

Summary of Consolidated Financial Results for the First Quarter Ended June 30, 2023 (IFRS)

August 1, 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 : -

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, 2023 (April 1, 2023 - June 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 quarter ended June 30, 2023	556,010	(10.1)	29,868	(50.7)	22,745	(50.6)	22,140	(51.0)	60,909	(34.3)
June 30, 2022	618,511	25.5	60,538	160.8	46,030	155.6	45,150	166.8	92,686	146.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first quarter ended June 30, 2023	96.86	-
June 30, 2022	195.61	195.61

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, 2023	2,763,092	905,765	864,932	31.3
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 -	Yen 65.00	Yen -	Yen 65.00	Yen 130.00
March 31, 2024	-	65.00	-	65.00	130.00
March 31, 2024 (forecast)	-	65.00	-	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.

Note3: The Company decided that, at a meeting of its Board of Directors held on March 31, 2023, it has authorized the purchase and cancellation of treasury stock. The Basic earnings per share in the consolidated earnings forecast for the year ending March 31, 2024 takes into account the effect of such purchase and cancellation of treasury stock.

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 stock):

As of June 30, 2023 : 235,000,000 As of March 31, 2023: 250,299,900

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

As of June 30, 2023 : 8,746,560 As of March 31, 2023: 19,482,980

3. Average number of outstanding shares during the periods:

For the first quarter ended June 30, 2023 (accumulative): 228,582,290

For the first quarter ended June 30, 2022 (accumulative): 230,821,799

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; 933,240 stocks in the first quarter ended June 30, 2023 and 953,699 stocks in the fiscal year ended March 31, 2023.

Note2: The number of outstanding shares decreased by 15,299,900 shares due to the cancellation of treasury stock on April 7, 2023 in accordance with the decision at the meeting of its Board of Directors held on March 31, 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 quarter ended June 30, 2023 for analysts and institutional investors on August 1, 2023. Materials on financial results, Contents (audio) 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 Three-Month Period Ended June 30, 2023

Economic Environment

In the three-month period ended June 30, 2023, there was anticipation for potential recovery in economic activities as restrictions related to the COVID-19 pandemic were lifted around the world. 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 prolongation of Russia's military invasion of Ukraine 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. The June 2023 meeting of the Federal Open Market Committee was the first time in eleven meetings in which interest rates were not increased, but did so 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 continues to raise interest rates with addressing inflation as its top priority. 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 country's abandonment of its the zero-COVID policy and the announcement of the government's intent to place the economy as its top priority at the 2022 National Congress of the Chinese Communist Party. At the same time, recovery in business sentiment has been slow as seen in the interest rate reduction instituted in response to sluggish real estate market conditions and lackluster recovery in demand. Vigilance is thus required in monitoring the outlook for economic activities.

Meanwhile, economic activities were resumed across Asia, driving improvements in production and export levels. In addition, inflation rates declined from peak levels in certain countries, prompting such countries to cease interest rate increases or even lower interest rates. Nevertheless, caution is required with regard to the impacts on resource-producing countries from declines in the price of crude oil and other resources.

In Japan, COVID-19 was downgraded to be included in the same disease class as seasonal influenza in May 2023. This move spurred a reduction in social restrictions, which, together with the recovery of inbound travel to Japan and government programs for supporting travel, contributed to recoveries in the lodging and restaurant industries. In addition, shortages in the supply of semiconductors were largely alleviated, stimulating recovery in production and consequently sales in the automobile industry, which had previously been forced to reduce the number of days factories were operated in response to such shortages. The Bank of Japan is continuing its monetary easing policies, despite the global trend toward monetary tightening. This situation has sparked yen depreciation as a result of differences in interest rates between the United States and Japan and purchases of Japanese stocks by overseas investors. Going forward, it will be important to exercise caution with regard to the potential for rapid fluctuations in exchange rates stemming from trends in financial policy.

Financial Performance

Sojitz Corporation's consolidated business results for the three-month period ended June 30, 2023 are presented below.

