

# Consolidated Financial Results for the Third Quarter Ended December 31, 2023 (IFRS)

February 2, 2024

## 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 Third Quarter Ended December 31, 2023 (April 1, 2023 - December 31, 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 third quarter ended December 31, 2023	1,788,115	(7.1)	99,694	(31.5)	77,419	(31.4)	75,215	(30.8)	133,113	(15.5)
December 31, 2022	1,925,323	24.3	145,453	71.2	112,820	73.3	108,731	75.3	157,465	68.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the third quarter ended December 31, 2023	335.13	335.13
December 31, 2022	471.04	471.04

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 December 31, 2023	2,792,605	927,842	897,312	32.1
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	-		
March 31, 2024 (forecast)				70.00	135.00

Note: Changes in cash dividend forecast : Yes

### 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	100,000	(10.1)	447.14

Note1: Changes in full-year earnings forecast : Yes

Note2: 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) : 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 December 31, 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 December 31, 2023 : 3,756,777 As of March 31, 2023: 19,482,980

3. Average number of outstanding shares during the periods:

For the third quarter ended December 31, 2023 (accumulative): 224,439,795

For the third quarter ended December 31, 2022 (accumulative): 230,833,163

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 third quarter ended December 31, 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 third quarter ended December 31, 2023 for analysts and institutional investors on February 2, 2024. 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 Nine-Month Period Ended December 31, 2023

#### Economic Environment

In the nine-month period ended December 31, 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, deteriorating property market and weak demand in China, and the monetary tightening measures implemented by central banks in developed countries in response to persistent inflation although it's slowing down.

In the United States, the Federal Reserve Board raised interest rates from March 2022 to July 2023 in an effort to curb inflation, and the policy interest rate stands at 5.25-5.50%. The Federal Reserve Board held interest rates steady for 4 consecutive meetings since September 2023. Although the U.S. economy will slow in 2024 compared to the previous year, a soft landing is becoming the main scenario due to slowing inflation and strong employment and consumption.

In Europe, the ECB decided to hold its policy rate unchanged for 3 consecutive meetings in January 2024. Between July 2022 and September 2023, the ECB raised rates by a cumulative 4.5% for 10 consecutive meetings, but as inflation slows, the ECB is beginning to assess the effects of its rapid rate hikes. Europe's fourth-quarter GDP grew 0.1% year on year and has remained stagnant.

The growth of real GDP of China in 2023 has slowed to +5.2%, compared to the government's target of around +5% although the goal has been achieved. In December 2023, the Central Economic Development Conference was held to decide on the next year's economic policy. Key economic objectives include science and technology innovation, domestic demand expansion, external openness, and risk prevention and elimination in priority areas such as Real estate, local debt, and small and medium-sized financial institutions.

In Asia, the growth rate has been slowing due to the downturn in overseas markets such as China as well as Europe and the United States. While domestic demand has supported the economy, inflation has revived in some countries due to soaring food prices, and some countries have decided to raise interest rates. The outlook for 2024 is for a rise in prices due to rising import prices and other factors, reflecting heightened geopolitical risks such as the situation in Ukraine and the Middle East.

In Japan, the yen has weakened as a result of differences in interest rates between the United States and Japan, and prices have continued to rise due to rising import prices and other factors. Although total cash salaries, which represent nominal wages, have risen, real wages have continued to decline, and domestic consumption has remained stagnant. Attention must continue to be paid to the possibility of rapid exchange rate fluctuations caused by changes in monetary policy, such as the lifting of the negative interest rate policy.

## Financial Performance

Sojitz Corporation's consolidated business results for the nine-month period ended December 31, 2023 are presented below.

