

Consolidated Financial Results for the First Half ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

Contents

◆ Consolidated Statements of Cash Flows for the First Half Ended September 30, 2019	P.	1	~	2
◆ Segment Information	P.	3	~	4
◆ Increase/Decrease in the Number of Consolidated Subsidiaries and Equity-method Associates	P.	5	~	6
◆ Performances of Major Consolidated Subsidiaries and Equity-method Associates	P.	7		
◆ Country Risk Exposure (Consolidated)	P.	8		
◆ Real Estate (Consolidated)	P.	9		
◆ Number of Employees by Business Segment (Consolidated)	P.	10		
◆ News Releases for the First Half Ended September 30, 2019	P.	11		
◆ Forecast for the Year Ending March 31, 2020	P.	12		
◆ Change of Consolidated Statements of Financial Position (IFRS)	P.	13		
◆ Change of Consolidated Statements of Profit or Loss, Profit or Loss and Other Comprehensive Income (IFRS)	P.	14		
◆ Change of Consolidated Statements of Cash Flows (IFRS)	P.	15		
◆ Change of Consolidated Balance Sheets (JGAAP)	P.	16		
◆ Change of Consolidated Statements of Income and Comprehensive Income (JGAAP)	P.	17		
◆ Change of Consolidated Statements of Cash Flows (JGAAP)	P.	18		

Consolidated Statements of Cash Flows
for the First Half Ended September 30, 2019

(Millions of Yen)

	For the 1st Half Ended September 30, 2018 (From April 1, 2018 to September 30, 2018)	For the 1st Half Ended September 30, 2019 (From April 1, 2019 to September 30, 2019)
<u>Cash flows from operating activities</u>		
Profit for the period	39,999	31,643
Depreciation and amortization	10,655	16,319
Impairment loss of fixed assets	65	492
Financial (income) costs	1,329	2,080
Share of (profit) loss of investments accounted for using the equity method	(11,890)	(13,215)
(Gain) loss on sale of fixed assets, net	(856)	(392)
Income tax expenses	11,501	3,616
(Increase) decrease in trade and other receivables	64,063	22,118
(Increase) decrease in inventories	(24,982)	4,281
Increase (decrease) in trade and other payables	(50,093)	(11,766)
Changes in other assets and liabilities	22,985	2,192
Increase (decrease) in retirement benefits liabilities	(120)	132
Others	(5,782)	(1,104)
Subtotal	56,872	56,398
Interests earned	2,591	3,118
Dividends received	16,573	16,030
Interests paid	(7,922)	(7,628)
Income taxes paid	(16,419)	(6,531)
Net cash provided (used) by/in operating activities	51,695	61,386
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(17,291)	(11,319)
Proceeds from sale of property, plant and equipment	4,568	4,263
Purchase of intangible assets	(2,734)	(2,487)
(Increase) decrease in short-term loans receivable	(289)	130
Payment for long-term loans receivable	(995)	(41)
Collection of long-term loans receivable	3,356	1,022
Proceeds from (payments for) acquisition of subsidiaries	(3,517)	(525)
Proceeds from (payments for) sale of subsidiaries	1,402	—
Purchase of investments	(23,151)	(10,068)
Proceeds from sale of investments	14,251	5,586
Others	(1,369)	(7,893)
Net cash provided (used) by/in investing activities	(25,770)	(21,334)
<u>Cash flows from financing activities</u>		
Increase (decrease) in short-term borrowings and commercial papers	20,110	16,486
Proceeds from long-term borrowings	40,679	46,408
Repayment of long-term borrowings	(79,923)	(59,902)
Redemption of bonds	—	(10,011)
Repayment of lease liabilities	—	(6,106)
Proceeds from non-controlling interest holders	2,271	1,094
Sales of treasury stock	—	6
Purchase of treasury stock	(690)	△ 0
Dividends paid	(7,505)	(11,884)
Dividends paid to non-controlling interest holders	(1,648)	(2,791)
Others	(1,075)	2
Net cash provided (used) by/in financing activities	(27,782)	(26,699)
Net increase (decrease) in cash and cash equivalents	(1,856)	13,353
Cash and cash equivalents at the beginning of the period	305,241	285,687
Effect of exchange rate changes on cash and cash equivalents	2,706	(2,434)
Cash and cash equivalents at the end of the period	306,092	296,606

Consolidated Statements of Cash Flows
for the First Half Ended September 30, 2019 (Supplementary)

	FY 2019 1H	Details
① Net cash provided from operating activities		
	(Billions of Yen)	
1. Profit for the year before tax and depreciation and amortization	51.6	
2. Excluding profits/losses that do not affect cash flow	2.6	Financial (income) costs, Impairment loss of fixed assets,
3. Adjustment of profits/losses related to investment activities	(13.6)	Share of profit of investments accounted for using the equity method Gain (loss) on sale and disposal of fixed assets
4. Other	20.8	Decrease in trade and other payable, etc.
Total	61.4	
② Net cash provided (used) by/in investing activities		
1. Non-current assets		
Purchase of property, plant and equipment	(11.3)	Overseas coal businesses, etc.
Purchase of intangible assets	(2.5)	
Proceeds from sale of property, plant and equipment	4.3	
Sub-total	(9.5)	
2. Investments		
Payment for acquisition of subsidiaries and investments	(10.6)	Investment to offshore wind power generation business in Taiwan and gas-fired power generation in the United States, etc
Proceeds from sale of subsidiaries and investments	5.6	
Sub-total	(5.0)	
3. Loans receivable		
(Increase) decrease in short-term loans receivable	0.1	
Payment for long-term loans receivable	(0.0)	
Collection of long-term loans receivable	1.0	
Sub-total	1.1	
4. Other	(7.9)	Invest to auto self-financing operations, etc
Total	(21.3)	
Free cash flow (①+②)	40.1	
③ Net cash provided (used) by/in financing activities		
1. Increase (decrease) in short-term borrowings and commercial papers	16.5	
2. Long-term loans payable		
Proceeds from long-term borrowings	46.4	
Repayment of long-term borrowings	(59.9)	
Sub-total	(13.5)	
3. Bonds		
Proceeds from issuance of bonds	0.0	
Redemption of bonds	(10.0)	
Sub-total	(10.0)	
4. Dividends paid	(11.9)	
5. Other	(7.8)	
Total	(26.7)	

Segment information

For the first half ended September 30, 2018 (April 1, 2018 - September 30, 2018)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & Transportation Project	Machinery & Medical Infrastructure	Energy & Social Infrastructure	Metals & Mineral Resources	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	115,349	13,996	46,631	33,675	210,672	257,391	70,622
Inter-segment revenue	—	—	65	928	—	6	5
Total revenue	115,349	13,996	46,697	34,604	210,672	257,397	70,628
Segment profit (loss)	3,631	1,889	654	2,661	16,240	4,807	2,093

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	160,672	14,138	923,150	18,632	—	941,783
Inter-segment revenue	27	172	1,206	143	(1,350)	—
Total revenue	160,700	14,311	924,357	18,776	(1,350)	941,783
Segment profit (loss)	3,326	(111)	35,192	258	1,696	37,147

Reconciliation of segment profit of 1,696 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 247 million yen, and unallocated dividend income and others of 1,449 million yen.

For the first half ended September 30, 2019 (April 1, 2019 – September 30, 2019)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & Transportation Project	Machinery & Medical Infrastructure	Energy & Social Infrastructure	Metals & Mineral Resources	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	117,706	17,747	56,593	34,464	187,360	226,713	65,625
Inter-segment revenue	—	11	26	883	—	8	5
Total revenue	117,706	17,759	56,619	35,347	187,360	226,722	65,630
Segment profit	1,525	599	1,456	3,444	9,816	4,766	1,197

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	155,070	17,392	878,673	15,159	—	893,832
Inter-segment revenue	27	189	1,152	77	(1,229)	—
Total revenue	155,097	17,581	879,826	15,236	(1,229)	893,832
Segment profit	2,779	584	26,170	254	3,093	29,517

Reconciliation of segment profit of 3,093 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 2,705 million yen, and unallocated dividend income and others of 388 million yen.

