

## Summary of Consolidated Financial Results for the First Half Ended September 30, 2023 (IFRS)

October 31, 2023

### Sojitz Corporation

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

Listed stock exchange: Prime section of Tokyo

Security code: 2768

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Scheduled date of delivery of dividends : December 1, 2023

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, 2023 (April 1, 2023 - September 30, 2023)

#### (1) Consolidated Operating Results

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

|   | Revenue         |       | Profit before tax |        | Profit for the period |        | Profit for the period attributable to owners of the Company |        | Total comprehensive income for the period |        |
|---|-----------------|-------|-------------------|--------|-----------------------|--------|---|--------|---|--------|
|   | Millions of Yen | %     | Millions of Yen   | %      | Millions of Yen       | %      | Millions of Yen   | %      | Millions of Yen                           | %      |
| For the first half ended September 30, 2023 | 1,187,268       | (6.8) | 64,509            | (39.5) | 49,440                | (39.4) | 47,934  | (39.2) | 109,660                                   | (30.0) |
| September 30, 2022                          | 1,273,322       | 27.2  | 106,547           | 103.1  | 81,611                | 96.8   | 78,876  | 99.9   | 156,690                                   | 158.1  |

|   | Basic earnings per share | Diluted earnings per share |
|---|--------------------------|----------------------------|
|   | Yen                      | Yen                        |
| For the first half ended September 30, 2023 | 212.06                   | 212.06                     |
| September 30, 2022                          | 341.70                   | 341.70                     |

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

#### (2) Consolidated Financial Position

|                          | Total assets    | Total equity    | Total equity attributable to owners of the Company | Total equity attributable to owners of the Company ratio |
|--------------------------|-----------------|-----------------|--|--|
|                          | Millions of Yen | Millions of Yen | Millions of Yen                                    | %  |
| As of September 30, 2023 | 2,774,724       | 921,864         | 888,504  | 32.0   |
| March 31, 2023           | 2,660,843       | 876,576         | 837,713  | 31.5   |

### 2. Cash Dividends

|                                   | Cash dividend per share |                |               |              |               |
|-----------------------------------|-------------------------|----------------|---------------|--------------|---------------|
|                                   | First quarter           | Second quarter | Third quarter | Year end     | Annual        |
| For the year ended March 31, 2023 | Yen<br>-                | Yen<br>65.00   | Yen<br>-      | Yen<br>65.00 | Yen<br>130.00 |
| March 31, 2024                    | -                       | 65.00          | -             | 65.00        | 130.00        |
| March 31, 2024 (forecast)         | -                       | -              | -             | 65.00        | 130.00        |

Note: Changes in cash dividend forecast : No

### 3. Consolidated Earnings Forecast for the Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

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, 2024 Full-year | 95,000                                       | (14.6) | 425.21                   |

Note1: Changes in full-year earnings forecast : No

Note2: Basic earnings per share is calculated based on Profit attributable to owners of the Company.

In addition, the effect of share repurchase, which was resolved at the Board of Directors meeting on March 31, 2023, was taken into consideration at the beginning of the fiscal year.

#### 4. Others

(1) Changes in major subsidiaries during the period

(Changes in specified subsidiaries accompanying changes in scope of consolidation) : Yes

New company : 2 Orchid Wind Power GmbH

Starwind Offshore GmbH

(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 stock):

As of September 30, 2023 : 225,000,000 As of March 31, 2023: 250,299,900

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

As of September 30, 2023 : 3,738,892 As of March 31, 2023: 19,482,980

3. Average number of outstanding shares during the periods:

For the first half ended September 30, 2023 (accumulative): 226,041,152

For the first half ended September 30, 2022 (accumulative): 230,832,587

Note1: The Company established the Executive Compensation Board Incentive Plan Trust. The trust account associated with this trust holds shares of the Company's stock, which are treated as treasury stock; 886,140 stocks in the first half ended September 30, 2023 and 953,699 stocks in the fiscal year ended March 31, 2023.

Note2: The number of outstanding shares decreased by 25,299,900 shares due to the cancellation of treasury stock on April 7 and September 29, 2023.

\* 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 hold an IR meeting on financial results for the first half ended September 30, 2023 for analysts and institutional investors on October 31, 2023. Materials on financial results, Contents (materials and videos) of the meeting and condensed transcript of Q&A session will be posted on the company's web site immediately after the meeting.

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## 1. Analysis of Business Results

### (1) Overview of the First Half Ended September 30, 2023

#### Economic Environment

For the first half ended September 30, 2023, economic recovery is expected due to the increase in global economic activity as the economy emerges from the COVID-19 shock. However, there is an ongoing need to monitor causes of concern for future economic recessions in light of the growing downward pressure on the global economy from factors such as the heightened geopolitical risks such as the prolongation of Russia's military invasion of Ukraine and escalating tensions in the Middle East, and the monetary tightening measures implemented by central banks in developed countries in response to persistent inflation.