Revenue	Revenue was down 7.1% year on year, to ¥1,788,115 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 ¥21,080 million year on year, to ¥242,335 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 and one-time losses.
Profit before tax	Profit before tax was down ¥45,759 million year on year, to ¥99,694 million, as a result of declines in gross profit, and increases in other selling, general and administrative expenses due to new acquisition of new consolidated subsidiaries.
Profit for the period	After deducting income tax expenses of ¥22,274 million from profit before tax of ¥99,694 million, profit for the period amounted to ¥77,419 million, down ¥35,401 million year on year. Profit for the period (attributable to owners of the Company) declined ¥33,516 million year on year, to ¥75,215 million.
Comprehensive income for the period	Comprehensive income for the period of ¥133,113 million was recorded, down ¥24,352 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 ¥128,542 million, a decrease of ¥21,863 million year on year.

(In Millions of Yen)

	Fiscal Year 2023 Q3 Results(A)	Fiscal Year 2022 Q3 Results (B)	Difference (A)-(B)	Percentage change (%)
Revenue	1,788,115	1,925,323	(137,208)	(7.1)
Gross profit	242,335	263,415	(21,080)	(8.0)
Profit before tax	99,694	145,453	(45,759)	(31.5)
Profit for the period	77,419	112,820	(35,401)	(31.4)
Profit for the period attributable to owners of the Company	75,215	108,731	(33,516)	(30.8)
Comprehensive income for the period	133,113	157,465	(24,352)	(15.5)

Results for the nine-month period ended December 31, 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 15).

#### Automotive

Revenue was up 33.4% year on year, to ¥302,139 million, mainly due to the acquisition of overseas used car sales business. Profit for the period (attributable to owners of the Company) decreased ¥4,105 million year on year, to ¥2,781 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 down 38.2% year on year, to ¥30,766 million, mainly due to the lower revenue in aircraft related transactions. Profit for the period (attributable to owners of the Company) decreased ¥932 million year on year, as a result of decrease in financial income from aircraft-related transactions to ¥3,787 million, despite an increase in gross profit due to acquisition of an Aircraft Operation and Maintenance Company for Business Jets.

#### Infrastructure & Healthcare

Revenue was up 14.2% year on year, to ¥122,932 million, mainly due to the increase in revenue from industrial machinery trading company. Profit for the period (attributable to owners of the Company) decreased ¥4,268 million year on year, to ¥9,571 million, due to a decrease in share of profit (loss) of investments accounted for using the equity method from sales of natural gas-fired power plant business in the United States, despite an increase in gross profit.

#### Metals, Mineral Resources & Recycling

Revenue was down 29.0% year on year, to ¥368,387 million, mainly due to declines in prices and transactions volumes for coal. Profit for the period (attributable to owners of the Company) decreased ¥19,329 million year on year, to ¥28,992 million, as a result of a decline in gross profit.

#### Chemicals

Revenue was down 14.2% year on year, to ¥421,818 million, mainly due to declines in transactions volumes for chemical products. Profit for the period (attributable to owners of the Company) decreased ¥3,093 million year on year, to ¥12,160 million, as a result of a decline in gross profit due to one-time losses.

#### Consumer Industry & Agriculture Business

Revenue was down 21.7% year on year, to ¥205,072 million, mainly due to declines in prices and transactions volumes for lumber. Profit for the period (attributable to owners of the Company) decreased ¥2,122 million year on year, to ¥5,210 million, due to increases in other selling, general and administrative expenses, despite an increase in gross profit due to an increase in overseas fertilizer businesses.

#### Retail & Consumer Service

Revenue was up 26.7% year on year, to ¥297,573 million, mainly due to the sale of shopping center. Profit for the period (attributable to owners of the Company) increased ¥4,231 million year on year, to ¥11,378 million, due to an increase in gross profit and 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 December 31, 2023, were ¥2,792,605 million, up ¥131,762 million from March 31, 2023, following the impact of the depreciation of the yen and the acquisition of new consolidated subsidiaries.

Total liabilities on December 31, 2023, amounted to ¥1,864,762 million, up ¥80,496 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 third quarter of the fiscal year.

