

Summary of Consolidated Financial Results for the First Half Ended September 30, 2016 (IFRS)

November 2, 2016

Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

Company representative: Yoji Sato, President & CEO

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

Scheduled filing date of quarterly financial report: November 10, 2016

Scheduled date of delivery of dividends: December 1, 2016

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, 2016 (April 1, 2016 - September 30, 2016)

(1) Consolidated Operating Results

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

	Net sales		Operating profit		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Company		Total comprehensive income for the period	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the first half ended September 30, 2016	1,776,674	(11.9)	16,213	(1.8)	19,516	(29.6)	16,761	(27.0)	15,359	(25.5)	(41,192)	—
September 30, 2015	2,015,907	3.7	16,512	(12.5)	27,728	(2.1)	22,951	15.2	20,612	23.2	(2,955)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first half ended September 30, 2016	12.28	12.27
September 30, 2015	16.48	16.48

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

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

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the Company	Total equity attributable to owners of the Company ratio
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of September 30, 2016	1,924,124	502,800	474,709	24.7
March 31, 2016	2,056,670	549,716	520,353	25.3

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, 2016	—	4.00	—	4.00	8.00
March 31, 2017	—	4.00	—	—	—
March 31, 2017 (forecast)	—	—	—	4.00	8.00

Note : Changes in cash dividend forecast : No

3. Consolidated Earnings Forecast for the Year Ending March 31, 2017 (April 1, 2016 - March 31, 2017)

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

	Net sales		Operating profit		Profit before tax		Profit attributable to owners of the Company		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the Year Ending March 31, 2017 Full-year	3,930,000	(1.9)	45,000	53.9	53,000	19.7	40,000	9.5	31.97

Note 1: Changes in consolidated earnings forecast for the year ending March 31, 2017 : Yes

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

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

4. Others

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

(2) Accounting policy changes and accounting estimate changes

1. Changes in accounting policies required by IFRS : No
2. Changes due to other reasons : No
3. Accounting estimate change : No

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

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

As of September 30, 2016: 1,251,499,501 As of March 31, 2015: 1,251,499,501

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

As of September 30, 2016 : 487,526 As of March 31, 2015 : 484,859

3. Average number of outstanding shares during the periods:

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

For the first half ended September 30, 2015 (accumulative): 1,251,020,056

* Disclosure Regarding Auditing Procedure for Financial Statements

As of the date of disclosure of this earnings results, auditing procedures for financial statements in accordance with the Financial Instruments and Exchange Act are in the process of being implemented.

* 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, 2016

Economic Environment

In the six-month period ended September 30, 2016, the global economy displayed signs of a trend toward stable growth as seen in the firm U.S. economy supported by increased consumption and in the recovery of certain emerging economies. Regardless, the outlook remained opaque in light of the potential impacts of the additional interest rate hikes expected to be implemented by the United States and the structural reorganizations taking place in China.

The United States continued to see steady growth on the back of an improved job market, increased consumer spending, and recovered production in the manufacturing industry.

In Europe, although the decision to leave the European Union made by the United Kingdom in June 2016 was expected to cause slowdown in economic growth, demand in the region held firm based on the outlook that the overall impact on the European economy would be limited. Coupled with the benefits of the additional monetary easing measures implemented by the European Central Bank in March 2016, these factors sustained a gentle economic recovery trend.

In China, measures to address the economic deceleration included ongoing industrial restructuring aimed at alleviating the equipment glut as well as infrastructure investment and measures for improving conditions in the housing market. As a result, the pace of the economic deceleration remained slow.

Although there was some disparity between conditions in different countries, steady growth continued in the Asian economy, as seen in how the growth rate slowly stopped decelerating in India and in the improvement of government finances in Indonesia.

Economic growth remained limited in Japan. This situation was largely due to sluggish consumer spending resulted from the lack of wage increases, despite the improved job market, as well as the deterioration of corporate business confidence in the wake of the yen appreciation trend.

Financial Performance

Sojitz Corporation's consolidated business results for the six-month period ended September 30, 2016, are presented below.