Revenue	Revenue was down 10.1% year on year, to ¥556,010 million, due to reduced revenue in the Metals, Mineral Resources & Recycling Division, a result of declines in prices and transaction volumes for coal; and in the Consumer Industry & Agriculture Business Division, a result of falling prices for lumber and fertilizer.
Gross profit	Gross profit decreased ¥24,212 million year on year, to ¥72,676 million, due to reduced profit in the Metals, Mineral Resources & Recycling Division, a result of declines in prices and transaction volumes for coal; and in the Consumer Industry & Agriculture Business Division, a result of falling prices for fertilizer and lumber.
Profit before tax	Profit before tax was down ¥30,670 million year on year, to ¥29,868 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 ¥7,123 million from profit before tax of ¥29,868 million, profit for the period amounted to ¥22,745 million, down ¥23,285 million year on year. Profit for the period (attributable to owners of the Company) declined ¥23,010 million year on year, to ¥22,140 million.
Comprehensive income for the period	Comprehensive income for the period of ¥60,909 million was recorded, down ¥31,777 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 ¥58,262 million, a decrease of ¥29,322 million year on year.

(In Millions of Yen)

	FY 2023 Q1 Results(A)	FY 2022 Q1 Results (B)	Difference (A)-(B)	Percentage change (%)
Revenue	556,010	618,511	(62,501)	(10.1)
Gross profit	72,676	96,888	(24,212)	(25.0)
Profit before tax	29,868	60,538	(30,670)	(50.7)
Profit for the period	22,745	46,030	(23,285)	(50.6)
Profit for the period attributable to owners of the Company	22,140	45,150	(23,010)	(51.0)
Comprehensive income for the period	60,909	92,686	(31,777)	(34.3)

Results for the three-month period ended June 30, 2023, are summarized by segment below. Effective April 1, 2023, the Company changed some of its reporting segment classification method as described in (7) Segment Information (page 15).

Automotive

Revenue was up 29.0% year on year, to ¥94,913 million, mainly due to the acquisition of overseas used car sales business. Profit for the period (attributable to owners of the Company) decreased ¥325 million year on year, to ¥1,646 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 U.S. dollar interest rates, despite an increase in gross profit.

Aerospace & Transportation Project

Revenue was down 10.4% year on year, to ¥8,112 million, mainly due to a decrease in aviation-related transactions. Profit for the period (attributable to owners of the Company) decreased ¥570 million year on year, to ¥468 million, as a result of a decline in gross profit.

Infrastructure & Healthcare

Revenue was down 3.6% year on year, to ¥29,862 million, mainly due to the impact of the withdrawal of projects in the overseas thermal power generation business. Profit for the period (attributable to owners of the Company) decreased ¥4,341 million year on year, to ¥2,265 million, due to a decrease in gross profit, and a decrease in other income and expenses due to absence of gains from sale of an overseas telecommunications tower operating company.

Metals, Mineral Resources & Recycling

Revenue was down 22.0% year on year, to ¥130,075 million, mainly due to declines in prices and transaction volumes for coal. Profit for the period (attributable to owners of the Company) decreased ¥16,429 million year on year, to ¥8,244 million, as a result of a decline in gross profit.

Chemicals

Revenue was down 13.3% year on year, to ¥138,837 million, mainly due to declines in transaction volumes for chemical products. Profit for the period (attributable to owners of the Company) decreased ¥2,833 million year on year, to ¥2,816 million, as a result of a decline in gross profit.

Consumer Industry & Agriculture Business

Revenue was down 26.0% year on year, to ¥68,986 million, mainly due to falling prices for lumber and fertilizer. Profit for the period (attributable to owners of the Company) decreased ¥2,311 million year on year, to ¥885 million, as a result of a decline in gross profit.

Retail & Consumer Service

Revenue was up 0.8% year on year, to ¥73,176 million, mainly due to the acquisition of aquaculture food product manufacturing and processing company. Profit for the period (attributable to owners of the Company) increased ¥5,152 million year on year, to ¥5,331 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, despite a decline in gross profit as a result of less meat transaction volumes.

(2) Financial Position

Consolidated Balance Sheet

Total assets on June 30, 2023, were ¥2,763,092 million, up ¥102,249 million from March 31, 2023, mainly due to the increase in fixed assets resulting from the acquisition of new consolidated subsidiaries in addition to the impact of yen depreciation.

Total liabilities on June 30, 2023, amounted to ¥1,857,326 million, up ¥73,060 million from March 31, 2023, mainly due to the increase in interest-bearing debt resulting from new borrowings in addition to the impact of yen depreciation.

Total equity attributable to owners of the Company was ¥864,932 million on June 30, 2023, up ¥27,219 million from March 31, 2023. 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 June 30, 2023, the current ratio was 153.8%, the long-term debt ratio was 74.8%, and the equity ratio* was 31.3%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥687,834 million on June 30, 2023, up ¥58,408 million from March 31, 2023. This resulted in the Company's net debt equity ratio* equaling 0.8 times at June 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 three-month period ended June 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\$0.495 billion has been used).

