

Consolidated Financial Results
for the First Half ended September 30, 2020
(From April 1, 2020 to September 30, 2020)

Contents

| | | | | |
|--|----|----|---|---|
| ◆ Consolidated Statements of Cash Flows for the First Half Ended September 30, 2020 | 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, 2020 | P. | 11 | | |
| ◆ Forecast for the Year Ending March 31, 2021 | 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, 2020

(Millions of Yen)

| | For the 1st Half Ended September 30, 2019 (From April 1, 2019 to September 30, 2019) | For the 1st Half Ended September 30, 2020 (From April 1, 2020 to September 30, 2020) |
|--|---|---|
| Cash flows from operating activities | | |
| Profit for the period | 31,643 | 10,454 |
| Depreciation and amortization | 16,319 | 15,674 |
| Impairment loss of fixed assets | 492 | — |
| Financial (income) costs | 2,080 | 1,889 |
| Share of (profit) loss of investments accounted for using the equity method | (13,215) | (4,570) |
| (Gain) loss on sale of fixed assets, net | (392) | (2,055) |
| Income tax expenses | 3,616 | 1,543 |
| (Increase) decrease in trade and other receivables | 22,118 | 73,039 |
| (Increase) decrease in inventories | 4,281 | 29,716 |
| Increase (decrease) in trade and other payables | (11,766) | (34,397) |
| Changes in other assets and liabilities | 2,192 | 7,591 |
| Increase (decrease) in retirement benefits liabilities | 132 | 105 |
| Others | (1,104) | (4,225) |
| Subtotal | 56,398 | 94,764 |
| Interests earned | 3,118 | 2,027 |
| Dividends received | 16,030 | 10,435 |
| Interests paid | (7,628) | (6,251) |
| Income taxes paid | (6,531) | (4,082) |
| Net cash provided (used) by/in operating activities | 61,386 | 96,893 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (11,319) | (8,830) |
| Proceeds from sale of property, plant and equipment | 4,263 | 2,497 |
| Purchase of intangible assets | (2,487) | (5,013) |
| (Increase) decrease in short-term loans receivable | 130 | 375 |
| Payment for long-term loans receivable | (41) | — |
| Collection of long-term loans receivable | 1,022 | 218 |
| Proceeds from (payments for) acquisition of subsidiaries | (525) | (661) |
| Proceeds from (payments for) sale of subsidiaries | — | 6,006 |
| Purchase of investments | (10,068) | (3,316) |
| Proceeds from sale of investments | 5,586 | 3,792 |
| Others | (7,893) | 666 |
| Net cash provided (used) by/in investing activities | (21,334) | (4,264) |
| Cash flows from financing activities | | |
| Increase (decrease) in short-term borrowings and commercial papers | 16,486 | (55,421) |
| Proceeds from long-term borrowings | 46,408 | 83,061 |
| Repayment of long-term borrowings | (59,902) | (63,067) |
| Proceeds from issuance of bonds | — | 9,940 |
| Redemption of bonds | (10,011) | (7) |
| Repayment of lease liabilities | (6,106) | (7,165) |
| Proceeds from non-controlling interest holders | 1,094 | 96 |
| Sales of treasury stock | 6 | 8 |
| Purchase of treasury stock | △ 0 | (5,000) |
| Dividends paid | (11,884) | (10,378) |
| Dividends paid to non-controlling interest holders | (2,791) | (2,570) |
| Others | 2 | (40) |
| Net cash provided (used) by/in financing activities | (26,699) | (50,543) |
| Net increase (decrease) in cash and cash equivalents | 13,353 | 42,084 |
| Cash and cash equivalents at the beginning of the period | 285,687 | 272,651 |
| Effect of exchange rate changes on cash and cash equivalents | (2,434) | 687 |
| Cash and cash equivalents at the end of the period | 296,606 | 315,423 |

Consolidated Statements of Cash Flows
for the First Half Ended September 30, 2020 (Supplementary)

| | <u>FY 2020 1H</u> | <u>Details</u> |
|---|-------------------|--|
| <u>① Net cash provided from operating activities</u> | | |
| | (Billions of Yen) | |
| 1. Profit for the year before tax and depreciation and amortization | 27.7 | |
| 2. Excluding profits/losses that do not affect cash flow | 1.9 | Financial (income) costs, |
| 3. Adjustment of profits/losses related to investment activities | (6.6) | Share of profit of investments accounted for using the equity method Gain (loss) on sale and disposal of fixed assets |
| 4. Other | 73.9 | Decrease in trade and other payable, etc. |
| Total | 96.9 | |
| <u>② Net cash provided (used) by/in investing activities</u> | | |
| 1. Non-current assets | | |
| Purchase of property, plant and equipment | (8.8) | Domestic solar power generation operation, etc. |
| Purchase of intangible assets | (5.0) | Overseas coal businesses, etc. |
| Proceeds from sale of property, plant and equipment | 2.5 | |
| Sub-total | (11.3) | |
| 2. Investments | | |
| Payment for acquisition of subsidiaries and investments | (4.0) | |
| Proceeds from sale of subsidiaries and investments | 9.8 | Natural gas-fired power plant business in the U.S., etc |
| Sub-total | 5.8 | |
| 3. Loans receivable | | |
| (Increase) decrease in short-term loans receivable | 0.4 | |
| Payment for long-term loans receivable | (0.0) | |
| Collection of long-term loans receivable | 0.2 | |
| Sub-total | 0.6 | |
| 4. Other | 0.6 | |
| Total | (4.3) | |
| Free cash flow (①+②) | 92.6 | |
| <u>③ Net cash provided (used) by/in financing activities</u> | | |
| 1. Increase (decrease) in short-term borrowings and commercial papers | (55.4) | |
| 2. Long-term loans payable | | |
| Proceeds from long-term borrowings | 83.1 | |
| Repayment of long-term borrowings | (63.1) | |
| Sub-total | 20.0 | |
| 3. Bonds | | |
| Proceeds from issuance of bonds | 9.9 | |
| Redemption of bonds | 0.0 | |
| Sub-total | 9.9 | |
| 4. Dividends paid | (10.4) | |
| 5. Other | (14.6) | Repayment of lease liabilities, and purchase of treasury stock, etc. |
| Total | (50.5) | |

Segment information

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.

For the first half ended September 30, 2020 (April 1, 2020 – September 30, 2020)

(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 | 71,774 | 9,955 | 48,015 | 24,388 | 171,073 | 183,474 | 67,051 |
| Inter-segment revenue | – | – | 38 | 941 | – | 0 | 5 |
| Total revenue | 71,774 | 9,955 | 48,053 | 25,330 | 171,073 | 183,475 | 67,057 |
| Segment profit | (1,640) | (330) | 2,186 | 1,691 | (1,968) | 1,317 | 4,337 |

| | Reportable segments | | | Others | Reconciliations | Consolidated |
|-----------------------|-----------------------------|---|---------|--------|-----------------|--------------|
| | Retail & Lifestyle Business | Industrial Infrastructure & Urban Development | Total | | | |
| Revenue | | | | | | |
| External revenue | 138,803 | 16,721 | 731,258 | 13,363 | – | 744,622 |
| Inter-segment revenue | 3 | 419 | 1,409 | 52 | (1,461) | – |
| Total revenue | 138,807 | 17,141 | 732,668 | 13,416 | (1,461) | 744,622 |
| Segment profit | 2,579 | (598) | 7,574 | 0 | 1,573 | 9,147 |

Reconciliation of segment profit of 1,573 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to 1,386 million yen, and unallocated dividend income and others of 187 million yen.