Net sales (*)	Net sales were down 11.9% year on year, to ¥1,776,674 million, due to the impacts of yen appreciation, reduced sales in the Metals & Coal Division stemming from falling resource prices and lower transaction volumes, and a decrease in sales in the Foods & Agriculture Business Division resulted from lower grain transactions.
Gross profit	Gross profit was up ¥66 million year on year, to ¥91,788 million, as the reduced profit in the Chemicals Division stemming from deteriorating market conditions and yen appreciation was counterbalanced by the higher profit in the Foods & Agriculture Business Division resulted from improved earnings in overseas fertilizer businesses.

Operating profit	Despite the higher gross profit and the reductions in selling, general and administrative expenses at overseas subsidiaries resulted from yen appreciation, operating profit decreased ¥299 million year on year, to ¥16,213 million, due to impairment losses on Company-owned ships.
Profit before tax	Profit before tax decreased ¥8,212 million year on year, to ¥19,516 million, following lower operating profit and a decline in share of profit of investments accounted for using the equity method.
Profit for the period	Despite a decrease in income tax expenses, profit for the period declined ¥6,190 million year on year, to ¥16,761 million, as a result of lower profit before tax. Profit for the period (attributable to owners of the Company) decreased ¥5,253 million year on year, to ¥15,359 million.
Comprehensive income for the period	Comprehensive loss for the period of ¥41,192 million was recorded, compared with comprehensive loss for the period of ¥2,955 million in the previous equivalent period. Comprehensive loss for the period (attributable to owners of the Company) of ¥40,512 million was recorded, compared with comprehensive loss for the period (attributable to owners of the Company) of ¥3,188 million in the previous equivalent period.

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

Results for the six-month period ended September 30, 2016, are summarized by segment below.

Automotive

Net sales (JGAAP) decreased 11.8% year on year, to ¥128,208 million, as the increase in transactions in the Americas automobile dealership businesses was outweighed by the impacts of the yen appreciation and the decline in exports to Europe. Profit for the period (attributable to owners of the Company) decreased ¥2,432 million year on year, to ¥1,712 million, following a decline in share of profit of investments accounted for using the equity method resulted from the absence of a one-time income recorded by an automobile-related subsidiary in the previous equivalent period.

Aerospace & IT Business

Net sales (JGAAP) decreased 7.8% year on year, to ¥273,870 million, because of the adverse impacts of yen appreciation on transactions made as the import sales representative for The Boeing Company. Despite an increase in gross profit, profit for the period (attributable to owners of the Company) decreased ¥2,112 million year on year, to ¥756 million, as a result of impairment losses on Company-owned ships.

Infrastructure & Environment Business

Net sales (JGAAP) increased 1.8% year on year, to ¥104,478 million, due in part to the acquisition of an overseas independent power producer project. Profit for the period (attributable to owners of the Company) increased ¥482 million year on year, to ¥1,716 million, as a result of increase in the profit of domestic solar power generation businesses.

Energy

Net sales (JGAAP) decreased 50.4% year on year, to ¥33,193 million, due to a decline in the price of oil and lower oil transaction volumes. Loss for the period (attributable to owners of the Company) of ¥3,028 million was recorded, in comparison with profit for the period (attributable to owners of the Company) of ¥113 million in the six-month period ended September 30, 2015. This outcome was largely the result of lower gross profit and a decline in share of profit of investments accounted for using the equity method attributable to LNG business and other companies.

Metals & Coal

Net sales (JGAAP) decreased 31.0% year on year, to ¥193,094 million, as a result of a decline in resource prices and lower transaction volumes. Profit for the period (attributable to owners of the Company) decreased ¥1,986 million, to ¥1,030 million. This outcome was largely the result of lower gross profit and a decline in share of profit of investments accounted for using the equity method attributable to steel business and other companies.

Chemicals

Net sales (JGAAP) decreased 12.9% year on year, to ¥281,628 million, as a result of the foreign exchange impacts of yen appreciation and a downturn in market conditions for chemical and plastic resins. Profit for the period (attributable to owners of the Company) was down ¥584 million year on year, to ¥3,737 million.

Foods & Agriculture Business

Net sales (JGAAP) decreased 26.6%, to ¥158,703 million, following lower grain transactions. Profit for the period (attributable to owners of the Company) increased ¥1,378 million year on year, to ¥4,091 million, due to improved earnings in overseas fertilizer businesses resulted from lower prices for raw materials.