Consolidated Cash Flows

In the three-month period ended June 30, 2023, operating activities used net cash flow of ¥13,842 million, investing activities provided net cash flow of ¥24,041 million, and financing activities used net cash flow of ¥19,583 million. Sojitz ended the period with cash and cash equivalents of ¥245,478 million, reflecting foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥13,842 million, an increase of ¥51,976 million year on year, mainly due to the increase of working capital, despite business earnings and dividends received.

(Cash flows from investing activities)

Net cash provided in investing activities amounted ¥24,041 million, an increase of ¥45,475 million year on year, 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 amounted ¥19,583 million, down ¥24,129 million year on year, mainly as a result of payment of dividends and purchase of treasury stock.

(3) Consolidated Earnings Forecast

Consolidated Earnings Forecast

Current forecast for the year ending March 31, 2024, 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

The above forecast assumes a yen/dollar rate of ¥125/US\$.

*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.

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 2022 (As of March 31, 2023)	FY 2023 (As of June 30, 2023)
Assets		
Current assets		
Cash and cash equivalent	247,286	245,478
Time deposits	6,991	11,277
Trade and other receivables	794,898	773,039
Derivatives	4,642	5,378
Inventories	280,982	304,234
Income tax receivables	11,002	16,242
Other current assets	59,991	68,493
Subtotal	1,405,796	1,424,142
Assets as held for sale	38,743	41,360
Total current assets	1,444,540	1,465,503
Non-current assets		
Property, plant and equipment	195,414	213,381
Usage rights assets	65,603	71,615
Goodwill	85,731	106,006
Intangible assets	70,834	83,330
Investment property	8,116	8,066
Investments accounted for using the equity method	559,939	562,681
Trade and other receivables	86,293	95,811
Other investments	129,781	135,912
Derivatives	1,328	1,682
Other non-current assets	6,650	9,886
Deferred tax assets	6,609	9,215
Total non-current assets	1,216,303	1,297,589
Total assets	2,660,843	2,763,092
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	579,252	566,909
Lease liabilities	17,305	18,789
Bonds and borrowings	167,775	237,875
Derivatives	5,480	9,435
Income tax payables	20,633	19,997
Provisions	2,437	2,255
Other current liabilities	79,676	77,904
Subtotal	872,560	933,167
Liabilities directly related to assets held for sale	19,260	19,521
Total current liabilities	891,821	952,688
Non-current liabilities		
Lease liabilities	54,104	59,340
Bonds and borrowings	715,929	706,714
Trade and other payables	9,234	12,187
Derivatives	38	70
Retirement benefits liabilities	22,713	23,556
Provisions	48,962	52,547
Other non-current liabilities	15,421	14,958
Deferred tax liabilities	26,042	35,261
Total non-current liabilities	892,445	904,637
Total liabilities	1,784,266	1,857,326
Equity		
Share capital	160,339	160,339
Capital surplus	147,601	123,029
Treasury stock	(31,058)	(20,263)
Other components of equity	138,638	172,154
Retained earnings	422,193	429,672
Total equity attributable to owners of the Company	837,713	864,932
Non-controlling interests	38,863	40,833
Total equity	876,576	905,765
Total liabilities and equity	2,660,843	2,763,092

(2) Consolidated Statements of Profit or Loss

(In Millions of Yen)

	FY 2022 3-month (From April 1, 2022 To June 30, 2022)	FY 2023 3-month (From April 1, 2023 To June 30, 2023)
Revenue		
Sale of goods	593,348	529,646
Sales of service and others	25,162	26,363
Total revenue	618,511	556,010
Cost of sales	(521,622)	(483,333)
Gross profit	96,888	72,676
Selling, general and administrative expenses	(51,459)	(55,470)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	142	1,145
Impairment loss of fixed assets	(207)	(305)
Gain on reorganization of subsidiaries/associates	4,640	223
Loss on reorganization of subsidiaries/associates	(29)	(2)
Other operating income	2,247	6,140
Other operating expenses	(3,567)	(2,429)
Total other income/expenses	3,225	4,771
Financial income		
Interests earned	2,556	3,094
Dividends received	1,609	1,336
Other financial income	613	403
Total financial income	4,779	4,833
Financial costs		
Interest expenses	(3,543)	(5,517)
Total financial cost	(3,543)	(5,517)
Share of profit(loss) of investments accounted for using the equity method	10,647	8,575
Profit before tax	60,538	29,868
Income tax expenses	(14,508)	(7,123)
Profit for the period	46,030	22,745
Profit attributable to:		
Owners of the Company	45,150	22,140
Non-controlling interests	879	605
Total	46,030	22,745

