

# Highlights of Consolidated Financial Results for the First Half Ended September 30, 2019 (IFRS)

November 1, 2019  
Sojitz Corporation

## Results Highlights

◆ In the six-month period ended September 30, 2019, the impacts of the economic slowdown in China stemming from the trade friction between the United States and China began spreading throughout the global economy, with the impacts being particularly pronounced in emerging economies. Looking ahead, ongoing caution is warranted with regard to negotiations between the United States and China, the United Kingdom's withdrawal from the European Union, the situation in the Middle East, and the monetary policies of the United States.

The Company's revenue for the six-month period ended September 30, 2019, was down year on year due to lower revenue in the Chemicals Division, a result of lower transaction volumes of plastic resins and declines in the price of methanol, and in the Metals & Mineral Resources Division, a result of fall in sales prices in overseas coal businesses.

Profit for the period (attributable to owners of the Company) decreased year on year following lower gross profit along with a decline in the net of other income and expenses in reaction to the sale of automobile-related company in the previous equivalent period.

(Figures in parentheses are year-on-year changes)

Revenue 893.8 billion yen ((48.0) billion yen / (5.1)%)

- Decrease in revenue in the Chemicals Division due to lower transaction volumes of plastic resins and declines in the price of methanol
- Decrease in revenue in the Metals & Mineral Resources Division due to fall in sales prices in overseas coal businesses

Gross profit 109.7 billion yen ((11.2) billion yen / (9.2)%)

- Decrease in gross profit in the Metals & Mineral Resources Division due to fall in sales prices in overseas coal businesses
- Decrease in gross profit in the Foods & Agriculture Business Division due to lower transaction volumes in overseas fertilizer businesses

Profit for the period (attributable to owners of the Company)

29.5 billion yen ((7.6) billion yen / (20.5)%)

- Decrease in gross profit
- Decrease in other income due to the sale of automobile-related company in the six-month period ended September 30, 2018

(Reference)

- Effective April 1, 2019, the Company applied IFRS 16—Leases. Following the application of this standard, operating leases and all other lease agreements are, in principle, accounted for in the consolidated statements of financial position. Specific amounts are displayed separately in the consolidated statements of financial position contained as "Lease assets (usage rights assets)" and "Lease liabilities" (under current liabilities and non-current liabilities).

◆ Earnings forecast for the fiscal year ending March 31, 2020

Full-year earnings forecasts were revised as follows.

	FY2019 Initial Forecast	FY2019 Revised Forecast
		(November 1, 2019)
Gross profit	260.0 billion yen	⇒ 250.0 billion yen
Profit before tax	97.0 billion yen	⇒ 94.0 billion yen
Profit for the year (attributable to owners of the Company)	72.0 billion yen	⇒ 72.0 billion yen

(Assumptions)

Exchange rate (annual average: ¥/US\$) : 110

◆ Cash dividends per share for the fiscal year ending March 31, 2020

Interim : 8.50 yen per share  
Year-end : 8.50 yen per share (forecast)

\*1 Core earnings = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividend income + Share of profit (loss) of investments accounted for using the equity method

\*2 Core operating cash flow = Net cash provided by (used in) operating activities - Changes in working capital

\*3 Core cash flow = Core operating cash flow + Post-adjustment net cash provided by (used in) investing activities - Dividends paid (Post-adjustment net cash provided by (used in) investing activities is net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

Caution regarding forward-looking statements

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 such 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.

## Consolidated Statements of Profit or Loss

	FY2019 1H			FY2018 1H		Reasons for the Difference	FY2019 Forecast c	Percentage Achieved a/c
	Results a	1Q Results	2Q Results	Results b	Difference a-b			
<b>Revenue</b>	893.8	437.4	456.4	941.8	(48.0)	Revenue: change in segment Chemicals (30.7) Metals & Mineral Resources (23.3) Machinery & Medical Infrastructure +10.0		
<b>Gross profit</b>	109.7	54.9	54.8	120.9	(11.2)	Gross profit: change in segment Metals & Mineral Resources (8.0) Foods & Agriculture Business (2.0) Machinery & Medical Infrastructure +1.1	250.0	44%
<b>Selling, general and administrative expenses</b>								
Personnel expenses	(48.4)	(24.3)	(24.1)	(48.1)	(0.3)	Effect of application of new IFRS standard (Leases)		
Non-personnel expenses	(29.0)	(14.7)	(14.3)	(33.9)	4.9			
Depreciation	(8.0)	(3.8)	(4.2)	(3.3)	(4.7)			
Provision of allowance for doubtful accounts	(0.2)	0.0	(0.2)	(0.3)	0.1			
(Total selling, general and administrative expenses)	(85.6)	(42.8)	(42.8)	(85.6)	0.0			
<b>Other income/expenses</b>								
Gain/loss on sale and disposal of fixed assets, net	0.4	0.0	0.4	0.9	(0.5)	Sales of automotive-related company and solar power generation business company		
Impairment loss on fixed assets	(0.5)	0.0	(0.5)	(0.1)	(0.4)			
Gain on reorganization of subsidiaries/associates	0.8	0.0	0.8	8.0	(7.2)			
Loss on reorganization of subsidiaries/associates	(0.2)	0.0	(0.2)	(2.4)	2.2			
Other operating income/expenses	(0.4)	(0.2)	(0.2)	(0.8)	0.4			
(Total other income/expenses)	0.1	(0.2)	0.3	5.6	(5.5)		0.0	
<b>Financial income/costs</b>								
Interest earned	3.7	1.8	1.9	3.6	0.1			
Interest expenses	(7.7)	(3.9)	(3.8)	(7.8)	0.1			
(Interest expenses, net)	(4.0)	(2.1)	(1.9)	(4.2)	0.2			
Dividends received	2.0	1.6	0.4	2.6	(0.6)			
Other financial income/costs	(0.1)	(0.1)	0.0	0.3	(0.4)			
(Financial income/costs, net)	(2.1)	(0.6)	(1.5)	(1.3)	(0.8)		(6.0)	
<b>Share of profit (loss) of investments accounted for using the equity method</b>	13.2	6.8	6.4	11.9	1.3		28.0	
<b>Profit before tax</b>	35.3	18.1	17.2	51.5	(16.2)		94.0	38%
<b>Income tax expenses</b>	(3.7)	(2.7)	(1.0)	(11.5)	7.8			(18.0)
<b>Profit for the period (Profit attributable to)</b>	31.6	15.4	16.2	40.0	(8.4)		76.0	42%
<b>Owners of the Company</b>	29.5	14.3	15.2	37.1	(7.6)		72.0	41%
Non-controlling interests	2.1	1.1	1.0	2.9	(0.8)		4.0	
<b>Core earnings*1</b>	35.5	18.4	17.1	45.9	(10.4)		94.0	

## Comprehensive Income

	FY2019 1H			FY2018 1H	
	Results a	1Q Results	2Q Results	Results b	Difference a-b
<b>Profit for the period</b>	31.6	15.4	16.2	40.0	(8.4)
<b>Other comprehensive income</b>	(36.9)	(17.0)	(19.9)	2.6	(39.5)
<b>Total comprehensive income for the period</b>	(5.3)	(1.6)	(3.7)	42.6	(47.9)
<b>Comprehensive income attributable to:</b>					
<b>Owners of the Company</b>	(6.6)	(2.4)	(4.2)	39.5	(46.1)
Non-controlling interests	1.3	0.8	0.5	3.1	(1.8)

## Cash Flows

	FY2019 1H			FY2018 1H		Factors Affecting Circled Figures
	Results a	Results b	Difference a-b	Results	Difference	
<b>Cash flows from operating activities</b>	61.4	51.7	9.7			Income from business earnings and reductions in working capital
<b>Cash flows from investing activities</b>	(21.3)	(25.8)	4.5			Outflows for investment in offshore wind power generation business in Taiwan and auto self-financing operations
<b>Free cash flows</b>	40.1	25.9	14.2			
<b>Cash flows from financing activities</b>	(26.7)	(27.8)	1.1			Outflows due to dividends paid and redemption bonds
<b>Core operating cash flow*2</b>	44.6	39.7	4.9			
<b>Core cash flow*3</b>	8.6	23.2	(14.6)			

## Consolidated Statements of Financial Position

	Sep. 30, 2019			Mar. 31, 2019		Reasons for the Difference
	2019 d	2019 e	Difference d-e	2019	Difference	
<b>Current assets</b>	1,250.4	1,267.7	(17.3)			
Cash and cash equivalents	296.6	285.7	10.9			
Time deposits	5.9	2.9	3.0			
Trade and other receivables	664.8	690.7	(25.9)			Decrease in chemicals
Inventories	213.3	220.6	(7.3)			
Other current assets	69.8	67.8	2.0			
<b>Non-current assets</b>	1,070.8	1,029.4	41.4			
Property, plant and equipment	182.9	192.9	(10.0)			
Lease assets (usage rights assets)	77.8	-	77.8			Increase due to application of new IFRS standard (Leases)
Goodwill	65.3	66.2	(0.9)			
Intangible assets	49.1	49.1	0.0			
Investment property	19.7	20.9	(1.2)			
Investments accounted for using the equity method	574.7	597.3	(22.6)			
Other non-current assets	101.3	103.0	(1.7)			
<b>Total assets</b>	2,321.2	2,297.1	24.1			
<b>Current liabilities</b>	809.0	807.2	1.8			
Trade and other payables	562.2	582.4	(20.2)			Decrease in chemicals
Lease liabilities	15.2	-	15.2			Increase due to application of new IFRS standard (Leases)
Bonds and borrowings	156.1	149.7	6.4			
Other current liabilities	75.5	75.1	0.4			
<b>Non-current liabilities</b>	872.1	828.4	43.7			
Lease liabilities	67.5	-	67.5			Increase due to application of new IFRS standard (Leases)
Bonds and borrowings	708.9	723.6	(14.7)			
Retirement benefits liabilities	22.0	22.1	(0.1)			
Other non-current liabilities	73.7	82.7	(9.0)			
<b>Total liabilities</b>	1,681.1	1,635.6	45.5			
Share capital	160.3	160.3	-			
Capital surplus	146.7	146.6	0.1			
Treasury stock	(0.8)	(0.9)	0.1			
Other components of equity	71.9	107.6	(35.7)			Decrease due to change in foreign exchange rates and stock prices
Retained earnings	219.1	204.6	14.5			Profit for the period +29.5
Total equity attributable to owners of the Company	597.2	618.2	(21.0)			Dividends (11.9)
Non-controlling interests	42.9	43.3	(0.4)			
<b>Total equity</b>	640.1	661.5	(21.4)			
<b>Total liabilities and equity</b>	2,321.2	2,297.1	24.1			

Gross interest-bearing debt*	865.0	873.3	(8.3)
Net interest-bearing debt*	562.5	584.7	(22.2)
Net debt/equity ratio (times)**	0.94	0.95	(0.01)
Equity ratio**	25.7%	26.9%	(1.2)ppt
Current ratio	154.6%	157.1%	(2.5)ppt
Long-term debt ratio	82.0%	82.9%	(0.9)ppt

\* Lease liabilities (under current liabilities and non-current liabilities) have been excluded from calculations of gross interest-bearing debt and net interest-bearing debt.

\*\* "Total equity attributable to owners of the Company" is recognized as "Total equity", and is also used as the denominator of "Net debt/equity ratio" and the numerator of "Equity ratio."

# Highlights of Consolidated Financial Results for the First Half Ended September 30, 2019 (IFRS) – Supplementary Materials

November 1, 2019  
Sojitz Corporation

(Billions of yen)

(Billions of yen)

## Operating Results

	FY2019 1H Results	FY2018 1H Results	Difference	FY2019 Revised Forecast (Nov. 1, 2019)	Percentage Achieved
<b>Revenue</b>	<b>893.8</b>	<b>941.8</b>	(48.0)	—	—
<b>Gross profit</b>	<b>109.7</b>	<b>120.9</b>	(11.2)	<b>250.0</b>	44%
Selling, general and administrative expenses	(85.6)	(85.6)	0.0	(178.0)	
Other income/expenses	0.1	5.6	(5.5)	0.0	
Financial income/costs	(2.1)	(1.3)	(0.8)	(6.0)	
Share of profit (loss) of investments accounted for using the equity method	13.2	11.9	+1.3	28.0	
<b>Profit before tax</b>	<b>35.3</b>	<b>51.5</b>	(16.2)	<b>94.0</b>	38%
<b>Profit for the period</b> (Profit attributable to)	<b>31.6</b>	<b>40.0</b>	(8.4)	<b>76.0</b>	42%
Owners of the Company	<b>29.5</b>	<b>37.1</b>	(7.6)	<b>72.0</b>	41%
Non-controlling interests	2.1	2.9	(0.8)	4.0	
Core earnings*1	35.5	45.9	(10.4)	94.0	
Comprehensive income attributable to owners of the Company	(6.6)	39.5	(46.1)		

\*1 Core earnings = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividends received + Share of profit (loss) of investments accounted for using the equity method

(Billions of yen)

## Financial Position

	Sep. 30, 2019	Mar. 31, 2019	Difference	Mar. 31, 2020 Revised Forecast (Nov. 1, 2019)
<b>Total assets</b>	<b>2,321.2</b>	<b>2,297.1</b>	+24.1	<b>2,350.0</b>
<b>Total equity*2</b>	<b>597.2</b>	<b>618.2</b>	(21.0)	<b>620.0</b>
<b>Equity ratio</b>	<b>25.7%</b>	<b>26.9%</b>	(1.2)ppt	<b>26.4%</b>
<b>Net interest-bearing debt*3</b>	<b>562.5</b>	<b>584.7</b>	(22.2)	<b>640.0</b>
<b>Net D/E ratio (times)</b>	<b>0.94</b>	<b>0.95</b>	(0.01)	<b>1.0</b>
<b>Risk assets</b>	<b>360.0</b>	<b>360.0</b>	0.0	—
<b>Ratio of risk assets to equity (times)</b>	<b>0.6</b>	<b>0.6</b>	0.0	—

\*2 "Total equity" above refers to "Total equity attributable to owners of the Company" and is used as the denominator when calculating "Net D/E ratio" and the numerator when calculating "Equity ratio."

\*3 Lease liabilities (under current liabilities and non-current liabilities) have been excluded from calculations of net interest-bearing debt.

Caution regarding forward-looking statements

## Segment Performance [Gross Profit]

	FY2019 1H	FY2018 1H	Difference	FY2019 Revised Forecast	FY2019 Initial Forecast
<b>Automotive</b>	<b>20.9</b>	<b>20.7</b>	<b>+0.2</b>	<b>51.0</b>	<b>51.0</b>
<b>Aerospace &amp; Transportation Project</b>	<b>6.6</b>	<b>7.1</b>	<b>(0.5)</b>	<b>18.0</b>	<b>18.0</b>
<b>Machinery &amp; Medical Infrastructure</b>	<b>6.9</b>	<b>5.8</b>	<b>+1.1</b>	<b>16.0</b>	<b>16.0</b>
<b>Energy &amp; Social Infrastructure</b>	<b>10.0</b>	<b>8.9</b>	<b>+1.1</b>	<b>20.0</b>	<b>20.0</b>
<b>Metals &amp; Mineral Resources</b>	<b>11.8</b>	<b>19.8</b>	<b>(8.0)</b>	<b>28.0</b>	<b>33.0</b>
<b>Chemicals</b>	<b>22.4</b>	<b>23.6</b>	<b>(1.2)</b>	<b>48.0</b>	<b>48.0</b>
<b>Foods &amp; Agriculture Business</b>	<b>8.2</b>	<b>10.2</b>	<b>(2.0)</b>	<b>15.0</b>	<b>20.0</b>
<b>Retail &amp; Lifestyle Business</b>	<b>18.1</b>	<b>19.4</b>	<b>(1.3)</b>	<b>42.0</b>	<b>42.0</b>
<b>Industrial Infrastructure &amp; Urban Development</b>	<b>2.8</b>	<b>2.9</b>	<b>(0.1)</b>	<b>7.0</b>	<b>7.0</b>
<b>Other</b>	<b>2.0</b>	<b>2.5</b>	<b>(0.5)</b>	<b>5.0</b>	<b>5.0</b>
<b>Total</b>	<b>109.7</b>	<b>120.9</b>	<b>(11.2)</b>	<b>250.0</b>	<b>260.0</b>

## Segment Performance [Profit for the Period (Attributable to Owners of the Company)]

	FY2019 1H	FY2018 1H	Difference	Main Factors Behind Difference	FY2019 Revised Forecast	FY2019 Initial Forecast	Progress Overview	(Reference) FY2018 Results
<b>Automotive</b>	<b>1.5</b>	<b>3.6</b>	<b>(2.1)</b>	Decreased due to the sale of automobile-related company in the previous equivalent period	<b>5.5</b>	<b>5.5</b>	Revision of costs and various sales efforts by overseas automobile-related companies	<b>6.4</b>
<b>Aerospace &amp; Transportation Project</b>	<b>0.6</b>	<b>1.9</b>	<b>(1.3)</b>	Decreased in reaction to aircraft sales recorded in the previous equivalent period	<b>5.0</b>	<b>5.0</b>	Earnings contributions anticipated from aerospace-related business and railway projects	<b>4.0</b>
<b>Machinery &amp; Medical Infrastructure</b>	<b>1.5</b>	<b>0.7</b>	<b>+0.8</b>	Increased due to higher returns from medical infrastructure business and industrial machinery transactions	<b>4.5</b>	<b>4.5</b>	Earnings accumulation anticipated in industrial machinery and medical infrastructure-related business	<b>2.8</b>
<b>Energy &amp; Social Infrastructure</b>	<b>3.4</b>	<b>2.7</b>	<b>+0.7</b>	Increased due to commencement of operations at domestic and overseas power generation projects and sales of oil interests	<b>8.0</b>	<b>5.5</b>	Continuous earnings accumulation anticipated from domestic and overseas power generation businesses and from subsidiaries/associates in the second half of the fiscal year	<b>5.8</b>
<b>Metals &amp; Mineral Resources</b>	<b>9.8</b>	<b>16.2</b>	<b>(6.4)</b>	Decreased due to fall in sales prices in overseas coal business	<b>23.5</b>	<b>25.0</b>	Downward revision to forecasts in reflection of recent coal and other resource prices, need for ongoing monitoring of resource prices and steel demand	<b>30.5</b>
<b>Chemicals</b>	<b>4.8</b>	<b>4.8</b>	<b>0.0</b>	Despite impacted as a result of declines in the price of methanol, unchanged year on year due to benefits of reduced SG&A expenses	<b>11.0</b>	<b>11.0</b>	Performance generally as forecast	<b>9.0</b>
<b>Foods &amp; Agriculture Business</b>	<b>1.2</b>	<b>2.1</b>	<b>(0.9)</b>	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	<b>2.0</b>	<b>4.5</b>	Downward revision to forecasts in reflection of impairment loss in first half and sluggish demand in overseas fertilizer businesses	<b>2.3</b>
<b>Retail &amp; Lifestyle Business</b>	<b>2.8</b>	<b>3.3</b>	<b>(0.5)</b>	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	<b>7.5</b>	<b>7.5</b>	Performance generally as forecast	<b>5.7</b>
<b>Industrial Infrastructure &amp; Urban Development</b>	<b>0.6</b>	<b>(0.1)</b>	<b>+0.7</b>	Increased due to higher number of overseas industrial parks delivered	<b>1.0</b>	<b>1.0</b>	Performance generally as forecast	<b>1.1</b>
<b>Other</b>	<b>3.3</b>	<b>1.9</b>	<b>+1.4</b>		<b>4.0</b>	<b>2.5</b>		<b>2.8</b>
<b>Total</b>	<b>29.5</b>	<b>37.1</b>	<b>(7.6)</b>		<b>72.0</b>	<b>72.0</b>		<b>70.4</b>

## Commodity Prices and Exchange Rates

	FY2018 Results (Apr.-Sep. '18 Avg.)	FY2019 Assumption (Annual Avg.)	FY2019 Results (Apr.-Sep. '19 Avg.)	Latest Data (as of October 28, 2019)
<b>Crude oil (Brent)</b>	US\$75.4/bbl	US\$60.0/bbl	US\$65.2/bbl	US\$61.6/bbl
<b>Thermal coal**1</b>	US\$111.5/t	US\$80.0/t	US\$73.9/t	US\$70.1/t
<b>Coking coal**1</b>	US\$190.4/t	US\$180.0/t (1H) US\$170.0/t (2H)	US\$180.8/t	US\$149.0/t
<b>Exchange rate**2</b>	¥110.7/US\$	¥110.0/US\$	¥108.7/US\$	¥108.8/US\$

\*\*1 Coal prices are based on standard market prices (globalCOAL NEWC Index for thermal coal and S&P Global Platts Coal Trader International for coking coal) and therefore differ from the Company's selling prices.

\*\*2 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.5billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.25billion annually, and total equity by approx. ¥2.0billion annually.

# Financial Results for the First Half Ended September 30, 2019

## **Caution regarding Forward-looking Statements**

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 such 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.