In the United States, the Federal Reserve Board implemented interest rates hikes at 10 consecutive meetings of the Federal Open Market Committee over the period from March 2022 to May 2023. Aimed at combating inflation, these hikes have culminated in a total increase of 5.00% in interest rates. In addition, interest rates increased by 0.25% at the July meeting, with the policy interest rate stands at 5.25-5.50% as a result. The concern for a recession remains, but the impacts of such a recession are not anticipated to be particularly severe based on the decelerated pace of inflation and the brisk consumption seen in the U.S. market.

In Europe, the European Central Bank (ECB) decided to raise interest rates for the 10 consecutive meetings at the September meeting. Market participants say the ECB is likely to take a wait-and-see approach, but the central bank has left open the possibility that future rate hikes will depend on data. Low inflation rates and stable job markets are a source of optimism with regard to the European economy. However, the currently low levels of consumption, along with other factors, are slowing GDP growth.

China was expected to witness a full-fledged recovery in economic activity given the emphasis on reform and openness at the 20 National Congress of the Chinese Communist Party in October 2022, and the country's abandonment of its zero-COVID policy in December. However, the outlook for economic activity needs to be carefully monitored, as recovery in business sentiment has been slow with two interest rate cuts this fiscal year due to a decline in exports and a slump in consumer spending and the real estate market.

In Asia, the growth rate has been decelerating due to the slump in external demand, particularly in Western markets. Although domestic demand is driving many countries, there are concerns about high prices and high interest rates due to the prolonged situation in Ukraine. While inflation is peaking out in some countries, currency depreciation caused by the difference in interest rates with the United States has limited the number of countries that will cut interest rates.

In Japan, the recovery of inbound travel to Japan contributed recoveries of the lodging and restaurant industries. In addition, automotive production and sales have improved following the elimination of semiconductor supply constraints. On the other hand, although total cash salaries, which represent nominal wages, have increased, domestic consumption has remained stagnant as real wages continue to decline due to the effects of rising prices. The Bank of Japan has maintained its conventional accommodative monetary policy. This situation has sparked yen depreciation as a result of differences in interest rates between the United States and Japan. Going forward, it will be important to exercise caution with regard to the potential for rapid fluctuations in exchange rates stemming from changes in Japanese financial policy.

## Financial Performance

Sojitz Corporation's consolidated business results for the first half ended September 30, 2023 are presented below.

|                                     |  |
|-------------------------------------|--|
| Revenue                             | Revenue was down 6.8% year on year, to ¥1,187,268 million, due to reduced revenue in the Metals, Mineral Resources & Recycling Division, a result of declines in prices and transactions volumes for coal; and in the Chemicals Division, a result of declines in transactions volumes for chemical products.  |
| Gross profit                        | Gross profit was decreased ¥24,848 million year on year, to ¥157,395 million, due to reduced revenue in the Metals, Mineral Resources & Recycling Division, a result of declines in prices and transactions volumes for coal; and in the Chemicals Division, a result of declines in transactions volumes for chemical products.   |
| Profit before tax                   | Profit before tax was down ¥42,038 million year on year, to ¥64,509 million, as a result of declines in gross profit, and increases other selling, general and administrative expenses as a result of increases in non-personnel expenses.   |
| Profit for the period               | After deducting income tax expenses of ¥15,068 million from profit before tax of ¥64,509 million, profit for the period amounted to ¥49,440 million, down ¥32,171 million year on year. Profit for the period (attributable to owners of the Company) declined ¥30,942 million year on year, to ¥47,934 million.   |
| Comprehensive income for the period | Comprehensive income for the period of ¥109,660 million was recorded, down ¥47,030 million year on year, following a decrease 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) was ¥105,416 million, a decrease of ¥43,167 million year on year. |

(In Millions of Yen)

|   | Fiscal Year<br>2023 H1<br>Results(A) | Fiscal Year<br>2022 H1<br>Results (B) | Difference<br>(A)-(B) | Percentage<br>change<br>(%) |
|---|--------------------------------------|---------------------------------------|-----------------------|-----------------------------|
| Revenue   | 1,187,268                            | 1,273,322                             | (86,054)              | (6.8)                       |
| Gross profit  | 157,395                              | 182,243                               | (24,848)              | (13.6)                      |
| Profit before tax   | 64,509                               | 106,547                               | (42,038)              | (39.5)                      |
| Profit for the period   | 49,440                               | 81,611                                | (32,171)              | (39.4)                      |
| Profit for the period<br>attributable to owners of<br>the Company | 47,934                               | 78,876                                | (30,942)              | (39.2)                      |
| Comprehensive income<br>for the period                            | 109,660                              | 156,690                               | (47,030)              | (30.0)                      |

Results for the first half ended September 30, 2023, are summarized by segment below. Effective April 1, 2023, the Company has changed the classification method for some of its reporting segments, as described in (7) Segment information (page 14).

