

Summary of Consolidated Financial Results for the First Half Ended September 30, 2017 (IFRS)

November 2, 2017

Sojitz Corporation

(URL <http://www.sojitz.com>)

Listed stock exchange: The first section of Tokyo

Security code: 2768

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Supplementary materials for the quarterly financial results: Yes

Investor conference for the quarterly financial results: Yes

(Rounded down to millions of Japanese Yen)

1. Consolidated Financial Results for the First Half Ended September 30, 2017 (April 1, 2017 - September 30, 2017)

(1) Consolidated Operating Results

Description of % is indicated as the change rate compared with the same period last year.

	Net sales		Operating profit		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Company		Total comprehensive income for the period	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the first half ended September 30, 2017	2,044,315	15.1	29,905	84.5	37,915	94.3	30,272	80.6	27,241	77.4	36,764	—
September 30, 2016	1,776,674	(11.9)	16,213	(1.8)	19,516	(29.6)	16,761	(27.0)	15,359	(25.5)	(41,192)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first half ended September 30, 2017	21.78	21.77
September 30, 2016	12.28	12.27

Note 1: Net sales above is based on JGAAP and represents the total value of the transactions for which the Sojitz Group acts as a principal operator or as an agent.

Note 2: Basic earnings per share and Diluted earnings per share are calculated based on Profit for the period attributable to owners of the Company.

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the Company	Total equity attributable to owners of the Company ratio
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of September 30, 2017	2,322,301	611,664	579,123	24.9
March 31, 2017	2,138,466	577,970	550,513	25.7

2. Cash Dividends

	Cash dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
For the year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2017	—	4.00	—	4.00	8.00
March 31, 2018	—	5.00	—	—	—
March 31, 2017 (forecast)	—	—	—	5.00	10.00

Note : Changes in cash dividend forecast : No

3. Consolidated Earnings Forecast for the Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018)

Description of % is indicated as the change rate compared with the same period last year.

	Net sales		Operating profit		Profit before tax		Profit attributable to owners of the Company		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the Year Ending March 31, 2018 Full-year	4,100,000	9.5	56,000	8.5	70,000	20.8	50,000	22.7	39.97

Note 1: Changes in consolidated earnings forecast for the year ending March 31, 2018 : Yes

Note 2: Net sales above is based on JGAAP and represents the total value of the transactions for which the Sojitz Group acts as a principal operator or as an agent.

Note 3: Basic earnings per share is calculated based on Profit attributable to owners of the Company.

4. Others

(1) Changes in major subsidiaries during the period
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No

(2) Accounting policy changes and accounting estimate changes

1. Changes in accounting policies required by IFRS : No

2. Changes due to other reasons : No

3. Accounting estimate change : No

(3) Number of outstanding shares at the end of the periods (Common Stock):

1. Number of outstanding shares at the end of the periods (Including treasury shares):

As of September 30, 2017: 1,251,499,501 As of September 30, 2016: 1,251,499,501

2. Number of treasury shares at the end of the periods:

As of September 30, 2017 : 524,568 As of March 31, 2016 : 516,753

3. Average number of outstanding shares during the periods:

For the first half ended September 30, 2017 (accumulative): 1,250,977,863

For the first half ended September 30, 2016 (accumulative): 1,251,013,379

* This summary of consolidated financial results is not subject to quarterly reviews.

* Important Note Concerning the Appropriate Use of Business Forecasts and other

This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by forward-looking statements due to various factors including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

1. Analysis of Business Results

(1) Overview of the Six-Month Period Ended September 30, 2017

Economic Environment

In the six-month period ended September 30, 2017, conditions in the global economy proved firm due to the support of solid economic growth in both developed and emerging countries. Resource prices were likewise stable amidst bullish demand.

In the United States, stable economic growth continued against a backdrop of growth in capital investment, exports, and consumer spending. In addition, the stock market held firm due to impressive corporate performance.