Details of Industry Segments

【Revenue】

	(Billions of Yen)			
	FY2018 1H	FY2019 1H	Change	<u>Reasons for change</u>
Automotive	115.3	117.7	2.4	Increased due to higher transactions of domestic and overseas automobile-related companies
Aerospace & Transportation Project	14.0	17.7	3.7	Increase due to higher aircraft transactions
Machinery & Medical Infrastructure	46.6	56.6	10.0	Increased due to higher transactions of domestic companies related to industrial machinery
Energy & Social Infrastructure	33.7	34.5	0.8	Increased due to higher overseas gas-fired power generation businesses
Metals & Mineral Resources	210.7	187.4	(23.3)	Decreased due to fall in sales prices in overseas coal businesses
Chemicals	257.4	226.7	(30.7)	Decreased due to declines in the transaction volumes of plastic resins and in the price of methanol
Foods & Agriculture Business	70.6	65.6	(5.0)	Decreased due to lower sales volumes stemming from unseasonable weather in overseas fertilizer businesses
Retail & Lifestyle Business	160.7	155.1	(5.6)	Decreased due to the acquisition of an overseas paper manufacturer was counterbalanced by a decline in textile transactions
Industrial Infrastructure & Urban Development	14.1	17.4	3.3	Increase due to higher sales of overseas industrial parks operations
Other	18.7	15.1	(3.6)	
Consolidated	941.8	893.8	(48.0)	

【Profit for the year】

	(Billions of Yen)			
	FY2018 1H	FY2019 1H	Change	<u>Reasons for change</u>
Automotive	3.6	1.5	(2.1)	Decreased due to the sale of automobile-related company in the previous equivalent period
Aerospace & Transportation Project	1.9	0.6	(1.3)	Decreased in reaction to aircraft sales recorded in the previous equivalent period
Machinery & Medical Infrastructure	0.7	1.5	0.8	Increased due to higher returns from medical infrastructure business and industrial machinery transactions
Energy & Social Infrastructure	2.7	3.4	0.7	Increased due to commencement of operations at domestic and overseas power generation projects and sales of oil interests
Metals & Mineral Resources	16.2	9.8	(6.4)	Decreased due to fall in sales prices in overseas coal business
Chemicals	4.8	4.8	0.0	Despite impacted as a result of declines in price of methanol, unchanged year on year due to benefits of reduced SG&A expenses
Foods & Agriculture Business	2.1	1.2	(0.9)	Decreased due to impairment loss on domestic marine products business and lower sales volumes stemming from unseasonable weather as well as sales price controls in overseas fertilizer businesses
Retail & Lifestyle Business	3.3	2.8	(0.5)	Decreased due to the drop in transaction price of imported plywood that began at the beginning of the year and lower profit margins for meat transactions
Industrial Infrastructure & Urban Development	(0.1)	0.6	0.7	Increased due to higher number of overseas industrial parks delivered
Other	1.9	3.3	1.4	
Consolidated	37.1	29.5	(7.6)	

Increase/Decrease in the Number of
Consolidated Subsidiaries and Equity-method Associates

Changes in the number of consolidated subsidiaries and equity-method associates during the first half of FY 2019
(April 1, 2019 - September 30, 2019)

(Number of Companies)	As of March 31, 2019	As of September 30, 2019	Changes
Subsidiaries	305	305	0
Equity-method Associates	127	129	2
Total	432	434	2

Changes in major subsidiaries during the first half of FY2019 (April 1, 2018 - September 30, 2019)

○ Major new subsidiaries

Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Automotive	SOCAFI, S.A. DE C.V.	Auto self-financing operations

Equity-method associates

(Segment)	(Company name)	(Main business)
Aerospace & Transportation Project	Kumamoto International Airport	Management and operation of Kumamoto Airport

○ Major companies excluded from consolidation

Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Energy & Social Infrastructure	Asia Power (Private) Limited	Combined-cycle power generation, sale of electric power

Impact on the Profit due to
Increase and Decrease of Consolidated Subsidiaries
(compared with the year - earlier period)

Increase

(Billions of Yen)

	Revenue	Gross Profit	Profit for the period
Consolidated subsidiaries	8.7	1.2	0.2

Decrease

(Billions of Yen)

	Revenue	Gross Profit	Profit for the period
Consolidated subsidiaries	(0.2)	(0.1)	(0.7)

(Note)

In general, figures in the above tables are based on the financial statements prepared by each company.

Performances of Major Consolidated Subsidiaries and Equity-method Associates (Major Consolidated Subsidiaries)

(Billions of Yen)

Segment	Company	Main Business	Group Ownership				
				FY2018 1H	FY2018	FY2019 1H	
Automotive	Sojitz Autrans Corporation	Automotive parts business	100.0%	Gross Profit	0.6	1.6	1.2
				Profit for the Year	0.1	0.5	0.5
	Sojitz Automotive Group, Inc.	Automobile dealership	100.0%	Gross Profit	5.4	11.1	5.7
				Profit for the Year	0.5	1.1	0.6
	Sojitz de Puerto Rico Corporation	Import and sales of automobiles	100.0%	Gross Profit	2.6	5.2	2.0
				Profit for the Year	0.8	1.6	0.6
	Subaru Motor LLC	Import and exclusive distribution of automobiles	65.6%	Gross Profit	1.0	1.5	0.8
				Profit for the Year	0.1	(0.1)	(0.2)
Sojitz Quality, Inc	Investment in automotive parts quality inspection services	100.0%	Gross Profit	2.2	4.2	1.9	
			Profit for the Year	0.2	0.4	0.1	
Aerospace & Transportation Project	Sojitz Aerospace Corporation	Import/export and sales of aerospace-related equipment, components and materials	100.0%	Gross Profit	1.3	3.9	1.9
				Profit for the Year	0.1	1.0	0.6
	Sojitz Marine & Engineering Corporation	Sales, purchase and charter brokerage of new and used vessels, ship operation management, sales and import/export of marine-related equipment and materials	100.0%	Gross Profit	1.5	3.1	1.5
				Profit for the Year	0.3	0.6	0.3
Machinery & Medical Infrastructure	Sojitz Machinery Corporation	Import/export and sales of general machinery	100.0%	Gross Profit	2.2	5.8	2.9
				Profit for the Year	0.2	1.2	0.5
	Sojitz Hospital PPP Investment B.V.	Investment management of hospital project in Turkey	100.0%	Gross Profit	0.0	0.0	0.0
				Profit for the Year	0.8	2.0	1.2
	First Technology China Ltd.	Sales and service of surface-mounting machines and semiconductor-related equipment	100.0%	Gross Profit	1.2	2.1	1.2
				Profit for the Year	0.4	0.5	0.4
Energy & Social Infrastructure	Nissho Electronics Corporation	Providing leading-edge IT solutions and network services	100.0%	Gross Profit	4.9	10.7	5.2
				Profit for the Year	0.2	1.2	0.3
	Tokyo Yuso Corporation	Tank storage operations for petroleum and chemical products	100.0%	Gross Profit	0.4	0.9	0.5
				Profit for the Year	0.2	0.3	0.2
Metals & Mineral Resources	Sojitz Coal Resources Pty Ltd.	Investment in coal mines	100.0%	Gross Profit	6.7	12.6	3.5
				Profit for the Year	4.5	8.3	2.3
	Sojitz Moolarben Resources, Pty. Ltd.	Investment in a coal mine	100.0%	Gross Profit	3.6	6.0	1.5
				Profit for the Year	2.4	4.0	1.0
	Sojitz Resources (Australia) Pty. Ltd.	Investment in an alumina refinery	100.0%	Gross Profit	1.3	2.4	0.2
				Profit for the Year	0.8	1.6	0.0
Chemicals	Sojitz Pla-Net Corporation	Trading and sale of plastics and related products	100.0%	Gross Profit	5.7	11.4	5.1
				Profit for the Year	0.7	1.4	0.4
	PT. Kaltim Methanol Industri	Manufacture and sale of methanol	85.0%	Gross Profit	3.8	6.6	3.0
				Profit for the Year	2.7	4.8	2.2
	solvadis deutschland gmbh	Trading and sale of chemical products	100.0%	Gross Profit	2.6	4.7	2.2
				Profit for the Year	0.4	0.4	0.2
Foods & Agriculture Business	Atlas Fertilizer Corporation	Manufacture and sales of fertilizers, sales of imported fertilizer products	100.0%	Gross Profit	1.1	2.2	1.3
				Profit for the Year	0.3	0.5	0.4
	Japan Vietnam Fertilizer Company	Manufacture and sales of fertilizers	75.0%	Gross Profit	1.0	1.9	0.7
				Profit for the Year	0.2	0.4	0.1
Retail & Lifestyle Business	Sojitz Building Materials Corporation	Trading company specializing in sales of construction materials	100.0%	Gross Profit	2.7	5.2	2.3
				Profit for the Year	0.2	0.4	0.0
	Sojitz Foods Corporation	Sales of sugar, agricultural, livestock and marine products, various raw ingredients, processed foods, dairy products and other foodstuffs	100.0%	Gross Profit	4.1	7.6	3.8
				Profit for the Year	1.4	2.4	1.2
	Sojitz Fashion Co., Ltd.	Printing of cotton and synthetic textiles, processing and wholesale of non-patterned and dyed fabrics	100.0%	Gross Profit	1.5	3.0	1.4
				Profit for the Year	0.4	0.7	0.3
Industrial Infrastructure & Urban Development	Sojitz New Urban Development Corporation	Development and sale of condominiums, real estate brokerage, development and possession of rental apartment and sale of housing equipment	100.0%	Gross Profit	1.0	2.9	1.3
				Profit for the Year	(0.3)	0.5	0.2

*The above figures were prepared by the Company after each company's switch to IFRS, and may therefore differ from past figures released by these companies.