#### Automotive

Revenue was up 33.3% year on year, to ¥201,501 million, mainly due to the acquisition of overseas used car sales business. Profit for the period (attributable to owners of the Company) decreased ¥1,818 million year on year, to ¥2,665 million, as a result of an increase in selling, general and administrative expenses associated with the acquisition of overseas used car sales business, and an increase in financing costs due to higher foreign currency interest rates despite an increase in gross profit.

#### Aerospace & Transportation Project

Revenue was up 5.4% year on year, to ¥18,375 million, mainly due to the acquisition of an aircraft operation and maintenance company. Profit for the period (attributable to owners of the Company) decreased ¥871 million year on year, as a result of decrease in financial income from aircraft-related transactions to ¥1,502 million, despite an increase in gross profit.

#### Infrastructure & Healthcare

Revenue was up 12.4% year on year, to ¥71,902 million, mainly due to the increase in revenue from industrial machinery trading company. Profit for the period (attributable to owners of the Company) decreased ¥4,279 million year on year, to ¥5,470 million, due to a decrease in share of profit (loss) of investments accounted for using the equity method from sales of thermal power generation business in the United States, despite an increase in gross profit.

#### Metals, Mineral Resources & Recycling

Revenue was down 29.9% year on year, to ¥245,257 million, mainly due to declines in prices and transactions volumes for coal. Profit for the period (attributable to owners of the Company) decreased ¥23,257 million year on year, to ¥18,537 million, as a result of a decline in gross profit.

#### Chemicals

Revenue was down 16.0% year on year, to ¥277,811 million, mainly due to declines in transactions volumes for chemical products. Profit for the period (attributable to owners of the Company) decreased ¥4,663 million year on year, to ¥6,758 million, as a result of a decline in gross profit.

#### Consumer Industry & Agriculture Business

Revenue was down 22.8% year on year, to ¥143,025 million, mainly due to declines in transactions volumes for lumber. Profit for the period (attributable to owners of the Company) decreased ¥2,356 million year on year, to ¥3,450 million, as a result of a decline in gross profit.

#### Retail & Consumer Service

Revenue was up 35.1% year on year, to ¥203,602 million, mainly due to the sale of shopping center. Profit for the period (attributable to owners of the Company) increased ¥8,078 million year on year, to ¥9,124 million, due to an increase in other income and expenses as a result of negative goodwill recorded in accordance with the acquisition of processing and sale of frozen tuna company.

## (2) Financial Position

### Consolidated Balance Sheet

Total assets on September 30, 2023, were ¥2,774,724 million, up ¥113,881 million from March 31, 2023, following the impact of the depreciation of the yen and the acquisition of new consolidated subsidiaries.

Total liabilities on September 30, 2023, amounted to ¥1,852,859 million, up ¥68,593 million from March 31, 2023, as results of the impact of the depreciation of the yen and an increase in trade and other payable due to the holiday at the end of the first half of the fiscal year.

Total equity attributable to owners of the Company was ¥888,504 million on September 30, 2023, up ¥50,791 million from March 31, 2023 despite the purchase of treasury stock and payment of dividends. This increase was due to the accumulation of profit for the period (attributable to owners of the Company), and an increase in other components of equity resulted primarily from foreign exchange rate.

Consequently, on September 30, 2023, the current ratio was 151.8%, the long-term debt ratio was 80.0%, and the equity ratio\* was 32.0%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥642,154 million on September 30, 2023, up ¥12,728 million from March 31, 2023. This resulted in the Company's net debt equity ratio\* equaling 0.7 times on September 30, 2023.

(\*) The equity ratio and net debt equity ratio are calculated based on total equity attributable to owners of the Company. Lease liabilities have been excluded from aforementioned total interest-bearing debt.

Under Medium-Term Management Plan 2023, 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 keeping the long-term debt ratio at a certain level and by holding sufficient liquidity as a buffer against changes in the economic or financial environment.

Even though Sojitz did not issue straight bonds, as one source of long-term funding, in the first half ended September 30, 2023, 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 ¥100.0 billion long-term yen commitment line (which remains unused) and long-term commitment line totaling US\$2.575 billion (of which US\$0.415 billion has been used).

### Consolidated Cash Flows

For the first half ended September 30, 2023, operating activities provided net cash flow of ¥85,224 million, investing activities provided net cash flow of ¥46,209 million, and financing activities used net cash flow of ¥161,202 million. Sojitz ended the period with cash and cash equivalents of ¥226,186 million, reflecting foreign currency translation adjustments related to cash and cash equivalents.

