarantees to the operator in relation to the contract performance of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the JV partner amounting to a maximum limit of ¥1,388 million (\$12,541 thousand).

The financial institutions provide revolving guarantees to the operator in relation to the contract performance of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the financial institutions amounting to a maximum limit of ¥327 million (\$2,955 thousand).

7. Financial Instruments and Related Disclosures

(1) Policy for financial instruments

The Group emphasizes capital safety and liquidity in its fund management. Cash surpluses, if any, are invested in time deposits and short-term investments. Fund procurement is mainly operated by bank loans. Derivatives are used not for speculative purposes, but to manage exposure to financial risks.

(2) Nature and extent of risks arising from financial instruments and risk management

Receivables, such as trade accounts, are exposed to customer credit risk. The Group manages credit risk from receivables on the basis of internal guidelines.

Securities mainly consist of equity securities. Marketable and investment securities are managed by monitoring market values and financial position of issuers on a regular basis.

Debt loans are short-term debt incurred as temporary bridging funds and long-term debt for projects related development and production.

Derivatives include commodity contracts for sale of oil and condensate, which are used to manage exposure to market risks from changes in sales price. The Group limits the counterparties to these contracts to major financial institutions and manages its credit risk at a low level.

(3) Fair values of financial instruments

For the year ended March 31, 2021, the consolidated balance sheet amount, fair values of financial instruments are as follows: Investments in equity instruments that do not have a quoted market price in an active market are not included in the following table. The fair values of cash and cash equivalents, income taxes payable, and accrued expenses are not disclosed because their maturities are short and the carrying values approximate fair value.

(a) Fair values of financial instruments

March 31, 2021	Millions of yen		
	Carrying amount	Fair value	Unrealized gain
Receivables-trade	¥8,348	¥8,348	-
Marketable securities and investment securities	11,818	11,818	-
Accounts payable	(7,687)	(7,687)	-
Deposits received	(926)	(926)	-
Long-term accounts payable	(19)	(19)	¥0
Derivatives	(253)	(253)	-
Total	¥11,279	¥11,279	¥0

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements.

- Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is classified at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

Marketable securities: Level 1

Listed stocks are valued by using market price. It is classified as Level 1 due to its active market.

Receivables-trade and Cash equivalents: Level 2

These fair values are calculated by the discounted present value method based on the amount of receivables, the period until maturity, and the interest rate that takes into account credit risk for each receivable classified by a certain period. These are classified as Level 2.

Accounts payable and Deposits received, Long-term accounts payable: Level 2

These fair values are calculated by the discounted present value method based on the future cash flow, the period until the repayment date, and the interest rate that takes into account credit risk for each debt divided by a certain period. These are classified as Level 2.

Derivatives: Level 2

Derivative are calculated based on the market prices of foreign exchange banks, etc., and the fair value is calculated using observable market. It is classified as Level 2.

March 31, 2020	Millions of yen		
	Carrying amount	Fair value	Unrealized gain
Cash and cash equivalents	¥338,096	¥338,096	-
Receivables-trade	11,753	11,753	-
Marketable securities and investment securities	15,649	15,649	-
Short-term debt	(1,300)	(1,300)	-
Current portion of long-term debt	(2,989)	(2,989)	-
Accounts payable	(6,648)	(6,648)	-
Income taxes payable	(18,535)	(18,535)	-
Accrued expenses	(4,205)	(4,205)	-
Deposits received	(146)	(146)	-
Long-term debt	(12,380)	(12,380)	-
Long-term accounts payable	(2,063)	(2,045)	¥18
Derivatives	35	35	-
Total	¥317,266	¥317,284	¥18

The carrying values of cash and cash equivalents, receivables (trade), short-term debt, accounts payable, income taxes payable, accrued expenses and deposits received approximate fair value because of their short maturities.

Marketable securities and investment securities are based on quoted prices in active markets.

The carrying values of current portion of long-term debt and long-term debt with floating interest rates approximate fair values because the interest rates of the debt are variable and reflect market interest rates for a short period, and the credit standing of MOECO does not vary greatly.

The fair value of long-term accounts payable is calculated by discounting estimated cash flows in the future at the London Interbank Offered Rate, plus our credit spread.

The derivatives are presented on a net basis. The fair value of derivatives is based on quoted prices which are provided by the financial institutions.

March 31, 2021	Thousands of U.S. dollars		
	Carrying amount	Fair value	Unrealized gain
Receivables-trade	\$75,400	\$75,400	-
Marketable securities and investment securities	106,743	106,743	-
Accounts payable	(69,438)	(69,438)	-
Deposits received	(8,365)	(8,365)	-
Long-term accounts payable	(175)	(170)	\$(4)
Derivatives	(2,289)	(2,289)	-
Total	\$101,877	\$101,882	\$(4)

(b) Financial instruments whose fair value cannot be reliably determined

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	March 31, 2021	March 31, 2020	March 31, 2021
Unlisted shares	¥36,041	¥65,289	\$325,547

8. Business combination

(1) Name of acquired company and its business outline

Name of the acquired company: Moeco Thai Oil Development Co., Ltd.

Business outline: Oil and Gas Exploration and Production

(2) Date of business combination

January 1, 2021

(3) Legal form of business combination

MOECO, the surviving company in the absorption-type merger, absorbed and merged Moeco Thai Oil Development Co., Ltd., as the extinct company in the absorption-type merger.

(4) Major reason for the business combination

MOECO absorbed and merged Moeco Thai Oil Development Co., Ltd., for improving the administrative efficiency.

(5) Name of the company after the combination

Mitsui Oil Exploration Co., Ltd.

(6) Accounting outline

This transaction was treated as under common control based on "Accounting Standard for Business Combinations" (ASBJ Statement No. 21) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10).

9. Significant Non-cash Transactions

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021
Asset retirement obligations	¥15,970	¥24,041	\$144,249