**November 1, 2019**  
**Sojitz Corporation**

# FY2019 2Q Summary

- 41% progress with full-year forecasts including impacts of global economic slowdown and falling resource prices

	FY2018 2Q Results	FY2019 2Q Results	Difference	FY2019 Initial Forecast	FY2019 Revised Forecast (Nov.1, 2019)	Achieved
Profit for the period (attributable to owners of the Company)	¥37.1bn	¥29.5bn	¥(7.6)bn	¥72.0bn	¥72.0bn	41%
ROA	—	—	—	3.1%	3.1%	—
ROE	—	—	—	11.3%	11.6%	—

- ✓ Rising uncertainty regarding global economy due to impacts of trade friction between the United States and China and emerging economic slowdown in China
  - ✓ Need to continuously monitor the impacts of trade friction between the United States and China, foreign exchange rates, and commodity prices on emerging economies going forward
- No change to initial full-year profit for the year forecast of ¥72.0 billion by exhaustive reviews of costs
  - Decided interim dividend of ¥8.5 per share as planned
  - Unchanged annual dividend of ¥17 per share to be issued as planned

# Measures for Accomplishing Full-year Forecast

Going forward to accomplish full-year forecast through measures centered on exhaustive reviews of costs

## ① Exhaustive reviews of costs

- ✓ Reassess operating costs of resource interest operating costs
- ✓ Continue monitoring status of improvements at unprofitable companies
- ✓ Review likelihood of fruition of initially planned projects and non-essential and non-urgent costs

## ② Revision of earnings contribution schedule

- ✓ Revise investment and loan and asset replacement schedule for period of MTP\*2020 to generate earnings

## ③ Steady generation of profits from previously executed investments and loans

- ✓ Ongoing monitoring of progress after investment or loan execution

\*MTP Medium-Term Management Plan

# Summary of Profit or Loss

## - Profit for the period by segment -

Revisions to full-year forecasts for Energy & Social Infrastructure, Metals & Mineral Resources, Foods & Agriculture Business Division based on the progress by the first half ended September 30 2019

(Billions of yen)	FY2019 2Q Results	FY2019 Initial Forecast	Achieved	FY2019 Revised Forecast	Achieved
<b>Profit for the period</b> (attributable to owners of the Company)	<b>29.5</b>	72.0	<b>41%</b>	72.0	
Automotive	1.5	5.5	27%	5.5	
Aerospace & Transportation Project	0.6	5.0	12%	5.0	
Machinery & Medical Infrastructure	1.5	4.5	33%	4.5	
Energy & Social Infrastructure	3.4	5.5	62%	8.0	43%
Metals & Mineral Resources	9.8	25.0	39%	23.5	42%
Chemicals	4.8	11.0	44%	11.0	
Foods & Agriculture Business	1.2	4.5	27%	2.0	60%
Retail & Lifestyle Business	2.8	7.5	37%	7.5	
Industrial Infrastructure & Urban Development	0.6	1.0	60%	1.0	

# Earnings Contributions from Previously Executed Investments and Loans

Steady earnings contributions centered on non-resource businesses are recorded mostly as planned

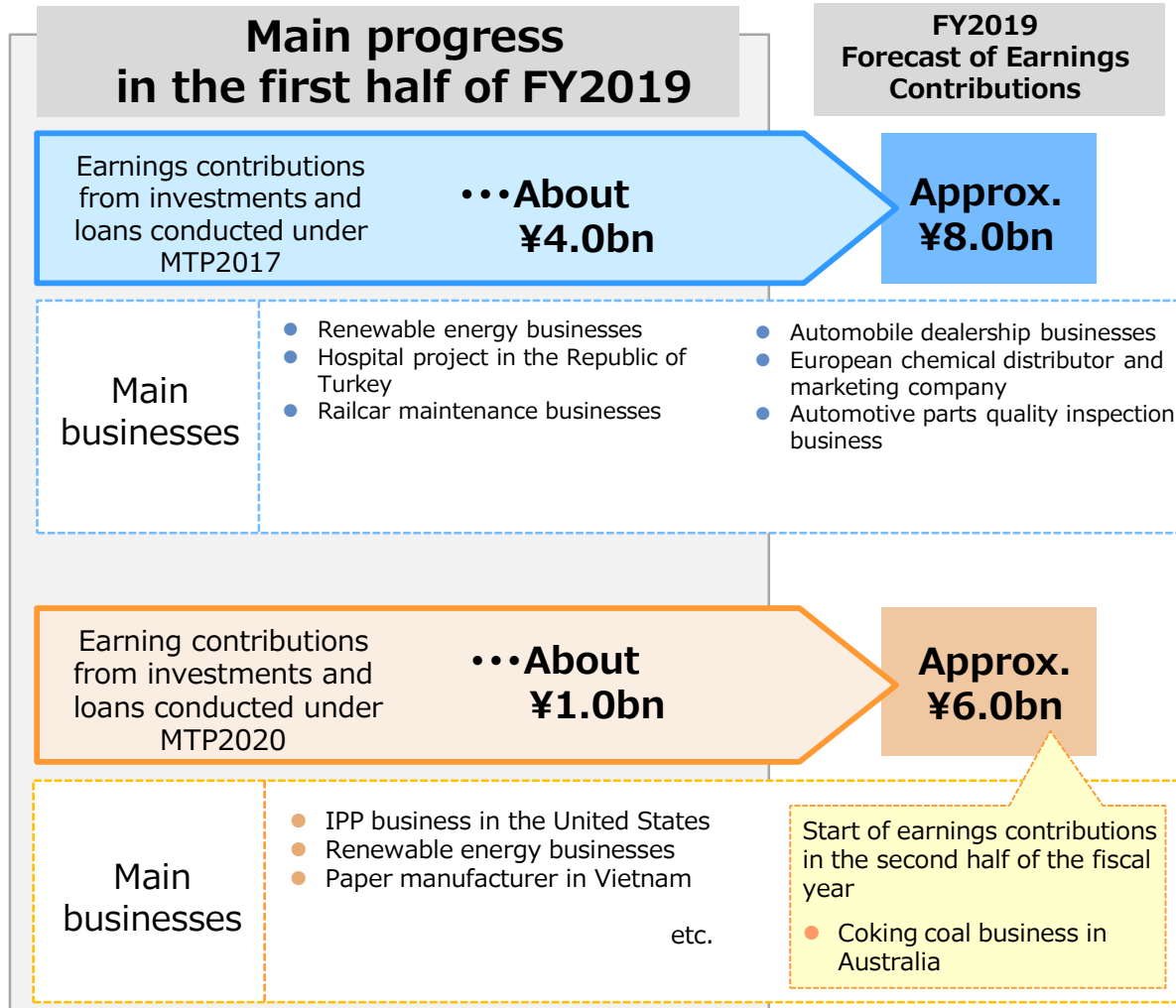
MTP 2017 (FY2020 Forecast)	
The amount of the investments and Loans over MTP2017 period	¥315.0bn
Outstanding investments and loans	About ¥160.0bn
ROI	Approx. 7.5%
Earnings contributions	More than ¥12.0bn

MTP 2020 (FY2020 Forecast)	
The amount of the investments and Loans over MTP2020 period	Approx. ¥300.0bn
Outstanding investments and loans	About ¥230.0bn
ROI	Approx. 4.3%
Earnings contributions	More than ¥10.0bn

**FY2018 Earnings contributions**

**About ¥6.0bn**

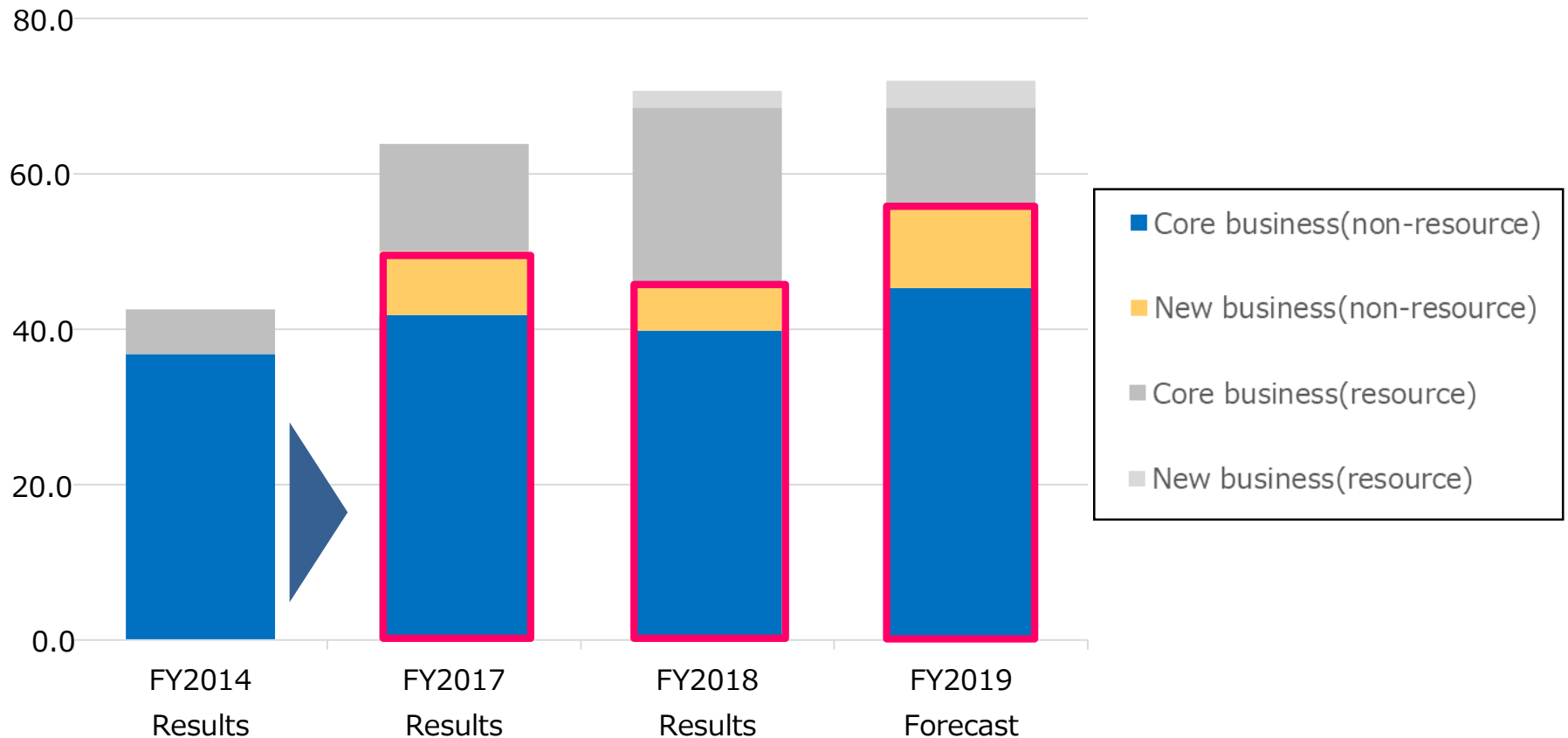
**About ¥2.0bn**



# Changes in Profit Structure

Steady growth in earnings capacity centered on non-resource operations due to ongoing earnings contributions from existing businesses along with contributions generated by new investments and loans

(Billions of Yen)



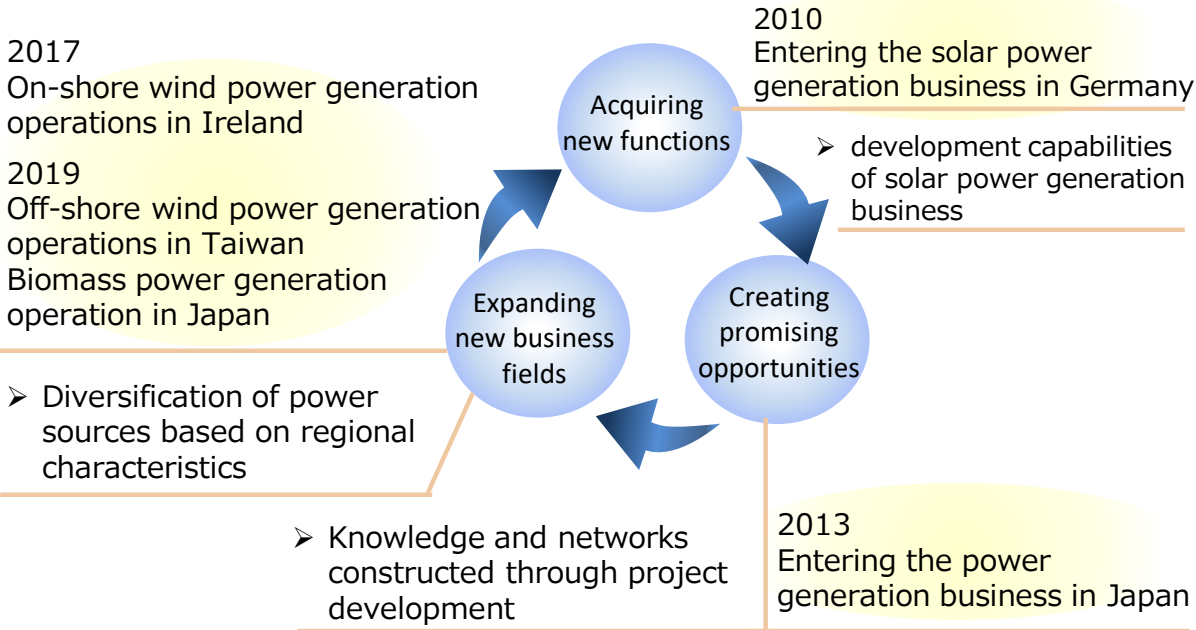


# Functions and Progress in Focus Businesses (Renewable Energy Business)

Leverage comprehensive development functions encompassing everything from project identification to commercial operation to help create sophisticated social infrastructure contributing to sustainable, safe, secure, and comfortable lifestyles

## ◆ Competitive Advantage and History of Acquisition

**Strengths**  
General development capabilities cultivated and networks through the development of our solar power generation business



## ◆ Future Outlook

Earnings foundations to be reinforced by expanding regional scope and developing new projects while addressing social issues by improving energy efficiency in ICT field.

- <Specific measures>
- Accelerate initiatives pertaining to diversification of power sources (off-shore wind, biomass, geothermal, etc.)
  - Develop downstream operations in deregulated power market (energy management)

# Functions and Progress in Focus Businesses (Australian Coking Coal Business)

Commencement of operation of Gregory Crinum coking coal mine in Australia by utilizing mine operation and rehabilitation functions cultivated for years

## ◆ Competitive Advantage and History of Acquirement

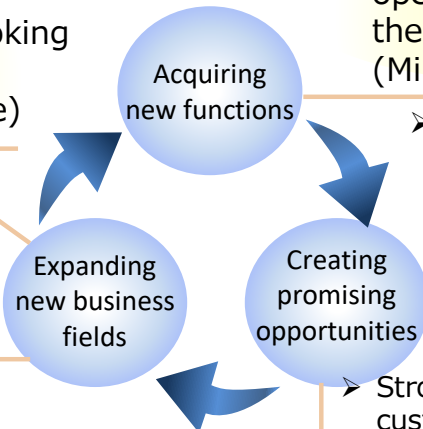
### Strengths

Sole general trading company with mine operations and rehabilitation know-how

March 2019  
Acquisition of Australian coking coal interests (Gregory Crinum coal mine)

➤ Contract rehabilitation of coal mines

2018  
Started operating Australian thermal coal interests in the neighborhood (Meteor Downs South coal mine)



2010

Commencement of direct operation of Australian thermal coal interests (Minerva coal mine)

➤ Coal mine operations know-how

➤ Strong relationships with our customers built coal sales performance  
➤ Accumulating mining related knowledge and cost management know-how



Start of Shipments in October 2019  
Projected production volumes: 3 million tons/year  
Reserve life: 10 or more years (open-air mining)

## ◆ Future Outlook

Thermal coal assets to be replaced while proposing new functions and value that exceed traditional business frameworks to build robust operating foundations not influenced by market fluctuations and to contribute to the realization of a sustainable society.

<Specific measures>

- Accelerate expansion of rehabilitation and contract operation services to surrounding mines
- Examine possible new business contributing to environmental preservation

# Cash Flow Management

**Positive FCF and core cash flow attributable to strong core operating cash flow and smooth asset replacement**

	FY2018 Results	FY2019 2Q Results	MTP 2020 3-year total (FY2018–FY2020)
Core operating cash flow (*1)	¥79.0bn	¥45.0bn	About ¥210.0bn~
Asset Replacement (Investment recovery)	¥92.0bn	¥13.0bn	¥120.0~¥150.0bn
New investments and loans	¥(91.0)bn	¥(37.0)bn	¥(270.0)~¥(300.0)bn
Shareholder returns (*2)	¥(17.0)bn	¥(12.0)bn	About ¥(60.0)bn
Core cash flow (*3)	¥63.0bn	¥9.0bn	Positive
Free cash flow	¥54.0bn	¥40.0bn	Positive

\*1. Core operating cash flow = Net cash provided by (used in) operating activities – Changes in working capital

\*2. 3-year total calculated based on target for profit for the year of ¥75.0 or more set for final year of MTP2020.

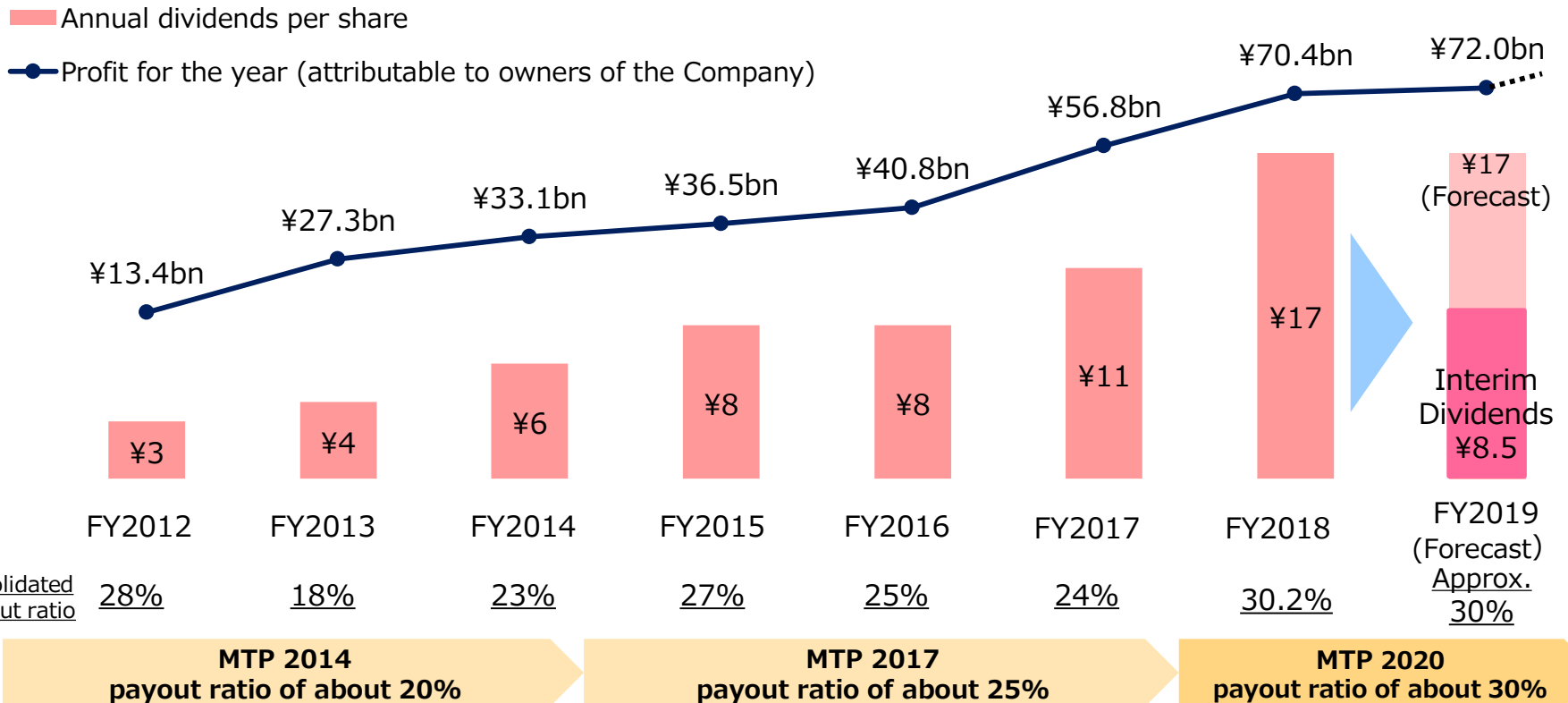
\*3. Core cash flow = Core operating cash flow (excluding changes in working capital) + Investing cash flow (including asset replacement) – Dividends paid

# Dividend Policy

## ■ Basic Dividend Policy

Sojitz recognizes that paying stable, continuous dividends is a management priority, together with enhancing shareholder value and boosting competitiveness through the accumulation and effective use of retained earnings.

Under MTP2020, our basis policy will be to target a consolidated payout ratio of 30%.