Details of Industry Segments

【Revenue】

| | (Billions of Yen) | | | |
|---|-------------------|-----------|---------|---|
| | FY2019 1H | FY2020 1H | Change | <u>Reasons for change</u> |
| Automotive | 117.7 | 71.8 | (45.9) | Decreased due to lower sales volumes in overseas automobile operations as a result of the global COVID-19 pandemic |
| Aerospace & Transportation Project | 17.7 | 10.0 | (7.7) | Decreased due to declines in aircraft transactions |
| Machinery & Medical Infrastructure | 56.6 | 48.0 | (8.6) | Decreased due to declines in industrial machinery transactions |
| Energy & Social Infrastructure | 34.5 | 24.4 | (10.1) | Decreased due to decline in income from overseas natural gas-fired power generation businesses and the application of equity method for a domestic solar power generation business company due to partial sale in the previous year |
| Metals & Mineral Resources | 187.4 | 171.1 | (16.3) | Decreased due to decline in coal prices as a result of the global COVID-19 pandemic and sold a part of coal interests recorded at the end of the previous equivalent period. |
| Chemicals | 226.7 | 183.5 | (43.2) | Decreased due to declines in the price of methanol and lower transaction volumes of plastic resins as a result of the global COVID-19 pandemic |
| Foods & Agriculture Business | 65.6 | 67.1 | 1.5 | Increased due to higher transaction volumes in overseas fertilizer businesses |
| Retail & Lifestyle Business | 155.1 | 138.8 | (16.3) | Decreased due to lower lumber and meat transactions as well as decreased revenue from textile businesses due to the global COVID-19 pandemic |
| Industrial Infrastructure & Urban Development | 17.4 | 16.7 | (0.7) | Decreased due to lower number of overseas industrial parks delivered |
| Other | 15.1 | 13.2 | (1.9) | |
| Consolidated | 893.8 | 744.6 | (149.2) | |

【Profit for the year】

| | (Billions of Yen) | | | |
|---|-------------------|-----------|--------|---|
| | FY2019 1H | FY2020 1H | Change | <u>Reasons for change</u> |
| Automotive | 1.5 | (1.6) | (3.1) | Decreased due to reduced automobile sales as a result of the global COVID-19 pandemic |
| Aerospace & Transportation Project | 0.6 | (0.3) | (0.9) | Decreased due to reduced aircraft and marine vessels related transactions |
| Machinery & Medical Infrastructure | 1.5 | 2.2 | 0.7 | Increased due to higher returns from medical infrastructure business |
| Energy & Social Infrastructure | 3.4 | 1.7 | (1.7) | Decreased, despite the assets replacement in power generation businesses, due to deterioration of crude oil market conditions and the absence of gains on sales of power generation businesses and oil interests recorded in the previous equivalent period |
| Metals & Mineral Resources | 9.8 | (2.0) | (11.8) | Decreased due to steel demand declines and coal market stagnated as a result of the global COVID-19 pandemic |
| Chemicals | 4.8 | 1.3 | (3.5) | Decreased due to impacts from the drop in methanol prices as a result of the global COVID-19 pandemic |
| Foods & Agriculture Business | 1.2 | 4.3 | 3.1 | Increased due to higher profitability in overseas fertilizer businesses from lower production costs and higher sales volumes and the absence of losses on domestic marine products business recorded in the previous equivalent period |
| Retail & Lifestyle Business | 2.8 | 2.6 | (0.2) | Decreased, despite gains on sales of shopping mall, due to sluggish domestic consumption as a result of the global COVID-19 pandemic |
| Industrial Infrastructure & Urban Development | 0.6 | (0.6) | (1.2) | Decreased due to lower number of overseas industrial parks delivered |
| Other | 3.3 | 1.5 | (1.8) | |
| Consolidated | 29.5 | 9.1 | (20.4) | |

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 2020
(April 1, 2020 - September 30, 2020)

| (Number of Companies) | As of March 31, 2020 | As of September 30, 2020 | Changes |
|--------------------------|----------------------------|--------------------------------|------------|
| Subsidiaries | 300 | 295 | (5) |
| Equity-method Associates | 130 | 128 | (2) |
| Total | 430 | 423 | (7) |

Changes in major subsidiaries during the first half of FY2020 (April 1, 2020 - September 30, 2020)

○ **Major new subsidiaries**

Consolidated subsidiaries

| (Segment) | (Company name) | (Main business) |
|------------|----------------------------------|---|
| Automotive | Sojitz Auto Group Japan Co., Ltd | Automobile dealership, repair, and lease business |

Equity-method associates

| (Segment) | (Company name) | (Main business) |
|------------|-------------------------|--------------------------------|
| Automotive | GMO Mobility Cloud K.K. | Connected car-related services |

○ **Major companies excluded from consolidation**

Consolidated subsidiaries

| (Segment) | (Company name) | (Main business) |
|-----------------------------|--|--|
| Retail & Lifestyle Business | FRC Corporation | Ownership, leasing, management and operation of building |
| Retail & Lifestyle Business | Vietnam-Japan Woodworking and Woodchip Dung Quat Corporation | Afforestation; manufacture and sales of woodchips |

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 | 1.3 | 0.8 | 0.1 |

Decrease

(Billions of Yen)

| | Revenue | Gross Profit | Profit for the period |
|---------------------------|---------|--------------|-----------------------|
| Consolidated subsidiaries | (8.7) | (3.4) | (0.7) |

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

(Billions of Yen)

