

Summary of Consolidated Financial Results for the First Quarter Ended June 30, 2020 (IFRS)

August 4, 2020

Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

Company representative: Masayoshi Fujimoto, President & CEO

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

Scheduled filing date of quarterly financial report: August 12, 2020

Scheduled date of delivery of dividends: -

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 Quarter Ended June 30, 2020 (April 1, 2020 - June 30, 2020)

(1) Consolidated Operating Results

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

	Revenue		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Company		Total comprehensive income for the period	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the first quarter ended										
June 30, 2020	349,280	(20.2)	2,574	(85.8)	2,730	(82.2)	2,383	(83.3)	4,348	-
June 30, 2019	437,426	(6.5)	18,133	(33.5)	15,357	(28.3)	14,258	(27.8)	(1,618)	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first quarter ended		
June 30, 2020	1.98	1.98
June 30, 2019	11.41	11.41

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

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the Company	Total equity attributable to owners of the Company ratio
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of				
June 30, 2020	2,207,965	605,350	567,064	25.7
March 31, 2020	2,230,285	621,898	579,123	26.0

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, 2020	-	8.50	-	8.50	17.00
March 31, 2021	-				
March 31, 2021 (forecast)		5.00	-	5.00	10.00

Note : 1. Changes in cash dividend forecast : Yes

3. Consolidated Earnings Forecast for the Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

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

	Profit attributable to owners of the Company		Basic earnings per share
	Millions of Yen	%	Yen
For the Year Ending			
March 31, 2021			
Full-year	30,000	(50.7)	25.01

Note 1 : Changes in cash dividend forecast : Yes

Note 2 : Basic earnings per share is calculated based on Profit attributable to owners of the Company.

4. Others

(1) Changes in major subsidiaries during the period

(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No

(2) Accounting policy changes and accounting estimate changes

1. Changes in accounting policies required by IFRS : 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 June 30, 2020: 1,251,499,501 As of March 31, 2020: 1,251,499,501

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

As of June 30, 2020 : 52,484,728 As of March 31, 2020 : 32,204,257

3. Average number of outstanding shares during the periods:

For the first quarter ended June 30, 2020 (accumulative): 1,201,772,967

For the first quarter ended June 30, 2019 (accumulative): 1,249,241,025

Note: The Company established the Executive Compensation Board Incentive Plan Trust in the six-month period ended September 30, 2018. The trust account associated with this trust holds shares of the Company's stock, which are treated as treasury shares; 1,631,272 stocks in the first quarter ended June 30, 2020 and 1,667,211 stocks in the financial year ended March 2020.

* This summary of consolidated financial results is not subject to quarterly reviews.

* Important Note Concerning the Appropriate Use of Business Forecasts and other

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

1. Analysis of Business Results

(1) Overview of the Three-Month Period Ended June 30, 2020

Economic Environment

In the three-month period ended June 30, 2020, the movement of people and commodities was greatly restricted by the global COVID-19 pandemic, prompting responses from national governments in the forms of government finance and fiscal policies. Although economic activities are gradually being resumed, the speed of recovery is unclear and there is concern regarding the possibility of further stagnation due to a potential second wave of infections.

The United States experienced negative economic growth for the first time in six years following a sharp decline in consumer spending and capital investment sparked by the global COVID-19 pandemic. In response to this situation, the U.S. government launched massive economic stimulus measures and the Federal Reserve System swiftly rolled out monetary easing measures. These measures coupled with the expressed potential of additional economic stimulus measures effectively supported the economy. However, there is a need to carefully monitor the tough stance toward China and the other policies of the Trump administration as the United States approaches the general election scheduled for November 2020.

In Europe, substantial economic stimulus measures were enacted by European Union member countries and the European Central Bank sought to stabilize financial markets. However, it is currently unclear whether this region will succeed in achieving a swift recovery. There is also need for caution with regard to the government finance risks of high-debt countries and other aspects of the so-called North–South divide and the direction of trade negotiations between the United Kingdom and the European Union.

In the fourth quarter of the year ended March 31, 2020, China posted a negative GDP growth rate for the first time. The National People's Congress of the People's Republic of China responded by announcing a large-scale economic stimulus package at the end of May 2020. Caution is thus required with regard to the economic benefits of these measures as well as the Chinese government's measures for responding to a second wave of COVID-19 cases and the potential deterioration of relationships with Europe and the United States as a result of the implementation of the National Security Law of the People's Republic of China.