#### (Cash flows from operating activities)

Net cash provided in operating activities amounted to ¥85,224 million, an increase of ¥2,970 million year on year, mainly as a result of business earnings and dividends received.

#### (Cash flows from investing activities)

Net cash provided in investing activities totaled ¥46,209 million, an increase of ¥90,440 million year on year, mainly as a result of mainly due to proceeds from sales of strategic equity holdings and collections from aircraft-related transactions, despite investments in the processing and sale of frozen tuna company and an energy conservation business in Australia.

#### (Cash flows from financing activities)

Net cash used in financing activities totaled ¥161,202 million, up ¥109,870 million year on year, mainly as a result of repayment of borrowings, purchase of treasury stock and payment of dividends.

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

#### Consolidated Earnings Forecast

Current forecast for fiscal year 2023 is as follow.

|   |               |
|---|---------------|
| Gross profit  | ¥ 320 billion |
| Profit before tax   | ¥ 125 billion |
| Profit for the year   | ¥ 100 billion |
| Profit for the year (Attributable to owners of the Company) | ¥ 95 billion  |

Even though above forecast assumes a yen/dollar rate of ¥140/US\$ for the second half of the fiscal year, the impact is insignificant.

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

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

### **(4) Interim Dividend**

On October 31, 2023, the Board of Directors of the Company resolved to pay an interim dividend of 65 yen per share on common shares outstanding as of September 30, 2023, the record date for dividends. The total amount of the interim dividend will be 14,439 million yen (effectivity date of December 1, 2023).



## 2. Consolidated Financial Statements

### (1) Consolidated Statements of Financial Position

(In Millions of Yen)

|  | FY 2022<br>(As of March 31, 2023) | FY 2023<br>(As of September 30, 2023) |
|--|-----------------------------------|---------------------------------------|
| <b>Assets</b>  |                                   |                                       |
| Current assets                                       |                                   |                                       |
| Cash and cash equivalent                             | 247,286                           | 226,186                               |
| Time deposits  | 6,991                             | 9,898                                 |
| Trade and other receivables                          | 794,898                           | 774,806                               |
| Derivatives  | 4,642                             | 5,145                                 |
| Inventories  | 280,982                           | 289,043                               |
| Income tax receivables                               | 11,002                            | 5,902                                 |
| Other current assets                                 | 59,991                            | 68,190                                |
| Subtotal   | 1,405,796                         | 1,379,172                             |
| Assets held for sale                                 | 38,743                            | 69,716                                |
| Total current assets                                 | 1,444,540                         | 1,448,889                             |
| Non-current assets                                   |                                   |                                       |
| Property, plant and equipment                        | 195,414                           | 221,277                               |
| Usage rights assets                                  | 65,603                            | 73,122                                |
| Goodwill   | 85,731                            | 108,172                               |
| Intangible assets                                    | 70,834                            | 80,528                                |
| Investment property                                  | 8,116                             | 9,793                                 |
| Investments accounted for using the equity method    | 559,939                           | 580,819                               |
| Trade and other receivables                          | 86,293                            | 104,743                               |
| Other investments                                    | 129,781                           | 129,817                               |
| Derivatives  | 1,328                             | 1,347                                 |
| Other non-current assets                             | 6,650                             | 7,448                                 |
| Deferred tax assets                                  | 6,609                             | 8,764                                 |
| Total non-current assets                             | 1,216,303                         | 1,325,835                             |
| Total assets   | 2,660,843                         | 2,774,724                             |
| <b>Liabilities and equity</b>                        |                                   |                                       |
| Liabilities  |                                   |                                       |
| Current liabilities                                  |                                   |                                       |
| Trade and other payables                             | 579,252                           | 634,867                               |
| Lease liabilities                                    | 17,305                            | 18,867                                |
| Bonds and borrowings                                 | 167,775                           | 175,397                               |
| Derivatives  | 5,480                             | 8,470                                 |
| Income tax payables                                  | 20,633                            | 8,368                                 |
| Provisions   | 2,437                             | 1,777                                 |
| Other current liabilities                            | 79,676                            | 85,489                                |
| Subtotal   | 872,560                           | 933,238                               |
| Liabilities directly related to assets held for sale | 19,260                            | 21,348                                |
| Total current liabilities                            | 891,821                           | 954,586                               |
| Non-current liabilities                              |                                   |                                       |
| Lease liabilities                                    | 54,104                            | 60,541                                |
| Bonds and borrowings                                 | 715,929                           | 702,841                               |
| Trade and other payables                             | 9,234                             | 9,646                                 |
| Derivatives  | 38                                | 88                                    |
| Retirement benefits liabilities                      | 22,713                            | 24,084                                |
| Provisions   | 48,962                            | 53,736                                |
| Other non-current liabilities                        | 15,421                            | 12,082                                |
| Deferred tax liabilities                             | 26,042                            | 35,252                                |
| Total non-current liabilities                        | 892,445                           | 898,273                               |
| Total liabilities                                    | 1,784,266                         | 1,852,859                             |
| Equity   |                                   |                                       |
| Share capital  | 160,339                           | 160,339                               |
| Capital surplus                                      | 147,601                           | 95,975                                |
| Treasury stock                                       | (31,058)                          | (9,215)                               |
| Other components of equity                           | 138,638                           | 194,099                               |
| Retained earnings                                    | 422,193                           | 447,305                               |
| Total equity attributable to owners of the Company   | 837,713                           | 888,504                               |
| Non-controlling interests                            | 38,863                            | 33,360                                |
| Total equity   | 876,576                           | 921,864                               |
| Total liabilities and equity                         | 2,660,843                         | 2,774,724                             |