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

(In Millions of Yen)

	FY 2022 3-month (From April 1, 2022 To June 30, 2022)	FY 2023 3-month (From April 1, 2023 To June 30, 2023)
Profit for the period	46,030	22,745
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets at fair value through other comprehensive income	(6,217)	7,861
Remeasurements of defined benefit pension plans	(208)	(64)
Share of other comprehensive income of investments accounted for using the equity method	2,718	(380)
Total items that will not be reclassified to profit or loss	(3,706)	7,416
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	35,208	22,151
Cash flow hedges	(657)	737
Share of other comprehensive income of investments accounted for using the equity method	15,812	7,858
Total items that may be reclassified subsequently to profit or loss	50,363	30,747
Other comprehensive income for the year, net of tax	46,656	38,163
Total comprehensive income for the period	92,686	60,909
Total comprehensive income attributable to:		
Owners of the Company	87,584	58,262
Non-controlling interests	5,102	2,646
Total	92,686	60,909

(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				38,459	(3,469)	7,649
Total comprehensive income for the period	-	-	-	38,459	(3,469)	7,649
Purchase of treasury stock		(0)	(40)			
Disposal of treasury stock		(29)	29			
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					(689)	
Share remuneration payment transaction		55				
Other changes						
Total contributions by and distributions to owners of the Company	-	25	(10)	-	(689)	-
Balance as of June 30, 2022	160,339	147,053	(31,025)	69,774	100,573	8,349

	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			45,150	45,150	879	46,030
Other comprehensive income	(206)	42,433		42,433	4,223	46,656
Total comprehensive income for the period	(206)	42,433	45,150	87,584	5,102	92,686
Purchase of treasury stock				(40)		(40)
Disposal of treasury stock				-		-
Dividends			(14,141)	(14,141)	(1,317)	(15,459)
Change in ownership interests in subsidiaries without loss/acquisition of control				-	(25)	(25)
Purchase commitments for non-controlling interests' shares			(89)	(89)		(89)
Reclassification from other components of equity to retained earnings	206	(483)	483	-		-
Share remuneration payment transaction				55		55
Other changes			(14)	(14)	(7)	(22)
Total contributions by and distributions to owners of the Company	206	(483)	(13,763)	(14,231)	(1,351)	(15,582)
Balance as of June 30, 2022	-	178,697	346,300	801,365	39,617	840,982

(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				29,421	7,419	(673)
Total comprehensive income for the period	-	-	-	29,421	7,419	(673)
Purchase of treasury stock		(5)	(13,894)			
Disposal of treasury stock		(386)	381			
Cancellation of treasury stock		(24,308)	24,308			
Change in ownership interests in subsidiaries without loss/acquisition of control				31		
Purchase commitments for non-controlling interests' shares						
Reclassification from other components of equity to retained earnings					(2,683)	
Share remuneration payment transaction		129				
Other changes						
Total contributions by and distributions to owners of the Company	-	(24,571)	10,795	31	(2,683)	-
Balance as of June 30, 2023	160,339	123,029	(20,263)	84,012	75,676	12,465

	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			22,140	22,140	605	22,745
Other comprehensive income	(45)	36,122		36,122	2,041	38,163
Total comprehensive income for the period	(45)	36,122	22,140	58,262	2,646	60,909
Purchase of treasury stock				(13,900)		(13,900)
Disposal of treasury stock				(5)		(5)
Cancellation of treasury stock				-		-
Dividends			(15,065)	(15,065)	(1,298)	(16,364)
Change in ownership interests in subsidiaries without loss/acquisition of control		31	(275)	(243)	188	(55)
Purchase commitments for non-controlling interests' shares			(1,794)	(1,794)		(1,794)
Reclassification from other components of equity to retained earnings	45	(2,638)	2,638	-		-
Share remuneration payment transaction				129		129
Other changes			(164)	(164)	434	269
Total contributions by and distributions to owners of the Company	45	(2,606)	(14,661)	(31,043)	(676)	(31,720)
Balance as of June 30, 2023	-	172,154	429,672	864,932	40,833	905,765

(5) Consolidated Statements of Cash Flows

(In Millions of Yen)