Lifestyle Commodities & Materials

Net sales (JGAAP) increased 6.8% year on year, to ¥483,906 million, following the expansion of the Company's domestic electronic cigarette sales area. Profit for the period (attributable to owners of the Company) was up ¥1,934 million, to ¥2,214 million, as a result of an increase in gross profit stemming from strong performance in the apparel OEM business and higher sales of electronic cigarettes as well as the absence of impairment losses recognized on fixed assets in overseas woodchip manufacturing businesses during the previous equivalent period.

Retail

Net sales (JGAAP) decreased 10.4%, to ¥97,201 million, following a decline in meat transactions. Profit for the period (attributable to owners of the Company) increased ¥469 million year on year, to ¥3,353 million, due to sales of real estate held for sale in the domestic shopping center business.

(2) Financial Position

Consolidated Balance Sheet

Total assets on September 30, 2016, stood at ¥1,924,124 million, down ¥132,546 million from March 31, 2016. This decrease was mainly attributable to a decline in trade and other receivables (under current assets) mainly in the Automotive Division, Chemicals Division, and Foods & Agriculture Business Division as well as the reduction of investments accounted for using the equity method resulted from foreign exchange movements.

Total liabilities at September 30, 2016, amounted to ¥1,421,323 million, down ¥85,630 million from March 31, 2016, following a decline in trade and other payables (under current assets) mainly in the Chemicals Division and Foods & Agriculture Business Division and the reduction of interest-bearing debt through the repayment of borrowings.

Total equity attributable to owners of the Company was ¥474,709 million on September 30, 2016, down ¥45,644 million from March 31, 2016. This was largely due to the decrease in other components of equity resulted primarily from exchange rate movements, which outweighed the accumulation of profit for the period.

Sojitz consequently, on September 30, 2016, the current ratio was 171.4%, the long-term debt ratio was 84.3%, and the equity ratio* was 24.7%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥559,472 million on September 30, 2016, a ¥12,155 million decrease from March 31, 2016. This resulted in the Company's net debt equity ratio* equaling 1.18 times at September 30, 2016.

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

Under Medium-term Management Plan 2017 the Sojitz Group will continue to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz will endeavor to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level. As one source of long-term funding, Sojitz issued straight bonds in the amount of ¥10 billion in June 2016. 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\$500 million (of which US\$233 million has been used). In addition, the Company has concluded a US\$300 million long-term foreign currency note facility agreement with effective period provisions (which remains unused).

Consolidated Cash Flows

In the six-month period ended September 30, 2016, operating activities provided net cash flow of ¥40,427 million, investing activities used net cash of ¥21,875 million, and financing activities used net cash of ¥49,647 million. Sojitz ended the period with cash and cash equivalents of ¥302,703 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 decreased ¥26,496 million year on year, to ¥40,427 million. Inflows, which included dividends received and decrease in trade and other receivables, exceeded outflows, which included decrease in trade and other payables.

(Cash flows from investing activities)

Net cash used in investing activities was ¥21,875 million, up ¥328 million year on year. Investment outlays for capital expenditures in domestic solar power generation businesses exceeded investment inflows, such as gains on sales of investments.

(Cash flows from financing activities)

Net cash used in financing activities was ¥49,647 million, down ¥33,962 million year on year. Cash outlays for debt repayment exceeded cash inflows from new borrowings.

(3) Consolidated Earnings Forecast

In light of changes in the operating environment, the forecasts for full-year financial results for the year ending March 31, 2017 projected in May 9, 2016 was revised as follows.

Net sales (*1)	3,930 billion yen (Decreased (400) billion yen ((9.2)% compared to initial forecast)
Gross profit (*2)	200 billion yen (Decreased (10) billion yen ((4.8)% compared to initial forecast)
Operating profit	45.0 billion yen (Increased 1 billion yen (+2.3%) compared to initial forecast)
Profit before tax	53.0 billion yen (Unchanged from initial forecast)
Profit for the year attributable to owners of the Company	40.0 billion yen (Unchanged from initial forecast)

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

(*2) Full-year forecast for gross profit was not previously disclosed. However it was additionally disclosed for convenience to evaluate the Company's performances through the consolidated financial statement.