Performances of Major Consolidated Subsidiaries and Equity-method Associates (Major Consolidated Equity-method Associates)

(Billions of Yen)

Segment	Company	Main Business	Group Ownership				
				FY2018 1H	FY2018	FY2019 1H	
Energy & Social Infrastructure	LNG Japan Corporation	LNG business and related investments	50.0%	Equity in Earnings	0.3	4.0	1.2
Metals & Mineral Resources	Japan Alumina Associates (Australia) Pty. Ltd.	Production of alumina	50.0%	Equity in Earnings	0.2	0.6	0.4
	Metal One Corporation	Integrated steel trading company	40.0%	Equity in Earnings	4.9	10.1	5.1

*The above figures were prepared by the Company after each company's switch to IFRS, and may therefore differ from past figures released by these companies.

Country Risk Exposure (Consolidated)

Exposure (As of September 30, 2019)

(Note)

We calculate exposure for the consolidated Sojitz Group by tallying assets that are exposed to country risk.

We disclose exposure for the entire Sojitz Group and for the following assets: investments, loans, guarantees, and operating receivables and inventories (grouped as “operating receivables”); cash and deposits and financial assets (grouped as “cash and deposits, etc.”); bad debts, non-current assets, etc. (grouped as “other assets”).

Exposure is tallied on the following bases:

- Country risk: Exposure is calculated based on the country in which credit counterparties, etc., are present.
- Substantial country risk: Exposure is adjusted based on the substantial country of risk, regardless of counterparties' country of domicile.

(Billions of Yen)

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	4.8	0.0	0.0	29.1	23.5	10.9	68.3	72.1
Indonesia	16.3	0.1	9.0	7.0	5.1	2.4	39.8	53.8
Philippines	12.6	0.1	0.0	9.5	2.4	5.4	30.1	27.3
China (include Hong Kong)	10.9	0.0	0.3	51.0	6.4	5.4	73.9	72.7
(China)	9.3	0.0	0.3	34.7	3.3	2.3	49.9	60.1
(Hong Kong)	1.6	0.0	0.0	16.3	3.1	3.1	24.0	12.6
Brazil	4.3	0.3	0.2	9.3	1.2	12.6	27.9	52.3
Argentina	0.2	0.0	0.0	2.2	0.0	1.5	3.9	1.6
Russia	2.0	0.0	0.0	18.4	2.4	7.6	30.4	22.4
India	13.2	0.0	0.4	33.3	0.5	4.2	51.5	39.1
Vietnam	8.3	0.2	0.2	13.5	5.2	20.4	47.7	32.9
Turkey	0.0	0.0	0.0	1.6	0.2	0.0	1.9	4.6
Total	72.6	0.7	10.1	174.9	46.9	70.4	375.4	378.8

(Reference)

Exposure (As of March 31, 2019)

(Billions of Yen)

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	4.8	0.0	0.0	30.1	22.7	10.5	68.1	71.9
Indonesia	19.5	0.1	9.4	10.8	6.6	1.5	47.9	61.3
Philippines	13.7	0.1	0.0	7.6	2.2	4.4	28.0	24.9
China (include Hong Kong)	11.2	0.0	0.4	53.2	8.7	5.2	78.7	77.8
(China)	10.2	0.0	0.4	35.6	4.2	2.0	52.4	59.9
(Hong Kong)	1.0	0.0	0.0	17.6	4.5	3.2	26.3	17.9
Brazil	7.0	0.3	0.2	6.5	1.5	13.4	28.9	57.3
Argentina	0.2	0.0	0.0	2.3	0.0	1.7	4.2	1.7
Russia	1.7	0.0	0.0	20.4	2.3	7.0	31.5	25.2
India	12.8	0.0	0.4	38.2	0.2	3.8	55.4	45.0
Vietnam	9.1	0.2	0.2	14.7	5.1	19.8	49.1	30.7
Turkey	0.0	0.0	0.0	1.7	0.2	0.0	1.9	6.4
Total	80.0	0.7	10.6	185.5	49.5	67.3	393.7	402.2

Real Estate (Consolidated)

Book value and unrealized profits of real estate for sale

(Billions of Yen)

	As of March 31, 2019		As of September 30, 2019		Change	
	Book Value	<u>unrealized profits</u>	Book Value	<u>unrealized profits</u>	Book Value	<u>unrealized profits</u>
Company	4.3	<u>0.7</u>	4.2	<u>0.8</u>	0.0	<u>0.0</u>
Consolidated subsidiaries	21.3	<u>1.6</u>	24.5	<u>1.5</u>	3.2	<u>(0.1)</u>
Consolidated Total	25.6	<u>2.3</u>	28.7	<u>2.3</u>	3.2	<u>(0.0)</u>

Book value of real estate (land, building, structure and lease) in property, plant and equipment

(Billions of Yen)

	As of March 31, 2019	As of September 30, 2019	Change
Company	5.3	30.1	24.8
Consolidated subsidiaries	73.5	103.2	29.7
Consolidated Total	78.8	133.3	54.5

* Balance as of September 30, 2019 includes lease assets(building, structure) as a result of IFRS16 application.

The reason for the change compared to the balance as of March 31, 2019 is mainly due to this effect.

Book value of real estate for investment

(Billions of Yen)

	As of March 31, 2019	As of September 30, 2019	Change
Company	1.3	1.3	0.0
Consolidated subsidiaries	19.6	18.4	(1.2)
Consolidated Total	20.9	19.7	(1.2)

Number of Employees by Business Segment (Consolidated)

(Number of Employees)

	As of March 31, 2019			As of September 30, 2019			Change		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Automotive	94	4,350	4,444	94	4,725	4,819	0	375	375
Aerospace & Transportation Project	98	305	403	104	315	419	6	10	16
Machinery & Medical Infrastructure	87	833	920	88	871	959	1	38	39
Energy & Social Infrastructure	156	1,199	1,355	149	1,212	1,361	(7)	13	6
Metals & mineral Resources	171	421	592	183	550	733	12	129	141
Chemicals	261	1,442	1,703	274	1,442	1,716	13	0	13
Foods & Agriculture Business	109	2,043	2,152	112	2,027	2,139	3	(16)	(13)
Retail & Lifestyle Business	168	3,733	3,901	172	3,748	3,920	4	15	19
Industrial Infrastructure & Urban Development	64	1,152	1,216	65	1,160	1,225	1	8	9
Other	711	1,237	1,948	735	1,204	1,939	24	(33)	(9)
Total	1,919	16,715	18,634	1,976	17,254	19,230	57	539	596

(Notes)

Employee headcounts above indicate personnel employed by Sojitz and its subsidiaries including employees seconded by Sojitz Corporation.

(Reference)

Employee headcounts for Sojitz Corporation (including employees seconded by Sojitz Corporation to subsidiaries) was as follows: as of March 31, 2019: 2,410; as of September 30, 2019: 2,495.