	FY 2022 3-month (From April 1, 2022 To June 30, 2022)	FY 2023 3-month (From April 1, 2023 To June 30, 2023)
Cash flows from operating activities		
Profit for the period	46,030	22,745
Depreciation and amortization	9,853	9,327
Impairment loss of fixed assets	207	305
Finance (income) costs	(1,235)	683
Share of (profit)loss of investments accounted for using the equity method	(10,647)	(8,575)
(Gain) loss on sale of fixed assets, net	(142)	(1,145)
Income tax expenses	14,508	7,123
(Increase) decrease in trade and other receivables	(29,111)	(15,328)
(Increase) decrease in inventories	(53,261)	10,958
Increase (decrease) in trade and other payables	56,165	(35,395)
Changes in other assets and liabilities	3,690	(8,937)
Increase (decrease) in retirement benefits liabilities	(325)	(305)
Others	804	(1,040)
Subtotal	36,535	(19,582)
Interests earned	3,158	3,404
Dividends received	15,579	20,722
Interests paid	(4,309)	(5,839)
Income taxes paid	(12,828)	(12,547)
Net cash provided (used) by/in operating activities	38,134	(13,842)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,011)	(6,094)
Proceeds from sale of property, plant and equipment	1,213	387
Purchase of intangible assets	(2,742)	(1,729)
(Increase) decrease in short-term loans receivable	64	(0)
Payment for long-term loans receivable	(59)	(47)
Collection of long-term loans receivable	810	2,526
Proceeds from (payments for) acquisition of subsidiaries	143	(23,215)
Proceeds from (payments for) sale of subsidiaries	(326)	1
Purchase of investments	(10,341)	(8,881)
Proceeds from sale of investments	1,685	5,772
Others	(5,870)	55,322
Net cash provided (used) by/in investing activities	(21,434)	24,041
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(6,410)	34,014
Proceeds from long-term borrowings	60,539	69,877
Repayment of long-term borrowings	(68,040)	(89,366)
Redemption of bonds	(10,000)	-
Repayment of lease liabilities	(4,104)	(4,167)
Payment for acquisition of subsidiary's interests from non-controlling interest holders	(1)	(144)
Proceeds from non-controlling interest holders	-	282
Sales of treasury stock	29	65
Purchase of treasury stock	(40)	(13,894)
Dividends paid	(14,141)	(15,065)
Dividends paid to non-controlling interest holders	(1,515)	(1,184)
Others	(25)	-
Net cash provided (used) by/in financing activities	(43,712)	(19,583)
Net increase (decrease) in cash and cash equivalents	(27,012)	(9,384)
Cash and cash equivalents at the beginning of the year	271,651	247,286
Effect of exchange rate changes on cash and cash equivalents	8,230	7,575
Cash and cash equivalents at the end of the period	252,869	245,478

(6) Assumption for Going Concern

For the first quarter ended June 30, 2023 (April 1, 2023 - June 30, 2023)
: None

(7) Segment information

For the first quarter ended June 30, 2022 (April 1, 2022 – June 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	73,584	9,054	30,969	166,868	160,146	93,177
Inter-segment revenue	-	2	2	-	1	0
Total revenue	73,584	9,057	30,971	166,868	160,147	93,177
Segment profit(loss) attributable to owners of the Company	1,971	1,038	6,606	24,673	5,649	3,196

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer Business	Total			
Revenue					
External revenue	72,605	606,406	12,104	-	618,511
Inter-segment revenue	97	104	27	(131)	-
Total revenue	72,703	606,510	12,132	(131)	618,511
Segment profit(loss) attributable to owners of the Company	179	43,314	500	1,336	45,150

Reconciliation of segment profit(loss) of 1,336 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 814 million yen, and unallocated dividend income and others of 522 million yen.

For the first quarter ended June 30, 2023 (April 1, 2023 – June 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	94,913	8,112	29,862	130,075	138,837	68,986
Inter-segment revenue	-	4	0	0	0	0
Total revenue	94,913	8,116	29,862	130,075	138,838	68,987
Segment profit attributable to owners of the Company	1,646	468	2,265	8,244	2,816	885

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer Business	Total			
Revenue					
External revenue	73,176	543,965	12,044	-	556,010
Inter-segment revenue	89	94	26	(121)	-
Total revenue	73,266	544,060	12,071	(121)	556,010
Segment profit attributable to owners of the Company	5,331	21,659	521	(40)	22,140

Reconciliation of segment profit(loss) of (40) 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 (428) million yen, and unallocated dividend income and others of 388 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 three-month period ended June 30, 2022, has been restated to reflect the change in reportable segments.