| Segment | Company | Main Business | Group Ownership | | FY2019 1H | FY2019 | FY2020 1H |
|---|--|---|-----------------|---------------------|-----------|--------|-----------|
| Automotive | Sojitz Autrans Corporation | Automotive parts business | 100.0% | Gross Profit | 1.2 | 2.0 | 0.5 |
| | | | | Profit for the Year | 0.5 | 0.7 | 0.0 |
| | Sojitz Automotive Group, Inc. | Automobile dealership | 100.0% | Gross Profit | 5.7 | 11.3 | 4.1 |
| | | | | Profit for the Year | 0.6 | 1.2 | 0.3 |
| | Sojitz de Puerto Rico Corporation | Import and sales of automobiles | 100.0% | Gross Profit | 2.0 | 3.7 | 1.1 |
| | | | | Profit for the Year | 0.6 | 0.9 | 0.0 |
| | Subaru Motor LLC | Import and exclusive distribution of automobiles | 65.6% | Gross Profit | 0.8 | 1.6 | 1.0 |
| | | | | Profit for the Year | (0.2) | (0.2) | 0.3 |
| | Sojitz Quality, Inc | Investment in automotive parts quality inspection services | 100.0% | Gross Profit | 1.9 | 3.6 | 0.7 |
| | | | | Profit for the Year | 0.1 | 0.1 | (0.2) |
| Aerospace & Transportation Project | Sojitz Aerospace Corporation | Import/export and sales of aerospace-related equipment, components and materials | 100.0% | Gross Profit | 1.9 | 3.9 | 1.4 |
| | | | | Profit for the Year | 0.6 | 1.1 | 0.4 |
| | 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 | 1.0 |
| | | | | Profit for the Year | 0.3 | 0.6 | 0.0 |
| | Sojitz Transit & Railway Canada Inc. | General repair and remanufacturing of railway rolling stock/Equity-method associate | 74.9% | Gross Profit | 0.0 | 0.0 | 0.4 |
| | | | | Profit for the Year | 0.2 | 0.5 | 0.6 |
| Machinery & Medical Infrastructure | Sojitz Machinery Corporation | Import/export and sales of general machinery | 100.0% | Gross Profit | 2.9 | 6.4 | 2.7 |
| | | | | Profit for the Year | 0.5 | 1.5 | 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 | 1.2 | 3.5 | 1.9 |
| | First Technology China Ltd. | Sales and service of surface-mounting machines and semiconductor-related equipment | 100.0% | Gross Profit | 1.2 | 2.0 | 1.0 |
| | | | | 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 | 5.2 | 11.2 | 4.4 |
| | | | | Profit for the Year | 0.3 | 1.2 | (0.1) |
| | Tokyo Yuso Corporation | Tank storage operations for petroleum and chemical products | 100.0% | Gross Profit | 0.5 | 1.0 | 0.5 |
| | | | | Profit for the Year | 0.2 | 0.4 | 0.2 |
| Metals & Mineral Resources | Sojitz Development Pty. Ltd.* | Investment in coal mines | 100.0% | Gross Profit | 3.5 | 3.1 | (1.4) |
| | | | | Profit for the Year | 2.3 | 1.5 | (2.0) |
| | Sojitz Resources (Australia) Pty. Ltd. | Investment in an alumina refinery | 100.0% | Gross Profit | 0.2 | 0.8 | 0.0 |
| | | | | Profit for the Year | 0.0 | 0.3 | (0.2) |
| Chemicals | Sojitz Pla-Net Corporation | Trading and sale of plastics and related products | 100.0% | Gross Profit | 5.1 | 10.2 | 4.0 |
| | | | | Profit for the Year | 0.4 | 1.0 | 0.3 |
| | PT. Kaltim Methanol Industri | Manufacture and sale of methanol | 85.0% | Gross Profit | 3.0 | 4.7 | 0.1 |
| | | | | Profit for the Year | 2.2 | 3.3 | 0.0 |
| | solvadis deutschland gmbh | Trading and sale of chemical products | 100.0% | Gross Profit | 2.2 | 4.4 | 2.3 |
| | | | | Profit for the Year | 0.2 | 0.5 | 0.2 |
| Foods & Agriculture Business | Atlas Fertilizer Corporation | Manufacture and sales of fertilizers, sales of imported fertilizer products | 100.0% | Gross Profit | 1.3 | 2.7 | 2.3 |
| | | | | Profit for the Year | 0.4 | 0.7 | 1.0 |
| | Japan Vietnam Fertilizer Company | Manufacture and sales of fertilizers | 75.0% | Gross Profit | 0.7 | 1.4 | 0.8 |
| | | | | Profit for the Year | 0.1 | 0.2 | 0.2 |
| Retail & Lifestyle Business | Sojitz Building Materials Corporation | Trading company specializing in sales of construction materials | 100.0% | Gross Profit | 2.3 | 4.8 | 2.3 |
| | | | | Profit for the Year | 0.0 | 0.1 | 0.1 |
| | 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 | 3.8 | 7.7 | 3.4 |
| | | | | Profit for the Year | 1.2 | 2.3 | 1.1 |
| | Sojitz Fashion Co., Ltd. | Printing of cotton and synthetic textiles, processing and wholesale of non-patterned and dyed fabrics | 100.0% | Gross Profit | 1.4 | 2.8 | 1.3 |
| | | | | Profit for the Year | 0.3 | 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 | 1.3 | 3.1 | 1.2 |
| | | | | Profit for the Year | 0.2 | 0.5 | (0.1) |

*Sojitz Coal Resources Pty. Ltd. was changed the name of the company Sojitz Development Pty. Ltd. from July 1, 2020.

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

(Billions of Yen)

| Segment | Company | Main Business | Group Ownership | | FY2019 1H | FY2019 | FY2020 1H |
|--------------------------------|--|--------------------------------------|-----------------|--------------------|-----------|--------|-----------|
| Energy & Social Infrastructure | LNG Japan Corporation | LNG business and related investments | 50.0% | Equity in Earnings | 1.2 | 3.9 | 0.7 |
| Metals & Mineral Resources | Japan Alumina Associates (Australia) Pty. Ltd. | Production of alumina | 50.0% | Equity in Earnings | 0.4 | 0.4 | 0.2 |
| | Metal One Corporation | Integrated steel trading company | 40.0% | Equity in Earnings | 5.1 | 9.2 | 0.1 |

*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.

*Group ownership is as of the end of September 30, 2020

Country Risk Exposure (Consolidated)

Exposure (As of September 30, 2020)

(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 | 3.9 | 0.0 | 0.0 | 22.9 | 28.4 | 9.6 | 64.8 | 70.3 |
| Indonesia | 13.7 | 0.1 | 8.8 | 4.5 | 3.7 | 2.5 | 33.3 | 46.7 |
| Philippines | 12.4 | 0.1 | 0.0 | 9.4 | 3.3 | 6.2 | 31.5 | 28.6 |
| China (include Hong Kong) | 10.3 | 0.0 | 0.2 | 49.5 | 6.0 | 4.8 | 70.7 | 69.5 |
| (China) | 8.8 | 0.0 | 0.2 | 35.9 | 2.8 | 1.9 | 49.6 | 56.4 |
| (Hong Kong) | 1.5 | 0.0 | 0.0 | 13.6 | 3.2 | 2.9 | 21.1 | 13.1 |
| Brazil | 2.1 | 0.2 | 0.2 | 2.6 | 1.3 | 11.8 | 18.2 | 42.4 |
| Argentina | 0.2 | 0.0 | 0.0 | 0.4 | 0.0 | 0.2 | 0.8 | 0.4 |
| Russia | 1.4 | 0.0 | 0.0 | 8.5 | 3.1 | 5.9 | 18.9 | 16.6 |
| India | 8.9 | 0.0 | 0.3 | 23.8 | 0.7 | 4.2 | 38.0 | 29.3 |
| Vietnam | 7.8 | 0.2 | 0.2 | 13.2 | 6.0 | 20.1 | 47.4 | 43.1 |
| Turkey | 0.0 | 0.0 | 0.0 | 1.4 | 0.4 | 0.0 | 1.8 | 8.4 |
| Total | 60.7 | 0.6 | 9.7 | 136.2 | 52.9 | 65.3 | 325.4 | 355.3 |