## (2) Consolidated Statements of Profit or Loss

(In Millions of Yen)

|  | FY 2022 6-month<br>(From April 1, 2022<br>To September 30, 2022) | FY 2023 6-month<br>(From April 1, 2023<br>To September 30, 2023) |
|--|--|--|
| Revenue  |  |  |
| Sale of goods  | 1,219,882  | 1,132,343  |
| Sales of service and others  | 53,439   | 54,924   |
| Total revenue  | 1,273,322  | 1,187,268  |
| Cost of sales  | (1,091,078)  | (1,029,872)  |
| Gross profit   | 182,243  | 157,395  |
| Selling, general and administrative expenses                               | (105,565)  | (115,222)  |
| Other income(expenses)   |  |  |
| Gain(loss) on sale and disposal of fixed assets, net                       | 285  | 1,155  |
| Impairment loss of fixed assets  | (234)  | (366)  |
| Gain on reorganization of subsidiaries/associates                          | 4,810  | 4,371  |
| Loss on reorganization of subsidiaries/associates                          | (729)  | (2,746)  |
| Other operating income   | 4,664  | 9,441  |
| Other operating expenses   | (4,978)  | (4,900)  |
| Total other income/expenses  | 3,818  | 6,954  |
| Financial income   |  |  |
| Interests earned   | 5,902  | 6,285  |
| Dividends received   | 2,272  | 1,925  |
| Other financial income   | 949  | 345  |
| Total financial income   | 9,125  | 8,557  |
| Financial costs  |  |  |
| Interest expenses  | (7,938)  | (11,445)   |
| Total financial cost   | (7,938)  | (11,445)   |
| Share of profit(loss) of investments accounted for using the equity method | 24,864   | 18,269   |
| Profit before tax  | 106,547  | 64,509   |
| Income tax expenses  | (24,936)   | (15,068)   |
| Profit for the period  | 81,611   | 49,440   |
| Profit attributable to:  |  |  |
| Owners of the Company  | 78,876   | 47,934   |
| Non-controlling interests  | 2,734  | 1,506  |
| Total  | 81,611   | 49,440   |

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

(In Millions of Yen)

|  | FY 2022 6-month<br>(From April 1, 2022<br>To September 30, 2022) | FY 2023 6-month<br>(From April 1, 2023<br>To September 30, 2023) |
|--|--|--|
| Profit for the period  | 81,611   | 49,440   |
| Other comprehensive income   |  |  |
| Items that will not be reclassified to profit or loss                                    |  |  |
| Financial assets at fair value through other comprehensive income                        | (9,646)  | 8,464  |
| Remeasurements of defined benefit pension plans  | (440)  | (192)  |
| Share of other comprehensive income of investments accounted for using the equity method | 4,805  | 1,557  |
| Total items that will not be reclassified to profit or loss                              | (5,282)  | 9,828  |
| Items that may be reclassified subsequently to profit or loss                            |  |  |
| Foreign currency translation differences for foreign operations                          | 51,732   | 38,196   |
| Cash flow hedges   | (1,998)  | (1,008)  |
| Share of other comprehensive income of investments accounted for using the equity method | 30,628   | 13,202   |
| Total items that may be reclassified subsequently to profit or loss                      | 80,362   | 50,390   |
| Other comprehensive income for the year, net of tax                                      | 75,079   | 60,219   |
| Total comprehensive income for the period  | 156,690  | 109,660  |
| Total comprehensive income attributable to:  |  |  |
| Owners of the Company  | 148,583  | 105,416  |
| Non-controlling interests  | 8,107  | 4,244  |
| Total  | 156,690  | 109,660  |