A modest economic growth trend was sustained in Europe by the strong consumer spending and other demand seen within the region. However, there was a lingering sense of opaqueness in light of factors including the narrow victory in Germany's general election by the party previously in power, the slow progress in negotiations regarding the United Kingdom's withdrawal from the European Union, and Greece's ongoing debt crisis.

Conditions in the Chinese economy were strong, supported by increased investment in infrastructure and real estate and solid consumer spending. Conversely, the outlook for China is uncertain due to concern surrounding the economic policies implemented following the 19th National Congress, the country's response to issues relating to North Korea, and the direction of trade negotiations with the United States.

The ever more solid conditions in the economies of developed countries helped sustain a stable growth trend in Asia through increased exports, brisk internal consumption, and other means.

Japan grew steadily amidst favorable increases in corporate earnings and capital investment as well as robust consumer spending.

Financial Performance

Sojitz Corporation's consolidated business results for the six-month period ended September 30, 2017, are presented below.

Net sales (*)	Net sales were up 15.1% year on year, to ¥2,044,315 million, due to increased sales in the Metals & Coal Division, resulting from higher prices and transactions volume for coal and other resources, as well as increased sales in the Chemicals Division, resulting from the new acquisition of a European chemical distributor and marketing company and higher volume of plastic resin transactions.
Gross profit	Gross profit increased ¥19,672 million year on year, to ¥111,460 million. This increase can be attributed to profit growth in the Metals & Coal Division, resulting from higher selling prices for the overseas coal businesses; a rise in profit in the Chemicals Division; and increased profit in the Automotive Division due to higher automobile sales volumes in overseas automobile wholesale businesses.

Operating profit	Operating profit increased ¥13,692 million year on year, to ¥29,905 million, as a result of the higher gross profit.
Profit before tax	Profit before tax increased ¥18,399 million year on year, to ¥37,915 million, following rises in operating profit and in share of profit of investments accounted for using the equity method.
Profit for the period	After deducting income tax expenses of ¥7,643 million from profit before tax of ¥37,915 million, profit for the period amounted to ¥30,272 million, up ¥13,511 million year on year. Profit for the period (attributable to owners of the Company) increased ¥11,882 million year on year, to ¥27,241 million.
Comprehensive income for the period	Comprehensive income for the period of ¥36,764 million was recorded, compared with comprehensive loss for the period of ¥41,192 million in the previous equivalent period. This outcome was a result of higher profit for the period coupled with boosts from more beneficial foreign currency translation differences for foreign operations and an increase in financial assets measured at fair value through other comprehensive income. Comprehensive income for the period (attributable to owners of the Company) of ¥33,609 million was recorded, compared with comprehensive loss for the period (attributable to owners of the Company) of ¥40,512 million in the previous equivalent period.

* Net sales above is based on JGAAP, and represents the total value of the transactions for which the Sojitz Group acts as a principal operator or as an agent.

Results for the six-month period ended September 30, 2017, are summarized by segment below.

Effective April 1, 2017, the Lifestyle Commodities & Materials Division and the Retail Division were reorganized to form the Retail & Lifestyle Business Division and the Industrial Infrastructure & Urban Development Division. Also effective on this date, the medical and healthcare business operations previously included in the Chemicals Division were transferred to the Infrastructure & Environment Business Division.

Automotive

Net sales (JGAAP) increased 28.5% year on year, to ¥164,778 million, as a result of higher export trading transactions for the Philippines and off-shore transactions and a rise in automobile sales volumes in overseas automobile wholesale businesses. Profit for the period (attributable to owners of the Company) increased ¥2,591 million year on year, to ¥4,303 million, due to higher gross profit and increased share of profit (loss) of investments accounted for using the equity method.

Aerospace & IT Business

Net sales (JGAAP) decreased 10.1% year on year, to ¥246,212 million, as a result of lower aircraft-related transactions. Despite a decline in gross profit, profit for the period (attributable to owners of the Company) of ¥915 million was recorded, compared with loss for the period (attributable to owners of the Company) of ¥756 million in the previous equivalent period, when impairment losses on Company-owned ships were recorded.