# Credit Rating

- ✓ Achieved improvements in ratings and outlooks from major ratings institutions
- ✓ Acquired first A- rating since the Company's establishment

	MTP 2017 (End of Mar. 2018)	MTP 2020 (End of Sep. 2019)
JCR	BBB+ (Positive)	A- (Stable)
R&I	BBB (Stable)	BBB+ (Stable)
S&P	BBB- (Stable)	BBB- (Positive)

# ESG Rating

## New inclusion in FTSE and DJSI, global ESG indexes Selection for inclusion in ESG indexes utilized by GPIF

### ■ Inclusion in Major Domestic and Overseas Indexes and Evaluations by ESG Rating Institutions

MEMBER OF

**Dow Jones  
Sustainability Indices**



In collaboration with

a RobecoSAM brand

In the Dow Jones Sustainability Index (DJSI) series of globally recognized socially responsible investment indexes, Sojitz was selected for inclusion in DJSI World and DJSI Asia Pacific, for second consecutive years.

**SAM**  
Sustainability Award  
Industry mover 2019

Selected for "Silver Class" award, and "Industry Mover" award in corporate sustainability ratings by RobecoSAM

**SAM**  
Sustainability Award  
Silver Class 2019



FTSE4Good

Sojitz was selected as a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index provided by FTSE Russell for second consecutive years.



FTSE Blossom  
Japan

MSCI

MSCI Japan Empowering  
Women Index (WIN)

Sojitz was selected as a constituent of the MSCI Japan Empowering Women Index (WIN) for third consecutive years.

**First Trading Company  
to be Selected for Third Consecutive Year**



Sojitz was selected as a Nadeshiko Brand company for third consecutive year, in recognition for its efforts to empower women in the workplace.

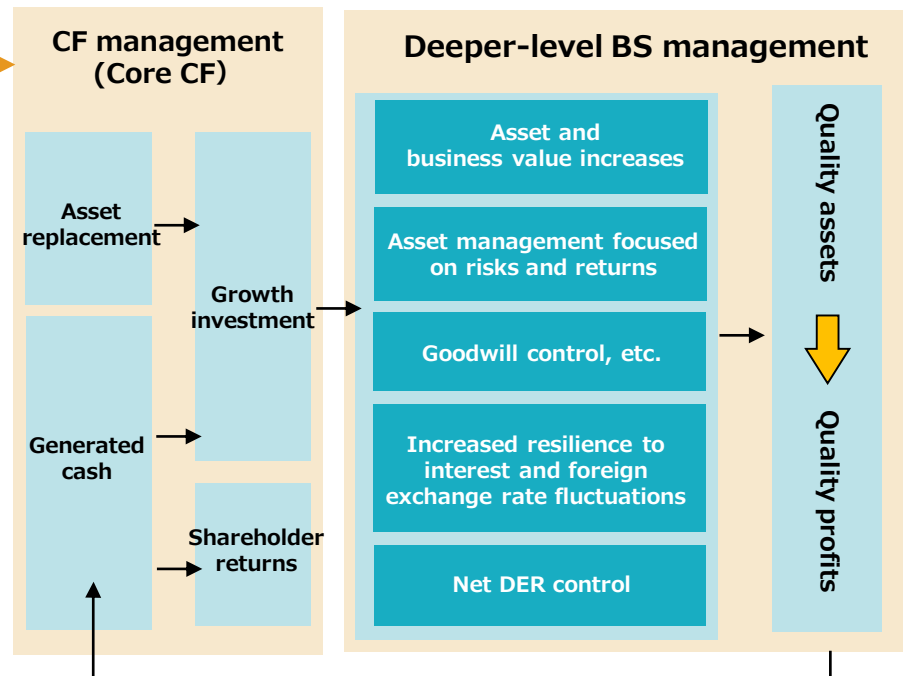
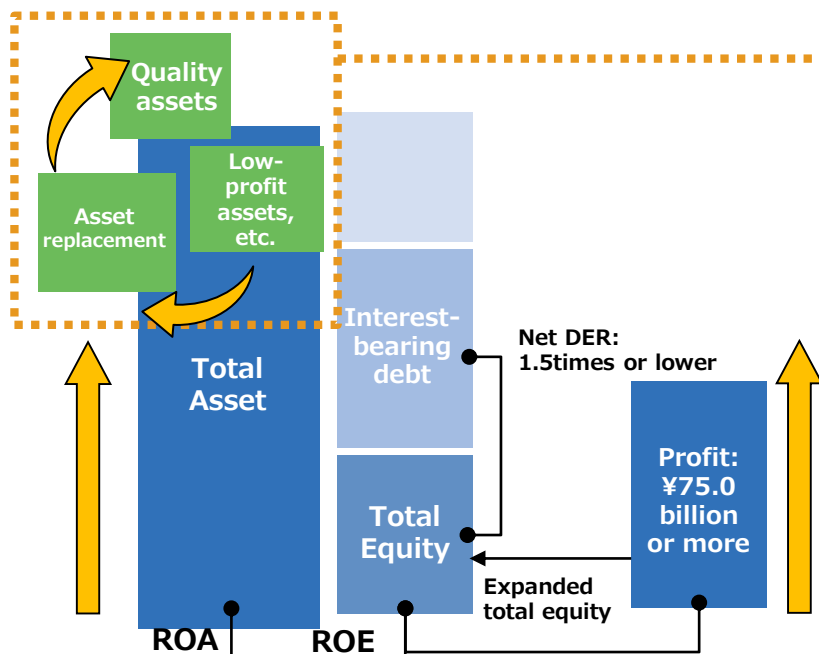


In 2018, Sojitz received an upper rating of B in "Management" with regards to climate change.

# 【Reference】 Policies of MTP2020

---

# Disciplined Balance Sheet and Cash Flow Management



## MTP2017

- ROA 2.5%
- ROE 10.0%

## MTP2020

- ROA 3% or above
- ROE 10% or above

## Basic Approach

- Improve ROA through ongoing asset replacement and accumulation of quality assets
- Expand total equity and improve ROE
- Keep net DER to below 1.5 times
- Improve ratings to enhance funding quality

## BS/CF Management

- Manage growth investments and shareholder returns with cash generated via operating activities and asset replacement (Core CF>0)
- Asset management focused on asset and business value increases, risks, and returns
- Expand total equity by controlling goodwill, etc. and increasing resilience to interest/foreign exchange rate fluctuations

➔ Create quality profits and cash flows out of quality assets via ongoing BS management and realize a growth model through effective CF management



# Investment Policy in MTP 2020

Ensure the thoroughness and strength of our business model verification and risk identification at the project conceptualization stage by clarifying our investment guidelines

## Basic Policy

1. Acquire, expand, and utilize functions
2. Expand, enter, and create markets
3. Broaden range of new fields to create more robust division boundaries



**Disciplined investments and loans**  
Maintaining a positive three-year core cash flow for the entire Company

## Projects Eligible for Investments and Loans


- Businesses in line with the company's concept of sustainability
- Business with potential to implement investment objective and add value
- Investments and loans based on company-wide and division strategies, businesses whose investment objective is clear
- Businesses that allow Sojitz to exit at own discretion

## Multidimensional examination of business models from the conceptualization stage



## 【Supplemental Data】

### I . Financial Results for the First Half and Full Year Forecast of Fiscal Year Ending March 31, 2020



# Summary of Profit or Loss

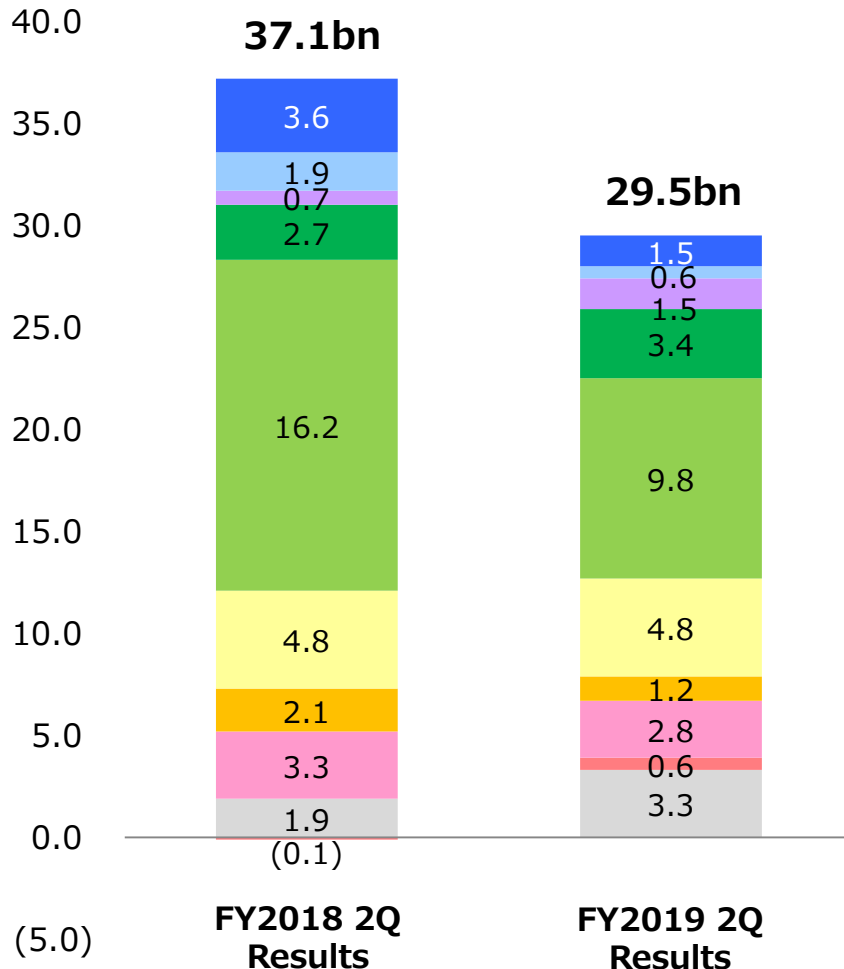
(Billions of yen)	FY2018 2Q results	FY2019 2Q Results	Difference	FY2019 Initial Forecast	FY2019 Forecast (Nov.1,2019)	Achieved
<b>Revenue</b>	941.8	893.8	(48.0)	–	–	–
<b>Gross profit</b>	120.9	109.7	(11.2)	260.0	250.0	44%
<b>Share of profit (loss) of investments accounted for using the equity method</b>	11.9	13.2	+1.3	28.0	28.0	47%
<b>Profit before tax</b>	51.5	35.3	(16.2)	97.0	94.0	38%
<b>Profit for the Year attributable to Owners of the Company</b>	37.1	29.5	(7.6)	72.0	72.0	41%
<b>Core earnings</b>	45.9	35.5	(10.4)	97.0	94.0	38%

# Summary of Profit or Loss

## Profit for the Year by segment

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

(Billions of Yen)



### Main Factors Behind Difference

- **Automotive ¥ 1.5 billion (down ¥ (2.1) billion YoY)**  
 Decreased due to the sale of automobile-related company in the previous equivalent period
- **Aerospace & Transportation Project ¥ 0.6 billion (down ¥ (1.3) billion YoY)**  
 Decreased in reaction to aircraft sales recorded in the previous equivalent period
- **Machinery & Medical Infrastructure ¥ 1.5 billion (up ¥0.8 billion YoY)**  
 Increased due to higher returns from medical infrastructure business and industrial machinery transactions
- **Energy & Social Infrastructure ¥ 3.4 billion (up ¥ 0.7 billion YoY)**  
 Increased due to commencement of operations at domestic and overseas power generation projects and sales of oil interests
- **Metals & Mineral Resources ¥ 9.8 billion (down ¥ (6.4) billion YoY)**  
 Decreased due to fall in sales prices in overseas coal business
- **Chemicals ¥ 4.8 billion (relatively unchanged YoY)**  
 Despite impacted as a result of declines in the price of methanol, unchanged year on year due to benefits of reduced SG&A expenses
- **Foods & Agriculture Business ¥ 1.2 billion (down ¥ (0.9) billion YoY)**  
 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 ¥ 2.8 billion (down ¥ (0.5) billion YoY)**  
 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 ¥ 0.6 billion (up ¥0.7 billion YoY)**  
 Increased due to higher number of overseas industrial parks delivered
- **Other ¥ 3.3 billion (up ¥ 1.4 billion YoY)**

# FY2019 Forecast

## Profit for the Year by Segment

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

(Billions of Yen)	FY2019 2Q Results	FY2019 Forecast	FY2019 Revised Forecast
Automotive	1.5	5.5	5.5
Aerospace & Transportation Project	0.6	5.0	5.0
Machinery & Medical Infrastructure	1.5	4.5	4.5
Energy & Social Infrastructure	3.4	5.5	8.0
Metals & Mineral Resources	9.8	25.0	23.5
Chemicals	4.8	11.0	11.0
Foods & Agriculture Business	1.2	4.5	2.0
Retail & Lifestyle Business	2.8	7.5	7.5
Industrial Infrastructure & Urban Development	0.6	1.0	1.0
Other	3.3	2.5	4.0
<b>Total</b>	<b>29.5</b>	<b>72.0</b>	<b>72.0</b>

### Progress Overview

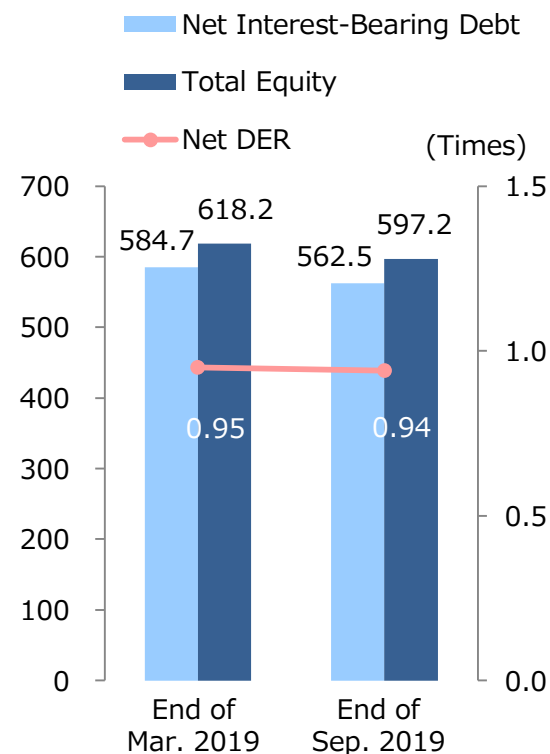
- Automotive ¥ 1.5 billion**  
 Revision of costs and various sales efforts by overseas automobile related companies
- Aerospace & Transportation Project ¥ 0.6 billion**  
 Earnings contributions anticipated from aerospace-related business and railway projects
- Machinery & Medical Infrastructure ¥ 1.5 billion**  
 Earnings accumulation anticipated in industrial machinery and medical infrastructure-related business
- Energy & Social Infrastructure ¥ 3.4 billion**  
 Continuous earnings accumulation anticipated from domestic and overseas power generation businesses and from subsidiaries/associates in the second half of the fiscal year
- Metals & Mineral Resources ¥ 9.8 billion**  
 Downward revision to forecasts in reflection of recent coal and other resource prices, need for ongoing monitoring of resource prices and steel demand
- Chemicals ¥ 4.8 billion**  
 Performance generally as forecast
- Foods & Agriculture Business ¥ 1.2 billion**  
 Downward revision to forecasts in reflection of impairment loss in first half and sluggish demand in overseas fertilizer businesses
- Retail & Lifestyle Business ¥ 2.8 billion**  
 Performance generally as forecast
- Industrial Infrastructure & Urban Development ¥ 0.6 billion**  
 Performance generally as forecast

# Summary of Balance Sheets

(Billions of Yen)	End of Mar. 2019	End of Sep. 2019	Difference	End of Mar. 2020 (Forecast)	End of Mar. 2020 (Revised Forecast Nov.1, 2019)
Total Assets	2,297.1	2,321.2	+24.1	2,400.0	2,350.0
Total equity*1	618.2	597.2	(21.0)	660.0	620.0
Equity Ratio	26.9%	25.7%	(1.2)%	27.5%	26.4%
Net interest-bearing debt	584.7	562.5	(22.2)	640.0	640.0
Net DER (Times)	0.95	0.94	(0.01)	1.0	1.0
Risk Assets vs. Total equity	360.0 (0.6times)	360.0 (0.6times)	±0 (±0times)	—	—
Current Ratio	157.1%	154.6%	(2.5)%	—	—
Long-term debt ratio	82.9%	82.0%	(0.9)%	—	—

## Changes in Total Equity (End of Mar. 2019 vs. End of Sep. 2019, Breakdown)

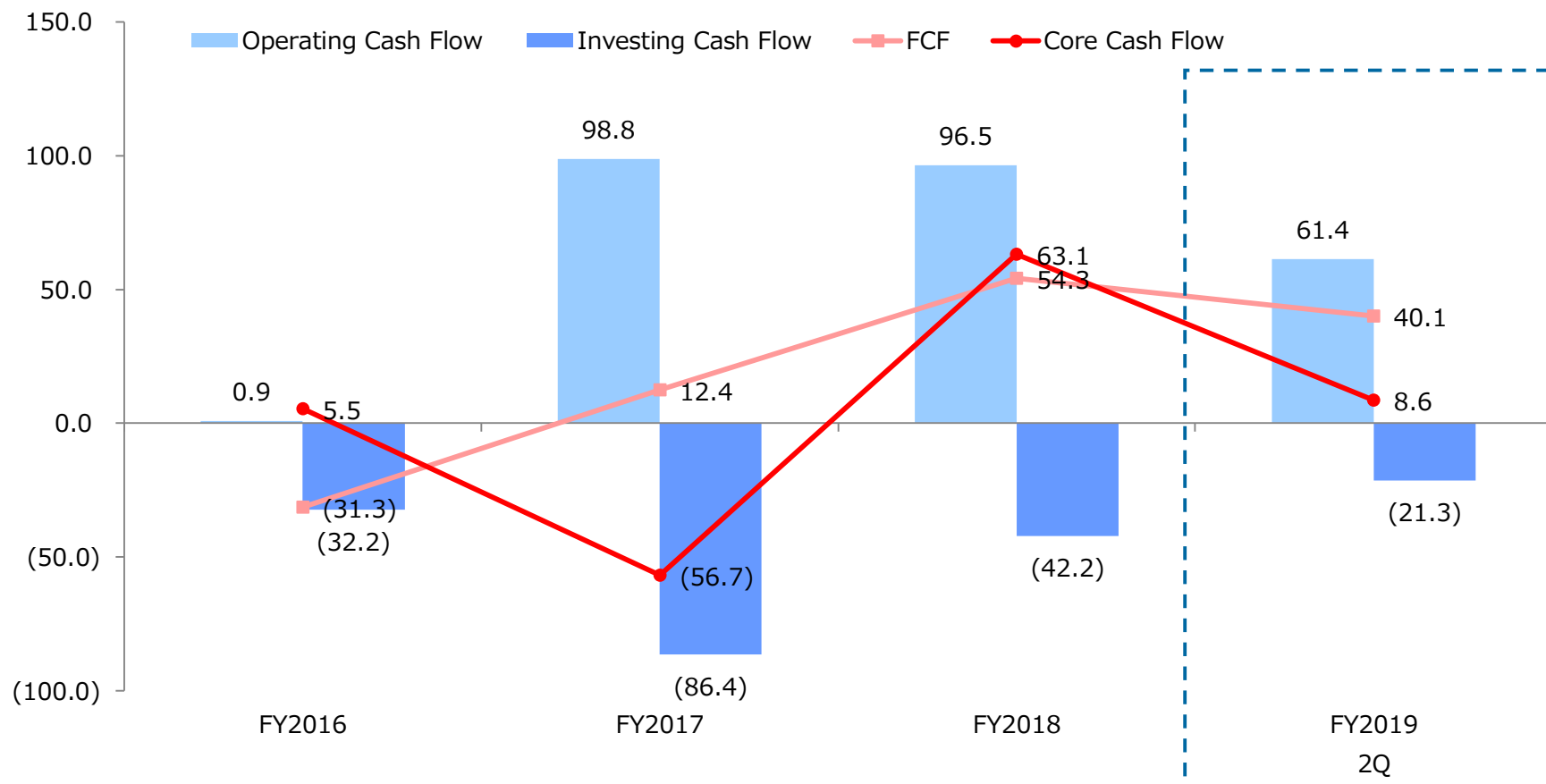
- Profit for the period attributable to owners of the Company ¥ +29.5 billion
- Dividends paid ¥ (11.9) billion



(\*1) "Total equity attributable to owners of the Company" is recognized as "Total equity" above and is also used in the denominator of the "Net DER" and the numerator of the "Equity ratio".