## (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, 2022   | 160,339                               | 147,027         | (31,015)       | 31,314  | 104,732   | 699              |
| Profit for the period   |                                       |                 |                |   |   |                  |
| Other comprehensive income  |                                       |                 |                | 60,601  | (4,749)   | 14,291           |
| Total comprehensive income for the period   | -                                     | -               | -              | 60,601  | (4,749)   | 14,291           |
| Purchase of treasury stock  |                                       | (1)             | (80)           |   |   |                  |
| Disposal of treasury stock  |                                       | (96)            | 96             |   |   |                  |
| Dividends   |                                       |                 |                |   |   |                  |
| Change in ownership interests in subsidiaries without loss/acquisition of control |                                       |                 |                |   |   |                  |
| Purchase commitments for non-controlling interests' shares                        |                                       |                 |                |   |   |                  |
| Reclassification from other components of equity to retained earnings             |                                       |                 |                |   | (3,576)   |                  |
| Share remuneration payment transaction  |                                       | 111             |                |   |   |                  |
| Other changes   |                                       |                 |                |   |   |                  |
| Total contributions by and distributions to owners of the Company                 | -                                     | 13              | 15             | -   | (3,576)   | -                |
| Balance as of September 30, 2022  | 160,339                               | 147,041         | (30,999)       | 91,916  | 96,406  | 14,991           |

|   | 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, 2022   | -   | 136,747                          | 314,913           | 728,012  | 35,866                    | 763,878      |
| Profit for the period   |   |                                  | 78,876            | 78,876   | 2,734                     | 81,611       |
| Other comprehensive income  | (435)   | 69,707                           |                   | 69,707   | 5,372                     | 75,079       |
| Total comprehensive income for the period   | (435)   | 69,707                           | 78,876            | 148,583  | 8,107                     | 156,690      |
| Purchase of treasury stock  |   |                                  |                   | (82)   |                           | (82)         |
| Disposal of treasury stock  |   |                                  |                   | -  |                           | -            |
| Dividends   |   |                                  | (14,141)          | (14,141)   | (1,713)                   | (15,854)     |
| Change in ownership interests in subsidiaries without loss/acquisition of control |   |                                  |                   | -  | 687                       | 687          |
| Purchase commitments for non-controlling interests' shares                        |   |                                  | (102)             | (102)  |                           | (102)        |
| Reclassification from other components of equity to retained earnings             | 435   | (3,140)                          | 3,140             | -  |                           | -            |
| Share remuneration payment transaction  |   |                                  |                   | 111  |                           | 111          |
| Other changes   |   |                                  | (50)              | (50)   | (2)                       | (53)         |
| Total contributions by and distributions to owners of the Company                 | 435   | (3,140)                          | (11,154)          | (14,266)   | (1,028)                   | (15,294)     |
| Balance as of September 30, 2022  | -   | 203,313                          | 382,634           | 862,329  | 42,945                    | 905,275      |

(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, 2023   | 160,339                               | 147,601         | (31,058)       | 54,559  | 70,939  | 13,139           |
| Profit for the period   |                                       |                 |                |   |   |                  |
| Other comprehensive income  |                                       |                 |                | 49,050  | 10,024  | (1,403)          |
| Total comprehensive income for the period   | -                                     | -               | -              | 49,050  | 10,024  | (1,403)          |
| Purchase of treasury stock  |                                       | (10)            | (30,026)       |   |   |                  |
| Disposal of treasury stock  |                                       | (478)           | 473            |   |   |                  |
| Cancellation of treasury stock  |                                       | (51,396)        | 51,396         |   |   |                  |
| Dividends   |                                       |                 |                |   |   |                  |
| Change in ownership interests in subsidiaries without loss/acquisition of control |                                       |                 |                | 1,927   |   |                  |
| Purchase commitments for non-controlling interests' shares                        |                                       |                 |                |   |   |                  |
| Reclassification from other components of equity to retained earnings             |                                       |                 |                |   | (4,138)   |                  |
| Share remuneration payment transaction  |                                       | 258             |                |   |   |                  |
| Other changes   |                                       |                 |                |   |   |                  |
| Total contributions by and distributions to owners of the Company                 | -                                     | (51,625)        | 21,842         | 1,927   | (4,138)   | -                |
| Balance as of September 30, 2023  | 160,339                               | 95,975          | (9,215)        | 105,537   | 76,825  | 11,735           |