In regard to the consolidated earnings forecast for the year ending March 31, 2017, the forecast for net sales (JGAAP) has been lowered by ¥400 billion from the previously released forecast, now projecting a figure of ¥3,930 billion. In addition, the gross profit forecast has been lowered by ¥10 billion, to ¥200 billion, out of consideration for the decrease in automobile sales volumes in Russia and the deterioration of market conditions for chemicals.

The forecast for operating profit, meanwhile, has been raised by ¥1 billion, to ¥45 billion, as selling, general and administrative expenses are now anticipated to be reduced to a greater degree than initially expected. There have been no changes to the forecasts for profit before tax or profit for the year (attributable to owners of the Company).

Caution regarding Forward-looking Statements

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

2. Summary information (other)

(1) Changes in major subsidiaries during the period

None

3. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(In Millions of Yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and cash equivalents	344,414	302,703
Time deposits	6,657	5,252
Trade and other receivables	496,156	459,722
Derivative financial assets	6,593	5,808
Inventories	237,111	227,313
Income tax receivables	6,068	4,180
Other current assets	49,017	57,919
Subtotal	1,146,018	1,062,900
Assets held for sale	326	2,460
Total current assets	1,146,344	1,065,361
Non-current assets		
Property, plant and equipment	186,957	174,370
Goodwill	53,055	52,347
Intangible assets	38,829	34,212
Investment property	18,369	18,435
Investments accounted for using the equity method	377,597	355,062
Trade and other receivables	44,558	40,843
Other investments	173,618	169,746
Derivative financial assets	163	172
Other non-current assets	9,668	7,886
Deferred tax assets	7,507	5,687
Total non-current assets	910,325	858,763
Total assets	2,056,670	1,924,124
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	439,245	413,773
Bonds and borrowings	168,264	136,233
Derivative financial liabilities	3,728	5,502
Income tax payables	6,630	4,980
Provisions	2,525	2,221
Other current liabilities	53,294	58,657
Subtotal	673,688	621,369
Liabilities directly related to assets held for sale	88	98
Total current liabilities	673,776	621,468
Non-current liabilities		
Bonds and borrowings	754,434	731,194
Trade and other payables	9,696	8,241
Derivative financial liabilities	5,001	5,612
Retirement benefits liabilities	18,727	16,799
Provisions	18,949	18,250
Other non-current liabilities	7,475	6,307
Deferred tax liabilities	18,891	13,450
Total non-current liabilities	833,176	799,855
Total liabilities	1,506,953	1,421,323
Equity		
Share capital	160,339	160,339
Capital surplus	146,514	146,514
Treasury stock	(161)	(162)
Other components of equity	132,415	76,546
Retained earnings	81,245	91,470
Total equity attributable to owners of the Company	520,353	474,709
Non-controlling interests	29,363	28,091
Total equity	549,716	502,800
Total liabilities and equity	2,056,670	1,924,124

(2) Consolidated Statements of Profit or Loss

(In millions of yen)

	For the 1st Half Ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Revenue		
Sales of goods	829,751	691,144
Sales of service and others	44,386	43,433
Total revenue	874,138	734,578
Cost of sales	(782,416)	(642,789)
Gross profit	91,722	91,788
Selling, general and administrative expenses	(76,864)	(74,594)
Other income(expenses)		
Gain(loss)on sale and disposal of fixed assets, net	585	15
Impairment loss on fixed assets	(1,919)	(2,808)
Gain on sale of subsidiaries/associates	1,256	1,293
Loss on reorganization of subsidiaries/associates	(645)	(438)
Other operating income	5,792	4,328
Other operating expenses	(3,415)	(3,370)
Total other income(expenses)	1,654	(980)
Operating profit	16,512	16,213
Financial income		
Interests earned	2,134	1,890
Dividends received	2,449	2,219
Total financial income	4,583	4,109
Financial costs		
Interest expenses	(8,577)	(7,466)
Other financial costs	(3)	(26)
Total financial costs	(8,581)	(7,493)
Share of profit(loss)of investments accounted for using the equity method	15,213	6,686
Profit before tax	27,728	19,516
Income tax expenses	(4,776)	(2,754)
Profit for the period	22,951	16,761
Profit for the period attributable to:		
Owners of the Company	20,612	15,359
Non-controlling interests	2,339	1,402
Total	22,951	16,761
Net sales*	2,015,907	1,776,674

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

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

(In Millions of Yen)