Infrastructure & Environment Business

Net sales (JGAAP) decreased 4.6% year on year, to ¥99,699 million, as a result of lower plant-related transactions. Profit for the period (attributable to owners of the Company) increased ¥2,093 million year on year, to ¥3,631 million, due to earnings contributions from infrastructure-related businesses and higher volume of industrial machinery transactions.

Energy

Net sales (JGAAP) increased 25.3% year on year, to ¥41,606 million, due to a rise in petroleum product sales prices. Loss for the period (attributable to owners of the Company) increased ¥1,261 million, to ¥4,289 million, as a result of losses related to oil and gas interests.

Metals & Coal

Net sales (JGAAP) increased 39.7% year on year, to ¥269,719 million, as a result of higher prices and transactions volumes for coal and other resources. Profit for the period (attributable to owners of the Company) increased ¥8,479 million, to ¥9,509 million. Factors contributing to this increase include higher gross profit, itself a product of a rise in selling prices in overseas coal operations, and growth in share of profit of investments accounted for using the equity method attributable to steel business and other companies.

Chemicals

Net sales (JGAAP) increased 27.0% year on year, to ¥357,715 million, as a result of the new acquisition of a European chemical distribution and marketing company as well as of higher plastic resin transactions. Profit for the period (attributable to owners of the Company) was up ¥899 million year on year, to ¥4,814 million, because gross profit rose on the back of higher methanol prices.

Foods & Agriculture Business

Net sales (JGAAP) increased 15.7%, to ¥183,650 million, following higher grain and feed material transactions. Profit for the period (attributable to owners of the Company) rose ¥205 million year on year, to ¥4,296 million.

Retail & Lifestyle Business

Net sales (JGAAP) increased 13.3% year on year, to ¥644,265 million, following a rise in heat-not-burn cigarette transaction volumes. Profit for the period (attributable to owners of the Company) was down ¥1,913 million, to ¥2,747 million. Although higher heat-not-burn cigarette and meat transactions contributed to profit growth, overall profit was down due to the absence of the gain on sales of commercial facilities in Japan recorded in the previous equivalent period.

Industrial Infrastructure & Urban Development

Net sales (JGAAP) increased 15.0%, to ¥14,094 million, due to growth in earnings from real estate transactions. Profit for the period (attributable to owners of the Company) was down ¥876 million year on year, to ¥32 million, as a result of a decline in share of profit of investments accounted for using the equity method.

(2) Financial Position

Consolidated Balance Sheet

Total assets on September 30, 2017, stood at ¥2,322,301 million, up ¥183,835 million from March 31, 2017. This increase was mainly attributable to the expansion of tobacco-, real estate- and coal-related inventories and a rise in other current assets associated with aircraft-related transactions.

Total liabilities at September 30, 2017, amounted to ¥1,710,637 million, up ¥150,142 million from March 31, 2017, following an increase in trade and other payables under current liabilities associated with tobacco transactions and a rise in interest-bearing debt attributable to new borrowings.

Total equity attributable to owners of the Company was ¥579,123 million on September 30, 2017, up ¥28,610 million from March 31, 2017. This was largely due to the accumulation of profit for the period and an increase in other components of equity resulted from foreign exchange and stock price movements.

Sojitz consequently, on September 30, 2017, the current ratio was 169.0%, the long-term debt ratio was 83.4%, and the equity ratio* was 24.9%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥666,751 million on September 30, 2017, a ¥55,744 million increase from March 31, 2017. This resulted in the Company's net debt equity ratio* equaling 1.15 times at September 30, 2017.

(*) The equity ratio and net debt equity ratio are calculated based on total equity attributable to owners of the Company.