|   | 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, 2023   | -   | 138,638                          | 422,193           | 837,713  | 38,863                    | 876,576      |
| Profit for the period   |   |                                  | 47,934            | 47,934   | 1,506                     | 49,440       |
| Other comprehensive income  | (189)   | 57,482                           |                   | 57,482   | 2,737                     | 60,219       |
| Total comprehensive income for the period   | (189)   | 57,482                           | 47,934            | 105,416  | 4,244                     | 109,660      |
| Purchase of treasury stock  |   |                                  |                   | (30,036)   |                           | (30,036)     |
| Disposal of treasury stock  |   |                                  |                   | (5)  |                           | (5)          |
| Cancellation of treasury stock  |   |                                  |                   | -  |                           | -            |
| Dividends   |   |                                  | (15,065)          | (15,065)   | (2,675)                   | (17,740)     |
| Change in ownership interests in subsidiaries without loss/acquisition of control |   | 1,927                            | (12,844)          | (10,916)   | (7,442)                   | (18,359)     |
| Purchase commitments for non-controlling interests' shares                        |   |                                  | 1,645             | 1,645  |                           | 1,645        |
| Reclassification from other components of equity to retained earnings             | 189   | (3,948)                          | 3,948             | -  |                           | -            |
| Share remuneration payment transaction  |   |                                  |                   | 258  |                           | 258          |
| Other changes   |   |                                  | (506)             | (506)  | 371                       | (135)        |
| Total contributions by and distributions to owners of the Company                 | 189   | (2,021)                          | (22,821)          | (54,625)   | (9,747)                   | (64,372)     |
| Balance as of September 30, 2023  | -   | 194,099                          | 447,305           | 888,504  | 33,360                    | 921,864      |

## (5) Consolidated Statements of Cash Flows

(In Millions of Yen)

|   | FY 2022 6-month<br>(From April 1, 2022<br>To September 30, 2022) | FY 2023 6-month<br>(From April 1, 2023<br>To September 30, 2023) |
|---|--|--|
| Cash flows from operating activities  |  |  |
| Profit for the period   | 81,611   | 49,440   |
| Depreciation and amortization   | 19,928   | 19,557   |
| Impairment loss of fixed assets   | 234  | 366  |
| Finance (income) costs  | (1,187)  | 2,887  |
| Share of (profit)loss of investments accounted for using the equity method              | (24,864)   | (18,269)   |
| (Gain) loss on sale of fixed assets, net  | (285)  | (1,155)  |
| Income tax expenses   | 24,936   | 15,068   |
| (Increase) decrease in trade and other receivables                                      | (13,274)   | (16,275)   |
| (Increase) decrease in inventories  | (71,512)   | 29,066   |
| Increase (decrease) in trade and other payables   | 58,688   | 21,655   |
| Changes in other assets and liabilities   | 18,381   | (6,709)  |
| Increase (decrease) in retirement benefits liabilities                                  | (311)  | (225)  |
| Others  | 1,579  | (7,309)  |
| Subtotal  | 93,926   | 88,099   |
| Interests earned  | 4,456  | 6,342  |
| Dividends received  | 20,097   | 26,731   |
| Interests paid  | (9,211)  | (12,177)   |
| Income taxes paid   | (27,013)   | (23,771)   |
| Net cash provided (used) by/in operating activities                                     | 82,254   | 85,224   |
| Cash flows from investing activities  |  |  |
| Purchase of property, plant and equipment   | (9,782)  | (12,779)   |
| Proceeds from sale of property, plant and equipment                                     | 1,349  | 570  |
| Purchase of intangible assets   | (5,189)  | (1,853)  |
| (Increase) decrease in short-term loans receivable                                      | 98   | 875  |
| Payment for long-term loans receivable  | (548)  | (7,003)  |
| Collection of long-term loans receivable  | 947  | 4,138  |
| Proceeds from (payments for) acquisition of subsidiaries                                | (553)  | 8,952  |
| Proceeds from (payments for) sale of subsidiaries                                       | (399)  | 4,511  |
| Purchase of investments   | (17,034)   | (31,120)   |
| Proceeds from sale of investments   | 9,577  | 16,979   |
| Others  | (22,696)   | 62,938   |
| Net cash provided (used) by/in investing activities                                     | (44,231)   | 46,209   |
| Cash flows from financing activities  |  |  |
| Increase (decrease) in short-term borrowings and commercial papers                      | (54,294)   | (41,285)   |
| Proceeds from long-term borrowings  | 132,514  | 119,932  |
| Repayment of long-term borrowings   | (95,160)   | (166,237)  |
| Redemption of bonds   | (10,000)   | -  |
| Repayment of lease liabilities  | (8,405)  | (8,471)  |
| Payment for acquisition of subsidiary's interests from non-controlling interest holders | (3)  | (18,186)   |
| Proceeds from non-controlling interest holders  | 711  | 365  |
| Sales of treasury stock   | 29   | 65   |
| Purchase of treasury stock  | (80)   | (30,026)   |
| Dividends paid  | (14,141)   | (15,065)   |
| Dividends paid to non-controlling interest holders                                      | (2,500)  | (2,293)  |
| Others  | (0)  | -  |
| Net cash provided (used) by/in financing activities                                     | (51,332)   | (161,202)  |
| Net increase (decrease) in cash and cash equivalents                                    | (13,309)   | (29,767)   |
| Cash and cash equivalents at the beginning of the year                                  | 271,651  | 247,286  |
| Effect of exchange rate changes on cash and cash equivalents                            | 10,931   | 8,667  |
| Cash and cash equivalents at the end of the period                                      | 269,274  | 226,186  |