# Summary of Free Cash Flows

(Billions of Yen)



※Core cash flow = Core operating cash flow + Post-adjustment net cash provided by (used in) investing activities – Dividends paid  
 (Post-adjustment net cash provided by (used in) investing activities is net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

# Investments and Loans and Asset Replacement for the First Half Ended September 30, 2019

FY2019 2Q Results	Main Businesses
Investments and Loans	<ul style="list-style-type: none"> <li>■ Offshore wind power generation operations in Taiwan</li> <li>■ IPP business in the United States</li> <li>■ Auto self-financing operations in Mexico</li> <li>■ Investment in and operation of shopping centers in Japan</li> <li>■ CAPEX</li> </ul> <p style="text-align: right;">etc.</p>
Investments and Loans Results	Approx. ¥37.0bn
Asset Replacement	<ul style="list-style-type: none"> <li>■ Recovery of investment in IPP business in the United States</li> <li>■ Sales of aircraft</li> <li>■ Sales of marine vessels</li> </ul> <p style="text-align: right;">etc.</p>
Asset Replacement Results	Approx. ¥13.0bn



# Major One-time Gain/Loss for the First Half Ended September 30, 2019

	FY2018 2Q Results		FY2019 2Q Results	
Non-Resource	¥ 3.6 billion	<ul style="list-style-type: none"> <li>• Sale of automobile-related companies</li> <li>• Sale of aircraft</li> </ul> etc.	¥ (0.9) billion	<ul style="list-style-type: none"> <li>• Impairment loss on domestic marine products business</li> <li>• Gain on sales of overseas power generation project</li> </ul> etc.
Resource	¥ 0.9 billion	<ul style="list-style-type: none"> <li>• Sale of oil and gas interests</li> </ul> etc.	¥ 1.2 billion	<ul style="list-style-type: none"> <li>• Exit of oil and gas interests</li> </ul> etc.
Total (After income tax expenses)	¥ 4.5 billion		¥ 0.3 billion	

# Growth of Resource and Non-Resource Profit

	FY2018 2Q Results	FY2019 2Q Results	Difference	FY2016 Results	FY2017 Results	FY2018 Results
(Billions of yen)						
① Profit for the year (attributable to Owners of the Company)	37.1	29.5	(7.6)	40.8	56.8	70.4
(② Total one-time income movements)	4.5	0.3	(4.2)	(6.0)	(7.0)	1.9
① - ② Profit for the year [(attributable to owners of the Company)] (Excluding one-time income movements)	32.6	29.2	(3.4)	46.8	63.8	68.5
Resource	12.4	5.5	(6.9)	0.3	13.8	25.3
Non-Resource	20.2	23.7	+3.5	46.5	50.0	43.2

# Commodity Prices, Foreign Exchange, and Interest Rate

	FY2018 Results (Apr.-Sep. Avg.)	FY2019 Initial Assumptions (Annual Avg.)	FY2019 Results (Apr.-Sep. Avg.)	Latest Data (As of October 28, 2019)
Crude oil (Brent)	US\$75.4/bbl	US\$60.0/bbl	US\$65.2/bbl	US\$61.6/bbl
Thermal Coal *1	US\$111.5/t	US\$80.0/t	US\$73.9/t	US\$70.1/t
Coking Coal *1	US\$190.4/t	US\$180.0/t (1H) US\$170.0/t (2H)	US\$180.8/t	US\$149.0/t
Exchange Rate *2	¥110.7/US\$	¥110.0/US\$	¥108.7/US\$	¥108.8/US\$
Interest rate (TIBOR)	0.07%	0.10%	0.07%	0.07%

\*1 Coal prices are based on standard market prices (globalCOAL NEWC Index for thermal coal and S&P Global Platts Coal Trader International for coking coal) and therefore differ from the Company's selling prices.

\*2 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.5billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.25billion annually, and total equity by approx. ¥2.0billion.

# 【Supplemental Data】

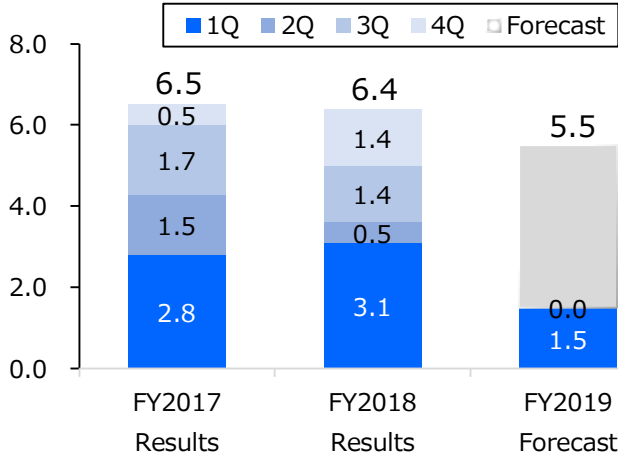
## Ⅱ . Segment Information

---

# Automotive

## Profit for the period (attributable to owners of the Company)

(Billions of Yen)



### 【Progress Overview】

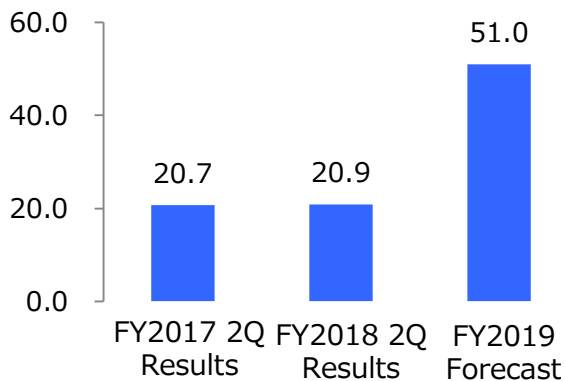
Revision of costs and various sales efforts by overseas automobile related companies



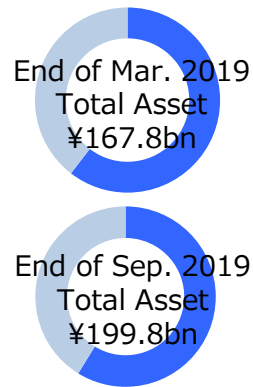
(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	20.7	20.9		51.0
Selling, general and administrative expenses	(15.7)	(16.2)		-
Share of profit (loss) of investments accounted for using the equity method	0.4	0.0		-
Profit for the period (attributable to owners of the Company)	3.6	1.5		5.5

## Gross profit

(Billions of Yen)



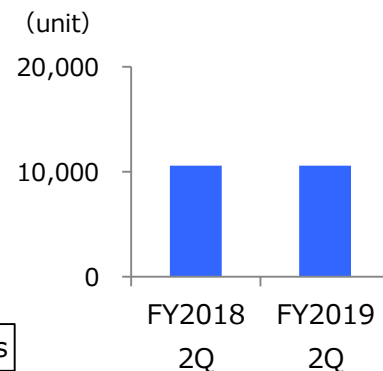
## Asset Structure



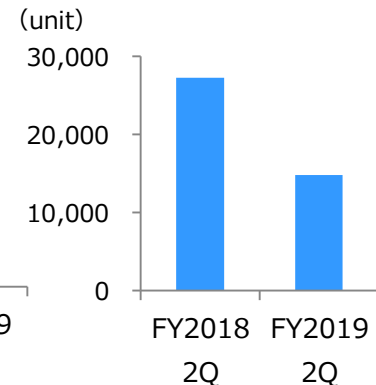
■ Current Assets ■ Non-Current Assets

## Vehicle Sales

### Dealership Business

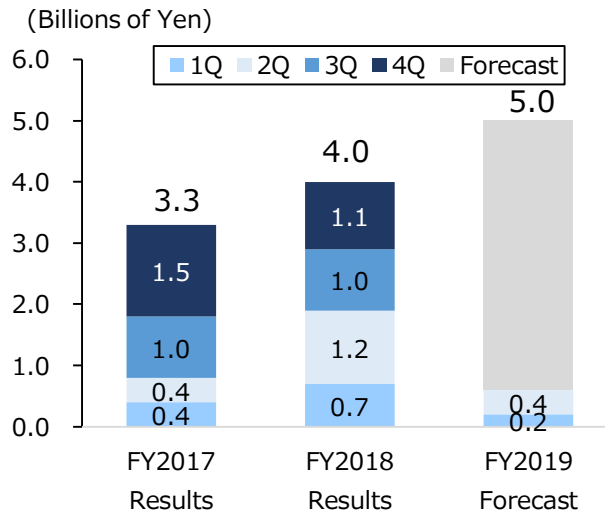


### Distributor Business



# Aerospace & Transportation Project

## Profit for the period (attributable to owners of the Company)



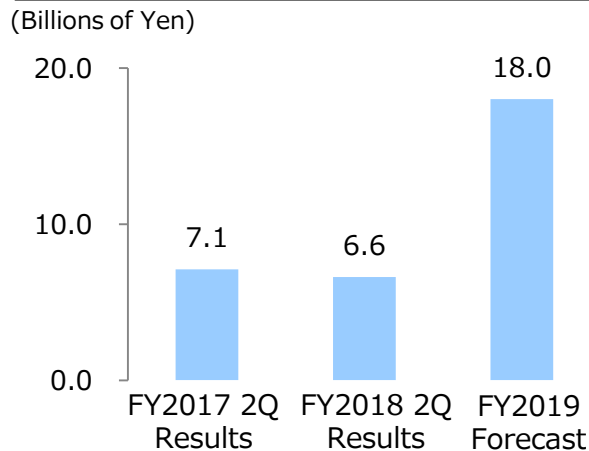
### 【Progress Overview】

Earnings contributions anticipated from aerospace-related business and railway projects

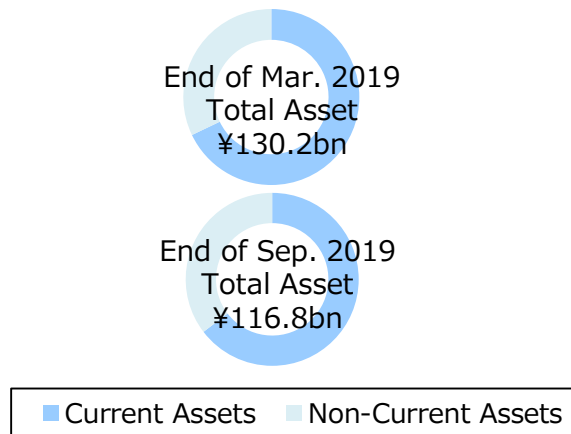


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	7.1	6.6		18.0
Selling, general and administrative expenses	(5.0)	(5.2)		-
Share of profit (loss) of investments accounted for using the equity method	0.5	0.5		-
<b>Profit for the period (attributable to owners of the Company)</b>	<b>1.9</b>	<b>0.6</b>		<b>5.0</b>

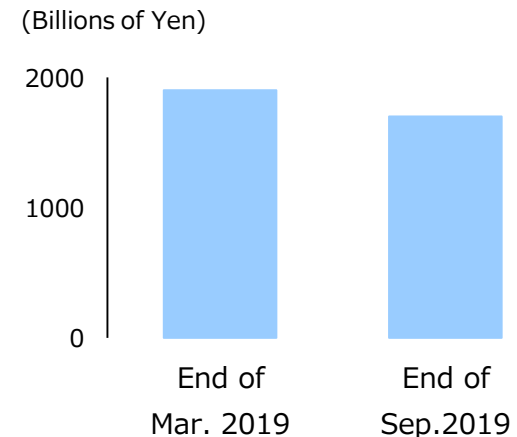
## Gross profit



## Asset Structure



## Order Backlog for Railways in India

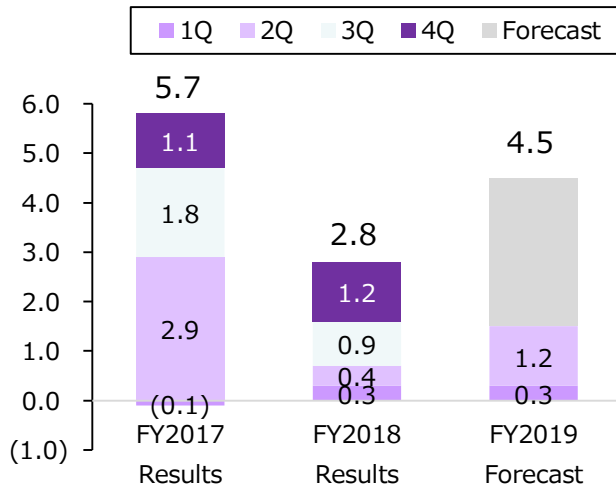


# Machinery & Medical Infrastructure

## Profit for the period (attributable to owners of the Company)



(Billions of Yen)



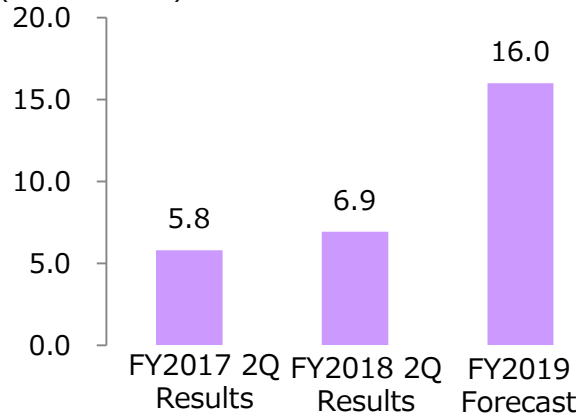
### 【Progress Overview】

Earnings accumulation anticipated in industrial machinery and medical infrastructure-related business

(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	5.8	6.9		16.0
Selling, general and administrative expenses	(5.8)	(6.0)		-
Share of profit (loss) of investments accounted for using the equity method	0.3	0.5		-
Profit for the period (attributable to owners of the Company)	0.7	1.5		4.5

## Gross profit

(Billions of Yen)



## Asset Structure

End of Mar. 2019  
Total Asset  
¥121.5bn

End of Sep. 2019  
Total Asset  
¥130.0bn

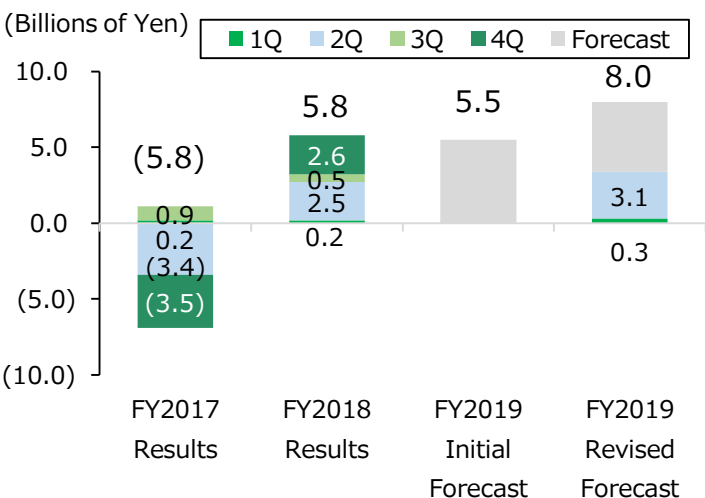
■ Current Assets ■ Non-Current Assets



- ▶ Smoothly progressing construction project at site of hospital in Turkey  
(Completion of construction and start of operations now scheduled for the end of June 2020, three months ahead of prior schedule)

# Energy & Social Infrastructure

## Profit for the period (attributable to owners of the Company)



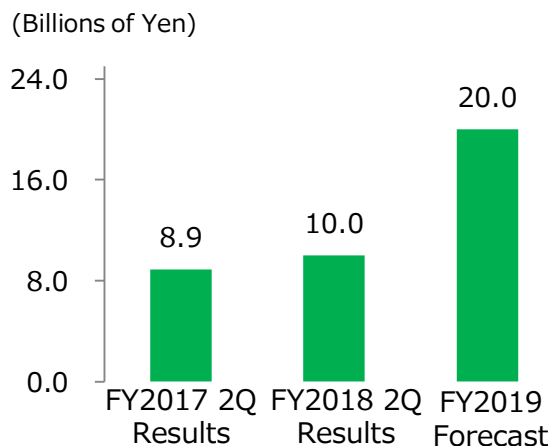
### 【Progress Overview】

Continuous earnings accumulation anticipated from domestic and overseas power generation businesses and from subsidiaries/associates in the second half of the fiscal year

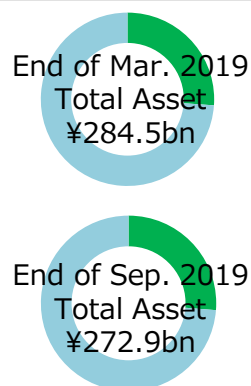


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Initial Forecast	FY2019 Revised Forecast
Gross profit	8.9	10.0		20.0	20.0
Selling, general and administrative expenses	(9.6)	(9.4)		-	-
Share of profit (loss) of investments accounted for using the equity method	1.1	3.1	Earning from domestic and overseas solar power generation businesses	-	-
Profit for the period (attributable to owners of the Company)	2.7	3.4		5.5	8.0

## Gross profit

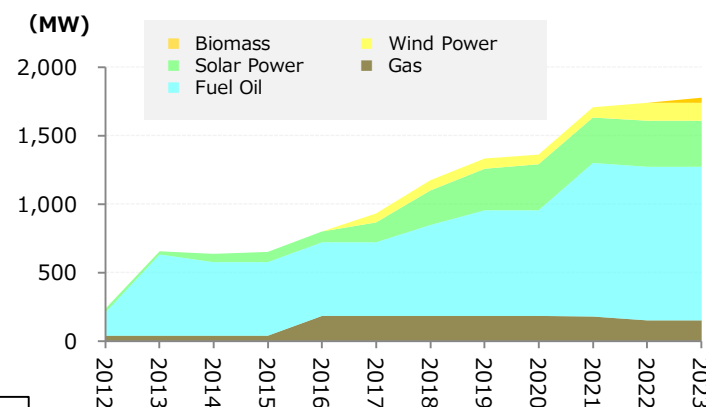


## Asset Structure



■ Current Assets ■ Non-Current Assets

## Change in Net Power-Generation Capacity





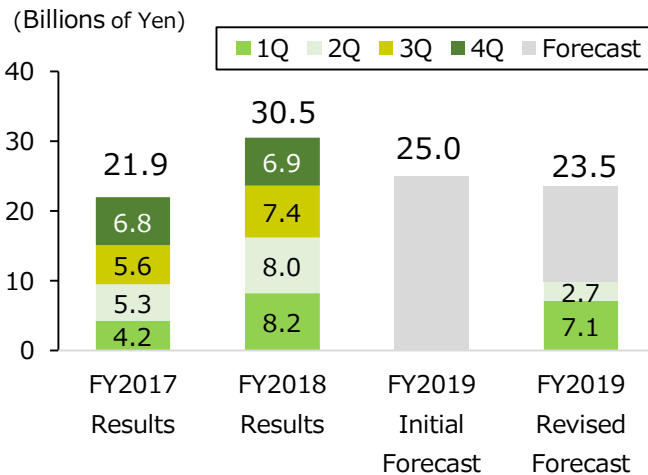
# Metals & Mineral Resources

## Profit for the period (attributable to owners of the Company)



### 【Progress Overview】

Downward revision to forecasts in reflection of recent coal and other resource prices, need for ongoing monitoring of resource prices and steel demand

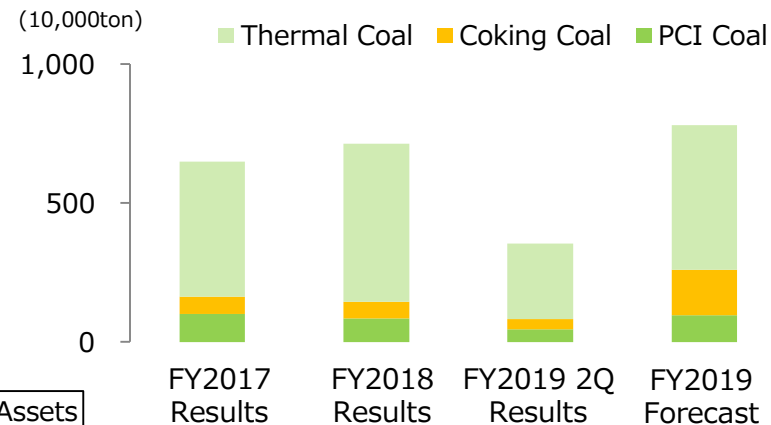
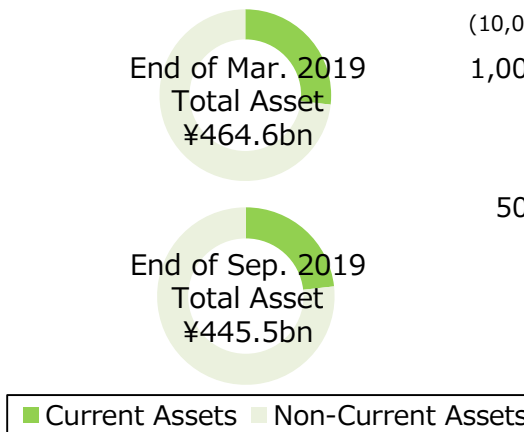
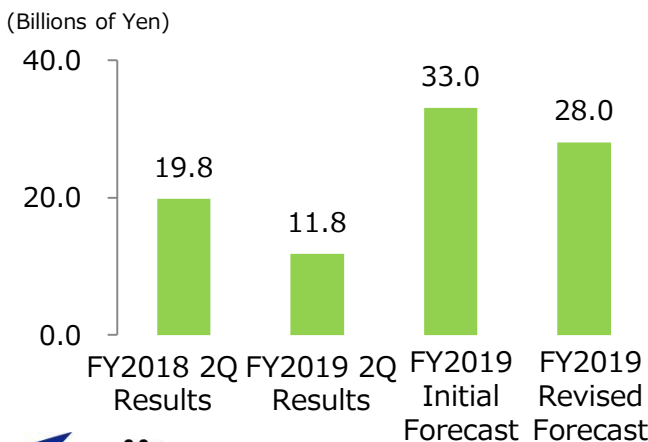


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Initial Forecast	FY2019 Revised Forecast
Gross profit	19.8	11.8		33.0	28.0
Selling, general and administrative expenses	(6.3)	(6.5)		-	-
Share of profit (loss) of investments accounted for using the equity method	9.2	7.3		-	-
Profit for the period (attributable to owners of the Company)	16.2	9.8		25.0	23.5