In Asia, restrictions on the movement of people and international travel as well as government finance and fiscal measures were instituted in countries across the region in response to the global COVID-19 pandemic. Although there are movements to resume economic activities in certain parts of Asia, time will likely be required for the tourism industry to recover and consumer spending to resume. There is also a need to consider the presence of areas with limited ability to offer support in response to the pandemic due to lacking government finances. The presence of such areas presents the potential for increases in credit risks stemming from corporate bankruptcies and other factors as well as interest rate hikes and currency depreciation due to outflows of risk capital should the pandemic be prolonged.

In Japan, corporate activities are gradually being resumed following the cancellation of the nationwide state of emergency declaration. However, there is a concern regarding a potential second wave of COVID-19 infections. In addition, capital investment is bearish and external demand from Asia and other regions is sluggish. Accordingly, Japan is projected to require a certain amount of time to achieve a recovery.

Financial Performance

Sojitz Corporation's consolidated business results for the first quarter ended June 30, 2020 are presented below.

Revenue	Revenue was down 20.2% year on year, to ¥349,280 million, due to reduced revenue in the Automotive Division, a result of decreases in sales volumes in overseas automobile operations; in the Chemicals Division, a result of falling methanol prices and lower synthetic resin transactions; and in the Metals & Mineral Resources Division, a result of declines in prices and transactions volumes for coal and other resources.
Gross profit	Gross profit decreased ¥15,932 million year on year, to ¥38,955 million, due to decrease in revenue.
Profit before tax	Profit before tax decreased ¥15,559 million year on year, to ¥2,574 million, as a result of declines in gross profit and share of profit of investments accounted for using the equity method. The impact of these declines could not be counteracted by benefits of reductions in non-personnel expenses and other selling, general and administration expenses and an improved balance of other income and expenses due in part to a gain on the partial sale of a gas-fired thermal power company.
Profit for the period	After adjusting profit before tax of ¥2,574 million for income tax expenses of ¥155 million, profit for the period amounted to ¥2,730 million, down ¥12,627 million year on year. Profit for the period (attributable to owners of the Company) decreased ¥11,875 million year on year, to ¥2,382 million.
Comprehensive income for the period	Comprehensive income for the period of ¥4,348 million was recorded, compared with comprehensive loss for the period of ¥1,618 million in the previous equivalent period, following an increase in financial assets at fair value through other comprehensive income along with more beneficial foreign currency translation differences for foreign operations. Comprehensive income for the period (attributable to owners of the Company) of ¥3,217 million was recorded, compared with comprehensive loss for the period of ¥2,387 million in the previous equivalent period.

Results for the three-month period ended June 30, 2020, are summarized by segment below.

Automotive

Revenue was down 59.3% year on year, to ¥24,557 million, as a result of decreases in sales volumes in overseas automobile operations as a result of the global COVID-19 pandemic. Profit for the period (attributable to owners of the Company) decreased ¥3,270 million, to ¥1,761 million, as a result of a decline in gross profit.

Aerospace & Transportation Project

Revenue was down 27.8% year on year, to ¥4,131 million, due to decreases in aircraft part-out transactions. Profit for the period (attributable to owners of the Company) decreased ¥720 million, to ¥478 million, as a result of a decline in gross profit.

Machinery & Medical Infrastructure

Revenue was down 0.7% year on year, to ¥22,582 million. Profit for the period (attributable to owners of the Company) increased ¥858 million, to 1,113 million.

Energy & Social Infrastructure

Revenue was down 8.2% year on year, to ¥12,853 million, as a result of conversion of a domestic solar power generation business company in to affiliate through partial sale in the previous fiscal year. Profit for the period (attributable to owners of the Company) rose ¥1,526 million, to ¥1,780 million, as an increase in other income and expenses due in part to a gain on the partial sale of a natural gas-fired power project company counteracted the impacts of a decline in gross profit.

Metals & Mineral Resources

Revenue was down 15.3% year on year, to ¥79,050 million, as a result of declines in prices and transactions volumes for coal and other resources as a result of the global COVID-19 pandemic. Loss for the period (attributable to owners of the Company) of ¥1,950 million was recorded, compared with profit for the period (attributable to owners of the Company) of ¥7,073 million in the previous equivalent period, as a result of falling sales prices in overseas coal businesses and a decline in gross profit following the sale of thermal coal interests at the end of the fiscal year ended March 31, 2020 as well as decrease in share of profit of investments accounted for using the equity method associated with lower profit of steel operating company.