News Releases for the First Half Ended September 30, 2019

Segment	Date	Title
Automotive		
	2019/6/18	Sojitz Establishes New Company to Enter Automotive Retail Sales Business in Aichi
	2019/7/8	Sojitz Establishes Import Distributorship for GEELY-brand Vehicles in the Philippines
	2019/8/28	Sojitz Enters Autofinancimiento Business in Mexico
Aerospace & Transportation Project		
	2019/4/15	Palau International Airport Corporation —a Joint Venture between Sojitz, Japan Airport Terminal, and JOIN— Takes Over Management of Palau Internal Airport
	2019/4/22	MSJA-Kumamoto Consortium Concludes Basic Agreement for the Qualified Project Etc. for Kumamoto Airport Operation
	2019/5/31	Kyushu Kumamoto International Airport Co., Ltd. Concludes Project Agreement for the Qualified Project Etc. for Kumamoto Airport Operation
Energy & Social Infrastructure		
	2019/4/5	Sojitz Joins One of Taiwan’s Largest Offshore Wind Power Projects Projects
	2019/5/10	Sojitz Joins Biomass Power Plant Project in Tomakomai, Hokkaido
	2019/6/7	Birdsboro Natural Gas-Fired Power Plant in the U.S. Begins Operations
	2019/6/24	Sojitz and Osaka Gas Establish Natural Gas Supply Company in Vietnam
Food & Agriculture Business		
	2019/5/29	Sojitz Develops “TUNA SCOPE”, A New AI Technology to Assess Tuna Quality
Retail & Lifestyle Business		
	2019/5/16	Fuyo General Lease Co., Ltd and Sojitz Commerce Development Corporation Obtain Joint Trust Beneficiary Rights for Nasu Garden Outlet in Nasushiobara, Tochigi
Industrial Infrastructure & Urban Development		
	2019/6/28	Sojitz Acquires Agent License for Four Industrial Parks Developed by Major Thailand Conglomerate
	2019/9/12	Sojitz Concludes Agreement with Osaka Prefecture
Other		
	2019/5/21	Sojitz Opens New Office in Bengaluru, India
	2019/8/20	Sojitz Establishes the Sojitz Institute of Innovative Technologies
	2019/9/17	Sojitz Opens New Office in Hangzhou, China

Forecast for the Year Ending March 31, 2020

(Billions of Yen)

	FY 2018	FY 2019		
	Results	First half period	Initial Full-Year Forecast	Revised Full-Year Forecast
Revenue	1,856.2	893.8	-	-
Gross profit	241.0	109.7	260.0	250.0
Selling, general and administrative expenses	(173.4)	(85.6)	(182.5)	(178.0)
Other income (expenses)	2.4	0.1	0.0	0.0
Finance income/costs	(2.9)	(2.1)	(8.5)	(6.0)
Share of profit (loss) of investments accounted for using the equity method	27.8	13.2	28.0	28.0
Profit before tax	94.9	35.3	97.0	94.0
Profit for the year (Attributable to owners of the Company)	70.4	29.5	72.0	72.0

Profit for the year (attributable to owners of the Company) forecast by segment

(Billions of Yen)

	FY 2018	FY 2019		
	Results	First half period	Initial Full-Year Forecast	Revised Full-Year Forecast
Automotive	6.4	1.5	5.5	5.5
Aerospace & Transportation Project	4.0	0.6	5.0	5.0
Machinery & Medical Infrastructure	2.8	1.5	4.5	4.5
Energy & Social Infrastructure	5.8	3.4	5.5	8.0
Metals & Mineral Resources	30.5	9.8	25.0	23.5
Chemicals	9.0	4.8	11.0	11.0
Foods & Agriculture Business	2.3	1.2	4.5	2.0
Retail & Lifestyle Business	5.7	2.8	7.5	7.5
Industrial Infrastructure & Urban Development	1.1	0.6	1.0	1.0
Other	2.8	3.3	2.5	4.0
Total	70.4	29.5	72.0	72.0

Change of Consolidated Statements of Financial Position (IFRS)

(Millions of Yen)

	2011/04/01 (the date of transition)	FY 2011	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 1H
Current assets										
Cash and cash equivalents	411,632	425,595	424,371	420,658	403,748	344,414	308,632	305,241	285,687	296,606
Time deposits	7,043	16,114	9,313	4,362	5,464	6,657	5,728	2,788	2,922	5,904
Trade and other receivables	515,633	544,525	508,690	524,826	559,291	496,156	563,458	549,789	690,678	664,823
Other investments	1,346	697	-	-	-	-	-	-	-	-
Derivatives	3,796	3,676	4,100	5,185	6,977	6,593	3,919	2,703	2,060	2,453
Inventories	265,794	284,038	297,389	301,979	270,274	237,111	271,327	396,020	220,621	213,262
Income tax receivables	2,646	2,725	4,778	4,907	3,712	6,068	3,647	5,094	6,714	3,473
Other current assets	69,277	57,124	41,231	46,759	63,122	49,017	72,417	106,234	58,965	62,410
Assets as held for sale	8,894	4,098	1,303	13,143	10,905	326	616	8,425	-	1,450
Total current assets	1,286,066	1,338,596	1,291,178	1,321,824	1,323,497	1,146,344	1,229,747	1,376,297	1,267,650	1,250,386
Non-current assets										
Property, plant and equipment	206,863	219,581	231,840	213,934	217,912	186,957	172,201	172,135	192,902	182,938
Right-of-use assets	-	-	-	-	-	-	-	-	-	77,776
Goodwill	45,400	46,390	45,725	46,264	50,164	53,055	57,594	65,842	66,198	65,295
Intangible assets	71,111	71,922	63,207	60,958	53,882	38,829	34,148	44,057	49,145	49,098
Investment property	50,435	46,359	40,055	25,334	19,459	18,369	21,100	24,486	20,875	19,685
Investments accounted for using the equity method	261,834	257,379	279,815	336,761	394,055	377,597	386,740	407,284	424,152	416,106
Trade and other receivables	55,940	65,498	62,963	60,310	45,017	44,558	45,485	63,824	84,145	83,240
Other investments	128,301	113,222	114,596	133,625	174,791	173,618	172,944	182,949	173,066	158,623
Derivatives	805	115	229	209	1,865	163	36	49	46	16
Other non-current assets	11,323	16,293	10,976	9,683	7,483	9,668	9,815	8,794	12,683	11,328
Deferred tax assets	52,063	15,332	9,461	11,329	9,227	7,507	8,650	4,630	6,192	6,683
Total non-current assets	884,079	852,095	858,871	898,411	973,860	910,325	908,719	974,053	1,029,409	1,070,793
Total assets	2,170,145	2,190,692	2,150,050	2,220,236	2,297,358	2,056,670	2,138,466	2,350,351	2,297,059	2,321,180
Current liabilities										
Trade and other payables	521,682	557,198	515,989	514,585	490,865	439,245	483,049	654,138	582,296	562,174
Lease liabilities	-	-	-	-	-	-	-	-	-	15,174
Bonds and borrowings	256,228	298,455	258,375	227,216	208,360	168,264	158,698	113,497	149,695	156,102
Derivatives	4,640	8,989	15,952	6,400	8,803	3,728	3,669	3,394	2,511	4,455
Income tax payables	8,151	9,065	7,038	8,038	7,570	6,630	9,190	13,632	10,775	4,762
Provisions	1,680	4,074	1,419	1,207	4,271	2,525	2,124	2,069	1,026	1,530
Other current liabilities	70,288	60,314	50,150	54,402	53,807	53,294	60,912	55,004	60,793	64,813
Liabilities directly related to assets as held for sale	2,627	1,221	-	-	6,860	88	101	4,182	-	-
Total current liabilities	865,299	939,317	848,926	811,850	780,538	673,776	717,748	845,918	807,098	809,012
Non-current liabilities										
Lease liabilities	-	-	-	-	-	-	-	-	-	67,493
Bonds and borrowings	859,594	819,591	818,632	838,060	830,409	754,434	766,669	797,982	723,625	708,866
Trade and other payables	14,841	13,050	9,816	10,463	9,545	9,696	3,709	4,759	12,563	10,682
Derivatives	5,209	3,042	1,884	1,721	2,942	5,001	4,004	2,634	2,693	2,869
Retirement benefits liabilities	14,311	15,674	16,158	16,917	17,943	18,727	21,381	22,016	22,139	21,994
Provisions	12,162	14,378	18,892	20,798	25,098	18,949	20,792	21,000	36,292	35,114
Other non-current liabilities	6,533	10,619	7,313	7,321	7,591	7,475	6,490	9,968	11,235	8,949
Deferred tax liabilities	18,969	19,834	17,127	20,143	32,631	18,891	19,698	20,946	19,802	16,135
Total non-current liabilities	931,622	896,193	889,824	915,426	926,163	833,176	842,747	879,308	828,353	872,104
Total liabilities	1,796,922	1,835,511	1,738,751	1,727,277	1,706,702	1,506,953	1,560,495	1,725,227	1,635,451	1,681,117
Equity										
Share capital	160,339	160,339	160,339	160,339	160,339	160,339	160,339	160,339	160,339	160,339
Capital surplus	146,520	146,518	146,518	146,515	146,515	146,514	146,513	146,512	146,645	146,698
Treasury stock	(138)	(147)	(148)	(157)	(159)	(161)	(170)	(174)	(865)	▲ 842
Other components of equity	40,885	23,580	62,826	119,617	194,557	132,415	132,682	124,348	107,576	71,945
Retained earnings	(1,320)	(327)	13,053	33,538	49,731	81,245	111,149	155,437	204,600	219,070
Total equity attributable to owners of the Company	346,285	329,962	382,589	459,853	550,983	520,353	550,513	586,464	618,295	597,211
Non-controlling interests	26,937	25,218	28,709	33,105	39,672	29,363	27,547	38,659	43,312	42,851
Total equity	373,223	355,180	411,298	492,959	590,656	549,716	577,970	625,124	661,607	640,063
Total liabilities and equity	2,170,145	2,190,692	2,150,050	2,220,236	2,297,358	2,056,670	2,138,466	2,350,351	2,297,059	2,321,180

(Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.