## Gross profit

## Asset Structure

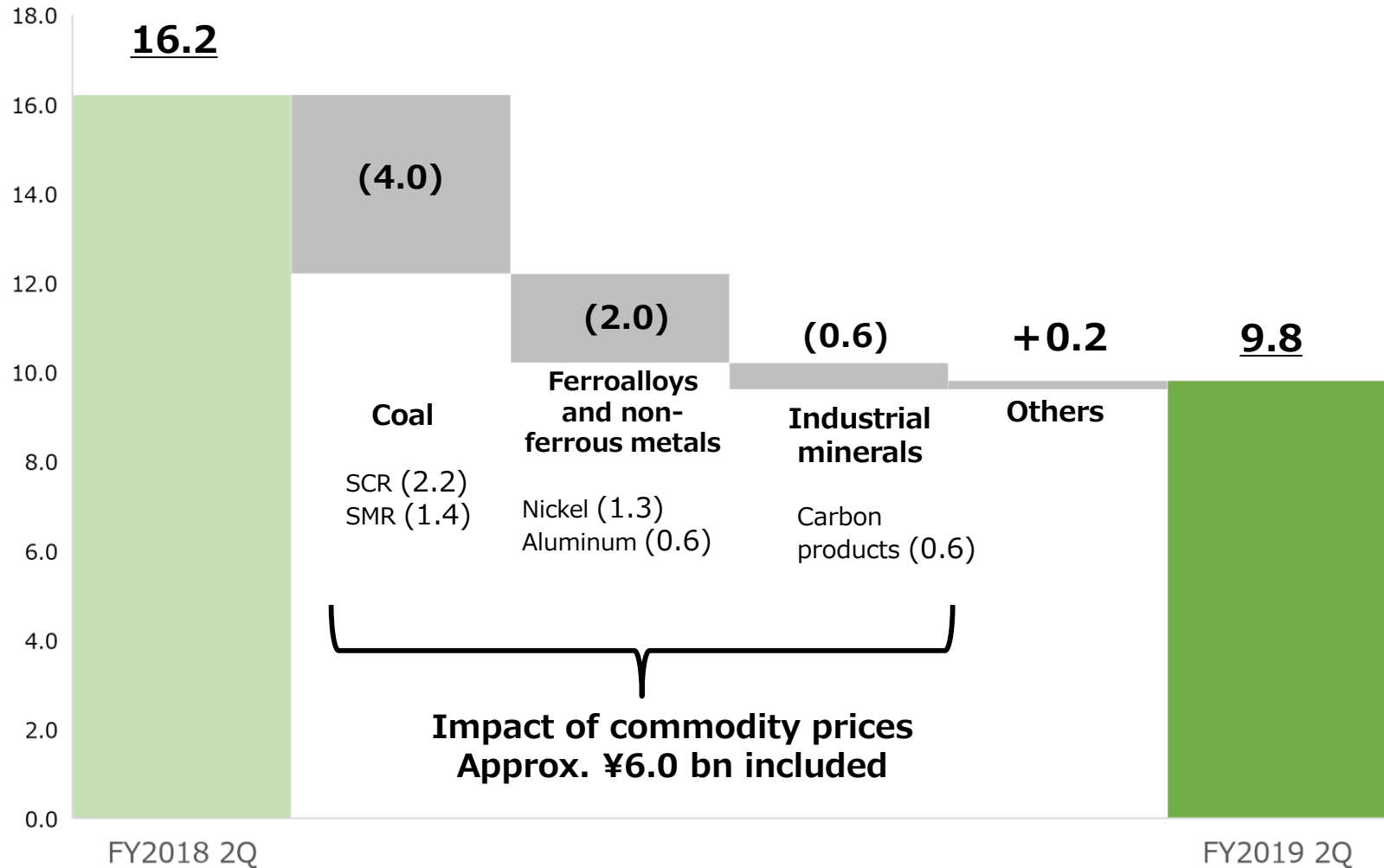
## Change in Coal Sales Volume



# Metals & Mineral Resources

## Year on Year Main Factors Behind Difference

(Billions of Yen)



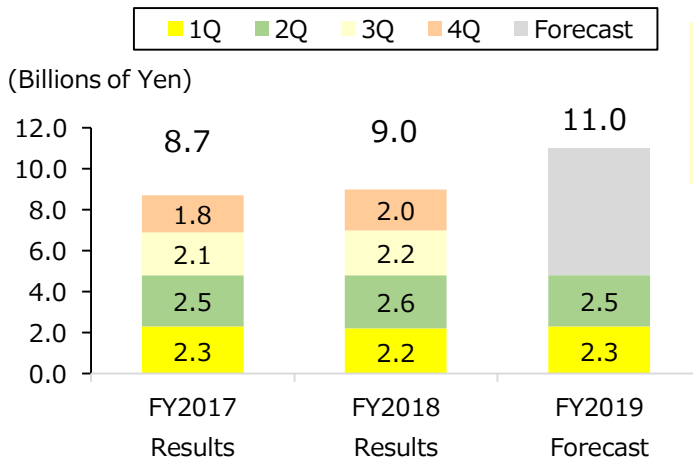
# Chemicals

## Profit for the period (attributable to owners of the Company)



### 【Progress Overview】

Performance generally as forecast

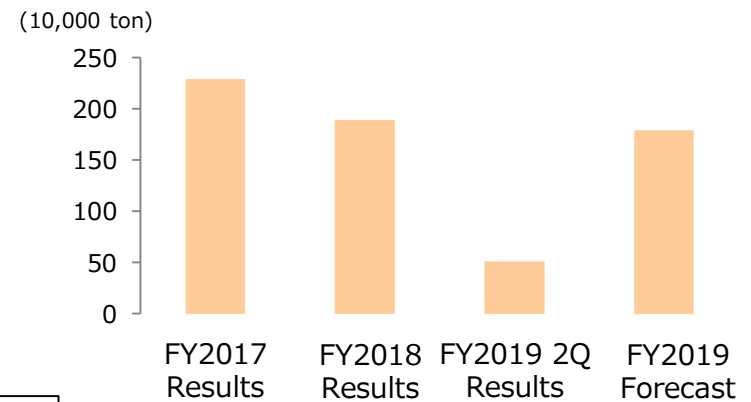
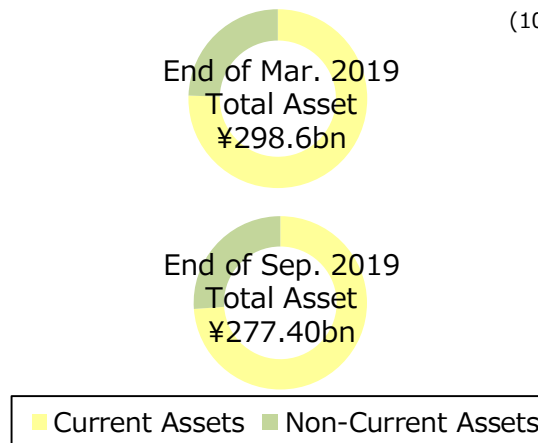
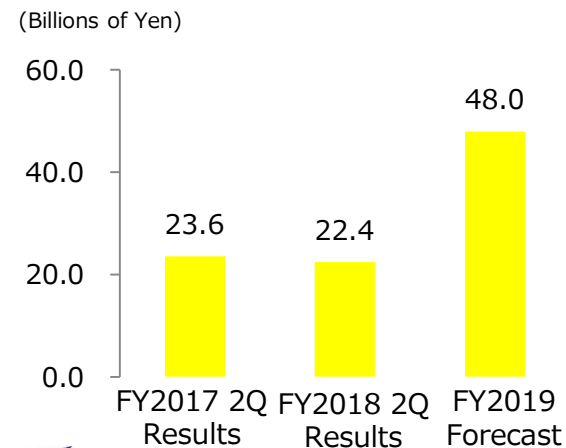


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	23.6	22.4		48.0
Selling, general and administrative expenses	(15.7)	(14.8)		-
Share of profit (loss) of investments accounted for using the equity method	0.5	0.3		-
Profit for the period (attributable to owners of the Company)	4.8	4.8		11.0

## Gross profit

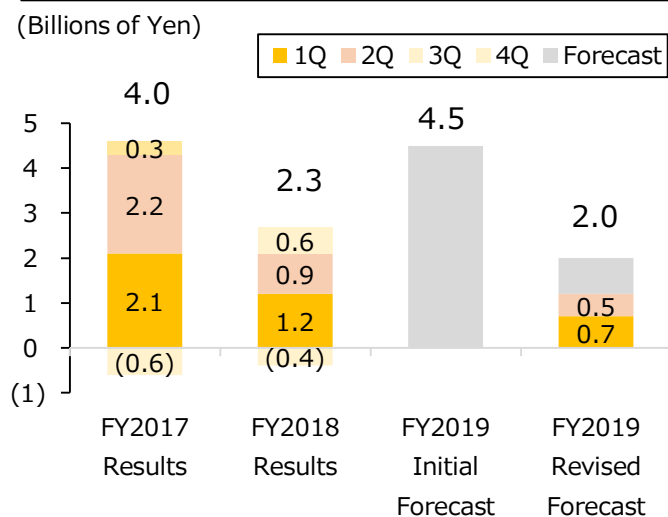
## Asset Structure

## Sales Volume for Methanol



# Foods & Agriculture Business

## Profit for the period (attributable to owners of the Company)



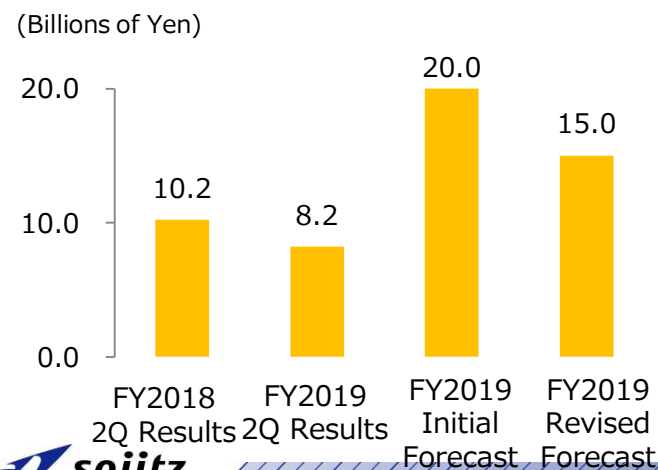
### 【Progress Overview】

Downward revision to forecasts in reflection of impairment loss in first half and sluggish demand in overseas fertilizer businesses

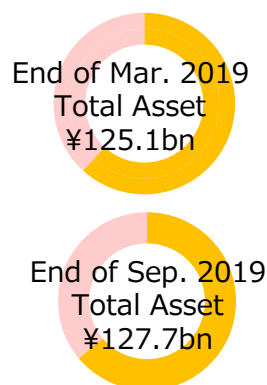


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Initial Forecast	FY2019 Revised Forecast
Gross profit	10.2	8.2		20.0	15.0
Selling, general and administrative expenses	(6.2)	(5.9)		-	-
Share of profit (loss) of investments accounted for using the equity method	(0.1)	0.3		-	-
Profit for the period (attributable to owners of the Company)	2.1	1.2		4.5	2.0

## Gross profit



## Asset Structure



■ Current Assets ■ Non-Current Assets

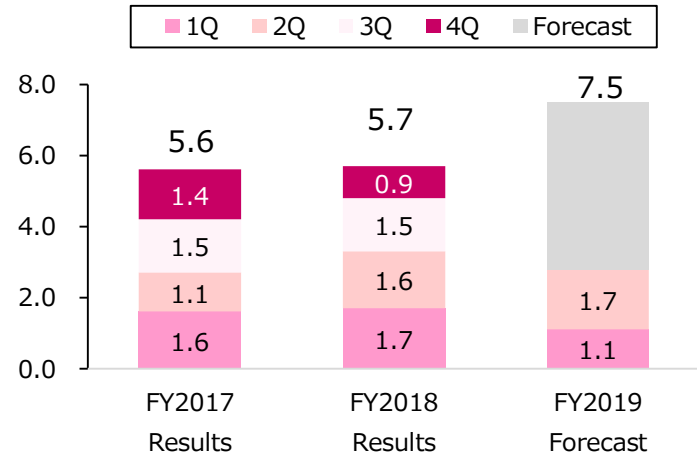
# Retail & Lifestyle Business

## Profit for the period (attributable to owners of the Company)



**【Progress Overview】**  
Performance generally as forecast

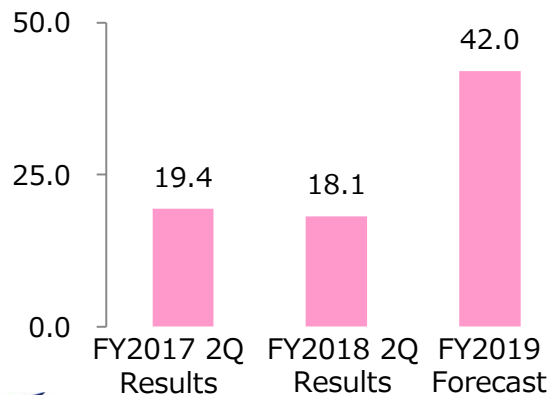
(Billions of Yen)



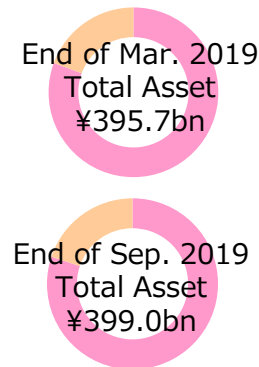
(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	19.4	18.1		42.0
Selling, general and administrative expenses	(12.9)	(13.5)		-
Share of profit (loss) of investments accounted for using the equity method	(0.2)	0.2		-
Profit for the period (attributable to owners of the Company)	3.3	2.8		7.5

## Gross profit

(Billions of Yen)



## Asset Structure



■ Current Assets ■ Non-current assets

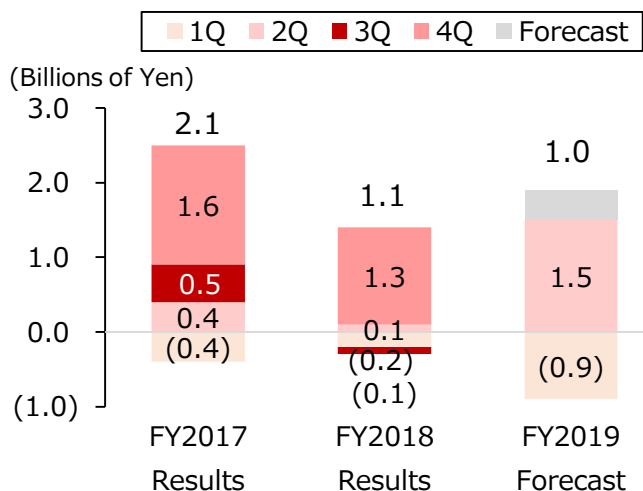
# Industrial Infrastructure & Urban Development

## Profit for the period (attributable to owners of the Company)



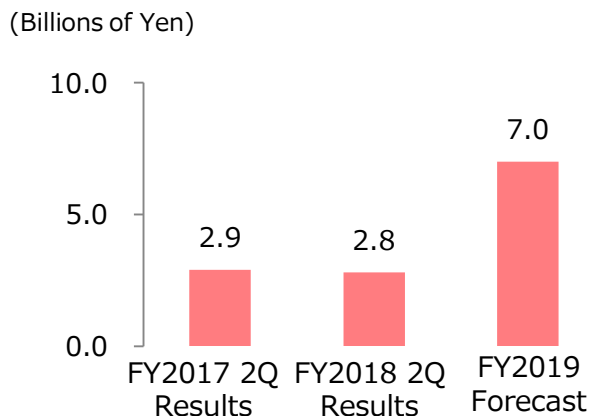
### 【Progress Overview】

Performance generally as forecast

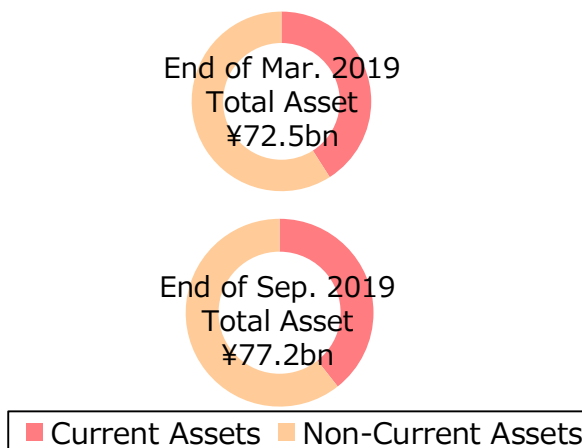


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	2.9	2.8		7.0
Selling, general and administrative expenses	(2.8)	(2.8)		-
Share of profit (loss) of investments accounted for using the equity method	0.2	1.0		-
Profit for the period (attributable to owners of the Company)	(0.1)	0.6		1.0

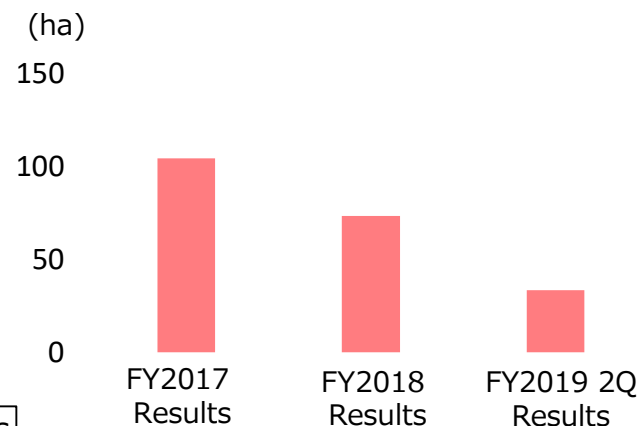
## Gross profit



## Asset Structure



## Area of Turned Over Industrial Parks



# Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2018 2Q	FY2019 2Q	Difference
■ Automotive	Sojitz Autrans Corporation	Subsidiary	0.1	0.5	0.4
■ Automotive	Sojitz Automotive Group	Subsidiary	0.5	0.6	0.1
■ Automotive	Sojitz de Puerto Rico Corporation	Subsidiary	0.8	0.6	(0.2)
■ Automotive	Subaru Motor LLC	Subsidiary	0.1	(0.2)	(0.3)
■ Automotive	Sojitz Quality, Inc	Subsidiary	0.2	0.1	(0.1)
■ Aerospace & Transportation Project	Sojitz Aerospace Corporation	Subsidiary	0.1	0.6	0.5
■ Aerospace & Transportation Project	Sojitz Marine & Engineering Corporation	Subsidiary	0.3	0.3	0.0
■ Machinery & Medical Infrastructure	Sojitz Machinery Corporation	Subsidiary	0.2	0.5	0.3
■ Machinery & Medical Infrastructure	Sojitz Hospital PPP Investment B.V.	Subsidiary	0.8	1.2	0.4
■ Machinery & Medical Infrastructure	First Technology China Ltd.	Subsidiary	0.4	0.4	0.0
■ Energy & Social Infrastructure	Nissho Electronics Corporation	Subsidiary	0.2	0.3	0.1
■ Energy & Social Infrastructure	Tokyo Yuso Corporation	Subsidiary	0.2	0.2	0.0
■ Energy & Social Infrastructure	LNG Japan Corporation	Associate	0.3	1.2	0.9
■ Metals & Mineral Resources	Sojitz Coal Resources Pty. Ltd.	Subsidiary	4.5	2.3	(2.2)
■ Metals & Mineral Resources	Sojitz Moolarben Resources Pty. Ltd.	Subsidiary	2.4	1.0	(1.4)
■ Metals & Mineral Resources	Sojitz Resources (Australia) Pty. Ltd.	Subsidiary	0.8	0.0	(0.8)
■ Metals & Mineral Resources	Japan Alumina Associates (Australia) Pty. Ltd.	Associate	0.2	0.4	0.2
■ Metals & Mineral Resources	Metal One Corporation	Associate	4.9	5.1	0.2

\*1 Associate = Equity in earnings

\*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

# Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2018 2Q	FY2019 2Q	Difference
■ Chemicals	Sojitz Pla-Net Corporation	Subsidiary	0.7	0.4	(0.3)
■ Chemicals	PT. Kaltim Methanol Industri	Subsidiary	2.7	2.2	(0.5)
■ Chemicals	solvadis deutschland gmbh	Subsidiary	0.4	0.2	(0.2)
■ Foods & Agriculture Business	Atlas Fertilizer Corporation	Subsidiary	0.3	0.4	0.1
■ Foods & Agriculture Business	Japan Vietnam Fertilizer Company	Subsidiary	0.2	0.1	(0.1)
■ Retail & Lifestyle Business	Sojitz Building Materials Corporation	Subsidiary	0.2	0.0	(0.2)
■ Retail & Lifestyle Business	Sojitz Foods Corporation	Subsidiary	1.4	1.2	(0.2)
■ Retail & Lifestyle Business	Sojitz Fashion Co., Ltd.	Subsidiary	0.4	0.3	(0.1)
■ Industrial Infrastructure & Urban	Sojitz New Urban Development Corporation	Subsidiary	(0.3)	0.2	0.5

\*1 Associate = Equity in earnings

\*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

For information on the following listed companies, please refer to their respective corporate websites.