Under Medium-term Management Plan 2017 the Sojitz Group will continue to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz will endeavor to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level. As one source of long-term funding, Sojitz issued straight bonds in the amount of ¥10 billion in June 2017. Sojitz will continue to closely monitor interest rates and market conditions and will consider additional issues whenever the timing and associated costs prove advantageous.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥100 billion long-term yen commitment line (which remains unused) and long-term commitment line totaling US\$1.9 billion (of which US\$920 million has been used).

Consolidated Cash Flows

In the six-month period ended September 30, 2017, operating activities used net cash flow of ¥15,770 million, investing activities used net cash of ¥37,611 million, and financing activities provided net cash of ¥52,034 million. Sojitz ended the period with cash and cash equivalents of ¥308,403 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥15,770 million, compared with net cash provided by

operating activities of ¥40,427 million in the previous equivalent period. Major factors increasing cash included profit for the period and dividends received. However, these factors were outweighed by major factors decreasing cash, such as increase in trade and other receivables in the Chemicals Division and an increase in tobacco-related inventories in the Retail & Lifestyle Business Division.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥37,611 million, up ¥15,736 million year on year. Investment outlays for the acquisition of an automobile parts quality inspection business in North America exceeded investment inflows from the collection of loans receivable.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥52,034 million, compared with net cash used in financing activities of ¥49,647 million in the previous equivalent period, largely as a result of proceeds from borrowings.

(3) Consolidated Earnings Forecast

In light of changes in the operating environment, the forecasts for full-year financial results for the year ending March 31, 2018 projected in May 1, 2017 was revised as follows.

Net sales (*1) ¥4,100.0 billion (unchanged from initial forecast)

Gross profit (*2) ¥227.0 billion (increased ¥5.0 billion (2.3%) compared to initial forecast)

Operating profit ¥56.0 billion (increased ¥1.0 billion (1.8%) compared to initial forecast)

Profit before tax ¥70.0 billion (increased ¥1.0 billion (1.4%) compared to initial forecast)

Profit for the year (attributable to owners of the Company) ¥50.0 billion yen (unchanged from initial forecast))

(*1) Net sales is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

(*2) A full-year forecast for gross profit was not previously disclosed. However, we later chose to release a forecast for this item given that it provides valuable information for evaluating the Company's performance using the consolidated financial statements.

In regard to the consolidated earnings forecast for the year ending March 31, 2018, the Company expects to increase its forecast for gross profit by ¥5.0 billion, to ¥227.0 billion, based on the fact that resources prices are exceeding initial expectations and out of consideration for performance in the six-month period ended September 30, 2017.

Operating profit and profit before tax are expected to both be ¥1.0 billion higher than initially forecast, reaching ¥56.0 billion and ¥70.0 billion, respectively, because of the recording of losses related to oil and gas interests that were not accounted for by the initial forecasts. The forecast for profit for the year (attributable to owners of the Company) has not been changed from the initial forecast.

Caution regarding Forward-looking Statements

The forecasts appearing above constitute forward-looking statements. They are based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by forward-looking statements due to various factors including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