(Reference)

Exposure (As of March 31, 2020)

(Billions of Yen)

| | Investments | Loans | Guarantees | Operating Receivables | Cash and Deposits, etc. | Other Assets | Country risk | Substantial country risk |
|---------------------------|-------------|-------|------------|-----------------------|-------------------------|--------------|--------------|--------------------------|
| Thailand | 3.9 | 0.0 | 0.0 | 26.6 | 23.9 | 10.0 | 64.4 | 68.2 |
| Indonesia | 16.1 | 0.1 | 9.1 | 10.1 | 3.9 | 2.9 | 42.1 | 55.8 |
| Philippines | 12.9 | 0.1 | 0.0 | 9.5 | 2.4 | 6.0 | 30.9 | 28.0 |
| China (include Hong Kong) | 10.8 | 0.0 | 0.2 | 41.1 | 8.0 | 4.9 | 65.0 | 64.0 |
| (China) | 9.2 | 0.0 | 0.2 | 31.7 | 4.1 | 2.0 | 47.2 | 55.3 |
| (Hong Kong) | 1.6 | 0.0 | 0.0 | 9.4 | 3.9 | 2.9 | 17.8 | 8.7 |
| Brazil | 2.1 | 0.2 | 0.2 | 5.6 | 1.0 | 12.1 | 21.2 | 45.3 |
| Argentina | 0.2 | 0.0 | 0.0 | 1.0 | 0.0 | 0.3 | 1.5 | 0.4 |
| Russia | 1.7 | 0.0 | 0.0 | 16.1 | 3.8 | 6.1 | 27.8 | 24.0 |
| India | 13.0 | 0.0 | 0.3 | 44.5 | 0.4 | 4.1 | 62.3 | 44.3 |
| Vietnam | 8.1 | 0.2 | 0.2 | 14.1 | 5.8 | 20.8 | 49.2 | 33.9 |
| Turkey | 0.0 | 0.0 | 0.0 | 1.6 | 0.2 | 0.0 | 1.9 | 4.6 |
| Total | 68.8 | 0.6 | 10.0 | 170.2 | 49.4 | 67.2 | 366.3 | 368.5 |

Real Estate (Consolidated)

Book value and unrealized profits of real estate for sale

(Billions of Yen)

| | As of March 31, 2020 | | As of September 30, 2020 | | Change | |
|---------------------------|----------------------|---------------------------|--------------------------|---------------------------|------------|---------------------------|
| | Book Value | <u>unrealized profits</u> | Book Value | <u>unrealized profits</u> | Book Value | <u>unrealized profits</u> |
| Company | 8.3 | <u>1.1</u> | 8.3 | <u>1.2</u> | 0.0 | <u>0.1</u> |
| Consolidated subsidiaries | 24.1 | <u>1.5</u> | 19.7 | <u>1.2</u> | (4.4) | <u>(0.3)</u> |
| Consolidated Total | 32.4 | <u>2.6</u> | 28.0 | <u>2.4</u> | (4.4) | <u>(0.2)</u> |

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

(Billions of Yen)

| | As of March 31, 2020 | As of September 30, 2020 | Change |
|---------------------------|----------------------|--------------------------|--------|
| Company | 29.3 | 27.2 | (2.1) |
| Consolidated subsidiaries | 114.6 | 111.4 | (3.2) |
| Consolidated Total | 143.9 | 138.6 | (5.3) |

*The lease assets consist of buildings and structures.

Book value of real estate for investment

(Billions of Yen)

| | As of March 31, 2020 | As of September 30, 2020 | Change |
|---------------------------|----------------------|--------------------------|--------|
| Company | 1.3 | 1.3 | 0.0 |
| Consolidated subsidiaries | 17.3 | 11.8 | (5.5) |
| Consolidated Total | 18.6 | 13.1 | (5.5) |

Number of Employees by Business Segment (Consolidated)

(Number of Employees)

| | As of March 31, 2020 | | | As of September 30, 2020 | | | Change | | |
|---|----------------------|---------------|---------------|--------------------------|---------------|---------------|------------|--------------|------------|
| | Company | Subsidiaries | Total | Company | Subsidiaries | Total | Company | Subsidiaries | Total |
| Automotive | 92 | 4,227 | 4,319 | 112 | 4,150 | 4,262 | 20 | (77) | (57) |
| Aerospace & Transportaion Project | 104 | 315 | 419 | 108 | 321 | 429 | 4 | 6 | 10 |
| Machinery & Medical Infrastructure | 78 | 850 | 928 | 84 | 860 | 944 | 6 | 10 | 16 |
| Energy & Social Infrastructure | 147 | 1,239 | 1,386 | 161 | 1,247 | 1,408 | 14 | 8 | 22 |
| Metals & mineral Resources | 179 | 591 | 770 | 189 | 649 | 838 | 10 | 58 | 68 |
| Chemicals | 264 | 1,394 | 1,658 | 279 | 1,403 | 1,682 | 15 | 9 | 24 |
| Foods & Agriculture Business | 108 | 2,084 | 2,192 | 114 | 2,114 | 2,228 | 6 | 30 | 36 |
| Retail & Lifestyle Business | 168 | 3,842 | 4,010 | 173 | 3,989 | 4,162 | 5 | 147 | 152 |
| Industrial Infrastructure & Urban Development | 61 | 1,196 | 1,257 | 63 | 1,252 | 1,315 | 2 | 56 | 58 |
| Other | 717 | 1,183 | 1,900 | 881 | 1,073 | 1,954 | 164 | (110) | 54 |
| Total | 1,918 | 16,921 | 18,839 | 2,164 | 17,058 | 19,222 | 246 | 137 | 383 |

(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, 2020: 2,460; as of September 30, 2020:2,608

News Releases for the First Half Ended September 30, 2020

| Segment | Date | Title |
|---|-----------|--|
| Automotive | | |
| | 9-Sep-20 | Sojitz and infiniteloop Form Business Alliance to Drive Digital Transformation in the Automotive Industry Via XR Technologies (VR, AR, and MR) |
| Aerospace & Transportation Project | | |
| | 10-Apr-20 | Sojitz Group and JOIN Have Acquired a 100% Ownership Interest in a Rail MRO Company in North America |
| Machinery & Medical Infrastructure | | |
| | 21-May-20 | Sojitz Opens One of the World's Largest Hospital Complexes in Turkey |
| | 26-May-20 | Sojitz Invests in Healthcare Startup Providing Telehealth Services |
| | 10-Jun-20 | Sojitz Invests in Venture Firm Providing Home Monitoring Service |
| | 18-Aug-20 | Sojitz Invests in Wireless Communications Startup PicoCELA |
| Energy & Social Infrastructure | | |
| | 24-Jun-20 | Sojitz to Construct Core 500/230kV Substations in Myanmar |
| | 30-Jun-20 | Sojitz and Loop Inc Form Capital and Business Alliance for the Promotion of Sustainable Energy Business |
| Metal & Mineral Resources | | |
| | 14-Jul-20 | Sojitz, Tokuyama, and NanoMist Technologies to Start Carbon Recycling Research and Development Project |