Energy & Social Infrastructure Division: SAKURA Internet Inc. (equity-method associate)

Chemicals Division: Pla Matels Corporation (consolidated subsidiary)

Foods & Agriculture Business Division: Fuji Nihon Seito Corporation (equity-method associate), Thai Central Chemical Public Company Limited (consolidated subsidiary)

Retail & Lifestyle Business Division: JALUX Inc. (equity-method associate), Tri-Stage inc. (equity-method associate)

Industrial Infrastructure & Urban Development Division: PT. Puradelta Lestari. Tbk (equity-method associate)



---

# 【Supplemental Data】

## Ⅲ. Summary of Financial Results

---

# Summary of Profit or Loss (Results)

(Billions of Yen)	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 2Q
Net sales (JGAAP)	5,166.2	3,844.4	4,014.6	4,321.7	3,934.5	4,046.6	4,105.3	4,006.6	3,745.5	4,209.1	–	–
Revenue	–	–	–	2,006.6	1,747.8	1,803.1	1,809.7	1,658.1	1,555.3	1,816.5	1,856.2	893.8
Gross profit	235.6	178.2	192.7	217.1	187.2	198.2	197.7	180.7	200.7	232.4	241.0	109.7
Operating profit	52.0	16.1	37.5	57.5	25.5	23.7	33.6	29.2	51.6	59.8	–	–
Share of profit (loss) of investments accounted for using the equity method	2.5	9.2	19.3	16.3	15.8	31.0	28.6	23.2	12.7	25.1	27.8	13.2
Profit before tax	37.1	18.9	39.3	58.5	28.1	44.0	52.6	44.3	58.0	80.3	94.9	35.3
Profit for the year attributable to owners of the Company	19.0	8.8	16.0	(1.0)	13.4	27.3	33.1	36.5	40.8	56.8	70.4	29.5
Core earnings	48.3	14.4	41.9	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	35.5
ROA	0.8%	0.4%	0.7%	(0.0)%	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	3.0%	–
ROE	4.8%	2.6%	4.7%	(0.3)%	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	11.7%	–

(\*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for FY2007 through FY2010.

# Summary of Balance Sheets (Results)

(Billions of Yen)	End of Mar. 2009	End of Mar. 2010	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Sep. 2019
Total assets	2,313.0	2,160.9	2,117.0	2,190.7	2,150.1	2,220.2	2,297.4	2,056.7	2,138.5	2,350.4	2,297.1	2,321.2
Total equity	319.0	352.4	330.0	330.0	382.6	459.9	550.9	520.3	550.5	586.4	618.2	597.2
Equity ratio	13.8%	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	26.9%	25.7%
Net interest-bearing debt	865.3	737.8	700.6	676.4	643.3	640.2	629.6	571.6	611.1	603.5	584.7	562.5
Net DER (times)	2.7	2.1	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.0	1.0	0.9
Risk assets (vs. Total equity, times)	350.0 1.1	320.0 0.9	310.0 0.9	330.0 1.0	340.0 0.9	350.0 0.8	320.0 0.6	330.0 0.6	320.0 0.6	350.0 0.6	360.0 0.6	360.0 0.6
Current ratio	141.7%	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	157.1%	154.6%
Long-term debt ratio	66.7%	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	82.9%	82.0%

(\*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for End of Mar. 2009 through 2011. Under JGAAP, Total equity is calculated as Total net assets – Minority interests.

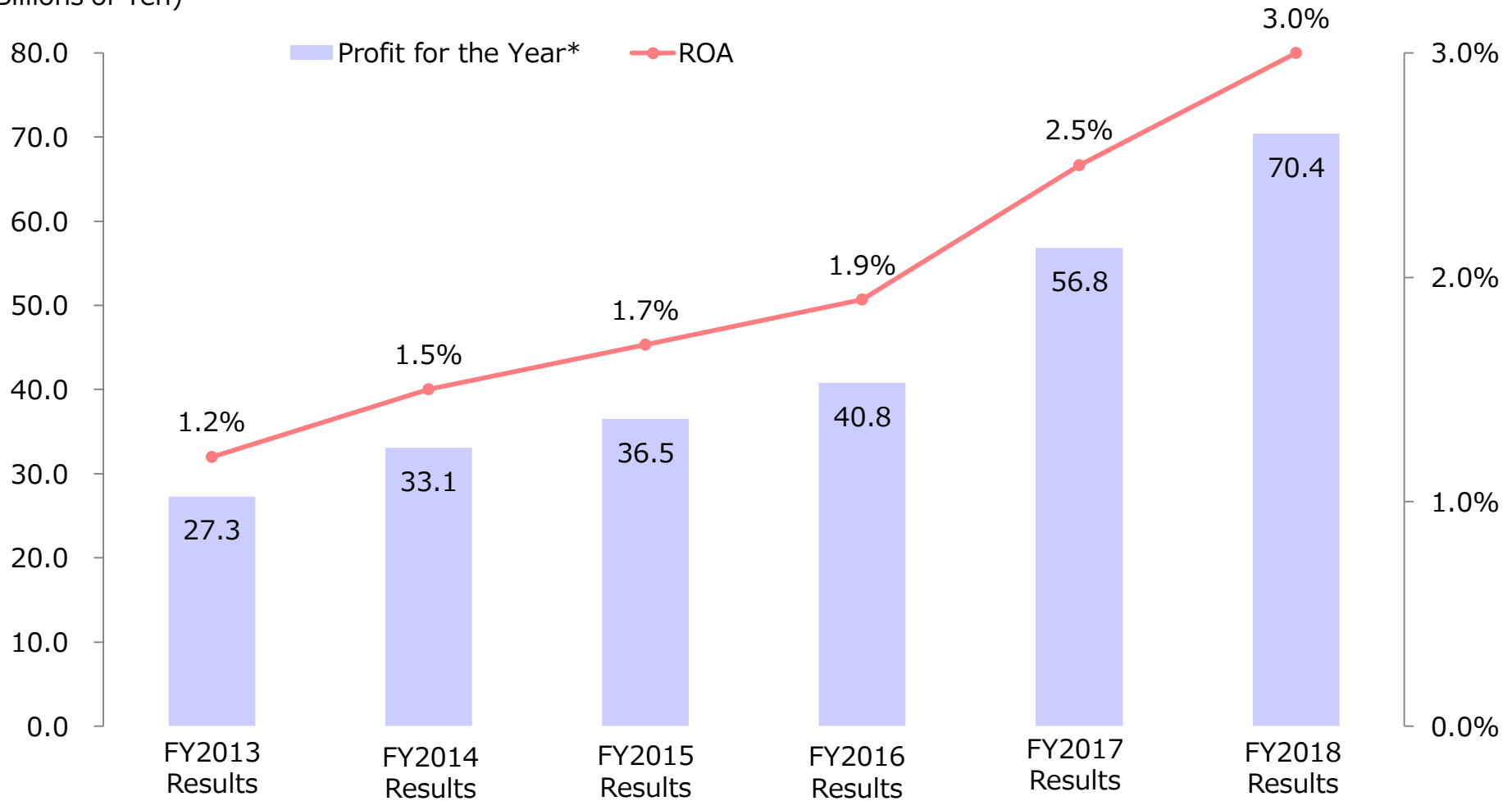
# Summary of Cash Flow (Results)

(Billions of Yen)	End of Mar. 2009	End of Mar. 2010	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Sep. 2019
Core cash flow	–	–	–	–	–	–	–	18.3	5.5	(56.7)	63.1	8.6
Free cash flow	86.5	135.7	48.0	46.4	43.4	22.5	25.3	66.0	(31.3)	12.4	54.3	40.1
Core operating cash flow	–	–	–	–	–	–	–	60.0	59.4	82.9	79.1	44.6
Cash flow from operating activities	103.7	107.2	67.9	88.7	55.1	47.0	39.1	99.9	0.9	98.8	96.5	61.4
Cash flow from investment activities	(17.2)	(28.4)	(19.9)	(42.3)	(11.7)	(24.5)	(13.8)	(33.9)	(32.2)	(86.4)	(42.2)	(21.3)
Cash flow from financing activities	(6.0)	(102.6)	(72.1)	(29.5)	(56.2)	(30.9)	(42.6)	(114.7)	(4.0)	(13.1)	(74.9)	(26.7)
Investments and loans	100.0	27.0	73.0	53.0	44.0	54.0	57.0	71.0	86.0	158.0	91.0	37.0

※Core cash flow = Core operating cash flow + Investing cash flow (including asset replacement) – Dividends paid  
 (Post-adjustment net cash provided by (used in) investing activities is net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

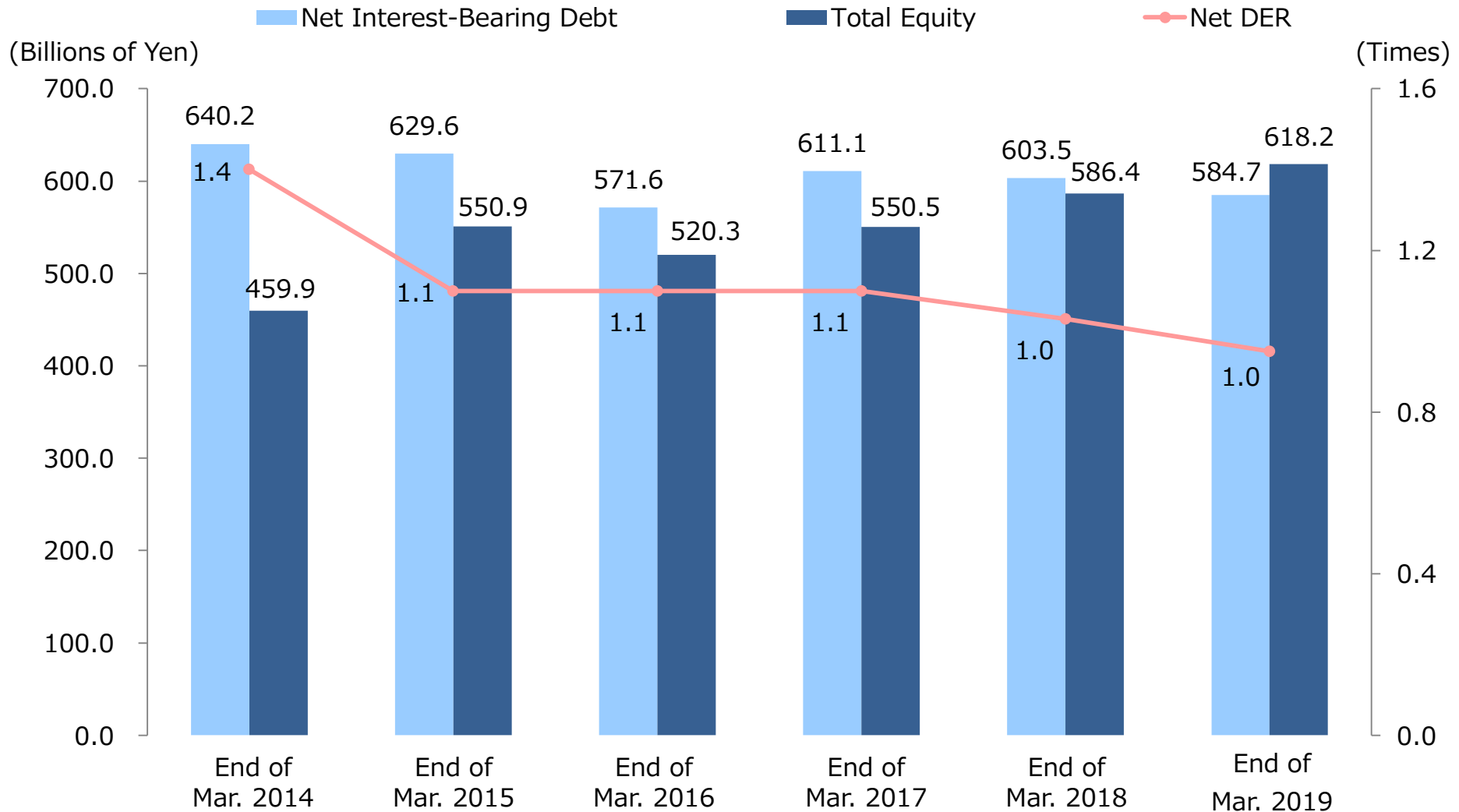
# Summary of Profit or Loss

(Billions of Yen)



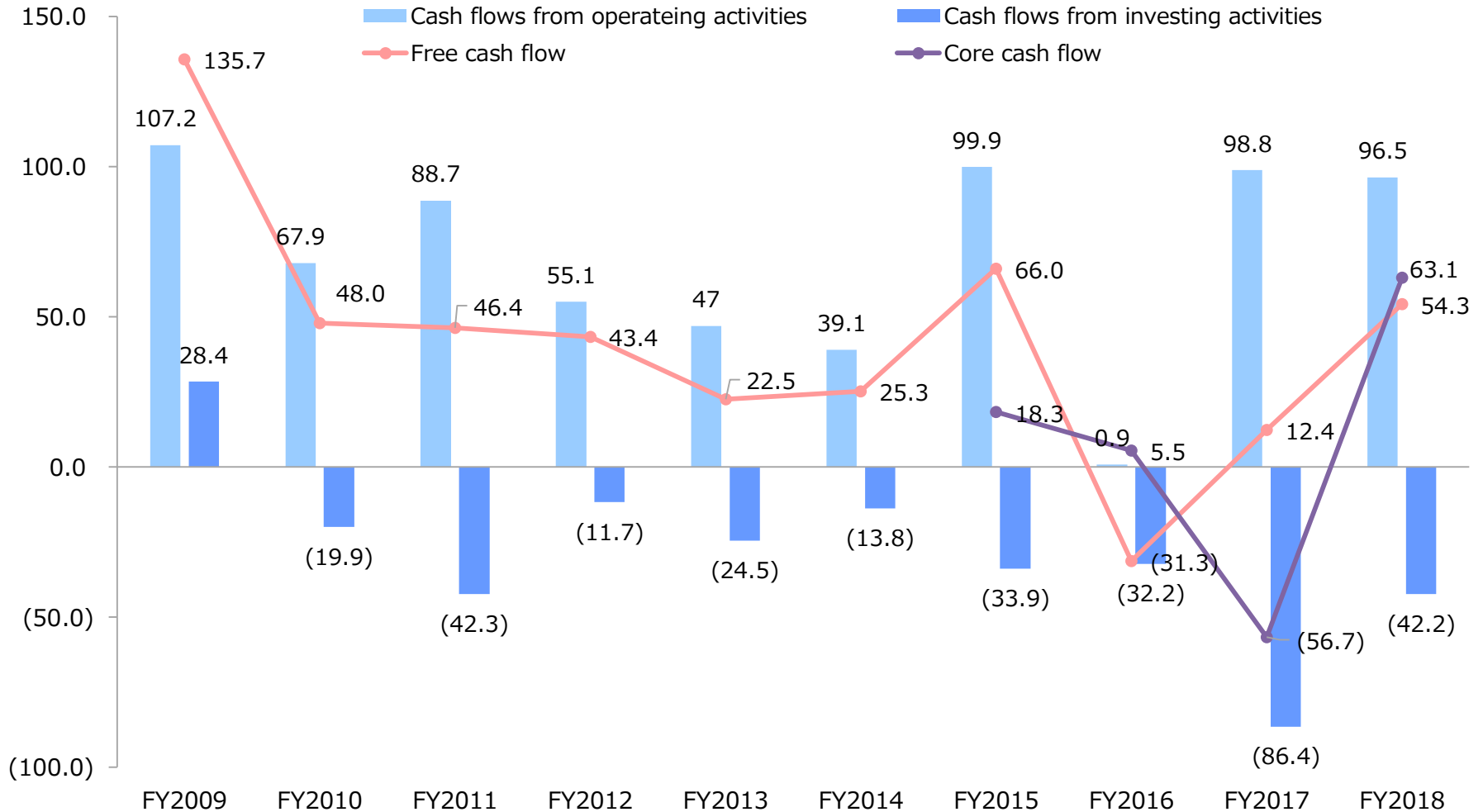
\* Attributable to owners of the Company

# Summary of Balance Sheets



# Summary of Cash Flow

(Billions of Yen)





***sojitz***

***New way, New value***



## Summary of Consolidated Financial Results for the First Half Ended September 30, 2019 (IFRS)

November 1, 2019

### Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

Company representative: Masayoshi Fujimoto, President & CEO

Contact information: Yoichi Yanagisawa, GM, Public Relations Dept. TEL +81-3-6871-3404

Scheduled filing date of quarterly financial report: November 13, 2019

Scheduled date of delivery of dividends: December 2, 2019

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, 2019 (April 1, 2019 - September 30, 2019)

#### (1) Consolidated Operating Results

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

	Revenue		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	%
For the first half ended										
September 30, 2019	893,832	(5.1)	35,259	(31.5)	31,643	(20.9)	29,517	(20.5)	(5,264)	-
September 30, 2018	941,783	6.5	51,500	35.8	39,999	32.1	37,147	36.4	42,590	15.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first half ended		
September 30, 2019	23.63	23.63
September 30, 2018	29.71	29.71

Note : 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, 2019	2,321,180	640,063	597,211	25.7
March 31, 2019	2,297,059	661,607	618,295	26.9

#### 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, 2019	-	7.50	-	9.50	17.00
March 31, 2020	-	8.50	-	-	-
March 31, 2020 (forecast)	-	-	-	8.50	17.00

Note : Changes in cash dividend forecast : No

#### 3. Consolidated Earnings Forecast for the Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

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

	Profit attributable to owners of the Company		Basic earnings per share
	Millions of Yen	%	Yen
For the Year Ending			
March 31, 2020			
Full-year	72,000	2.2	57.60

Note 1 : Changes in cash dividend forecast : No

Note 2 : 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 : Yes
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, 2019: 1,251,499,501 As of March 31, 2019: 1,251,499,501

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

As of September 30, 2019 : 2,202,300 As of March 31, 2019 : 2,260,444

3. Average number of outstanding shares during the periods:

For the first half ended September 30, 2019 (accumulative): 1,249,264,273

For the first half ended September 30, 2018 (accumulative): 1,250,450,713

Note: The Company established the Executive Compensation Board Incentive Plan Trust in the six-month period ended September 30, 2018. The trust account associated with this trust holds shares of the Company's stock, which are treated as treasury shares; 1,667,211 stocks in the first half ended September 30, 2019 and 1,727,600 stocks in the financial year ended March 2019.

\* 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, 2019

### Economic Environment

In the six-month period ended September 30, 2019, the impacts of the economic slowdown in China stemming from the trade friction between the United States and China began spreading throughout the global economy, with the impacts being particularly pronounced in emerging economies. Looking ahead, ongoing caution is warranted with regard to negotiations between the United States and China, the United Kingdom's withdrawal from the European Union, the situation in the Middle East, and the monetary policies of the United States.

In the United States, although the economy was supported by strong consumer spending, the U.S. Federal Reserve Board lowered the policy interest rate by 0.25 percentage point in both July and September 2019 as a precautionary measure. Uncertainty is mounting in the United States with regard to President Trump's tariff negotiations with China and the issues in the Middle East, specifically those involving Iran and Turkey, as the country approaches the 2020 presidential election. Accordingly, there will be a need to monitor trends in the negotiations between the United States and China and in the previously strong performance of U.S. companies.

Looking at Europe, uncertainty arising from economic slowdown in China and other areas outside of the region as well as from trade negotiations with the United States are leading to sluggish conditions centered on countries highly dependent on exports, namely Germany and Italy. There were also signs of deterioration in the previously brisk consumer spending trends. It is thus imperative for the Company to continue tracking movements related to the United Kingdom's withdrawal from the European Union and to the European Central Bank, which is focused on economic measures.

Economic growth has been slowing in China due to the push to cut back on excessive debt and production capacity. Many factors warrant caution with regard to the Chinese economy. These factors include governments measures for stabilizing the economy as well as the potential economic impacts of the trade friction between the United States and China and the clashes between the government of Hong Kong and protestors advocating the freedom of Hong Kong following the extradition of a criminal from the country.

In other parts of Asia, private-sector consumption remains strong. However, the economic slowdown in China is leading to sluggish foreign demand. It is also possible that the policy interest rate reductions in the United States may prompt countries in this region to once again begin a race to devalue their currency in order to maintain export competitiveness, a trend that will need to be monitored going forward.

Consumer spending remained firm in Japan. The negative effects of the consumption tax hike implemented in October 2019 are expected to be limited due to the benefits of government measures like selective lower tax rates. However, caution is needed with regard to the impacts of the trade friction between the United States and China and economic slowdown in China .

### Financial Performance

Sojitz Corporation's consolidated business results for the second quarter ended September 30, 2019 are presented below.