(6) Assumption for Going Concern

For the first half ended September 30, 2023 (April 1, 2023 - September 30, 2023)  
: None

## (7) Segment information

For the first half ended September 30, 2022 (April 1, 2022 – September 30, 2022)

(In Millions of Yen)

|  | Reportable segments |                                    |                             |                                       |           |  |
|--|---------------------|------------------------------------|-----------------------------|---------------------------------------|-----------|--|
|  | Automotive          | Aerospace & Transportation Project | Infrastructure & Healthcare | Metals, Mineral Resources & Recycling | Chemicals | Consumer Industry & Agriculture Business |
| Revenue  |                     |                                    |                             |                                       |           |  |
| External revenue                                     | 151,185             | 17,429                             | 63,987                      | 349,881                               | 330,843   | 185,269                                  |
| Inter-segment revenue                                | 0                   | 5                                  | 77                          | -                                     | 2         | 0  |
| Total revenue  | 151,185             | 17,435                             | 64,064                      | 349,881                               | 330,845   | 185,270                                  |
| Segment profit attributable to owners of the Company | 4,483               | 2,373                              | 9,749                       | 41,794                                | 11,421    | 5,806                                    |

|  | Reportable segments        |           | Others | Reconciliations | Consolidated |
|--|----------------------------|-----------|--------|-----------------|--------------|
|  | Retail & Consumer Business | Total     |        |                 |              |
| Revenue  |                            |           |        |                 |              |
| External revenue                                     | 150,723                    | 1,249,319 | 24,002 | -               | 1,273,322    |
| Inter-segment revenue                                | 191                        | 277       | 70     | (348)           | -            |
| Total revenue  | 150,914                    | 1,249,597 | 24,073 | (348)           | 1,273,322    |
| Segment profit attributable to owners of the Company | 1,046                      | 76,676    | 376    | 1,823           | 78,876       |

Reconciliation of segment profit(loss) of 1,823 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 1,101 million yen, and unallocated dividend income and others of 722 million yen.

For the first half ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(In Millions of Yen)

|  | Reportable segments |                                    |                             |                                       |           |  |
|--|---------------------|------------------------------------|-----------------------------|---------------------------------------|-----------|--|
|  | Automotive          | Aerospace & Transportation Project | Infrastructure & Healthcare | Metals, Mineral Resources & Recycling | Chemicals | Consumer Industry & Agriculture Business |
| Revenue  |                     |                                    |                             |                                       |           |  |
| External revenue                                     | 201,501             | 18,375                             | 71,902                      | 245,257                               | 277,811   | 143,025                                  |
| Inter-segment revenue                                | -                   | 8                                  | 0                           | 0                                     | 2         | 0  |
| Total revenue  | 201,501             | 18,383                             | 71,902                      | 245,258                               | 277,813   | 143,026                                  |
| Segment profit attributable to owners of the Company | 2,665               | 1,502                              | 5,470                       | 18,537                                | 6,758     | 3,450                                    |

|  | Reportable segments        |           | Others | Reconciliations | Consolidated |
|--|----------------------------|-----------|--------|-----------------|--------------|
|  | Retail & Consumer Business | Total     |        |                 |              |
| Revenue  |                            |           |        |                 |              |
| External revenue                                     | 203,602                    | 1,161,475 | 25,792 | -               | 1,187,268    |
| Inter-segment revenue                                | 179                        | 191       | 53     | (245)           | -            |
| Total revenue  | 203,782                    | 1,161,667 | 25,845 | (245)           | 1,187,268    |
| Segment profit attributable to owners of the Company | 9,124                      | 47,510    | 1,096  | (672)           | 47,934       |

Reconciliation of segment profit(loss) of (672) 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 (1,097) million yen, and unallocated dividend income and others of 425 million yen.

## (Changes in Reportable Segments)

Effective April 1, 2023, the Company reorganized its Aerospace & Transportation Project, Infrastructure & Healthcare, Chemicals, Consumer Industry & Agriculture Business, Retail & Consumer Service and Other segments and changed its reporting segment classification method. Segment information for the first half ended September 30, 2022, has been restated to reflect the change in reportable segments.