Chemicals

Revenue was down 20.7% year on year, to ¥91,592 million, as a result of declines in the price of methanol and lower transaction volumes of plastic resins as a result of the global COVID-19 pandemic. Profit for the period (attributable to owners of the Company) decreased ¥2,288 million, to ¥19 million as a result of a decline in gross profit.

Foods & Agriculture Business

Revenue was down 0.6% year on year, to ¥32,442 million, as the increase in transaction volumes in overseas fertilizer businesses was counteracted by decreased transaction volumes in marine products businesses. Profit for the period (attributable to owners of the Company) increased 1,341 billion, to ¥1,992 billion, as a result of higher gross profit in overseas fertilizer businesses.

Retail & Lifestyle Business

Revenue was down 11.1% year on year, at ¥70,361million, as a result of lower lumber transactions as a result of the global COVID-19 pandemic. Profit for the year (attributable to owners of the Company) decreased ¥511 million, to ¥589 million as a result of a decline in gross profit.

Industrial Infrastructure & Urban Development

Revenue was down 16.2% year on year, at ¥5,312 million, as a result of lower sales in domestic real estate businesses. Loss for the year (attributable to owners of the Company) decreased ¥289 million, to ¥569 million, due to higher gross profit attributable to intermediary commissions received in overseas industrial park operations.

(2) Financial Position

Consolidated Balance Sheet

Total assets on June 30, 2020, were ¥2,207,965 million, down ¥22,320 million from March 31, 2020, following reductions in trade and other receivables under current assets in the Chemicals Division and the Automotive Division.

Total liabilities on June 30, 2020, stood at ¥1,602,614 million, down ¥5,773 million from March 31, 2020, as a result of declines in trade and other payables under current liabilities in the Chemicals Division and the Automotive Division.

Total equity attributable to owners of the Company was ¥567,064 million on June 30, 2020, down ¥12,059 million from March 31, 2020. This decline was largely due to dividends paid and acquisition of treasury stock, which counteracted the increase in the accumulation of profit for the period (attributable to owners of the Company).

Consequently, on June 30, 2020, the current ratio was 165.7%, the long-term debt ratio was 79.0%, and the equity ratio* was 25.7%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥613,372 million on June 30, 2020, ¥198 million increase from March 31, 2020. This resulted in the Company's net debt equity ratio* equaling 1.08 times at June 30, 2020. Lease liabilities have been excluded from aforementioned total interest-bearing debt.

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

Under Medium-Term Management Plan 2020, the Sojitz Group continues to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has been endeavored to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level.

As one source of long-term funding, Sojitz did not issue straight bonds in the three-month period ended June 30, 2020. However, Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional issues whenever the timing and associated costs prove advantageous.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥100 billion long-term yen commitment line (which remains unused) and long-term commitment line totaling US\$1.6 billion (of which US\$0.55 billion has been used).

Consolidated Cash Flows

In the three-month period ended June 30, 2020, operating activities provided net cash flow of ¥15,698 million, investing activities provided net cash flow of ¥2,932 million, and financing activities provided net cash flow of ¥9,492 million. Sojitz ended the period with cash and cash equivalents of ¥301,956 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided by operating activities in the three-month period ended June 30, 2020, was ¥15,698 million, consisted of business earnings and dividends received, etc. it was rose ¥9,361 million year on year.

(Cash flows from investing activities)

Net cash provided by investing activities in the three-month period ended June 30, 2020, was ¥2,932 million, mainly as a result of the partial sale of a natural gas-fired thermal power company, etc. it was rose ¥12,659 million year on year.

(Cash flows from financing activities)

Net cash provided by financing activities in the three-month period ended June 30, 2020, was ¥9,492 million, up ¥759 million year on year. This outcome was primarily a result of proceeds from borrowings, which offset outflows for dividends paid and acquisition of treasury stock.

(3) Consolidated Earnings Forecast

In the three-month period ended June 30, 2020, the impacts of global COVID-19 pandemic on decreased steel demand and coal and other resource prices beyond initially assumed; may continue throughout the fiscal year. Accordingly, the following revisions were made to current forecast for fiscal year 2020.