	For the 1st Half Ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Profit for the period	22,951	16,761
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(6,084)	(484)
Remeasurements of defined benefit pension plans	(119)	7
Share of other comprehensive income of investments accounted for using the equity method	7,135	(4,207)
Total items that will not be reclassified to profit or loss	931	(4,684)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(14,525)	(42,241)
Cash flow hedges	(2,225)	(560)
Share of other comprehensive income of investments accounted for using the equity method	(10,087)	(10,468)
Total items that may be reclassified subsequently to profit or loss	(26,838)	(53,269)
Other comprehensive income for the period, net of tax	(25,907)	(57,954)
Total comprehensive income for the period	(2,955)	(41,192)
Total comprehensive income for the period attributable to:		
Owners of the Company	(3,188)	(40,512)
Non-controlling interests	232	(680)
Total	(2,955)	(41,192)

(4) Consolidated Statements of Changes in Equity

(In Millions of Yen)

	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock	Other components of equity					Retained earnings	Total equity attributable to owners of the Company		
				Foreign currency translation differences for foreign operations	Financial assets measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2015	160,339	146,515	(159)	91,540	106,604	(3,586)	—	194,557	49,731	550,983	39,672	590,656
Profit for the period									20,612	20,612	2,339	22,951
Other comprehensive income				(22,883)	991	(1,799)	(110)	(23,801)		(23,801)	(2,106)	(25,907)
Total comprehensive income for the period	—	—	—	(22,883)	991	(1,799)	(110)	(23,801)	20,612	(3,188)	232	(2,955)
Purchase of treasury stock		(0)	(1)							(1)		(1)
Dividends									(4,378)	(4,378)	(636)	(5,014)
Change in ownership interests in subsidiaries without loss/acquisition of control				48		7		56	145	201	(540)	(339)
Reclassification from other components of equity to retained earnings					(1,331)		110	(1,221)	1,221	—		—
Other changes									(1,049)	(1,049)	(706)	(1,756)
Total contributions by and distributions to owners of the Company	—	(0)	(1)	48	(1,331)	7	110	(1,165)	(4,061)	(5,228)	(1,883)	(7,111)
Balance as of September 30, 2015	160,339	146,515	(160)	68,705	106,264	(5,379)	—	169,590	66,282	542,567	38,021	580,588
Balance as of April 1, 2016	160,339	146,514	(161)	39,649	98,904	(6,139)	—	132,415	81,245	520,353	29,363	549,716
Profit for the period									15,359	15,359	1,402	16,761
Other comprehensive income				(49,963)	(4,721)	(1,204)	16	(55,871)		(55,871)	(2,082)	(57,954)
Total comprehensive income for the period	—	—	—	(49,963)	(4,721)	(1,204)	16	(55,871)	15,359	(40,512)	(680)	(41,192)
Purchase of treasury stock		(0)	(0)							(0)		(0)
Dividends									(5,004)	(5,004)	(756)	(5,760)
Change in ownership interests in subsidiaries without loss/acquisition of control									(0)	(0)		(0)
Reclassification from other components of equity to retained earnings					20		(16)	3	(3)	—		—
Other changes									(127)	(127)	164	37
Total contributions by and distributions to owners of the Company	—	(0)	(0)	—	20	—	(16)	3	(5,134)	(5,131)	(591)	(5,723)
Balance as of September 30, 2016	160,339	146,514	(162)	(10,313)	94,203	(7,343)	—	76,546	91,470	474,709	28,091	502,800

(5) Consolidated Statements of Cash Flows

(In millions of yen)