Change of Consolidated Statements of Profit or Loss (IFRS)

(Millions of Yen)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 1H
Revenue									
Sales of goods	1,915,992	1,659,233	1,714,176	1,718,165	1,566,839	1,463,536	1,716,670	1,749,319	844,638
Sales of services and others	90,657	88,517	88,928	91,535	91,233	91,813	99,788	106,870	49,194
Total revenue	2,006,649	1,747,750	1,803,104	1,809,701	1,658,072	1,555,349	1,816,459	1,856,190	893,832
Cost of sales	(1,789,582)	(1,560,504)	(1,604,882)	(1,612,013)	(1,477,333)	(1,354,664)	(1,584,078)	(1,615,233)	(784,095)
Gross profit	217,066	187,245	198,221	197,688	180,739	200,685	232,380	240,956	109,737
Selling, general and administrative expenses	(153,663)	(151,091)	(151,628)	(149,739)	(154,416)	(153,038)	(162,662)	(173,433)	(85,620)
Other income (expenses)									
Gain (loss) on sale and disposal of fixed assets, net	1,839	2,209	6,132	1,058	1,498	4,797	(324)	1,764	392
Impairment loss on fixed assets	(3,190)	(11,549)	(19,461)	(17,446)	(24,051)	(4,618)	(4,402)	(509)	(492)
Gain on reorganization of subsidiaries/associates *1	957	2,138	1,666	1,758	12,909	10,358	7,517	8,039	829
Loss on reorganization of subsidiaries/associates	(1,728)	(3,525)	(2,684)	(2,080)	(1,349)	(8,174)	(11,847)	(3,099)	(207)
Other operating income	11,705	10,702	10,429	17,193	20,646	9,566	6,763	5,113	2,671
Other operating expenses	(15,513)	(10,636)	(18,980)	(14,882)	(6,733)	(7,958)	(7,584)	(8,832)	(3,185)
Total Financial income	8,875	8,022	9,213	9,395	8,242	8,068	10,321	12,395	
Interests earned	5,552	4,984	5,359	4,860	3,893	3,903	5,682	7,084	5,701
Dividends received	3,283	2,761	3,810	4,456	4,349	4,165	4,639	5,167	3,687
Other financial income	39	276	43	78	-	-	-	143	2,014
Total Financial costs	(24,186)	(21,247)	(19,855)	(18,975)	(16,379)	(14,405)	(14,874)	(15,290)	
Interest expenses	(23,848)	(21,247)	(19,855)	(18,975)	(16,316)	(14,382)	(14,746)	(15,290)	(7,781)
Other financial costs	(338)	-	-	-	(63)	(22)	(128)	-	(7,683)
Share of profit (loss) of investments accounted for using the equity method	16,296	15,784	30,979	28,613	23,163	12,673	25,057	27,779	(97)
Profit before tax	58,457	28,052	44,033	52,584	44,269	57,955	80,343	94,882	13,215
Income tax expenses	(56,735)	(11,058)	(11,949)	(14,933)	(7,782)	(13,879)	(18,648)	(19,662)	35,259
Profit for the year	1,722	16,993	32,083	37,650	36,486	44,075	61,694	75,219	(3,616)
Profit attributable to:									
Owners of the Company	(1,040)	13,448	27,250	33,075	36,526	40,760	56,842	70,419	31,643
Non-controlling interests	2,762	3,544	4,833	4,575	(39)	3,314	4,852	4,799	29,517
Core earnings *2	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	35.5

(Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.

*1 In regard to amounts for FY2017 or before, we show Gain on sale of subsidiaries / associates previously disclosed.

*2 Core earnings = Gross Profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Interest expense-net + Dividends received + Share of profit (loss) of investments accounted for using the equity method

Change of Consolidated Statements of Profit or Loss and Other Comprehensive Income (IFRS)

(Millions of Yen)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 1H
Profit for the year	1,722	16,993	32,083	37,650	36,486	44,075	61,694	75,219	31,643
Other comprehensive income									
Items that will not be reclassified to profit or loss									
Financial assets measured at fair value through other comprehensive income	(1,010)	11,172	15,065	46,787	(1,232)	9,977	(575)	(10,751)	(7,453)
Remeasurements of defined benefit pension plans	(872)	(398)	(425)	(925)	(725)	478	(275)	(365)	163
Share of other comprehensive income of investments accounted for using the equity method					(4,868)	(3,686)	4,778	4,391	(8,041)
Total items that will not be reclassified to profit or loss	(1,883)	10,774	14,639	45,862	(6,826)	6,768	3,927	(6,725)	(15,331)
Items that may be reclassified subsequently to profit or loss									
Foreign currency translation differences for foreign operations	(12,505)	34,509	40,578	34,811	(44,362)	(7,958)	(12,244)	(8,975)	(14,162)
Cash flow hedges	(945)	(528)	1,184	(3,405)	(2,709)	693	1,024	(189)	(1,207)
Share of other comprehensive income of investments accounted for using the equity method	-	-	-	-	(10,993)	554	(3,075)	(4,380)	(6,207)
Total items that may be reclassified subsequently to profit or loss	(13,450)	33,980	41,763	31,405	(58,065)	(6,710)	(14,295)	(13,545)	(21,576)
Other comprehensive income for the period, net of tax	(15,334)	44,754	56,403	77,268	(64,892)	57	(10,368)	(20,270)	(36,907)
Total comprehensive income for the year	(13,611)	61,748	88,487	114,919	(28,405)	44,133	51,326	54,948	(5,264)
Total comprehensive income attributable to:									
Owners of the Company	(16,177)	56,171	82,221	107,347	(25,379)	40,289	47,430	50,938	(6,595)
Non-controlling interests	2,665	5,576	6,265	7,571	(3,025)	3,843	3,896	4,010	1,330
Total	(13,611)	61,748	88,487	114,919	(28,405)	44,133	51,326	54,948	(5,264)

(Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.

Change of Consolidated Statements of Cash Flows (IFRS)

(Millions of Yen)