Profit for the year (Attributable to owners of the Company)	¥30.0 billion	(¥10.0 billion (25.0%) lower than initial forecast)
---	---------------	---

***Caution regarding Forward-looking Statements**

This document contains forward-looking statements based on information available to the Company at the time of disclosure and certain assumptions that management believes to be reasonable. Actual results may differ materially based on various factors including the timing at which the COVID-19 pandemic ends; changes in economic conditions in key markets, both in and outside of Japan; and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

2. Summary information (other)

(1) Changes in major subsidiaries during the period

None

3. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(In Millions of Yen)

	FY 2019 (As of March 31, 2020)	FY 2020 (As of June 30, 2020)
Assets		
Current assets		
Cash and cash equivalent	272,651	301,956
Time deposits	7,433	5,767
Trade and other receivables	638,207	599,422
Derivatives	5,055	4,951
Inventories	213,385	210,237
Income tax receivables	3,956	5,370
Other current assets	64,455	64,379
Subtotal	1,205,145	1,192,084
Assets as held for sale	12,318	5,759
Total current assets	1,217,464	1,197,844
Non-current assets		
Property, plant and equipment	157,995	164,906
Usage rights assets	74,136	73,077
Goodwill	66,496	67,454
Intangible assets	43,366	46,867
Investment property	18,602	12,864
Investments accounted for using the equity method	413,740	403,129
Trade and other receivables	78,352	79,972
Other investments	140,975	144,865
Derivatives	173	4
Other non-current assets	11,680	11,374
Deferred tax assets	7,300	5,602
Total non-current assets	1,012,821	1,010,120
Total assets	2,230,285	2,207,965
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	481,768	446,896
Lease liabilities	15,317	15,366
Bonds and borrowings	186,767	193,287
Derivatives	5,257	3,618
Income tax payables	6,572	4,331
Provisions	1,956	1,678
Other current liabilities	56,716	57,537
Subtotal	754,354	722,715
Liabilities directly related to assets as held for sale	1	-
Total current liabilities	754,356	722,715
Non-current liabilities		
Lease liabilities	63,666	62,235
Bonds and borrowings	706,491	727,808
Trade and other payables	9,738	10,143
Derivatives	763	776
Retirement benefits liabilities	22,077	22,119
Provisions	31,102	33,077
Other non-current liabilities	8,943	10,948
Deferred tax liabilities	11,247	12,787
Total non-current liabilities	854,030	879,899
Total liabilities	1,608,387	1,602,614
Equity		
Share capital	160,339	160,339
Capital surplus	146,756	146,778
Treasury stock	(10,901)	(15,886)
Other components of equity	49,777	50,425
Retained earnings	233,151	225,408
Total equity attributable to owners of the Company	579,123	567,064
Non-controlling interests	42,774	38,285
Total equity	621,898	605,350
Total liabilities and equity	2,230,285	2,207,965

(2) Consolidated Statements of Profit or Loss

(In Millions of Yen)

	FY 2019 First Quarter (From April 1, 2019 To June 30, 2019)	FY 2020 First Quarter (From April 1, 2020 To June 30, 2020)
Revenue		
Sale of goods	413,366	330,069
Sales of service and others	24,060	19,210
Total revenue	437,426	349,280
Cost of sales	(382,539)	(310,324)
Gross profit	54,887	38,955
Selling, general and administrative expenses	(42,821)	(38,818)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	(37)	34
Impairment loss on fixed assets	(0)	—
Gain on reorganization of subsidiaries/associates	30	2,180
Loss on reorganization of subsidiaries/associates	(1)	(4)
Other operating income	1,368	1,348
Other operating expenses	(1,491)	(1,888)
Total other income/expenses	(132)	1,670
Financial income		
Interests earned	1,762	1,232
Dividends received	1,634	1,120
Other financial income	—	—
Total financial income	3,396	2,352
Financial costs		
Interest expenses	(3,887)	(3,213)
Other financial costs	(106)	(39)
Total financial cost	(3,993)	(3,252)
Share of profit(loss) of investments accounted for using the equity method	6,796	1,667
Profit before tax	18,133	2,574
Income tax expenses	(2,775)	155
Profit for the period	15,357	2,730
Profit attributable to:		
Owners of the Company	14,258	2,383
Non-controlling interests	1,098	347
Total	15,357	2,730

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

(In Millions of Yen)

