Summary of Results Briefing for the Six-Month Period Ended September 30, 2019  
(November 6, 2019)

Consolidated Statements of Profit or Loss

Revenue was down ¥48.0 billion year on year, to ¥893.8 billion, due to a decrease of ¥30.7 billion in revenue in the Chemicals Division, a result of lower plastic resin transaction volumes in Asia, as well as a decrease of ¥23.3 billion in revenue in the Metals & Mineral Resources Division, a result of declines in the prices of coal and other resources.

Gross profit decreased ¥11.2 billion year on year, to ¥109.7 billion. A major factor behind this decrease was a ¥8.0 billion drop in gross profit in the Metals & Mineral Resources Division, which was heavily impacted by fall in resource prices. The Foods & Agriculture Business Division also suffered a decline in gross profit as fertilizer businesses in Thailand were impacted by the shortages of rain stemming from abnormal climate events as well as low prices of rice and other agricultural products.

Selling, general and administrative (SG&A) expenses were relatively unchanged year on year, at ¥85.6 billion, despite the adoption of IFRS—Leases effective April 1, 2019, which caused lease payments previously recorded as non-personnel expenses to be recognized as depreciation on lease assets from the year ending March 31, 2020.

Net other income of ¥0.1 billion was recorded, down ¥5.5 billion year on year. Contributors to other income included extraordinary income from gains on the sale and reorganization of small businesses. However, overall other income was down due to the rebound from gains recorded in the previous equivalent period on the sales of an automobile assembly and sales company in the Philippines and of an overseas solar power generation business.

Net financial costs amounted to ¥2.1 billion following a ¥0.8 billion reduction in financial income attributable to a slight decline in dividends received.

Share of profit of investments accounted for using the equity method increased ¥1.3 billion year on year, to ¥13.2 billion, primarily as a result of higher earnings at LNG-related companies due to rises in oil prices as well as growth in sales of overseas industrial parks.

Profit for the period (attributable to owners of the Company) decreased ¥7.6 billion, to ¥29.5 billion.

Full-Year Forecasts for the Year Ending March 31, 2020

Based on performance in the six-month period ended September 30, 2019, the forecast for gross profit has been lowered to ¥250.0 billion, a decrease of ¥10.0 billion from the initial forecast of ¥260.0 billion. This decision reflects the reduced earnings in the Foods & Agriculture Business Division and the Metals & Mineral Resources Division.
In addition, the forecasts for profit before tax was reduced by ¥3.0 billion from the initial forecast of ¥97.0 billion, making for a new forecast of ¥94.0 billion. This revision was based on figures for SG&A expenses and financial costs in the six-month period ended September 30, 2019.

There has been no change to the forecast of ¥72.0 billion for profit for the period (attributable to owners of the Company). The figure for the six-month period ended September 30, 2019, represents progress of 41% toward this forecast.

**Consolidated Statements of Financial Position**

Total assets on September 30, 2019, stood at ¥2,321.2 billion, an increase of ¥24.1 billion from March 31, 2019. Although trade and other receivables decreased in tandem with plastic resin transaction volumes, overall assets were up due to the recording of an ¥77.8 billion increase in usage rights assets stemming from the adoption of a new accounting standard for leases.

Total liabilities on September 30, 2019, amounted to ¥1,681.1 billion, up ¥45.5 billion from March 31, 2019. This outcome was a result of factors similar to those cited for the change in assets, specifically lower trade and other receivables and higher lease liabilities.

Total equity attributable to owners of the Company was ¥597.2 billion on September 30, 2019, down ¥21.0 billion from March 31, 2019. After deducting dividend payments from profit for the period (attributable to owners of the Company), retained earnings were up ¥14.5 billion. However, other components of equity were down ¥35.7 billion due to reductions stemming from foreign exchange influences and valuation losses on marketable securities.

The net debt equity ratio was 0.94 times on September 30, 2019, relatively unchanged from the previous fiscal year-end.

**Consolidated Statements of Cash Flows**

Net cash provided by operating activities was ¥61.4 billion as a result of the consistently positive core operating cash flow and the recovery of working capital. Net cash used in investing activities was ¥21.3 billion primarily because of outflows for new investments and loans totaling ¥37.0 billion, which offset the inflows from asset replacements. Free cash flow was a positive ¥40.1 billion.

**Performance by Division**

Explanations are only provided for those divisions for which full-year forecasts were revised in reflection of performance in the six-month period ended September 30, 2019.

In the Energy & Social Infrastructure Division, the forecast for profit for the year (attributable to owners of the Company) was raised by ¥2.5 billion from the initial
forecast of ¥5.5 billion, to ¥8.0 billion. This revision reflects the replacement of upstream resource interests, the completion of sales of projects for which provisions for losses were recorded in previous fiscal years, and higher power sales revenues projected to result from increased generation efficiency in domestic and overseas solar power generation operations.

In the Metals & Mineral Resources Division, the forecast for profit for the year (attributable to owners of the Company) was lowered from the initial forecast of ¥25.0 billion by ¥1.5 billion, to ¥23.5 billion. The decision for this revision was made based on the fact that profit for the period (attributable to owners of the Company) in this division was down ¥6.4 billion year on year, to ¥9.8 billion, due to drops in coal and other resource prices.

In the Foods & Agriculture Business Division, a downward revision of ¥2.5 billion was instituted to the prior forecast for profit for the year (attributable to owners of the Company) of ¥4.5 billion, making for a revised forecast of ¥2.0 billion. Factors behind this revision included lower earnings in overseas fertilizers businesses due to the shortages of rain stemming from abnormal climate events and the low prices of rice and other agricultural products in the Thailand. Another factor considered was the impairment losses on non-current assets recorded in reflection of the poor performance of domestic tuna farming operations.

**Forecasts for Consolidated Statements of Financial Position**

Initial forecasts had projected total assets of ¥2,400.0 billion on March 31, 2020. However, this forecast has been lowered by ¥50.0 billion, to ¥2,350.0 billion, out of consideration for fluctuations in the market price of assets and reductions in working capital stemming from market conditions. The forecast for total equity attributable to owners of the Company was similarly lowered, by ¥40.0 billion from the initial forecast of ¥660.0 billion, to ¥620.0 billion based on share buybacks conducted and negative foreign currency translations attributable to yen appreciation. The forecasts for net interest-bearing debt and the net debt equity ratio have not been revised.