	FY 2011	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 1H
Cash flows from operating activities									
Profit for the period	1,722	16,993	32,083	37,650	36,486	44,075	61,694	75,219	31,643
Depreciation and amortization	29,529	31,047	36,100	31,683	30,059	23,442	23,067	21,297	16,319
Impairment loss on fixed assets	3,190	11,549	19,461	17,446	24,051	4,618	4,402	509	492
Finance (income) costs	15,311	13,225	10,641	9,579	8,136	6,337	4,552	2,895	2,080
Share of (profit) loss of investments accounted for using the equity method	(16,296)	(15,784)	(30,979)	(28,613)	(23,163)	(12,673)	(25,057)	(27,779)	(13,215)
(Gain) loss on sale of fixed assets, net	(1,839)	(2,209)	(6,132)	(1,058)	(1,498)	(4,797)	324	(1,764)	(392)
Income tax expense	56,735	11,058	11,949	14,933	7,782	13,879	18,648	19,662	3,616
(Increase) decrease in trade and other receivables	(8,089)	40,625	4,226	(18,583)	55,835	(60,463)	7,980	77,093	22,118
(Increase) decrease in inventories	(16,765)	(709)	(6,151)	31,396	28,270	(31,853)	(118,303)	(39,968)	4,281
Increase (decrease) in trade and other payables	35,373	(30,116)	(10,640)	(27,908)	(43,767)	40,158	166,218	(74,708)	(11,766)
Changes in other assets and liabilities*1	-	-	-	-	-	-	-	54,962	2,192
Increase (decrease) in retirement benefits liabilities	455	985	390	674	320	(1,409)	430	(179)	132
Others	11,224	(1,839)	(1,451)	(19,792)	(15,528)	(7,611)	(36,381)	(543)	(1,104)
Subtotal	110,550	74,825	59,498	47,408	106,986	13,702	107,578	106,696	56,398
Interests earned	5,583	5,082	5,225	4,709	3,785	3,496	4,248	5,163	3,118
Dividends received	12,457	13,777	16,424	18,439	20,326	12,818	17,735	23,951	16,030
Interests paid	(24,217)	(21,840)	(20,308)	(19,261)	(16,746)	(14,872)	(14,814)	(15,138)	(7,628)
Income taxes paid	(15,650)	(16,722)	(13,842)	(12,186)	(14,412)	(14,287)	(15,935)	(24,197)	(6,531)
Net cash provided (used) by/in operating activities	88,723	55,124	46,997	39,109	99,939	857	98,812	96,476	61,386
Cash flows from investing activities									
Purchase of property, plant and equipment	(34,101)	(29,473)	(23,579)	(31,258)	(31,943)	(31,830)	(29,590)	(30,832)	(11,319)
Proceeds from sale of property, plant and equipment	12,655	14,384	13,578	767	11,846	8,340	590	5,963	4,263
Purchase of intangible assets	(6,978)	(8,310)	(4,522)	(3,566)	(3,061)	(2,219)	(2,310)	(7,113)	(2,487)
(Increase) decrease in short-term loans receivable	2,646	3,400	(1,706)	2,470	1,083	(4,408)	2,115	5,899	130
Payment for long-term loans receivable	(13,492)	(11,704)	(3,423)	(4,174)	(4,157)	(3,867)	(32,312)	(7,802)	(41)
Collection of long-term loans receivable	969	2,399	5,202	1,165	1,919	1,232	10,826	7,740	1,022
Proceeds from (payments for) acquisition of subsidiaries	(2,340)	(5,624)	(7,024)	(5,222)	(9,100)	(5,408)	(20,227)	(3,753)	(525)
Proceeds from (payments for) sale of subsidiaries	(707)	1,530	232	10	(467)	(51)	5,411	1,468	-
Purchase of investments	(4,144)	(2,646)	(23,658)	(8,455)	(6,315)	(16,263)	(26,260)	(32,721)	(10,068)
Proceeds from sale of investments	10,311	17,831	7,910	10,681	6,731	16,473	13,074	17,393	5,586
Others	(7,098)	6,559	12,521	23,791	(445)	5,822	(7,725)	1,556	(7,893)
Net cash provided (used) by/in investing activities	(42,280)	(11,652)	(24,469)	(13,792)	(33,910)	(32,179)	(86,407)	(42,200)	(21,334)
Free Cash Flow	46,443	43,472	22,528	25,317	66,029	(31,322)	12,405	54,276	40,052
Cash flows from financing activities									
Increase (decrease) in short-term borrowings and commercial papers	8,797	(10,928)	(14,714)	(29,012)	(30,383)	14,697	(21,723)	24,999	16,486
Proceeds from long-term borrowings	127,338	236,109	170,858	163,996	122,767	160,331	128,716	82,636	46,408
Repayment of long-term borrowings	(134,014)	(248,449)	(178,687)	(179,780)	(173,948)	(164,596)	(122,702)	(162,353)	(59,902)
Proceeds from issuance of bonds	39,800	9,953	29,862	29,820	-	19,891	19,881	-	-
Redemption of bonds	(67,719)	(35,000)	(30,000)	(20,000)	(20,000)	(20,035)	(10,061)	(42)	(10,011)
Repayment of lease liabilities*2	-	-	-	-	-	-	-	-	(6,106)
Proceeds from sale of subsidiaries' interests to non-controlling interest holders	7,249	-	-	-	5	-	-	-	-
Payment for acquisition of subsidiaries' interests from non-controlling interest holders	(5,756)	(468)	(0)	(129)	(18)	-	-	(1,195)	-
Proceeds from non-controlling interest holders	1,261	71	104	3,209	323	771	7,389	3,873	1,094
Sales of treasury stock	-	-	-	-	-	-	-	-	6
Purchase of treasury stock	(11)	(1)	(11)	(2)	(2)	(10)	(4)	(691)	(0)
Dividends paid	(3,753)	(3,753)	(4,378)	(5,629)	(9,382)	(10,008)	(11,258)	(16,888)	(11,884)
Dividends paid to non-controlling interest holders	(1,801)	(1,659)	(1,805)	(2,320)	(1,763)	(2,563)	(2,622)	(3,139)	(2,791)
Others	(922)	(2,050)	(2,160)	(2,752)	(2,292)	(2,507)	(666)	(2,106)	2
Net cash provided (used) by/in financing activities	(29,530)	(56,177)	(30,931)	(42,600)	(114,695)	(4,029)	(13,052)	(74,907)	(26,699)
Net increase (decrease) in cash and cash equivalents	16,913	(12,706)	(8,403)	(17,282)	(48,666)	(35,550)	(648)	(20,631)	13,353
Cash and cash equivalents at the beginning of the period	411,632	425,595	424,371	420,658	403,748	344,414	308,632	305,241	285,687
Effect of exchange rate changes on cash and cash equivalents	(2,950)	11,481	4,690	372	(10,667)	(430)	(2,742)	1,076	(2,434)
Cash and cash equivalents at the end of the period	425,595	424,371	420,658	403,748	344,414	308,632	305,241	285,687	296,606

(Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.

*1. "Changes in other assets and liabilities" under cash flows from operating activities was previously included under "others." Effective April 1, 2018, this item will be displayed separately for increased clarity.

*2. As a result of the application of IFRS 16—Leases, operating lease payments as lessees previous recognized as a cash outflow from operating activities will be recognized as repayment of lease liabilities, which constitutes a cash outflow from financing activities, from the fiscal year ending March 31, 2020.

Change of Consolidated Balance Sheets (JGAAP)