Forecast for the Year Ending March 31, 2021

(Billions of Yen)

| | FY 2019 | FY 2020 | | |
|---|---------|-------------------|----------------------------|--|
| | Results | First half period | Initial Full-Year Forecast | Revised Full-Year Forecast (Aug.4, 2020) |
| Revenue | 1,754.8 | 744.6 | - | - |
| Gross profit | 220.5 | 84.5 | 210.0 | 203.0 |
| Selling, general and administrative expenses | (173.2) | (79.0) | (165.0) | (165.0) |
| Other income (expenses) | 7.5 | 3.7 | (2.0) | (2.0) |
| Finance income/costs | (4.2) | (1.8) | (5.0) | (5.0) |
| Share of profit (loss) of investments accounted for using the equity method | 24.9 | 4.6 | 18.0 | 13.0 |
| Profit before tax | 75.5 | 12.0 | 56.0 | 44.0 |
| Profit for the year (Attributable to owners of the Company) | 60.8 | 9.1 | 40.0 | 30.0 |

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

(Billions of Yen)

| | FY 2019 | FY 2020 | | |
|---|---------|-------------------|----------------------------|---|
| | Results | First half period | Initial Full-Year Forecast | Revised Full-Year Forecast (Oct.30, 2020) |
| Automotive | 2.4 | (1.6) | 1.0 | 1.0 |
| Aerospace & Transportation Project | 1.8 | (0.3) | 6.0 | 5.0 |
| Machinery & Medical Infrastructure | 4.6 | 2.2 | 3.5 | 4.5 |
| Energy & Social Infrastructure | 9.6 | 1.7 | 3.5 | 3.5 |
| Metals & Mineral Resources | 20.1 | (2.0) | 13.0 | 3.0 |
| Chemicals | 9.3 | 1.3 | 5.0 | 5.0 |
| Foods & Agriculture Business | 1.4 | 4.3 | 3.0 | 4.5 |
| Retail & Lifestyle Business | 6.0 | 2.6 | 5.5 | 4.0 |
| Industrial Infrastructure & Urban Development | 1.5 | (0.6) | 0.5 | 0.5 |
| Other | 4.1 | 1.5 | (1.0) | (1.0) |
| Total | 60.8 | 9.1 | 40.0 | 30.0 |