Revenue	Revenue was down 5.1% year on year, to ¥893,832 million, due to lower revenue in the Chemicals Division, a result of declines in the transaction volumes of plastic resins and in the price of methanol, and in the Metals & Mineral Resources Division, a result of fall in sales prices in overseas coal businesses.
Gross profit	Gross profit decreased ¥11,156 million year on year, to ¥109,737 million, due to lower gross profit in the Metals & Mineral Resources Division, a result of fall in sales prices in overseas coal businesses, and in the Foods & Agriculture Business Division, a result of lower transactions volumes in overseas fertilizer businesses.
Profit before tax	Profit before tax decreased ¥16,241 million year on year, to ¥35,259 million, as a result of lower gross profit along with a decline in the net of other income and expenses associated with the sale of automobile-related company in the previous equivalent period.
Profit for the period	After deducting income tax expenses of ¥3,616 million from profit before tax of ¥35,259 million, profit for the period amounted to ¥31,643 million, down ¥8,356 million year on year. Profit for the period (attributable to owners of the Company) decreased ¥7,630 million year on year, to ¥29,517 million.
Comprehensive income for the period	Comprehensive loss for the period of ¥5,264 million was recorded, compared with comprehensive income for the period of ¥42,590 million in the previous equivalent period, following a decline in financial assets at fair value through foreign currency translation differences for foreign operations and other comprehensive income along with lower profit for the period. Comprehensive loss for the period (attributable to owners of the Company) of ¥6,595 million was recorded, compared with comprehensive income for the period of ¥39,517 million in the previous equivalent period.

Results for the six-month period ended September 30, 2019, are summarized by segment below.

#### Automotive

Revenue was up 2.0% year on year, to ¥117,706 million, as a result of higher sales volumes in automobile distributor businesses in Southeast Asia and of the acquisition of domestic and overseas automobile distributor businesses. Profit for the period (attributable to owners of the Company) decreased ¥2,106 million, to ¥1,525 million, following a decline in the net of other income and expenses in reaction to the sale of automobile-related company in the previous equivalent period.

#### Aerospace & Transportation Project

Revenue was up 26.8% year on year, to ¥17,747 million, as a result of higher income in aircraft transactions. Profit for the period (attributable to owners of the Company) decreased ¥1,290 million, to ¥599 million, due to a decline in other income stemming from the absence of gains on sales of aircraft held for leasing purposes recorded in the previous equivalent period.

#### Machinery & Medical Infrastructure

Revenue was up 21.4% year on year, to ¥56,593 million, as a result of an increase in industrial machinery transactions. Profit for the period (attributable to owners of the Company) rose ¥802 million, to 1,456 million, due to higher gross profit and an increase in share of profit of investments accounted for using the equity method.

### Energy & Social Infrastructure

Revenue was up 2.3% year on year, to ¥34,464 million, as a result of an increase in income from overseas gas-fired power generation businesses.

Profit for the period (attributable to owners of the Company) rose ¥783 million, to ¥3,444 million, as an increase in share of profit of investments accounted for using the equity method counteracted the impacts of a decline in other income due to the sale of an overseas solar power generation business company in the previous equivalent period.

### Metals & Mineral Resources

Revenue was down 11.1% year on year, to ¥187,360 million, as a result of fall in sales prices in overseas coal businesses. Profit for the period (attributable to owners of the Company) decreased ¥6,424 million, to ¥9,816 million, as a result of a decline in gross profit.

### Chemicals

Revenue was down 11.9% year on year, to ¥226,713 million, as a result of declines in the price of methanol and lower transaction volumes of plastic resins. Profit for the period (attributable to owners of the Company) decreased ¥41 million, to ¥4,766 million.

### Foods & Agriculture Business

Revenue was down 7.1% year on year, to ¥65,625 million, following lower transactions volumes in overseas fertilizer businesses. Profit for the period (attributable to owners of the Company) decreased ¥896 million, to ¥1,197 million, as a result of a decline in gross profit and impairment loss of fixed assets on domestic marine products business.

### Retail & Lifestyle Business

Revenue was down 3.5% year on year, at ¥155,070 million, as the increase in revenue attributable to the acquisition of an overseas paper manufacturer was counterbalanced by a decline in textile transactions. Profit for the period (attributable to owners of the Company) decreased ¥547 million, to ¥2,779 million due to lower gross profit.

### Industrial Infrastructure & Urban Development

Revenue was up 23.0% year on year, to ¥17,392 million, because of an increase in real estate transactions. Profit for the period (attributable to owners of the Company) increased ¥695 million, to ¥584 million, as a result of an increase in share of profit of investments accounted for using the equity method.

## **(2) Financial Position**

Total assets on September 30, 2019, stood at ¥2,321,180 million, up ¥24,121 million from March 31, 2019. This increase was primarily a result of an increase in usage right assets stemming from the application of IFRS 16—Leases.

Total liabilities at September 30, 2019, amounted to ¥1,681,117 million, up ¥45,666 million from March 31, 2019, due to an increase in lease liabilities following the application of IFRS 16—Leases.

Total equity attributable to owners of the Company was ¥597,211 million on September 30, 2019, down ¥21,084 million from March 31, 2019. This decline was largely due to a decrease in other components of equity resulted primarily from foreign exchange rate fluctuations and stock price, which offset the

accumulation of profit for the period (attributable to owners of the Company).

Consequently, on September 30, 2019, the current ratio was 154.6%, the long-term debt ratio was 82.0%, and the equity ratio\* was 25.7%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥562,458 million on September 30, 2019, ¥22,253 million decrease from March 31, 2019. This resulted in the Company's net debt equity ratio\* equaling 0.94 times at September 30, 2019. Lease liabilities have been excluded from aforementioned total interest-bearing debt.

(\*) 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 2020, the Sojitz Group continues to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz endeavors 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 did not issue straight bonds in the six-month period ended September 30, 2019. However, Sojitz will continue to closely monitor interest rates and market conditions and will consider floating 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\$1.6 billion (of which US\$0.29 billion has been used).

#### Consolidated Cash Flows

In the six-month period ended September 30, 2019, operating activities provided net cash flow of ¥61,386 million, investing activities used net cash of ¥21,334 million, and financing activities provided net cash of ¥26,699 million. Sojitz ended the period with cash and cash equivalents of ¥296,606 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

#### (Cash flows from operating activities)

Net cash provided by operating activities in the six-month period ended September 30, 2019, was ¥61,386 million, an increase of ¥9,691 million year on year. Major factors increasing cash included business earnings, dividends received, and a decrease in working capital.

#### (Cash flows from investing activities)

Net cash used in investing activities in the six-month period ended September 30, 2019, was ¥21,334 million, down ¥4,436 million year on year, mainly as a result of the acquisition of auto self-financing business, offshore wind power generation business in Taiwan, and gas-fired power generation businesses.

#### (Cash flows from financing activities)

Net cash used in financing activities in the six-month period ended September 30, 2019, was ¥26,699 million, down ¥1,083 million year on year. This outflow was primarily results of dividends paid and redemption of bonds.

### **(3) Consolidated Earnings Forecast**

Current forecast for fiscal year 2019 is as follow.

Profit for the year (Attributable to owners of the Company)	¥72.0 billion
--	---------------

The above forecast assumes a yen/dollar rate of ¥110/US\$.

#### **\*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)

	FY 2018 (As of March 31, 2019)	FY 2019 (As of September 30, 2019)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalent	285,687	296,606
Time deposits	2,922	5,904
Trade and other receivables	690,678	664,823
Derivatives	2,060	2,453
Inventories	220,621	213,262
Income tax receivables	6,714	3,473
Other current assets	58,965	62,410
Subtotal	1,267,650	1,248,936
Assets as held for sale	—	1,450
Total current assets	1,267,650	1,250,386
<b>Non-current assets</b>		
Property, plant and equipment	192,902	182,938
Usage rights assets	—	77,776
Goodwill	66,198	65,295
Intangible assets	49,145	49,098
Investment property	20,875	19,685
Investments accounted for using the equity method	424,152	416,106
Trade and other receivables	84,145	83,240
Other investments	173,066	158,623
Derivatives	46	16
Other non-current assets	12,683	11,328
Deferred tax assets	6,192	6,683
Total non-current assets	1,029,409	1,070,793
Total assets	2,297,059	2,321,180
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	582,296	562,174
Lease liabilities	—	15,174
Bonds and borrowings	149,695	156,102
Derivatives	2,511	4,455
Income tax payables	10,775	4,762
Provisions	1,026	1,530
Other current liabilities	60,793	64,813
Total current liabilities	807,098	809,012
<b>Non-current liabilities</b>		
Lease liabilities	—	67,493
Bonds and borrowings	723,625	708,866
Trade and other payables	12,563	10,682
Derivatives	2,693	2,869
Retirement benefits liabilities	22,139	21,994
Provisions	36,292	35,114
Other non-current liabilities	11,235	8,949
Deferred tax liabilities	19,802	16,135
Total non-current liabilities	828,353	872,104
Total liabilities	1,635,451	1,681,117
<b>Equity</b>		
Share capital	160,339	160,339
Capital surplus	146,645	146,698
Treasury stock	(865)	(842)
Other components of equity	107,576	71,945
Retained earnings	204,600	219,070
Total equity attributable to owners of the Company	618,295	597,211
Non-controlling interests	43,312	42,851
Total equity	661,607	640,063
Total liabilities and equity	2,297,059	2,321,180



## (2) Consolidated Statements of Profit or Loss

(In 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)
Revenue		
Sale of goods	889,268	844,638
Sales of service and others	52,515	49,194
Total revenue	941,783	893,832
Cost of sales	(820,889)	(784,095)
Gross profit	120,893	109,737
Selling, general and administrative expenses	(85,644)	(85,620)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	856	392
Impairment loss on fixed assets	(65)	(492)
Gain on reorganization of subsidiaries/associates	8,006	829
Loss on reorganization of subsidiaries/associates	(2,401)	(207)
Other operating income	2,816	2,671
Other operating expenses	(3,522)	(3,185)
Total other income/expenses	5,689	7
Financial income		
Interests earned	3,605	3,687
Dividends received	2,631	2,014
Other financial income	217	—
Total financial income	6,454	5,701
Financial costs		
Interest expenses	(7,783)	(7,683)
Other financial costs	—	(97)
Total financial cost	(7,783)	(7,781)
Share of profit(loss) of investments accounted for using the equity method	11,890	13,215
Profit before tax	51,500	35,259
Income tax expenses	(11,501)	(3,616)
Profit for the period	39,999	31,643
Profit attributable to:		
Owners of the Company	37,147	29,157
Non-controlling interests	2,851	2,125
Total	39,999	31,643

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

(In 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)
Profit for the period	39,999	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	1,399	(7,453)
Remeasurements of defined benefit pension plans	(128)	163
Share of other comprehensive income of investments accounted for using the equity method	6,513	(8,041)
Total items that will not be reclassified to profit or loss	7,784	(15,331)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(957)	(14,162)
Cash flow hedges	(567)	(1,207)
Share of other comprehensive income of investments accounted for using the equity method	(3,667)	(6,207)
Total items that may be reclassified subsequently to profit or loss	(5,193)	(21,576)
Other comprehensive income for the year, net of tax	2,591	(36,907)
Total comprehensive income for the period	42,590	(5,264)
Total comprehensive income for the period attributable to:		
Owners of the Company	39,517	(6,595)
Non-controlling interests	3,072	1,330
Total	42,590	(5,264)

## (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, 2018	160,339	146,512	(174)	17,709	111,072	(4,432)
Impact of change in accounting policies						
Balance as of April 1, 2018 (Revised)	160,339	146,512	(174)	17,709	111,072	(4,432)
Profit for the period						
Other comprehensive income				(5,350)	7,871	(35)
Total comprehensive income for the period	—	—	—	(5,350)	7,871	(35)
Purchase of treasury stock		(0)	(690)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control						
Reclassification from other components of equity to retained earnings					(519)	
Share remuneration transactions		51				
Other changes						
Total contributions by and distributions to owners of the Company	—	51	(690)	—	(519)	—
Balance as of September 30, 2018	160,339	146,564	(864)	12,358	118,424	(4,468)

Balance as of April 1, 2019	160,339	146,645	(865)	4,861	107,226	(4,512)
Impact of change in accounting policies						
Balance as of April 1, 2019 (Revised)	160,339	146,645	(865)	4,861	107,226	(4,512)
Profit for the period						
Other comprehensive income				(18,833)	(15,511)	(1,964)
Total comprehensive income for the period	—	—	—	(18,833)	(15,511)	(1,964)
Purchase of treasury stock		(0)	(0)			
Disposal of treasury stock		(24)	24			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				0		0
Reclassification from other components of equity to retained earnings					678	
Share remuneration transactions		76				
Other changes						
Total contributions by and distributions to owners of the Company	—	52	23	0	678	0
Balance as of September 30, 2019	160,339	146,698	(842)	(13,971)	92,393	(6,476)

(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, 2018	—	124,348	155,437	586,464	38,659	625,124
Impact of change in accounting policies			(444)	(444)		(444)
Balance as of April 1, 2018 (Revised)	—	124,348	154,993	586,020	38,659	624,679
Profit for the period			37,147	37,147	2,851	39,999
Other comprehensive income	(114)	2,370		2,370	221	2,591
Total comprehensive income for the period	(114)	2,370	37,147	39,517	3,072	42,590
Purchase of treasury stock				(690)		(690)
Dividends			(7,505)	(7,505)	(1,648)	(9,153)
Change in ownership interests in subsidiaries without loss/acquisition of control			18	18	2,249	2,268
Reclassification from other components of equity to retained earnings	114	(404)	404	—		—
Share remuneration transactions				51		51
Other changes			(1,115)	(1,115)	1,313	198
Total contributions by and distributions to owners of the Company	114	(404)	(8,198)	(9,242)	1,915	(7,326)
Balance as of September 30, 2018	—	126,314	183,942	616,295	43,647	659,943

Balance as of April 1, 2019	—	107,576	204,600	618,295	43,312	661,607
Impact of change in accounting policies			(2,402)	(2,402)		(2,402)
Balance as of April 1, 2019 (Revised)	—	107,576	202,197	615,892	43,312	659,205
Profit for the period			29,517	29,517	2,125	31,643
Other comprehensive income	196	(36,113)		(36,113)	(794)	(36,907)
Total comprehensive income for the period	196	(36,113)	29,517	(6,595)	1,330	(5,264)
Purchase of treasury stock				(0)		(0)
Disposal of treasury stock				—		—
Dividends			(11,884)	(11,884)	(2,960)	(14,845)
Change in ownership interests in subsidiaries without loss/acquisition of control		0	(376)	(375)	694	319
Reclassification from other components of equity to retained earnings	(196)	481	(481)	—		—
Share remuneration transactions				76		76
Other changes			97	97	474	572
Total contributions by and distributions to owners of the Company	(196)	482	(12,644)	(12,085)	(1,792)	(13,877)
Balance as of September 30, 2019	—	71,945	219,070	597,211	42,851	640,063

## (5) Consolidated Statements of Cash Flows

(In 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)
Cash flows from operating activities		
Profit for the period	39,999	31,643
Depreciation and amortization	10,655	16,319
Impairment loss of fixed assets	65	492
Finance (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
Cash flows from investing activities		
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)
Cash flows from financing activities		
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

## **(6) Changes in Accounting Policies Based on Requirements of International Financial Reporting Standards**

With the exception of the following policies, the accounting policies applied to the consolidated financial statements for the first half ended September 30, 2019, are the same as those applied to consolidated financial statements for the year ended March 31, 2019.

Effective April 1, 2019, the Company has applied the following mandatory standards.

Standard	Name	New / revised policies
IFRS 16	Leases	Revision of definition, accounting treatment, and disclosure method of leases

Effective April 1, 2019, the Company applied IFRS 16—Leases.

IFRS 16 does not categorize leases as finance leases or operating leases, but rather entails introduction of a uniform accounting model. Under this model, in principle, all leases are accounted for by recognizing right-of-use assets representing the right to use the underlying leased asset over the lease period and lease liabilities representing the obligation to make lease payments. As a result of recognizing right-of-use assets and lease liabilities, the Company must also recognize depreciation on the right-of-use assets and interest expenses on the lease liabilities.

For lessors, the standards under IFRS 16 are relatively unchanged from the prior standards. Accordingly, lessors continue to categorize leases as operating leases or finance leases.

In regard to leases as the lessee, the Company recognizes right-of-use assets and lease liabilities on the commencement day of the lease period. Lease liabilities are recognized by first measuring the total outstanding amount of the lease at discounted present value. After recognition, the book value of the lease liabilities is adjusted to reflect interest associated with the lease and lease payments made. Right-of-use assets are first recognized by measuring the acquisition cost by adjusting the initially measured value for the initial direct costs. After recognition, the value is measured by deducting accumulated depreciation and accumulated impairment losses. Depreciation of right-of-use assets is performed using the

straight-line method over the shorter of the lease period and the usable life of the lease assets. Lease payments for short-term leases and small-sum asset leases are recognized as expenses using the straight-line method over the lease period.

The application of IFRS 16 has had the following effects on the Company.

#### 1. Transition Approach

The Company used the modified retrospective approach to transition to IFRS 16. Accordingly, past figures have not been restated, and retained earnings at April 1, 2019, were adjusted by the aggregate amount of impact of applying IFRS 16.

#### 2. Lease Definition

The Company has chosen to apply the practical expedient that allows it to continue using prior judgments of whether or not a transaction constitutes a lease. For this reason, IFRS 16 will only be applied to arrangements previously recognized as leases. Arrangements previously not recognized as leases in accordance with IAS 17—Leases and IFRIC 4—Determining whether an Arrangement Contains a Lease are not reassessed to determine whether they constitute leases under IFRS 16. Accordingly, the definition of leases based on IFRS 16 are only applied to such arrangements formed or amended after April 1, 2019.

#### 3. Leases as Lessee

With regard to leases previously classified as operating leases under IAS 17, right-of-use assets and lease liabilities have been recognized as of the date of initial application of IFRS 16. The Company measured lease liabilities at the present value of the total remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The right-of-use assets at the time of transition are recognized using either of the following methods:

- Recognized at book value assuming that IFRS 16 had been applied at the start of the lease period, but discounted using the lessee's incremental borrowing rate at the date of initial application
- Recognized as an amount equal to lease liabilities adjusted by the amount of any prepaid or accrued lease payments

With regard to leases previously classified as operating leases under IAS 17, the following practical expedients were used in applying IFRS 16.

- Dependence on evaluations of disadvantage of leases by applying IAS 37—Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to impairment reviews
- Application of the exemption of not recognizing right-of-use assets or lease liabilities for leases for which the period ends within 12 months of the date of initial application
- Exclusion of initial direct costs from measurements of right-of-use assets at the date of initial application
- Use of post-fact judgments for calculating lease period, etc. for leases for which agreements include extension or cancellation options

#### 4. Impact on Consolidated Financial Statements for the Six-Month Period Ended September 30, 2019

As a result of the application of IFRS 16, ¥68,720 million in additional lease-related assets, including right-of-use assets, and ¥70,498 million in additional lease liabilities were recognized on the consolidated statements of financial position on the date of initial application.

In addition, the method of accounting for operating lease payments as lessees recorded on the consolidated statements of profit or loss as expenses at time of incurring under the previously applied IAS 17 have changed to recognize these payments as depreciation on right-of-use assets and as interest expenses on lease liabilities. Accordingly, the method recognition for these payments on the consolidated statements of cash flows have changed from recognition as a net cash outflow from operating activities to recognition as repayment of lease liabilities which account for a net cash outflows from financing activities. The impact of these changes on [profit and loss items / the consolidated statements of profit or loss] in the first half ended September 30, 2019, was minimal.



## (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 (loss)	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 (loss)	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.