	FY 2019 First Quarter (From April 1, 2019 To June 30, 2019)	FY 2020 First Quarter (From April 1, 2020 To June 30, 2020)
Profit for the period	15,357	2,730
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets at fair value through other comprehensive income	(5,780)	2,399
Remeasurements of defined benefit pension plans	(181)	109
Share of other comprehensive income of investments accounted for using the equity method	(2,497)	2,113
Total items that will not be reclassified to profit or loss	(8,459)	4,623
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(6,299)	1,385
Cash flow hedges	(502)	2,016
Share of other comprehensive income of investments accounted for using the equity method	(1,714)	(6,407)
Total items that may be reclassified subsequently to profit or loss	(8,516)	(3,005)
Other comprehensive income for the year, net of tax	(16,975)	1,617
Total comprehensive income for the year	(1,618)	4,348
Total comprehensive income attributable to:		
Owners of the Company	(2,387)	3,217
Non-controlling interests	769	1,131
Total	(1,618)	4,348

(4) Consolidated Statements of Changes in Equity

(In Millions of Yen)

	Attributable to owners of the Company					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Foreign currency translation differences for foreign operations	Financial assets at fair value through other comprehensive income	Cash flow hedges
Balance as of April 1, 2019	160,339	146,645	(865)	4,861	107,226	(4,512)
Impact of change in accounting policies						
Balance as of April 1, 2019 (Revised)	160,339	146,645	(865)	4,861	107,226	(4,512)
Profit for the period						
Other comprehensive income				(7,398)	(8,548)	(802)
Total comprehensive income for the period	—	—	—	(7,398)	(8,548)	(802)
Purchase of treasury stock		(0)	(0)			
Disposition of treasury stock		(7)	7			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				0		0
Reclassification from other components of equity to retained earnings					(413)	
Share remuneration payment transaction		39				
Other changes						
Total contributions by and distributions to owners of the Company	—	32	6	0	(413)	0
Balance as of June 30, 2019	160,339	146,677	(858)	(2,536)	98,264	(5,314)

Balance as of April 1, 2020	160,339	146,756	(10,901)	(29,975)	86,513	(6,760)
Impact of change in accounting policies						
Profit for the period						
Other comprehensive income				(697)	4,472	(3,057)
Total comprehensive income for the period	—	—	—	(697)	4,472	(3,057)
Purchase of treasury stock		(1)	(5,000)			
Disposition of treasury stock		(14)	14			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control						
Reclassification from other components of equity to retained earnings					(69)	
Share remuneration payment transaction		37				
Other changes						
Total contributions by and distributions to owners of the Company	—	21	(4,985)	—	(69)	—
Balance as of June 30, 2020	160,339	146,778	(15,886)	(30,672)	90,916	(9,817)

(In Millions of Yen)

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company		
	Remeasurements of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2019	—	107,576	204,600	618,295	43,312	661,607
Impact of change in accounting policies			(2,402)	(2,402)		(2,402)
Balance as of April 1, 2019 (Revised)	—	107,576	202,197	615,892	43,312	659,205
Profit for the period			14,258	14,258	1,098	15,357
Other comprehensive income	102	(16,646)		(16,646)	(329)	(16,975)
Total comprehensive income for the period	102	(16,646)	14,258	(2,387)	769	(1,618)
Purchase of treasury stock				(0)		(0)
Disposal of treasury stock				—		—
Dividends			(11,884)	(11,884)	(1,069)	(12,953)
Change in ownership interests in subsidiaries without loss/acquisition of		0	(7)	(6)	766	759
Reclassification from other components of equity to retained earnings	(102)	(515)	515	—		—
Share remuneration payment transaction				39		39
Other changes			72	72	112	184
Total contributions by and distributions to owners of the Company	(102)	(515)	(11,303)	(11,779)	(190)	(11,969)
Balance as of June 30, 2019	—	90,414	205,152	601,725	43,891	645,617

Balance as of April 1, 2020	—	49,777	233,151	579,123	42,774	621,898
Profit for the period			2,383	2,383	347	2,730
Other comprehensive income	116	833		833	784	1,617
Total comprehensive income for the period	116	833	2,383	3,217	1,131	4,348
Purchase of treasury stock				(5,001)		(5,001)
Disposal of treasury stock				—		—
Dividends			(10,378)	(10,378)	(1,909)	(12,287)
Change in ownership interests in subsidiaries without loss/acquisition of control				—		—
Reclassification from other components of equity to retained earnings	(116)	(185)	185	—		—
Share remuneration payment transaction				37		37
Other changes			65	65	(3,795)	(3,729)
Total contributions by and distributions to owners of the Company	(116)	(185)	(10,126)	(15,276)	(5,620)	(20,896)
Balance as of June 30, 2020	—	50,425	225,408	567,064	38,285	605,350

(5) Consolidated Statements of Cash Flows

(In millions of Yen)