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Current assets										
Cash and deposits	435,671	426,082	521,937	471,570	380,195	421,629	455,728	415,694	442,706	433,584
Notes and accounts receivable-trade	708,982	618,086	613,513	672,658	691,492	522,397	462,233	478,880	490,708	456,455
Short-term investment securities	17,705	7,150	6,471	7,251	9,180	2,123	6,131	5,437	1,297	100
Inventories	239,499	194,694	214,163	315,885	422,158	382,899	248,629	243,210	270,645	292,105
Short-term loans receivable	188,002	41,000	44,237	23,182	11,609	9,375	7,943	8,518	5,667	2,222
Deferred tax assets	13,346	7,482	8,886	8,591	19,179	15,821	13,484	15,402	4,577	4,132
Other	171,637	139,590	116,416	130,636	156,000	129,237	100,216	106,832	88,132	79,120
Allowance for doubtful accounts	(39,926)	(10,957)	(15,172)	(14,695)	(13,869)	(10,312)	(9,089)	(7,347)	(5,583)	(3,449)
Total current assets	1,734,918	1,423,129	1,510,454	1,615,081	1,675,946	1,473,172	1,285,277	1,266,629	1,298,151	1,264,271
Property, plant and equipment	493,163	246,652	246,665	229,966	232,018	209,720	222,665	215,774	233,260	228,332
Intangible assets	66,228	103,850	100,131	99,127	133,343	114,855	114,445	132,595	124,497	126,114
Goodwill	41,375	79,989	76,897	69,925	65,466	60,685	54,305	51,474	44,612	39,865
Other	24,852	23,860	23,233	29,202	67,876	54,170	60,139	81,120	79,884	86,248
Investments and other assets	781,335	673,924	663,403	671,857	625,514	513,798	538,093	501,678	464,419	467,500
Investment securities	410,531	409,307	488,291	518,615	480,993	351,466	327,869	333,050	313,897	338,744
Long-term loans receivable	182,093	102,142	38,867	39,304	36,961	27,908	25,113	13,370	22,415	31,311
Bad debts	-	286,934	176,527	162,305	109,440	92,378	88,358	79,971	68,164	59,670
Deferred tax assets	97,507	58,051	23,880	19,754	31,053	64,137	61,432	52,881	22,442	13,710
Real estate for investment	-	-	-	-	-	-	53,261	33,993	31,934	26,608
Other	234,988	54,820	58,793	49,916	44,400	39,435	39,264	48,168	52,788	43,830
Allowance for doubtful accounts	(143,786)	(237,332)	(122,956)	(118,039)	(77,335)	(61,526)	(57,207)	(59,758)	(47,223)	(46,375)
Total noncurrent assets	1,340,726	1,024,427	1,010,200	1,000,951	990,875	838,375	875,204	850,049	822,177	821,947
Deferred assets	1,377	921	1,024	3,475	2,529	1,410	436	281	266	190
Total assets	3,077,022	2,448,478	2,521,679	2,619,507	2,669,352	2,312,958	2,160,918	2,116,960	2,120,596	2,086,410
Current liabilities										
Notes and accounts payable-trade	479,264	472,513	451,438	531,508	578,995	418,811	377,468	414,984	461,799	436,696
Short-term loans payable	1,320,861	933,100	775,555	501,055	497,208	351,841	256,652	247,656	282,524	242,267
Commercial papers	141,200	139,200	29,200	10,000	25,000	35,000	10,000	2,000	2,000	2,000
Current portion of bonds	38,858	43,050	9,358	896	75,100	42,136	40,120	60,000	35,000	30,000
Income taxes payable	7,788	7,644	7,774	8,811	8,246	7,230	5,949	6,591	8,850	5,407
Deferred tax liabilities	257	422	41	34	53	597	44	146	87	245
Provision for bonuses	3,108	4,234	5,148	7,412	7,686	5,503	5,497	5,845	6,254	6,154
Other	220,979	154,515	138,198	159,778	191,161	178,734	145,801	153,321	150,906	136,238
Total current liabilities	2,212,318	1,754,681	1,416,716	1,219,497	1,383,451	1,039,857	841,533	890,544	947,422	859,010
Noncurrent liabilities										
Bonds payable	61,167	16,048	99,036	245,540	141,496	155,120	123,647	82,719	80,000	60,000
Long-term loans payable	430,640	296,927	473,109	560,187	560,281	702,861	763,098	723,926	691,018	715,478
Deferred tax liabilities	10,463	7,544	13,553	13,078	16,685	15,528	14,743	19,009	20,596	19,509
Deferred tax liabilities for land revaluation	-	-	445	1,238	1,193	1,045	944	774	696	-
Provision for retirement benefits	7,928	29,046	25,558	22,526	19,410	16,174	13,280	13,136	14,232	14,998
Provision for directors' retirement benefits	-	-	-	1,394	958	872	931	833	648	630
Other	26,259	30,639	29,185	24,409	25,548	25,994	25,336	30,505	35,509	34,244
Total noncurrent liabilities	536,459	380,206	640,887	868,374	765,572	917,597	941,981	870,905	842,702	844,862
Total liabilities	2,748,778	2,134,887	2,057,603	2,087,872	2,149,024	1,957,454	1,783,514	1,761,449	1,790,125	1,703,872
Shareholders' equity	392,391	331,674	389,677	428,464	451,619	454,491	458,819	471,688	464,026	470,808
Capital stock	150,606	336,122	130,549	122,790	160,339	160,339	160,339	160,339	160,339	160,339
Capital surplus	346,619	487,686	166,754	158,593	152,160	152,160	152,160	152,160	152,160	152,160
Retained earnings	(104,802)	(492,048)	92,487	147,206	139,264	142,157	146,489	159,358	151,706	158,488
Treasury stock	(32)	(86)	(113)	(126)	(145)	(166)	(169)	(170)	(179)	(179)
Accumulated Other Comprehensive Income	(76,156)	(51,433)	37,273	60,122	24,412	(135,500)	(106,402)	(141,659)	(158,121)	(117,272)
Valuation difference on available-for-sale securities	16,692	32,629	90,547	94,316	60,280	6,236	14,845	12,310	7,626	13,710
Deferred gains or losses on hedges	-	-	-	623	1,345	1,510	2,357	3,022	935	(104)
Revaluation reserve for land	(5,469)	(4,869)	(2,619)	(1,935)	(2,530)	(1,907)	(2,055)	(2,302)	(2,120)	3
Foreign currency translation adjustment	(87,379)	(79,193)	(50,655)	(32,882)	(34,684)	(141,340)	(121,550)	(153,984)	(163,686)	(129,496)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	-	-	-	-	-	-	-	(706)	(875)	(1,385)
Minority interests	12,009	33,349	37,125	43,048	44,296	36,512	24,987	25,481	24,565	29,000
Total net assets	328,244	313,590	464,076	531,635	520,327	355,503	377,404	355,510	330,471	382,537
Total liabilities and net assets	3,077,022	2,448,478	2,521,679	2,619,507	2,669,352	2,312,958	2,160,918	2,116,960	2,120,596	2,086,410

Change of Consolidated Statements of Income (JGAAP)

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Net sales	5,861,737	4,675,903	4,972,059	5,218,153	5,771,028	5,166,182	3,844,418	4,014,639	4,494,237	3,955,907
Cost of sales	(5,612,714)	(4,431,656)	(4,729,892)	(4,963,686)	(5,493,296)	(4,930,564)	(3,666,215)	(3,821,914)	(4,262,671)	(3,763,842)
Gross profit	249,022	244,247	242,166	254,466	277,732	235,618	178,203	192,725	231,566	192,064
Selling, general and administrative expenses	(189,074)	(178,725)	(165,964)	(176,533)	(185,368)	(183,611)	(162,074)	(155,205)	(167,044)	(158,759)
Operating income	59,948	65,521	76,202	77,932	92,363	52,006	16,128	37,519	64,522	33,305
Non-operating income	58,269	51,648	59,718	62,030	61,095	29,977	37,245	43,973	37,142	39,952
Interest income	24,572	18,431	13,213	14,995	13,715	9,597	4,632	4,308	5,994	4,924
Dividends income	4,543	3,653	6,816	6,052	5,004	8,349	5,040	4,081	4,978	2,587
Equity in earnings of affiliates	5,929	10,741	19,149	23,752	28,911	2,455	9,179	19,297	12,566	15,588
Gain on sales of investment securities	6,231	2,382	2,042	1,872	61	-	-	-	-	-
Penalty income	-	-	-	-	-	-	3,802	-	-	-
Foreign exchange profits	-	-	-	-	-	-	-	-	-	5,408
Other	16,992	16,439	18,496	15,357	13,402	9,574	14,591	16,285	13,603	11,443
Total non-operating income	▲ 69,757	▲ 59,082	▲ 57,147	(50,427)	(51,979)	(48,347)	(39,672)	(36,176)	(39,436)	(38,779)
Interest expenses	(53,590)	(45,833)	(38,571)	(38,332)	(33,101)	(29,145)	(25,808)	(23,917)	(24,212)	(21,021)
Interest on commercial papers	(2,085)	(2,920)	(1,572)	(89)	(183)	(306)	(178)	(18)	(5)	(4)
Foreign exchange losses	-	-	-	-	(5,664)	(5,243)	-	(2,848)	(145)	-
Loss on valuation of derivatives	-	-	-	-	-	-	-	-	(3,307)	(10,568)
Other	(14,081)	(10,328)	(17,003)	(12,005)	(13,030)	(13,651)	(13,685)	(9,392)	(11,765)	(7,185)
Ordinary income	48,461	58,088	78,773	89,535	101,480	33,636	13,702	45,316	62,228	34,478
Extraordinary income/losses - net	(90,563)	(438,167)	(9,358)	(1,449)	(13,135)	3,434	5,192	(6,004)	(775)	(2,759)
Income before income taxes and minority interests	(42,101)	(380,079)	69,414	88,085	88,344	37,070	18,894	39,312	61,454	31,719
Income taxes-current	(12,282)	(11,331)	(16,484)	(18,841)	(20,118)	(19,229)	(8,562)	(11,400)	(18,482)	(11,441)
Income taxes-deferred	23,058	(18,287)	(5,840)	(4,971)	(2,062)	2,490	294	(9,103)	(43,821)	(2,012)
Income before minority interests	-	-	-	-	-	-	10,626	18,808	(850)	18,265
Minority interests in income	(2,282)	(2,778)	(3,383)	(5,506)	(3,469)	(1,330)	(1,832)	(2,826)	(2,799)	(4,002)
Net income	(33,609)	(412,475)	43,706	58,766	62,693	19,001	8,794	15,981	(3,649)	14,263
										(Billions of Yen)
Core earnings	41.9	51.4	78.5	89.8	110.7	48.3	14.4	41.9	65.0	35.4

Core earnings = Operating income (before allowance for doubtful receivables and write-offs) + Interest expense-net + Dividends received + Equity in earnings of affiliates

Change of Consolidated Statements of Comprehensive Income (JGAAP)

(Millions of Yen)

	FY2009	FY2010	FY2011	FY2012
Income before minority interests	10,626	18,808	(850)	18,265
Other comprehensive income	29,563	(35,462)	(16,772)	38,585
Valuation difference on available-for-sale securities	3,786	(1,557)	(2,802)	5,216
Deferred gains or losses on hedges	641	1,165	(1,899)	1,277
Revaluation reserve for land	-	-	77	-
Foreign currency translation adjustment	14,217	(26,545)	(1,302)	20,417
Unfunded retirement benefit obligation with respect to foreign consolidated companies	63	129	(184)	(201)
Share of other comprehensive income of associates accounted for using equity	10,854	(8,654)	(10,660)	11,875
comprehensive income	40,189	(16,653)	(17,622)	56,851
(comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	37,869	(18,317)	(20,212)	49,939
Comprehensive income attributable to minority interests	2,319	1,663	2,589	6,911