# 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)
<b><u>Cash flows from operating activities</u></b>		
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)
<b>Net cash provided (used) by/in operating activities</b>	<b>51,695</b>	<b>61,386</b>
<b><u>Cash flows from investing activities</u></b>		
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)
<b>Net cash provided (used) by/in investing activities</b>	<b>(25,770)</b>	<b>(21,334)</b>
<b><u>Cash flows from financing activities</u></b>		
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
<b>Net cash provided (used) by/in financing activities</b>	<b>(27,782)</b>	<b>(26,699)</b>
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
<b>① Net cash provided from operating activities</b>		
	(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.
<b>Total</b>	<b>61.4</b>	
<b>② Net cash provided (used) by/in investing activities</b>		
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
<b>Total</b>	<b>(21.3)</b>	
<b>Free cash flow (①+②)</b>	<b>40.1</b>	
<b>③ Net cash provided (used) by/in financing activities</b>		
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)	
<b>Total</b>	<b>(26.7)</b>	

## 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
<b>Total</b>	<b>432</b>	<b>434</b>	<b>2</b>

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
<b>Total</b>	<b>72.6</b>	<b>0.7</b>	<b>10.1</b>	<b>174.9</b>	<b>46.9</b>	<b>70.4</b>	<b>375.4</b>	<b>378.8</b>

(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
<b>Total</b>	<b>80.0</b>	<b>0.7</b>	<b>10.6</b>	<b>185.5</b>	<b>49.5</b>	<b>67.3</b>	<b>393.7</b>	<b>402.2</b>

## 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)
<b>Total</b>	<b>1,919</b>	<b>16,715</b>	<b>18,634</b>	<b>1,976</b>	<b>17,254</b>	<b>19,230</b>	<b>57</b>	<b>539</b>	<b>596</b>

(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
<b>Automotive</b>		
	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
<b>Aerospace &amp; Transportation Project</b>		
	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
<b>Energy &amp; Social Infrastructure</b>		
	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
<b>Food &amp; Agriculture Business</b>		
	2019/5/29	Sojitz Develops “TUNA SCOPE”, A New AI Technology to Assess Tuna Quality
<b>Retail &amp; Lifestyle Business</b>		
	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
<b>Industrial Infrastructure &amp; Urban Development</b>		
	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
<b>Other</b>		
	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
<b>Current assets</b>										
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
<b>Total current assets</b>	<b>1,286,066</b>	<b>1,338,596</b>	<b>1,291,178</b>	<b>1,321,824</b>	<b>1,323,497</b>	<b>1,146,344</b>	<b>1,229,747</b>	<b>1,376,297</b>	<b>1,267,650</b>	<b>1,250,386</b>
<b>Non-current assets</b>										
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
<b>Total non-current assets</b>	<b>884,079</b>	<b>852,095</b>	<b>858,871</b>	<b>898,411</b>	<b>973,860</b>	<b>910,325</b>	<b>908,719</b>	<b>974,053</b>	<b>1,029,409</b>	<b>1,070,793</b>
<b>Total assets</b>	<b>2,170,145</b>	<b>2,190,692</b>	<b>2,150,050</b>	<b>2,220,236</b>	<b>2,297,358</b>	<b>2,056,670</b>	<b>2,138,466</b>	<b>2,350,351</b>	<b>2,297,059</b>	<b>2,321,180</b>
<b>Current liabilities</b>										
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	-	-
<b>Total current liabilities</b>	<b>865,299</b>	<b>939,317</b>	<b>848,926</b>	<b>811,850</b>	<b>780,538</b>	<b>673,776</b>	<b>717,748</b>	<b>845,918</b>	<b>807,098</b>	<b>809,012</b>
<b>Non-current liabilities</b>										
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
<b>Total non-current liabilities</b>	<b>931,622</b>	<b>896,193</b>	<b>889,824</b>	<b>915,426</b>	<b>926,163</b>	<b>833,176</b>	<b>842,747</b>	<b>879,308</b>	<b>828,353</b>	<b>872,104</b>
<b>Total liabilities</b>	<b>1,796,922</b>	<b>1,835,511</b>	<b>1,738,751</b>	<b>1,727,277</b>	<b>1,706,702</b>	<b>1,506,953</b>	<b>1,560,495</b>	<b>1,725,227</b>	<b>1,635,451</b>	<b>1,681,117</b>
<b>Equity</b>										
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
<b>Total equity</b>	<b>373,223</b>	<b>355,180</b>	<b>411,298</b>	<b>492,959</b>	<b>590,656</b>	<b>549,716</b>	<b>577,970</b>	<b>625,124</b>	<b>661,607</b>	<b>640,063</b>
<b>Total liabilities and equity</b>	<b>2,170,145</b>	<b>2,190,692</b>	<b>2,150,050</b>	<b>2,220,236</b>	<b>2,297,358</b>	<b>2,056,670</b>	<b>2,138,466</b>	<b>2,350,351</b>	<b>2,297,059</b>	<b>2,321,180</b>

(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
<b>Revenue</b>									
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
<b>Total revenue</b>	<b>2,006,649</b>	<b>1,747,750</b>	<b>1,803,104</b>	<b>1,809,701</b>	<b>1,658,072</b>	<b>1,555,349</b>	<b>1,816,459</b>	<b>1,856,190</b>	<b>893,832</b>
<b>Cost of sales</b>	<b>(1,789,582)</b>	<b>(1,560,504)</b>	<b>(1,604,882)</b>	<b>(1,612,013)</b>	<b>(1,477,333)</b>	<b>(1,354,664)</b>	<b>(1,584,078)</b>	<b>(1,615,233)</b>	<b>(784,095)</b>
<b>Gross profit</b>	<b>217,066</b>	<b>187,245</b>	<b>198,221</b>	<b>197,688</b>	<b>180,739</b>	<b>200,685</b>	<b>232,380</b>	<b>240,956</b>	<b>109,737</b>
Selling, general and administrative expenses	(153,663)	(151,091)	(151,628)	(149,739)	(154,416)	(153,038)	(162,662)	(173,433)	(85,620)
<b>Other income (expenses)</b>									
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)
<b>Total Financial income</b>	<b>8,875</b>	<b>8,022</b>	<b>9,213</b>	<b>9,395</b>	<b>8,242</b>	<b>8,068</b>	<b>10,321</b>	<b>12,395</b>	
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
<b>Total Financial costs</b>	<b>(24,186)</b>	<b>(21,247)</b>	<b>(19,855)</b>	<b>(18,975)</b>	<b>(16,379)</b>	<b>(14,405)</b>	<b>(14,874)</b>	<b>(15,290)</b>	
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)
<b>Share of profit (loss) of investments accounted for using the equity method</b>	<b>16,296</b>	<b>15,784</b>	<b>30,979</b>	<b>28,613</b>	<b>23,163</b>	<b>12,673</b>	<b>25,057</b>	<b>27,779</b>	<b>(97)</b>
<b>Profit before tax</b>	<b>58,457</b>	<b>28,052</b>	<b>44,033</b>	<b>52,584</b>	<b>44,269</b>	<b>57,955</b>	<b>80,343</b>	<b>94,882</b>	<b>13,215</b>
<b>Income tax expenses</b>	<b>(56,735)</b>	<b>(11,058)</b>	<b>(11,949)</b>	<b>(14,933)</b>	<b>(7,782)</b>	<b>(13,879)</b>	<b>(18,648)</b>	<b>(19,662)</b>	<b>35,259</b>
<b>Profit for the year</b>	<b>1,722</b>	<b>16,993</b>	<b>32,083</b>	<b>37,650</b>	<b>36,486</b>	<b>44,075</b>	<b>61,694</b>	<b>75,219</b>	<b>(3,616)</b>
<b>Profit attributable to:</b>									
<b>Owners of the Company</b>	<b>(1,040)</b>	<b>13,448</b>	<b>27,250</b>	<b>33,075</b>	<b>36,526</b>	<b>40,760</b>	<b>56,842</b>	<b>70,419</b>	<b>31,643</b>
Non-controlling interests	2,762	3,544	4,833	4,575	(39)	3,314	4,852	4,799	29,517
<b>Core earnings *2</b>	<b>65.8</b>	<b>38.5</b>	<b>68.0</b>	<b>66.3</b>	<b>41.6</b>	<b>54.2</b>	<b>90.8</b>	<b>93.2</b>	<b>35.5</b>

(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
<b>Profit for the year</b>	<b>1,722</b>	<b>16,993</b>	<b>32,083</b>	<b>37,650</b>	<b>36,486</b>	<b>44,075</b>	<b>61,694</b>	<b>75,219</b>	<b>31,643</b>
<b>Other comprehensive income</b>									
<b>Items that will not be reclassified to profit or loss</b>									
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)
<b>Total items that will not be reclassified to profit or loss</b>	<b>(1,883)</b>	<b>10,774</b>	<b>14,639</b>	<b>45,862</b>	<b>(6,826)</b>	<b>6,768</b>	<b>3,927</b>	<b>(6,725)</b>	<b>(15,331)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>									
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)
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(13,450)</b>	<b>33,980</b>	<b>41,763</b>	<b>31,405</b>	<b>(58,065)</b>	<b>(6,710)</b>	<b>(14,295)</b>	<b>(13,545)</b>	<b>(21,576)</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>(15,334)</b>	<b>44,754</b>	<b>56,403</b>	<b>77,268</b>	<b>(64,892)</b>	<b>57</b>	<b>(10,368)</b>	<b>(20,270)</b>	<b>(36,907)</b>
<b>Total comprehensive income for the year</b>	<b>(13,611)</b>	<b>61,748</b>	<b>88,487</b>	<b>114,919</b>	<b>(28,405)</b>	<b>44,133</b>	<b>51,326</b>	<b>54,948</b>	<b>(5,264)</b>
<b>Total comprehensive income attributable to:</b>									
<b>Owners of the Company</b>	<b>(16,177)</b>	<b>56,171</b>	<b>82,221</b>	<b>107,347</b>	<b>(25,379)</b>	<b>40,289</b>	<b>47,430</b>	<b>50,938</b>	<b>(6,595)</b>
Non-controlling interests	2,665	5,576	6,265	7,571	(3,025)	3,843	3,896	4,010	1,330
<b>Total</b>	<b>(13,611)</b>	<b>61,748</b>	<b>88,487</b>	<b>114,919</b>	<b>(28,405)</b>	<b>44,133</b>	<b>51,326</b>	<b>54,948</b>	<b>(5,264)</b>

(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
<b>Cash flows from operating activities</b>									
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)
<b>Subtotal</b>	<b>110,550</b>	<b>74,825</b>	<b>59,498</b>	<b>47,408</b>	<b>106,986</b>	<b>13,702</b>	<b>107,578</b>	<b>106,696</b>	<b>56,398</b>
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)
<b>Net cash provided (used) by/in operating activities</b>	<b>88,723</b>	<b>55,124</b>	<b>46,997</b>	<b>39,109</b>	<b>99,939</b>	<b>857</b>	<b>98,812</b>	<b>96,476</b>	<b>61,386</b>
<b>Cash flows from investing activities</b>									
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)
<b>Net cash provided (used) by/in investing activities</b>	<b>(42,280)</b>	<b>(11,652)</b>	<b>(24,469)</b>	<b>(13,792)</b>	<b>(33,910)</b>	<b>(32,179)</b>	<b>(86,407)</b>	<b>(42,200)</b>	<b>(21,334)</b>
<b>Free Cash Flow</b>	<b>46,443</b>	<b>43,472</b>	<b>22,528</b>	<b>25,317</b>	<b>66,029</b>	<b>(31,322)</b>	<b>12,405</b>	<b>54,276</b>	<b>40,052</b>
<b>Cash flows from financing activities</b>									
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
<b>Net cash provided (used) by/in financing activities</b>	<b>(29,530)</b>	<b>(56,177)</b>	<b>(30,931)</b>	<b>(42,600)</b>	<b>(114,695)</b>	<b>(4,029)</b>	<b>(13,052)</b>	<b>(74,907)</b>	<b>(26,699)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>16,913</b>	<b>(12,706)</b>	<b>(8,403)</b>	<b>(17,282)</b>	<b>(48,666)</b>	<b>(35,550)</b>	<b>(648)</b>	<b>(20,631)</b>	<b>13,353</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>411,632</b>	<b>425,595</b>	<b>424,371</b>	<b>420,658</b>	<b>403,748</b>	<b>344,414</b>	<b>308,632</b>	<b>305,241</b>	<b>285,687</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(2,950)</b>	<b>11,481</b>	<b>4,690</b>	<b>372</b>	<b>(10,667)</b>	<b>(430)</b>	<b>(2,742)</b>	<b>1,076</b>	<b>(2,434)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>425,595</b>	<b>424,371</b>	<b>420,658</b>	<b>403,748</b>	<b>344,414</b>	<b>308,632</b>	<b>305,241</b>	<b>285,687</b>	<b>296,606</b>

(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
<b>Current assets</b>										
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)
<b>Total current assets</b>	<b>1,734,918</b>	<b>1,423,129</b>	<b>1,510,454</b>	<b>1,615,081</b>	<b>1,675,946</b>	<b>1,473,172</b>	<b>1,285,277</b>	<b>1,266,629</b>	<b>1,298,151</b>	<b>1,264,271</b>
<b>Property, plant and equipment</b>	<b>493,163</b>	<b>246,652</b>	<b>246,665</b>	<b>229,966</b>	<b>232,018</b>	<b>209,720</b>	<b>222,665</b>	<b>215,774</b>	<b>233,260</b>	<b>228,332</b>
<b>Intangible assets</b>	<b>66,228</b>	<b>103,850</b>	<b>100,131</b>	<b>99,127</b>	<b>133,343</b>	<b>114,855</b>	<b>114,445</b>	<b>132,595</b>	<b>124,497</b>	<b>126,114</b>
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
<b>Investments and other assets</b>	<b>781,335</b>	<b>673,924</b>	<b>663,403</b>	<b>671,857</b>	<b>625,514</b>	<b>513,798</b>	<b>538,093</b>	<b>501,678</b>	<b>464,419</b>	<b>467,500</b>
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)
<b>Total noncurrent assets</b>	<b>1,340,726</b>	<b>1,024,427</b>	<b>1,010,200</b>	<b>1,000,951</b>	<b>990,875</b>	<b>838,375</b>	<b>875,204</b>	<b>850,049</b>	<b>822,177</b>	<b>821,947</b>
Deferred assets	1,377	921	1,024	3,475	2,529	1,410	436	281	266	190
<b>Total assets</b>	<b>3,077,022</b>	<b>2,448,478</b>	<b>2,521,679</b>	<b>2,619,507</b>	<b>2,669,352</b>	<b>2,312,958</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>2,120,596</b>	<b>2,086,410</b>
<b>Current liabilities</b>										
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
<b>Total current liabilities</b>	<b>2,212,318</b>	<b>1,754,681</b>	<b>1,416,716</b>	<b>1,219,497</b>	<b>1,383,451</b>	<b>1,039,857</b>	<b>841,533</b>	<b>890,544</b>	<b>947,422</b>	<b>859,010</b>
<b>Noncurrent liabilities</b>										
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
<b>Total noncurrent liabilities</b>	<b>536,459</b>	<b>380,206</b>	<b>640,887</b>	<b>868,374</b>	<b>765,572</b>	<b>917,597</b>	<b>941,981</b>	<b>870,905</b>	<b>842,702</b>	<b>844,862</b>
<b>Total liabilities</b>	<b>2,748,778</b>	<b>2,134,887</b>	<b>2,057,603</b>	<b>2,087,872</b>	<b>2,149,024</b>	<b>1,957,454</b>	<b>1,783,514</b>	<b>1,761,449</b>	<b>1,790,125</b>	<b>1,703,872</b>
<b>Shareholders' equity</b>	<b>392,391</b>	<b>331,674</b>	<b>389,677</b>	<b>428,464</b>	<b>451,619</b>	<b>454,491</b>	<b>458,819</b>	<b>471,688</b>	<b>464,026</b>	<b>470,808</b>
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)
<b>Accumulated Other Comprehensive Income</b>	<b>(76,156)</b>	<b>(51,433)</b>	<b>37,273</b>	<b>60,122</b>	<b>24,412</b>	<b>(135,500)</b>	<b>(106,402)</b>	<b>(141,659)</b>	<b>(158,121)</b>	<b>(117,272)</b>
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)
<b>Minority interests</b>	<b>12,009</b>	<b>33,349</b>	<b>37,125</b>	<b>43,048</b>	<b>44,296</b>	<b>36,512</b>	<b>24,987</b>	<b>25,481</b>	<b>24,565</b>	<b>29,000</b>
<b>Total net assets</b>	<b>328,244</b>	<b>313,590</b>	<b>464,076</b>	<b>531,635</b>	<b>520,327</b>	<b>355,503</b>	<b>377,404</b>	<b>355,510</b>	<b>330,471</b>	<b>382,537</b>
<b>Total liabilities and net assets</b>	<b>3,077,022</b>	<b>2,448,478</b>	<b>2,521,679</b>	<b>2,619,507</b>	<b>2,669,352</b>	<b>2,312,958</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>2,120,596</b>	<b>2,086,410</b>

**Change of Consolidated Statements of Income (JGAAP)**

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<b>Net sales</b>	<b>5,861,737</b>	<b>4,675,903</b>	<b>4,972,059</b>	<b>5,218,153</b>	<b>5,771,028</b>	<b>5,166,182</b>	<b>3,844,418</b>	<b>4,014,639</b>	<b>4,494,237</b>	<b>3,955,907</b>
<b>Cost of sales</b>	<b>(5,612,714)</b>	<b>(4,431,656)</b>	<b>(4,729,892)</b>	<b>(4,963,686)</b>	<b>(5,493,296)</b>	<b>(4,930,564)</b>	<b>(3,666,215)</b>	<b>(3,821,914)</b>	<b>(4,262,671)</b>	<b>(3,763,842)</b>
<b>Gross profit</b>	<b>249,022</b>	<b>244,247</b>	<b>242,166</b>	<b>254,466</b>	<b>277,732</b>	<b>235,618</b>	<b>178,203</b>	<b>192,725</b>	<b>231,566</b>	<b>192,064</b>
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)
<b>Operating income</b>	<b>59,948</b>	<b>65,521</b>	<b>76,202</b>	<b>77,932</b>	<b>92,363</b>	<b>52,006</b>	<b>16,128</b>	<b>37,519</b>	<b>64,522</b>	<b>33,305</b>
<b>Non-operating income</b>	<b>58,269</b>	<b>51,648</b>	<b>59,718</b>	<b>62,030</b>	<b>61,095</b>	<b>29,977</b>	<b>37,245</b>	<b>43,973</b>	<b>37,142</b>	<b>39,952</b>
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
<b>Total non-operating income</b>	<b>▲ 69,757</b>	<b>▲ 59,082</b>	<b>▲ 57,147</b>	<b>(50,427)</b>	<b>(51,979)</b>	<b>(48,347)</b>	<b>(39,672)</b>	<b>(36,176)</b>	<b>(39,436)</b>	<b>(38,779)</b>
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)
<b>Ordinary income</b>	<b>48,461</b>	<b>58,088</b>	<b>78,773</b>	<b>89,535</b>	<b>101,480</b>	<b>33,636</b>	<b>13,702</b>	<b>45,316</b>	<b>62,228</b>	<b>34,478</b>
Extraordinary income/losses - net	(90,563)	(438,167)	(9,358)	(1,449)	(13,135)	3,434	5,192	(6,004)	(775)	(2,759)
<b>Income before income taxes and minority interests</b>	<b>(42,101)</b>	<b>(380,079)</b>	<b>69,414</b>	<b>88,085</b>	<b>88,344</b>	<b>37,070</b>	<b>18,894</b>	<b>39,312</b>	<b>61,454</b>	<b>31,719</b>
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)
<b>Income before minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,626</b>	<b>18,808</b>	<b>(850)</b>	<b>18,265</b>
Minority interests in income	(2,282)	(2,778)	(3,383)	(5,506)	(3,469)	(1,330)	(1,832)	(2,826)	(2,799)	(4,002)
<b>Net income</b>	<b>(33,609)</b>	<b>(412,475)</b>	<b>43,706</b>	<b>58,766</b>	<b>62,693</b>	<b>19,001</b>	<b>8,794</b>	<b>15,981</b>	<b>(3,649)</b>	<b>14,263</b>
										(Billions of Yen)
<b>Core earnings</b>	<b>41.9</b>	<b>51.4</b>	<b>78.5</b>	<b>89.8</b>	<b>110.7</b>	<b>48.3</b>	<b>14.4</b>	<b>41.9</b>	<b>65.0</b>	<b>35.4</b>

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
<b>Income before minority interests</b>	<b>10,626</b>	<b>18,808</b>	<b>(850)</b>	<b>18,265</b>
<b>Other comprehensive income</b>	<b>29,563</b>	<b>(35,462)</b>	<b>(16,772)</b>	<b>38,585</b>
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
<b>comprehensive income</b>	<b>40,189</b>	<b>(16,653)</b>	<b>(17,622)</b>	<b>56,851</b>
(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
<b>Net cash provided by (used in) operating activities</b>										
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
<b>Subtotal</b>	<b>118,898</b>	<b>18,905</b>	<b>78,502</b>	<b>40,296</b>	<b>54,297</b>	<b>120,218</b>	<b>125,972</b>	<b>89,506</b>	<b>113,145</b>	<b>72,448</b>
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)
<b>Net cash provided by (used in) operating activities</b>	<b>87,160</b>	<b>(19,774)</b>	<b>43,155</b>	<b>7,040</b>	<b>35,407</b>	<b>103,729</b>	<b>107,222</b>	<b>67,863</b>	<b>91,600</b>	<b>51,524</b>
<b>Net cash provided by (used in) investing activities</b>										
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)
<b>Net cash provided by (used in) investing activities</b>	<b>73,030</b>	<b>241,109</b>	<b>99,155</b>	<b>42,706</b>	<b>(68,723)</b>	<b>(17,198)</b>	<b>28,439</b>	<b>(19,903)</b>	<b>(42,287)</b>	<b>(13,580)</b>
<b>Free Cash Flow</b>	<b>160,190</b>	<b>221,335</b>	<b>142,310</b>	<b>49,746</b>	<b>(33,316)</b>	<b>86,531</b>	<b>135,661</b>	<b>47,960</b>	<b>49,313</b>	<b>37,944</b>
<b>Net cash provided by (used in) financing activities</b>										
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)
<b>Net cash provided by (used in) financing activities</b>	<b>(68,602)</b>	<b>(212,264)</b>	<b>(55,805)</b>	<b>(95,476)</b>	<b>(53,723)</b>	<b>(5,958)</b>	<b>(102,597)</b>	<b>(72,054)</b>	<b>(36,376)</b>	<b>(52,737)</b>
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
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>85,958</b>	<b>8,188</b>	<b>98,426</b>	<b>(42,310)</b>	<b>(91,328)</b>	<b>40,241</b>	<b>39,890</b>	<b>(38,564)</b>	<b>12,012</b>	<b>(2,902)</b>
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)	-	-
<b>Cash and cash equivalents</b>	<b>401,240</b>	<b>409,266</b>	<b>506,254</b>	<b>464,273</b>	<b>373,883</b>	<b>414,419</b>	<b>454,262</b>	<b>415,261</b>	<b>427,274</b>	<b>424,371</b>