2. Summary information (other)

- (1) Changes in major subsidiaries during the period
None

3. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(In Millions of Yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and cash equivalents	308,632	308,403
Time deposits	5,728	7,461
Trade and other receivables	563,458	594,221
Derivative financial assets	3,919	4,519
Inventories	271,327	335,797
Income tax receivables	3,647	3,122
Other current assets	72,417	112,797
Subtotal	1,229,130	1,366,324
Assets held for sale	616	1,470
Total current assets	1,229,747	1,367,794
Non-current assets		
Property, plant and equipment	172,201	181,030
Goodwill	57,594	68,198
Intangible assets	34,148	34,209
Investment property	21,100	22,969
Investments accounted for using the equity method	386,740	393,381
Trade and other receivables	45,485	51,660
Other investments	172,944	185,474
Derivative financial assets	36	31
Other non-current assets	9,815	9,259
Deferred tax assets	8,650	8,291
Total non-current assets	908,719	954,507
Total assets	2,138,466	2,322,301
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	483,049	563,656
Bonds and borrowings	158,698	162,747
Derivative financial liabilities	3,669	4,795
Income tax payables	9,190	7,264
Provisions	2,124	2,368
Other current liabilities	60,912	66,951
Subtotal	717,646	807,783
Liabilities directly related to assets held for sale	101	1,649
Total current liabilities	717,748	809,433
Non-current liabilities		
Bonds and borrowings	766,669	819,868
Trade and other payables	3,709	4,341
Derivative financial liabilities	4,004	4,062
Retirement benefits liabilities	21,381	22,143
Provisions	20,792	19,862
Other non-current liabilities	6,490	6,879
Deferred tax liabilities	19,698	24,045
Total non-current liabilities	842,747	901,204
Total liabilities	1,560,495	1,710,637
Equity		
Share capital	160,339	160,339
Capital surplus	146,513	146,512
Treasury stock	(170)	(172)
Other components of equity	132,682	137,394
Retained earnings	111,149	135,049
Total equity attributable to owners of the Company	550,513	579,123
Non-controlling interests	27,457	32,540
Total equity	577,970	611,664
Total liabilities and equity	2,138,466	2,322,301

(2) Consolidated Statements of Profit or Loss

(In millions of yen)

	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	For the 1st Half Ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Revenue		
Sales of goods	691,144	839,901
Sales of service and others	43,433	44,142
Total revenue	734,578	884,044
Cost of sales	(642,789)	(772,583)
Gross profit	91,788	111,460
Selling, general and administrative expenses	(74,594)	(78,516)
Other income(expenses)		
Gain(loss)on sale and disposal of fixed assets, net	15	(2)
Impairment loss on fixed assets	(2,808)	(21)
Gain on sale of subsidiaries/associates	1,293	1,628
Loss on reorganization of subsidiaries/associates	(438)	(4,315)
Other operating income	4,328	3,446
Other operating expenses	(3,370)	(3,772)
Total other income(expenses)	(980)	(3,038)
Operating profit	16,213	29,905
Financial income		
Interests earned	1,890	2,385
Dividends received	2,219	2,054
Other financial expenses	—	43
Total financial income	4,109	4,482
Financial costs		
Interest expenses	(7,466)	(7,371)
Other financial costs	(26)	—
Total financial costs	(7,493)	(7,371)
Share of profit(loss)of investments accounted for using the equity method	6,686	10,898
Profit before tax	19,516	37,915
Income tax expenses	(2,754)	(7,643)
Profit for the period	16,761	30,272
Profit for the period attributable to:		
Owners of the Company	15,359	27,241
Non-controlling interests	1,402	3,030
Total	16,761	30,272
Net sales*	1,776,674	2,044,315

* Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as an transaction agent.

(3) Consolidated Statements of Profit or Loss and other Comprehensive Income

(In Millions of Yen)

	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	For the 1st Half Ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Profit for the period	16,761	30,272
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(484)	4,197
Remeasurements of defined benefit pension plans	7	(33)
Share of other comprehensive income of investments accounted for using the equity method	(4,207)	(1,374)
Total items that will not be reclassified to profit or loss	(4,684)	2,789
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(42,241)	1,964
Cash flow hedges	(560)	706
Share of other comprehensive income of investments accounted for using the equity method	(10,468)	1,032
Total items that may be reclassified subsequently to profit or loss	(53,269)	3,702
Other comprehensive income for the period, net of tax	(57,954)	6,492
Total comprehensive income for the period	(41,192)	36,764
Total comprehensive income for the period attributable to:		
Owners of the Company	(40,512)	33,609
Non-controlling interests	(680)	3,155
Total	(41,192)	36,764

(4) Consolidated Statements of Changes in Equity

(In Millions of Yen)