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 | FY2020 1H |
|---|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Current assets | | | | | | | | | | | |
| Cash and cash equivalents | 411,632 | 425,595 | 424,371 | 420,658 | 403,748 | 344,414 | 308,632 | 305,241 | 285,687 | 272,651 | 315,423 |
| Time deposits | 7,043 | 16,114 | 9,313 | 4,362 | 5,464 | 6,657 | 5,728 | 2,788 | 2,922 | 7,433 | 15,073 |
| Trade and other receivables | 515,633 | 544,525 | 508,690 | 524,826 | 559,291 | 496,156 | 563,458 | 549,789 | 690,678 | 638,207 | 564,602 |
| Other investments | 1,346 | 697 | - | - | - | - | - | - | - | - | - |
| Derivatives | 3,796 | 3,676 | 4,100 | 5,185 | 6,977 | 6,593 | 3,919 | 2,703 | 2,060 | 5,055 | 3,543 |
| Inventories | 265,794 | 284,038 | 297,389 | 301,979 | 270,274 | 237,111 | 271,327 | 396,020 | 220,621 | 213,385 | 183,821 |
| Income tax receivables | 2,646 | 2,725 | 4,778 | 4,907 | 3,712 | 6,068 | 3,647 | 5,094 | 6,714 | 3,956 | 4,457 |
| Other current assets | 69,277 | 57,124 | 41,231 | 46,759 | 63,122 | 49,017 | 72,417 | 106,234 | 58,965 | 64,455 | 64,054 |
| Assets as held for sale | 8,894 | 4,098 | 1,303 | 13,143 | 10,905 | 326 | 616 | 8,425 | - | 12,318 | - |
| Total current assets | 1,286,066 | 1,338,596 | 1,291,178 | 1,321,824 | 1,323,497 | 1,146,344 | 1,229,747 | 1,376,297 | 1,267,650 | 1,217,464 | 1,150,976 |
| Non-current assets | | | | | | | | | | | |
| Property, plant and equipment | 206,863 | 219,581 | 231,840 | 213,934 | 217,912 | 186,957 | 172,201 | 172,135 | 192,902 | 157,995 | 162,755 |
| Right-of-use assets | - | - | - | - | - | - | - | - | - | 74,136 | 70,962 |
| Goodwill | 45,400 | 46,390 | 45,725 | 46,264 | 50,164 | 53,055 | 57,594 | 65,842 | 66,198 | 66,496 | 66,722 |
| Intangible assets | 71,111 | 71,922 | 63,207 | 60,958 | 53,882 | 38,829 | 34,148 | 44,057 | 49,145 | 43,366 | 47,420 |
| Investment property | 50,435 | 46,359 | 40,055 | 25,334 | 19,459 | 18,369 | 21,100 | 24,486 | 20,875 | 18,602 | 13,130 |
| 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 | 413,740 | 402,931 |
| Trade and other receivables | 55,940 | 65,498 | 62,963 | 60,310 | 45,017 | 44,558 | 45,485 | 63,824 | 84,145 | 78,352 | 80,103 |
| Other investments | 128,301 | 113,222 | 114,596 | 133,625 | 174,791 | 173,618 | 172,944 | 182,949 | 173,066 | 140,975 | 142,483 |
| Derivatives | 805 | 115 | 229 | 209 | 1,865 | 163 | 36 | 49 | 46 | 173 | 0 |
| Other non-current assets | 11,323 | 16,293 | 10,976 | 9,683 | 7,483 | 9,668 | 9,815 | 8,794 | 12,683 | 11,680 | 11,580 |
| Deferred tax assets | 52,063 | 15,332 | 9,461 | 11,329 | 9,227 | 7,507 | 8,650 | 4,630 | 6,192 | 7,300 | 5,608 |
| Total non-current assets | 884,079 | 852,095 | 858,871 | 898,411 | 973,860 | 910,325 | 908,719 | 974,053 | 1,029,409 | 1,012,821 | 1,003,699 |
| Total assets | 2,170,145 | 2,190,692 | 2,150,050 | 2,220,236 | 2,297,358 | 2,056,670 | 2,138,466 | 2,350,351 | 2,297,059 | 2,230,285 | 2,154,676 |
| Current liabilities | | | | | | | | | | | |
| Trade and other payables | 521,682 | 557,198 | 515,989 | 514,585 | 490,865 | 439,245 | 483,049 | 654,138 | 582,296 | 481,768 | 444,199 |
| Lease liabilities | - | - | - | - | - | - | - | - | - | 15,317 | 15,124 |
| Bonds and borrowings | 256,228 | 298,455 | 258,375 | 227,216 | 208,360 | 168,264 | 158,698 | 113,497 | 149,695 | 186,767 | 141,762 |
| Derivatives | 4,640 | 8,989 | 15,952 | 6,400 | 8,803 | 3,728 | 3,669 | 3,394 | 2,511 | 5,257 | 3,325 |
| Income tax payables | 8,151 | 9,065 | 7,038 | 8,038 | 7,570 | 6,630 | 9,190 | 13,632 | 10,775 | 6,572 | 4,783 |
| Provisions | 1,680 | 4,074 | 1,419 | 1,207 | 4,271 | 2,525 | 2,124 | 2,069 | 1,026 | 1,956 | 1,680 |
| Other current liabilities | 70,288 | 60,314 | 50,150 | 54,402 | 53,807 | 53,294 | 60,912 | 55,004 | 60,793 | 56,716 | 69,219 |
| Liabilities directly related to assets as held for sale | 2,627 | 1,221 | - | - | 6,860 | 88 | 101 | 4,182 | - | 1 | - |
| Total current liabilities | 865,299 | 939,317 | 848,926 | 811,850 | 780,538 | 673,776 | 717,748 | 845,918 | 807,098 | 754,356 | 680,095 |
| Non-current liabilities | | | | | | | | | | | |
| Lease liabilities | - | - | - | - | - | - | - | - | - | 63,666 | 59,998 |
| Bonds and borrowings | 859,594 | 819,591 | 818,632 | 838,060 | 830,409 | 754,434 | 766,669 | 797,982 | 723,625 | 706,491 | 720,176 |
| Trade and other payables | 14,841 | 13,050 | 9,816 | 10,463 | 9,545 | 9,696 | 3,709 | 4,759 | 12,563 | 9,738 | 9,351 |
| Derivatives | 5,209 | 3,042 | 1,884 | 1,721 | 2,942 | 5,001 | 4,004 | 2,634 | 2,693 | 763 | 726 |
| Retirement benefits liabilities | 14,311 | 15,674 | 16,158 | 16,917 | 17,943 | 18,727 | 21,381 | 22,016 | 22,139 | 22,077 | 22,145 |
| Provisions | 12,162 | 14,378 | 18,892 | 20,798 | 25,098 | 18,949 | 20,792 | 21,000 | 36,292 | 31,102 | 33,221 |
| Other non-current liabilities | 6,533 | 10,619 | 7,313 | 7,321 | 7,591 | 7,475 | 6,490 | 9,968 | 11,235 | 8,943 | 10,737 |
| Deferred tax liabilities | 18,969 | 19,834 | 17,127 | 20,143 | 32,631 | 18,891 | 19,698 | 20,946 | 19,802 | 11,247 | 10,800 |
| Total non-current liabilities | 931,622 | 896,193 | 889,824 | 915,426 | 926,163 | 833,176 | 842,747 | 879,308 | 828,353 | 854,030 | 867,158 |
| Total liabilities | 1,796,922 | 1,835,511 | 1,738,751 | 1,727,277 | 1,706,702 | 1,506,953 | 1,560,495 | 1,725,227 | 1,635,451 | 1,608,387 | 1,547,253 |
| Equity | | | | | | | | | | | |
| Share capital | 160,339 | 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 | 146,756 | 146,765 |
| Treasury stock | (138) | (147) | (148) | (157) | (159) | (161) | (170) | (174) | (865) | (10,901) | (15,853) |
| Other components of equity | 40,885 | 23,580 | 62,826 | 119,617 | 194,557 | 132,415 | 132,682 | 124,348 | 107,576 | 49,777 | 45,462 |
| Retained earnings | (1,320) | (327) | 13,053 | 33,538 | 49,731 | 81,245 | 111,149 | 155,437 | 204,600 | 233,151 | 232,780 |
| 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 | 579,123 | 569,494 |
| Non-controlling interests | 26,937 | 25,218 | 28,709 | 33,105 | 39,672 | 29,363 | 27,547 | 38,659 | 43,312 | 42,774 | 37,928 |
| Total equity | 373,223 | 355,180 | 411,298 | 492,959 | 590,656 | 549,716 | 577,970 | 625,124 | 661,607 | 621,898 | 607,422 |
| Total liabilities and equity | 2,170,145 | 2,190,692 | 2,150,050 | 2,220,236 | 2,297,358 | 2,056,670 | 2,138,466 | 2,350,351 | 2,297,059 | 2,230,285 | 2,154,676 |

(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 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 1H |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| Revenue | | | | | | | | | | |
| Sales of goods | 1,915,992 | 1,659,233 | 1,714,176 | 1,718,165 | 1,566,839 | 1,463,536 | 1,716,670 | 1,749,319 | 1,651,592 | 704,572 |
| Sales of services and others | 90,657 | 88,517 | 88,928 | 91,535 | 91,233 | 91,813 | 99,788 | 106,870 | 103,233 | 40,049 |
| Total revenue | 2,006,649 | 1,747,750 | 1,803,104 | 1,809,701 | 1,658,072 | 1,555,349 | 1,816,459 | 1,856,190 | 1,754,825 | 744,622 |
| Cost of sales | (1,789,582) | (1,560,504) | (1,604,882) | (1,612,013) | (1,477,333) | (1,354,664) | (1,584,078) | (1,615,233) | (1,534,330) | (660,170) |
| Gross profit | 217,066 | 187,245 | 198,221 | 197,688 | 180,739 | 200,685 | 232,380 | 240,956 | 220,494 | 84,452 |
| Selling, general and administrative expenses | (153,663) | (151,091) | (151,628) | (149,739) | (154,416) | (153,038) | (162,662) | (173,433) | (173,243) | (78,950) |
| Other income (expenses) | | | | | | | | | | |
| Gain (loss) on sale and disposal of fixed assets, net | 1,839 | 2,209 | 6,132 | 1,058 | 1,498 | 4,797 | (324) | 1,764 | 10,274 | 2,055 |
| Impairment loss on fixed assets | (3,190) | (11,549) | (19,461) | (17,446) | (24,051) | (4,618) | (4,402) | (509) | (2,833) | - |
| Gain on reorganization of subsidiaries/associates *1 | 957 | 2,138 | 1,666 | 1,758 | 12,909 | 10,358 | 7,517 | 8,039 | 3,415 | 2,153 |
| Loss on reorganization of subsidiaries/associates | (1,728) | (3,525) | (2,684) | (2,080) | (1,349) | (8,174) | (11,847) | (3,099) | (545) | (64) |
| Other operating income | 11,705 | 10,702 | 10,429 | 17,193 | 20,646 | 9,566 | 6,763 | 5,113 | 5,800 | 3,144 |
| Other operating expenses | (15,513) | (10,636) | (18,980) | (14,882) | (6,733) | (7,958) | (7,584) | (8,832) | (8,580) | (3,475) |
| Total Financial income | 8,875 | 8,022 | 9,213 | 9,395 | 8,242 | 8,068 | 10,321 | 12,395 | 10,794 | 4,441 |
| Interests earned | 5,552 | 4,984 | 5,359 | 4,860 | 3,893 | 3,903 | 5,682 | 7,084 | 6,565 | 2,963 |
| Dividends received | 3,283 | 2,761 | 3,810 | 4,456 | 4,349 | 4,165 | 4,639 | 5,167 | 4,228 | 1,477 |
| Other financial income | 39 | 276 | 43 | 78 | - | - | - | 143 | - | - |
| Total Financial costs | (24,186) | (21,247) | (19,855) | (18,975) | (16,379) | (14,405) | (14,874) | (15,290) | (14,956) | (6,330) |
| Interest expenses | (23,848) | (21,247) | (19,855) | (18,975) | (16,316) | (14,382) | (14,746) | (15,290) | (14,908) | (6,228) |
| Other financial costs | (338) | - | - | - | (63) | (22) | (128) | - | (47) | (102) |
| 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 | 24,908 | 4,570 |
| Profit before tax | 58,457 | 28,052 | 44,033 | 52,584 | 44,269 | 57,955 | 80,343 | 94,882 | 75,528 | 11,997 |
| Income tax expenses | (56,735) | (11,058) | (11,949) | (14,933) | (7,782) | (13,879) | (18,648) | (19,662) | (10,954) | (1,543) |
| Profit for the year | 1,722 | 16,993 | 32,083 | 37,650 | 36,486 | 44,075 | 61,694 | 75,219 | 64,573 | 10,454 |
| Profit attributable to: | | | | | | | | | | |
| Owners of the Company | (1,040) | 13,448 | 27,250 | 33,075 | 36,526 | 40,760 | 56,842 | 70,419 | 60,821 | 9,147 |
| Non-controlling interests | 2,762 | 3,544 | 4,833 | 4,575 | (39) | 3,314 | 4,852 | 4,799 | 3,752 | 1,306 |
| Core earnings *2 | 65.8 | 38.5 | 68.0 | 66.3 | 41.6 | 54.2 | 90.8 | 93.2 | 68.4 | 8.3 |