Change of Consolidated Statements of Cash Flows (JGAAP)

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Net cash provided by (used in) operating activities										
Income before income taxes and minority interests	(42,101)	(380,079)	69,414	88,085	88,344	37,070	18,894	39,312	61,454	31,719
Depreciation and amortization	33,557	24,784	25,958	23,928	28,844	26,698	23,196	24,096	33,289	30,944
Impairment loss	-	-	2,022	3,393	6,994	12,151	9,402	9,687	6,101	11,893
Loss on valuation of investment securities	8,998	13,415	950	3,957	6,085	15,132	16,543	801	2,640	1,530
Amortization of goodwill	-	-	-	4,016	3,564	5,119	4,443	4,548	4,998	4,774
Increase (decrease) in allowance for doubtful accounts	23,570	64,121	(110,810)	(6,148)	(41,067)	(16,127)	(3,977)	1,619	(15,162)	(3,590)
Increase (decrease) in provision for retirement benefits	-	(7,843)	(3,630)	(3,015)	(2,926)	(2,088)	(3,296)	901	1,130	1,744
Interest and dividends income	(29,116)	(22,084)	(20,030)	(21,048)	(18,719)	(17,947)	(9,672)	(8,390)	(10,972)	(7,512)
Interest expenses	55,675	48,754	40,143	38,421	33,284	29,452	25,987	23,936	24,217	21,026
Foreign exchange losses (gains)	-	(322)	320	3	5,053	5,294	(1,832)	3,907	445	(9,447)
Equity in (earnings) losses of affiliates	(5,929)	(10,741)	(19,149)	(23,752)	(28,911)	(2,455)	(9,179)	(19,297)	(12,566)	(15,588)
Loss (gain) on sales of investment securities	(21,945)	360	(4,025)	(14,787)	(9,265)	(30,217)	(32,375)	(755)	(9,286)	(10,255)
Loss (gain) on sales and retirement of noncurrent assets	4,317	95,495	(2,238)	(9,452)	285	(6,263)	(990)	(4,386)	(2,393)	(2,632)
Loss (gain) on step acquisitions	-	-	-	-	-	-	-	(10,307)	(194)	-
Decrease (increase) in notes and accounts receivable-trade	101,743	7,171	26,492	(62,697)	(26,135)	118,034	57,221	(30,328)	(19,910)	35,621
Decrease (increase) in inventories	52,938	45,102	(8,492)	(99,052)	(108,510)	10,703	80,618	(6,997)	(25,494)	(13,210)
Increase (decrease) in notes and accounts payable-trade	(49,161)	(15,770)	(34,978)	78,685	55,154	(108,118)	(46,575)	52,368	47,570	(21,792)
Other, net	(13,649)	156,538	116,555	39,759	62,223	43,779	(2,433)	8,790	27,277	17,224
Subtotal	118,898	18,905	78,502	40,296	54,297	120,218	125,972	89,506	113,145	72,448
Interest and dividends income received	39,428	22,006	21,761	22,693	34,621	30,871	18,120	13,172	18,933	18,757
Interest expenses paid	(58,914)	(49,858)	(40,673)	(37,868)	(33,408)	(29,016)	(26,379)	(24,013)	(23,883)	(21,588)
Payments for loss on litigation	-	-	-	-	-	-	-	-	-	(3,082)
Income taxes paid	(12,252)	(10,827)	(16,434)	(18,081)	(20,102)	(18,344)	(10,490)	(10,801)	(16,593)	(15,011)
Net cash provided by (used in) operating activities	87,160	(19,774)	43,155	7,040	35,407	103,729	107,222	67,863	91,600	51,524
Net cash provided by (used in) investing activities										
Decrease (increase) in time deposits	(15,090)	9,832	2,541	9,392	(268)	3,862	(301)	5,591	(11,048)	7,790
Decrease (increase) in short-term investment securities	6,687	18,111	(1,151)	84	(190)	1,420	292	(344)	623	37
Purchase of property, plant and equipment	(10,848)	(8,358)	(25,518)	(28,774)	(40,354)	(43,718)	(21,189)	(27,252)	(35,745)	(26,886)
Proceeds from sales of property, plant and equipment	3,794	77,419	16,462	38,255	7,969	16,452	5,443	6,654	13,419	15,306
Purchase of intangible assets	-	-	-	-	-	(21,821)	(7,264)	(21,195)	(8,698)	(11,802)
Purchase of investment securities	(11,590)	(17,936)	(24,380)	(35,763)	(48,013)	(35,104)	(19,098)	(20,647)	(10,025)	(3,085)
Proceeds from sales and redemption of investment securities	79,691	80,361	59,272	46,480	40,234	51,925	66,099	14,228	19,402	18,484
Decrease (increase) in short-term loans receivable	30,625	58,176	27,022	36,315	13,891	13,355	4,857	3,049	3,745	3,453
Payments of long-term loans receivable	(35,559)	(8,180)	(9,717)	(22,914)	(7,136)	(2,360)	(2,263)	(4,481)	(13,548)	(11,697)
Collection of long-term loans receivable	24,410	26,810	37,546	8,576	2,361	3,085	1,785	11,173	1,489	2,412
Net increase(decrease) from purchase of consolidated subsidiaries	(2,756)	(2,013)	(296)	(4,408)	(8,156)	(5,692)	23	2,551	(2,340)	(5,624)
Net increase(decrease) from sale of consolidated subsidiaries	(2,736)	(1,223)	937	3	(109)	65	(49)	(460)	(707)	1,530
Other, net	6,400	8,109	16,436	(4,541)	(28,951)	1,331	103	11,229	1,144	(3,500)
Net cash provided by (used in) investing activities	73,030	241,109	99,155	42,706	(68,723)	(17,198)	28,439	(19,903)	(42,287)	(13,580)
Free Cash Flow	160,190	221,335	142,310	49,746	(33,316)	86,531	135,661	47,960	49,313	37,944
Net cash provided by (used in) financing activities										
Net increase (decrease) in short-term loans payable	(189,312)	85,255	(233,618)	(201,386)	(54,258)	(57,272)	(41,620)	(49,686)	3,433	(9,419)
Net increase (decrease) in commercial papers	119,600	(2,000)	(110,000)	(19,200)	15,000	10,000	(25,000)	(8,000)	-	-
Proceeds from long-term loans payable	176,441	203,706	487,025	274,898	211,648	308,571	244,907	167,047	128,061	236,109
Repayment of long-term loans payable	(409,663)	(487,734)	(262,600)	(266,922)	(154,977)	(234,144)	(240,962)	(155,603)	(133,646)	(247,581)
Proceeds from issuance of bonds	47,225	9,998	154,872	374,626	45,905	55,686	-	19,900	39,800	9,953
Redemption of bonds	(85,794)	(40,088)	(46,030)	(12,668)	(999)	(75,212)	(33,489)	(41,047)	(67,719)	(35,000)
Proceeds from issuance of common stock/preferred stock	272,223	19,389	-	-	-	-	-	-	-	-
Repurchase of preferred stock	-	-	(44,000)	(240,920)	(102,000)	-	-	-	-	-
Proceeds from stock issuance to minority shareholders	510	155	56	474	922	522	13	463	66	68
Purchase of treasury stock	(46)	(32)	(26)	(11)	(18)	(20)	(1)	(1)	(9)	(0)
Cash dividends paid	-	-	-	-	(12,322)	(11,125)	(4,339)	(1,876)	(3,753)	(3,753)
Cash dividends paid to minority shareholders	(359)	(913)	(805)	(1,621)	(1,817)	(2,513)	(1,374)	(1,924)	(1,416)	(1,382)
Other, net	572	-	(678)	(2,744)	(806)	(450)	(730)	(1,325)	(1,193)	(1,732)
Net cash provided by (used in) financing activities	(68,602)	(212,264)	(55,805)	(95,476)	(53,723)	(5,958)	(102,597)	(72,054)	(36,376)	(52,737)
Effect of exchange rate change on cash and cash equivalents	(5,630)	(882)	11,921	3,419	(4,289)	(40,332)	6,825	(14,470)	(923)	11,890
Net increase (decrease) in cash and cash equivalents	85,958	8,188	98,426	(42,310)	(91,328)	40,241	39,890	(38,564)	12,012	(2,902)
Cash and cash equivalents at beginning of period	310,441	401,240	409,266	506,254	464,273	373,883	414,419	454,262	415,261	427,274
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	4,840	(162)	(1,438)	329	939	294	(48)	(436)	-	-
Cash and cash equivalents	401,240	409,266	506,254	464,273	373,883	414,419	454,262	415,261	427,274	424,371