	Attributable to owners of the Company					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Foreign currency translation differences for foreign operations	Financial assets measured at fair value through other comprehensive income	Cash flow hedges
Balance as of April 1, 2016	160,339	146,514	(161)	39,649	98,904	(6,139)
Profit for the period						
Other comprehensive income				(49,963)	(4,721)	(1,204)
Total comprehensive income for the period	—	—	—	(49,963)	(4,721)	(1,204)
Purchase of treasury stock		(0)	(0)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control						
Reclassification from other components of equity to retained earnings					20	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(0)	—	20	—
Balance as of September 30, 2016	160,339	146,514	(162)	(10,313)	94,203	(7,343)

Balance as of April 1, 2017	160,339	146,513	(170)	31,537	106,268	(5,124)
Profit for the period						
Other comprehensive income				3,284	2,663	442
Total comprehensive income for the period	—	—	—	3,284	2,663	442
Purchase of treasury stock		(0)	(2)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				(1)		
Reclassification from other components of equity to retained earnings					(1,677)	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(2)	(1)	(1,677)	
Balance as of September 30, 2017	160,339	146,512	(172)	34,821	107,254	(4,681)

(4) Consolidated Statements of Changes in Equity

(In Millions of Yen)

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company		
	Remeasurements of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2016	—	132,415	81,245	520,353	29,363	549,716
Profit for the period			15,359	15,359	1,402	16,761
Other comprehensive income	16	(55,871)		(55,871)	(2,082)	(57,954)
Total comprehensive income for the period	16	(55,871)	15,359	(40,512)	(680)	(41,192)
Purchase of treasury stock				(0)		(0)
Dividends			(5,004)	(5,004)	(756)	(5,760)
Change in ownership interests in subsidiaries without loss/acquisition of control			(0)	(0)		(0)
Reclassification from other components of equity to retained earnings	(16)	3	(3)	—		—
Other changes			(127)	(127)	164	37
Total contributions by and distributions to owners of the Company	(16)	3	(5,134)	(5,131)	(591)	(5,723)
Balance as of September 30, 2016	—	76,546	91,470	474,709	28,091	502,800

Balance as of April 1, 2017	—	132,682	111,149	550,513	27,457	577,970
Profit for the period			27,241	27,241	3,030	30,272
Other comprehensive income	(23)	6,367		6,367	124	6,492
Total comprehensive income for the period	(23)	6,367	27,241	33,609	3,155	36,764
Purchase of treasury stock				(2)		(2)
Dividends			(5,003)	(5,003)	(755)	(5,759)
Change in ownership interests in subsidiaries without loss/acquisition of control		(1)	0	(1)	0	(0)
Reclassification from other components of equity to retained earnings	23	(1,653)	1,653	—		—
Other changes			8	8	2,683	2,691
Total contributions by and distributions to owners of the Company	23	(1,655)	(3,341)	(4,999)	1,927	(3,071)
Balance as of September 30, 2017	—	137,394	135,049	579,123	32,540	611,664

(5) Consolidated Statements of Cash Flows

(In millions of yen)