	For the 1st Half Ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Cash flows from operating activities		
Profit for the period	22,951	16,761
Depreciation and amortization	15,752	11,582
Impairment loss of fixed assets	1,919	2,808
Finance (income) costs	3,997	3,383
Share of (profit) loss of investments accounted for using the equity method	(15,213)	(6,686)
(Gain) loss on sale of fixed assets	(585)	(15)
Income tax expenses	4,776	2,754
(Increase) decrease in trade and other receivables	58,160	22,316
(Increase) decrease in inventories	4,185	2,670
Increase (decrease) in trade and other payables	(29,352)	(12,852)
Increase (decrease) in retirement benefits liabilities	84	(1,371)
Others	4,174	266
Subtotal	70,851	41,619
Interests earned	2,118	1,672
Dividends received	10,214	9,100
Interests paid	(8,499)	(7,498)
Income taxes paid	(7,760)	(4,466)
Net cash provided (used) by/in operating activities	66,923	40,427
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,761)	(12,658)
Proceeds from sale of property, plant and equipment	3,801	963
Purchase of intangible assets	(2,107)	(784)
(Increase) decrease in short-term loans receivable	69	(1,070)
Payment for long-term loans receivable	(2,361)	(1,149)
Collection of long-term loans receivable	343	200
Purchase of subsidiaries	(6,726)	(120)
Proceeds from (payments for) sale of subsidiaries	(566)	960
Purchase of investments	(1,367)	(7,775)
Proceeds from sale of investments	5,105	1,456
Others	(1,977)	(1,897)
Net cash provided (used) by/in investing activities	(21,547)	21,875
Cash flows from financing activities		
Increase (decrease) in short-term debts and commercial papers	(18,525)	(6,937)
Proceeds from long-term borrowings	25,422	54,616
Repayment of long-term borrowings	(74,127)	(81,384)
Proceeds from issuance of bonds	—	9,946
Redemption of bonds	(10,000)	(20,000)
Proceeds from sale of subsidiaries interests to non-controlling interest holders	5	—
Payment for acquisition of subsidiaries interests from non-controlling interest holders	(18)	—
Proceeds from non-controlling interest holders	—	524
Purchase of treasury stock	(1)	(0)
Dividends paid	(4,378)	(5,004)
Dividends paid to non-controlling interest holders	(636)	(756)
Others	(1,348)	(651)
Net cash provided (used) by/in financing activities	(83,609)	(49,647)
Net increase (decrease) in cash and cash equivalents	(38,233)	(31,094)
Cash and cash equivalents at the beginning of the period	403,748	344,414
Effect of exchange rate changes on cash and cash equivalents	(4,202)	(10,615)
Cash and cash equivalents at the end of the period	361,312	302,703

(6) Segment information

For the first half ended September 30, 2015 (April 1, 2015 - September 30, 2015)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	64,865	35,619	53,323	38,903	157,800	210,527	126,117
Inter-segment revenue	12	829	9	5	1	10	6
Total revenue	64,878	36,449	53,332	38,909	157,801	210,537	126,123
Segment profit (loss)	4,144	1,356	1,234	113	3,016	4,321	2,713
Net sales (Note)							
External	145,397	297,146	102,626	66,930	279,852	323,295	216,134

	Reportable segments			Others	Reconciliations	Consolidated
	Lifestyle Commodities & Materials	Retail	Total			
Revenue						
External revenue	88,871	76,111	852,140	21,997	—	874,138
Inter-segment revenue	172	241	1,288	250	(1,539)	—
Total revenue	89,043	76,353	853,429	22,248	(1,539)	874,138
Segment profit (loss)	280	2,884	20,067	513	32	20,162

Net sales (Note)						
External	452,897	108,539	1,992,820	23,086	—	2,015,907

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

Reconciliation of segment profit of 32 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 (292) million yen, and unallocated dividend income and others of 324 million yen.

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

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	70,847	38,748	55,766	19,180	115,715	182,469	73,210
Inter-segment revenue	4	885	14	19	1	3	5
Total revenue	70,852	39,634	55,780	19,199	115,717	182,472	73,216
Segment profit (loss)	1,712	(756)	1,716	(3,028)	1,030	3,737	4,091
Net sales (Note)							
External	128,208	273,870	104,478	33,193	193,094	281,628	158,703

	Reportable segments			Others	Reconciliations	Consolidated
	Lifestyle Commodities & Materials	Retail	Total			
Revenue						
External revenue	90,299	67,419	713,657	20,920	—	734,578
Inter-segment revenue	32	184	1,151	167	(1,318)	—
Total revenue	90,331	67,603	714,808	21,087	(1,318)	734,578
Segment profit (loss)	2,214	3,353	14,071	(396)	1,683	15,359

Net sales (Note)						
External	483,906	97,201	1,754,286	22,388	—	1,776,674

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

Reconciliation of segment profit of 1,683 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to 1,504 million yen, and unallocated dividend income and others of 179 million yen.

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