(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)

| | FY2011 | FY2012 | FY 2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 1H |
|--|-----------------|---------------|---------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|
| Profit for the year | 1,722 | 16,993 | 32,083 | 37,650 | 36,486 | 44,075 | 61,694 | 75,219 | 64,573 | 10,454 |
| Other comprehensive income | | | | | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | | | | | |
| Financial assets measured at fair value through other comprehensive income | (1,010) | 11,172 | 15,065 | 46,787 | (1,232) | 9,977 | (575) | (10,751) | (21,936) | 2,315 |
| Remeasurements of defined benefit pension plans | (872) | (398) | (425) | (925) | (725) | 478 | (275) | (365) | (435) | 113 |
| Share of other comprehensive income of investments accounted for using the equity method | - | - | - | - | (4,868) | (3,686) | 4,778 | 4,391 | (5,731) | (369) |
| Total items that will not be reclassified to profit or loss | (1,883) | 10,774 | 14,639 | 45,862 | (6,826) | 6,768 | 3,927 | (6,725) | (28,103) | 2,059 |
| Items that may be reclassified subsequently to profit or loss | | | | | | | | | | |
| Foreign currency translation differences for foreign operations | (12,505) | 34,509 | 40,578 | 34,811 | (44,362) | (7,958) | (12,244) | (8,975) | (24,518) | 181 |
| Cash flow hedges | (945) | (528) | 1,184 | (3,405) | (2,709) | 693 | 1,024 | (189) | (1,092) | 2,780 |
| Share of other comprehensive income of investments accounted for using the equity method | - | - | - | - | (10,993) | 554 | (3,075) | (4,380) | (13,220) | (8,820) |
| Total items that may be reclassified subsequently to profit or loss | (13,450) | 33,980 | 41,763 | 31,405 | (58,065) | (6,710) | (14,295) | (13,545) | (38,831) | (5,857) |
| Other comprehensive income for the period, net of tax | (15,334) | 44,754 | 56,403 | 77,268 | (64,892) | 57 | (10,368) | (20,270) | (66,934) | (3,798) |
| Total comprehensive income for the year | (13,611) | 61,748 | 88,487 | 114,919 | (28,405) | 44,133 | 51,326 | 54,948 | (2,361) | 6,656 |
| Total comprehensive income attributable to: | | | | | | | | | | |
| Owners of the Company | (16,177) | 56,171 | 82,221 | 107,347 | (25,379) | 40,289 | 47,430 | 50,938 | (4,220) | 5,660 |
| Non-controlling interests | 2,565 | 5,576 | 6,265 | 7,571 | (3,025) | 3,843 | 3,896 | 4,010 | 1,859 | 995 |
| Total | (13,611) | 61,748 | 88,487 | 114,919 | (28,405) | 44,133 | 51,326 | 54,948 | (2,361) | 6,656 |