	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	For the 1st Half Ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Cash flows from operating activities		
Profit for the period	16,761	30,272
Depreciation and amortization	11,582	10,893
Impairment loss of fixed assets	2,808	21
Finance (income) costs	3,383	2,888
Share of (profit) loss of investments accounted for using the equity method	(6,686)	(10,898)
(Gain) loss on sale of fixed assets	(15)	2
Income tax expenses	2,754	7,643
(Increase) decrease in trade and other receivables	22,316	(32,799)
(Increase) decrease in inventories	2,670	(63,564)
Increase (decrease) in trade and other payables	(12,852)	75,814
Increase (decrease) in retirement benefits liabilities	(1,371)	486
Others	266	(33,490)
Subtotal	41,619	(12,729)
Interests earned	1,672	2,128
Dividends received	9,100	11,805
Interests paid	(7,498)	(7,423)
Income taxes paid	(4,466)	(9,551)
Net cash provided (used) by/in operating activities	40,427	(15,770)
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,658)	(14,372)
Proceeds from sale of property, plant and equipment	963	581
Purchase of intangible assets	(784)	(1,513)
(Increase) decrease in short-term loans receivable	(1,070)	571
Payment for long-term loans receivable	(1,149)	(604)
Collection of long-term loans receivable	200	551
Purchase of subsidiaries	(120)	(11,651)
Proceeds from (payments for) sale of subsidiaries	960	117
Purchase of investments	(7,775)	(11,994)
Proceeds from sale of investments	1,456	3,915
Others	(1,897)	(3,213)
Net cash provided (used) by/in investing activities	(21,875)	(37,611)
Cash flows from financing activities		
Increase (decrease) in short-term debts and commercial papers	(6,937)	11,072
Proceeds from long-term borrowings	54,616	102,747
Repayment of long-term borrowings	(81,384)	(57,750)
Proceeds from issuance of bonds	9,946	9,940
Redemption of bonds	(20,000)	(10,030)
Proceeds from non-controlling interest holders	524	2,592
Purchase of treasury stock	(0)	(2)
Dividends paid	(5,004)	(5,003)
Dividends paid to non-controlling interest holders	(756)	(755)
Others	(651)	(774)
Net cash provided (used) by/in financing activities	(49,647)	52,034
Net increase (decrease) in cash and cash equivalents	(31,094)	(1,347)
Cash and cash equivalents at the beginning of the period	344,414	308,632
Effect of exchange rate changes on cash and cash equivalents	(10,615)	1,118
Cash and cash equivalents at the end of the period	302,703	308,403

(6) Segment information

For the first half ended September 30, 2016 (April 1, 2016 - September 30, 2016)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	70,847	38,748	55,766	19,180	115,715	182,469	73,210
Inter-segment revenue	4	885	14	19	1	15	5
Total revenue	70,852	39,634	55,780	19,199	115,717	182,484	73,216
Segment profit (loss)	1,712	(756)	1,538	(3,028)	1,030	3,915	4,091
Net sales (Note)							
External	128,208	273,870	104,478	33,193	193,094	281,628	158,703

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	145,396	12,322	713,657	20,920	—	734,578
Inter-segment revenue	48	175	1,169	167	(1,336)	—
Total revenue	145,445	12,497	714,827	21,087	(1,336)	734,578
Segment profit (loss)	4,660	908	14,072	(396)	1,682	15,359

Net sales (Note)						
External	568,848	12,259	1,754,286	22,388	—	1,776,674

Segment profit (loss) is reconciled based on the profit for the period attributable to owners of the Company under the consolidated statements of profit and loss.

Reconciliation of segment profit of 1,682 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to 1,504 million yen, and unallocated dividend income and others of 179 million yen.

For the first half ended September 30, 2017 (April 1, 2017 – September 30, 2017)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	81,124	38,173	63,805	21,015	163,875	251,157	87,122
Inter-segment revenue	1	1,537	9	15	—	7	6
Total revenue	81,125	39,711	63,815	21,030	163,875	251,165	87,128
Segment profit (loss)	4,303	915	3,631	(4,289)	9,509	4,814	4,296
Net sales (Note)							
External	164,778	246,212	99,699	41,606	269,719	357,715	183,650

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	144,384	14,150	864,809	19,234	—	884,044
Inter-segment revenue	31	227	1,835	160	(1,996)	—
Total revenue	144,415	14,377	866,645	19,395	(1,996)	884,044
Segment profit (loss)	2,747	32	25,962	(359)	1,638	27,241

Net sales (Note)						
External	644,265	14,094	2,021,742	22,573	—	2,044,315

Segment profit (loss) is reconciled based on the profit for the period attributable to owners of the Company under the consolidated statements of profit and loss.

Reconciliation of segment profit of 1,638 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to 1,706 million yen, and unallocated dividend income and others of (67) million yen.

Note: Net sales is calculated based on Japanese generally accepted accounting practices (JGAAP), and represents the total amount of the transactions in which the Group took part as the business operator and those in which the Group took part as an agent.