	FY 2019 First Quarter (From April 1, 2019 To June 30, 2019)	FY 2020 First Quarter (From April 1, 2020 To June 30, 2020)
Cash flows from operating activities		
Profit for the period	15,357	2,730
Depreciation and amortization	7,918	7,802
Impairment loss of fixed assets	0	—
Finance (income) costs	596	899
Share of (profit)loss of investments accounted for using the equity method	(6,796)	(1,667)
(Gain) loss on sale of fixed assets, net	37	(34)
Income tax expenses	2,775	(155)
(Increase) decrease in trade and other receivables	1,915	37,468
(Increase) decrease in inventories	(1,386)	5,159
Increase (decrease) in trade and other payables	(12,029)	(36,196)
Changes in other assets and liabilities	(4,408)	(1,640)
Increase (decrease) in retirement benefits liabilities	70	133
Others	(42)	(2,661)
Subtotal	4,009	11,837
Interests earned	1,218	828
Dividends received	11,547	7,814
Interests paid	(3,725)	(3,099)
Income taxes paid	(6,712)	(1,682)
Net cash provided (used) by/in operating activities	6,337	15,698
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,007)	(5,322)
Proceeds from sale of property, plant and equipment	193	2,522
Purchase of intangible assets	(754)	(3,110)
(Increase) decrease in short-term loans receivable	122	215
Payment for long-term loans receivable	(57)	—
Collection of long-term loans receivable	381	2
Proceeds from (payments for) acquisition of subsidiaries	(525)	(543)
Proceeds from (payments for) sale of subsidiaries	—	6,073
Purchase of investments	(6,990)	(1,221)
Proceeds from sale of investments	2,142	817
Others	767	3,498
Net cash provided (used) by/in investing activities	(9,727)	2,932
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	34,981	5,145
Proceeds from long-term borrowings	15,994	56,194
Repayment of long-term borrowings	(17,249)	(31,858)
Redemption of bonds	(10,000)	—
Repayment of lease liabilities	(2,987)	(3,321)
Proceeds from non-controlling interest holders	645	84
Sales of treasury stock	6	5
Purchase of treasury stock	(0)	(5,000)
Dividends paid	(11,884)	(10,378)
Dividends paid to non-controlling interest holders	(774)	(1,371)
Others	2	(7)
Net cash provided (used) by/in financing activities	8,733	9,492
Net increase (decrease) in cash and cash equivalents	5,342	28,123
Cash and cash equivalents at the beginning of the year	285,687	272,651
Effect of exchange rate changes on cash and cash equivalents	(1,859)	1,181
Cash and cash equivalents at the end of the period	289,170	301,956

(6) Segment information

For the first quarter ended June 30, 2019 (April 1, 2019 – June 30, 2019)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & Transportaion Project	Machinery & Medical Infrastructure	Energy & Social Infrastructure	Metals & Mineral Resources	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	60,311	5,718	22,746	13,996	93,361	115,543	32,628
Inter-segment revenue	—	0	13	434	—	4	2
Total revenue	60,311	5,718	22,759	14,431	93,361	115,547	32,631
Segment profit (loss)	1,509	242	255	254	7,073	2,307	651

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	79,126	6,336	429,769	7,657	—	437,426
Inter-segment revenue	13	91	560	40	(601)	—
Total revenue	79,139	6,427	430,329	7,698	(601)	437,426
Segment profit (loss)	1,100	(858)	12,536	243	1,478	14,258

Reconciliation of segment profit of 1,478 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 1,122 million yen, and unallocated dividend income and others of 355 million yen.

For the first quarter ended June 30, 2020 (April 1, 2020 – June 30, 2020)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & Transportaion Project	Machinery & Medical Infrastructure	Energy & Social Infrastructure	Metals & Mineral Resources	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	24,557	4,131	22,582	12,853	79,050	91,592	32,442
Inter-segment revenue	—	—	19	479	—	0	2
Total revenue	24,557	4,131	22,602	13,332	79,050	91,592	32,445
Segment profit (loss)	(1,761)	(478)	1,113	1,780	(1,950)	19	1,992

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	70,361	5,312	342,883	6,396	—	349,280
Inter-segment revenue	14	87	603	26	(630)	—
Total revenue	70,375	5,400	343,487	6,422	(630)	349,280
Segment profit (loss)	589	(569)	734	(58)	1,707	2,383

Reconciliation of segment profit of 1,707 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 203 million yen.