(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 | FY2020 1H |
|--|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flows from operating activities | | | | | | | | | | |
| Profit for the period | 1,722 | 16,993 | 32,083 | 37,650 | 36,486 | 44,075 | 61,694 | 75,219 | 64,573 | 10,454 |
| Depreciation and amortization | 29,529 | 31,047 | 36,100 | 31,683 | 30,059 | 23,442 | 23,067 | 21,297 | 33,106 | 15,674 |
| Impairment loss on fixed assets | 3,190 | 11,549 | 19,461 | 17,446 | 24,051 | 4,618 | 4,402 | 509 | 2,833 | - |
| Finance (income) costs | 15,311 | 13,225 | 10,641 | 9,579 | 8,136 | 6,337 | 4,552 | 2,895 | 4,162 | 1,889 |
| 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) | (24,908) | (4,570) |
| (Gain) loss on sale of fixed assets, net | (1,839) | (2,209) | (6,132) | (1,058) | (1,498) | (4,797) | 324 | (1,764) | (10,274) | (2,055) |
| Income tax expense | 56,735 | 11,058 | 11,949 | 14,933 | 7,782 | 13,879 | 18,648 | 19,662 | 10,954 | 1,543 |
| (Increase) decrease in trade and other receivables | (8,089) | 40,625 | 4,226 | (18,583) | 55,835 | (60,463) | 7,980 | 77,093 | 66,718 | 73,039 |
| (Increase) decrease in inventories | (16,765) | (709) | (6,151) | 31,396 | 28,270 | (31,853) | (118,303) | (39,968) | 901 | 29,716 |
| Increase (decrease) in trade and other payables | 35,373 | (30,116) | (10,640) | (27,908) | (43,767) | 40,158 | 166,218 | (74,708) | (94,951) | (34,397) |
| Changes in other assets and liabilities*1 | - | - | - | - | - | - | - | 54,962 | (12,389) | 7,591 |
| Increase (decrease) in retirement benefits liabilities | 455 | 985 | 390 | 674 | 320 | (1,409) | 430 | (179) | (628) | 105 |
| Others | 11,224 | (1,839) | (1,451) | (19,792) | (15,528) | (7,611) | (36,381) | (543) | (2,241) | (4,225) |
| Subtotal | 110,550 | 74,825 | 59,498 | 47,408 | 106,986 | 13,702 | 107,578 | 106,696 | 37,857 | 94,764 |
| Interests earned | 5,583 | 5,082 | 5,225 | 4,709 | 3,785 | 3,496 | 4,248 | 5,163 | 4,362 | 2,027 |
| Dividends received | 12,457 | 13,777 | 16,424 | 18,439 | 20,326 | 12,818 | 17,735 | 23,951 | 26,194 | 10,435 |
| Interests paid | (24,217) | (21,840) | (20,308) | (19,261) | (16,746) | (14,872) | (14,814) | (15,138) | (14,370) | (6,251) |
| Income taxes paid | (15,650) | (16,722) | (13,842) | (12,186) | (14,412) | (14,287) | (15,935) | (24,197) | (13,533) | (4,082) |
| Net cash provided (used) by/in operating activities | 88,723 | 55,124 | 46,997 | 39,109 | 99,939 | 857 | 98,812 | 96,476 | 40,510 | 96,893 |
| Cash flows from investing activities | | | | | | | | | | |
| Purchase of property, plant and equipment | (34,101) | (29,473) | (23,579) | (31,258) | (31,943) | (31,830) | (29,590) | (30,832) | (24,665) | (8,830) |
| Proceeds from sale of property, plant and equipment | 12,655 | 14,384 | 13,578 | 767 | 11,846 | 8,340 | 590 | 5,963 | 9,009 | 2,497 |
| Purchase of intangible assets | (6,978) | (8,310) | (4,522) | (3,566) | (3,061) | (2,219) | (2,310) | (7,113) | (6,903) | (5,013) |
| (Increase) decrease in short-term loans receivable | 2,646 | 3,400 | (1,706) | 2,470 | 1,083 | (4,408) | 2,115 | 5,899 | (391) | 375 |
| Payment for long-term loans receivable | (13,492) | (11,704) | (3,423) | (4,174) | (4,157) | (3,867) | (32,312) | (7,802) | (251) | - |
| Collection of long-term loans receivable | 969 | 2,399 | 5,202 | 1,165 | 1,919 | 1,232 | 10,826 | 7,740 | 1,943 | 218 |
| Proceeds from (payments for) acquisition of subsidiaries | (2,340) | (5,624) | (7,024) | (5,222) | (9,100) | (5,408) | (20,227) | (3,753) | (4,809) | (661) |
| Proceeds from (payments for) sale of subsidiaries | (707) | 1,530 | 232 | 10 | (467) | (51) | 5,411 | 1,468 | 3,251 | 6,006 |
| Purchase of investments | (4,144) | (2,646) | (23,658) | (8,455) | (6,315) | (16,263) | (26,260) | (32,721) | (20,998) | (3,316) |
| Proceeds from sale of investments | 10,311 | 17,831 | 7,910 | 10,681 | 6,731 | 16,473 | 13,074 | 17,393 | 9,794 | 3,792 |
| Others | (7,098) | 6,559 | 12,521 | 23,791 | (445) | 5,822 | (7,725) | 1,556 | (1,646) | 666 |
| Net cash provided (used) by/in investing activities | (42,280) | (11,652) | (24,469) | (13,792) | (33,910) | (32,179) | (86,407) | (42,200) | (35,669) | (4,264) |
| Free Cash Flow | 46,443 | 43,472 | 22,528 | 25,317 | 66,029 | (31,322) | 12,405 | 54,276 | 4,841 | 92,629 |
| Cash flows from financing activities | | | | | | | | | | |
| Increase (decrease) in short-term borrowings and commercial papers | 8,797 | (10,928) | (14,714) | (29,012) | (30,383) | 14,697 | (21,723) | 24,999 | 32,786 | (55,421) |
| Proceeds from long-term borrowings | 127,338 | 236,109 | 170,858 | 163,996 | 122,767 | 160,331 | 128,716 | 82,636 | 384,500 | 83,061 |
| Repayment of long-term borrowings | (134,014) | (248,449) | (178,687) | (179,780) | (173,948) | (164,596) | (122,702) | (162,353) | (383,777) | (63,067) |
| Proceeds from issuance of bonds | 39,800 | 9,953 | 29,862 | 29,820 | - | 19,891 | 19,881 | - | 9,940 | 9,940 |
| Redemption of bonds | (67,719) | (35,000) | (30,000) | (20,000) | (20,000) | (20,035) | (10,061) | (42) | (10,019) | (7) |
| Repayment of lease liabilities*2 | - | - | - | - | - | - | - | - | (12,747) | (7,165) |
| 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) | (115) | - |
| Proceeds from non-controlling interest holders | 1,261 | 71 | 104 | 3,209 | 323 | 771 | 7,389 | 3,873 | 3,408 | 96 |
| Sales of treasury stock | - | - | - | - | - | - | - | - | 6 | 8 |
| Purchase of treasury stock | (11) | (1) | (11) | (2) | (2) | (10) | (4) | (691) | (10,059) | (5,000) |
| Dividends paid | (3,753) | (3,753) | (4,378) | (5,629) | (9,382) | (10,008) | (11,258) | (16,888) | (22,517) | (10,378) |
| Dividends paid to non-controlling interest holders | (1,801) | (1,659) | (1,805) | (2,320) | (1,763) | (2,563) | (2,622) | (3,139) | (3,662) | (2,570) |
| Others | (922) | (2,050) | (2,160) | (2,752) | (2,292) | (2,507) | (666) | (2,106) | 91 | (40) |
| Net cash provided (used) by/in financing activities | (29,530) | (56,177) | (30,931) | (42,600) | (114,695) | (4,029) | (13,052) | (74,907) | (12,164) | (50,543) |
| Net increase (decrease) in cash and cash equivalents | 16,913 | (12,706) | (8,403) | (17,282) | (48,666) | (35,350) | (648) | (20,631) | (7,324) | 42,084 |
| Cash and cash equivalents at the beginning of the period | 411,632 | 425,595 | 424,371 | 420,658 | 403,748 | 344,414 | 308,632 | 305,241 | 285,687 | 272,651 |
| Effect of exchange rate changes on cash and cash equivalents | (2,950) | 11,481 | 4,690 | 372 | (10,667) | (430) | (2,742) | 1,076 | (5,711) | 687 |
| Cash and cash equivalents at the end of the period | 425,595 | 424,371 | 420,658 | 403,748 | 344,414 | 308,632 | 305,241 | 285,687 | 272,651 | 315,423 |

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

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

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

Change of Consolidated Balance Sheets (JGAAP)

(Millions of Yen)

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

Change of Consolidated Statements of Income (JGAAP)

(Millions of Yen)

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

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

Change of Consolidated Statements of Comprehensive Income (JGAAP)

(Millions of Yen)

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

Change of Consolidated Statements of Cash Flows (JGAAP)

(Millions of Yen)

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