Total equity attributable to owners of the Company was ¥897,312 million on December 31, 2023, up ¥59,599 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 December 31, 2023, the current ratio was 158.2%, the long-term debt ratio was 83.0%, and the equity ratio\* was 32.1%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥676,718 million on December 31, 2023, up ¥47,292 million from March 31, 2023. This resulted in the Company's net debt equity ratio\* equaling 0.8 times on December 31, 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 nine-month period ended December 31, 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\$0.98 billion has been used).

### Consolidated Cash Flows

For the nine-month period ended December 31, 2023, operating activities provided net cash flow of ¥86,192 million, investing activities provided net cash flow of ¥25,513 million, and financing activities used net cash flow of ¥143,323 million. Sojitz ended the period with cash and cash equivalents of ¥223,281 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 ¥86,192 million, an decline of ¥41,802 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 ¥25,513 million, an increase of ¥71,779 million year on year, mainly as a result of collections from aircraft-related transactions and proceeds from sales of natural gas-fired power plant business in the United States, despite investments in commercial food wholesaler company in Vietnam and the processing and sale of frozen tuna company.

#### (Cash flows from financing activities)

Net cash used in financing activities totaled ¥143,323 million, up ¥10,945 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

Consolidated earnings forecasts for the fiscal year ending March 2024 have been revised as follows.

	Initial forecast (A)	Revised forecast (B)	Difference (B-A)	Percentage change (%)
Gross profit	¥320 billion	¥330 billion	¥10 billion	3.1%
Profit before tax	¥125 billion	¥130 billion	¥5 billion	4.0%
Profit for the year	¥100 billion	¥105 billion	¥5 billion	5.0%
Profit for the year (Attributable to owners of the Company)	¥95 billion	¥100 billion	¥5 billion	5.3%

As coal prices remain high, forecast for profit for the year (attributable to owners of the Company) is revised to ¥100 billion, an increase of ¥5 billion.

Above forecast assumes a yen/dollar rate of ¥140/US\$ for the fourth quarter of the fiscal year.

### **(4) Dividends**

Sojitz recognizes that paying stable, continuous dividends is a management priority, together with boosting competitiveness and enhancing shareholder value through the accumulation and effective use of retained earnings. Under the Medium-term Management plan 2023, the basic dividend policy is to maintain a consolidated payout ratio of around 30%. Lower limit for dividends is set as representing market price-based DOE (\*1) of 4% until PBR reaches 1.0 times and book value-based DOE (\*2) of 4% after PBR reaches 1.0 times.

(\*1) Market price-based DOE = Dividend per share / Stock price (Average closing share price for fiscal year)

(\*2) Book value-based DOE = Dividend per share / Total equity per share attributable to owners of the Company (At the end of fiscal year)

Based on the Company's performance in the nine-month period ended December 31, 2023, and the newly announced forecasts for consolidated performance in the year ending March 31, 2024, the Company has raised its forecast for the year-end dividend to ¥70 per share, an increase of ¥5 from the prior forecast of ¥65 per share. In accordance with the revision, the forecast of annual dividend per share for the fiscal year



ending March 2024 will be ¥135, including interim dividend per share of ¥65, which will make for a payout ratio of 30.2% of profit for the year (attributable to owners of the Company).

**\*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. Consolidated Financial Statements

### (1) Consolidated Statements of Financial Position

(In Millions of Yen)

	FY 2022 (As of March 31, 2023)	FY 2023 (As of December 31, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalent	247,286	223,281
Time deposits	6,991	18,793
Trade and other receivables	794,898	801,498
Derivatives	4,642	4,933
Inventories	280,982	304,815
Income tax receivables	11,002	7,268
Other current assets	59,991	67,021
Subtotal	1,405,796	1,427,611
Assets held for sale	38,743	11,972
<b>Total current assets</b>	<b>1,444,540</b>	<b>1,439,583</b>
<b>Non-current assets</b>		
Property, plant and equipment	195,414	217,166
Usage rights assets	65,603	75,690
Goodwill	85,731	122,797
Intangible assets	70,834	80,197
Investment property	8,116	9,561
Investments accounted for using the equity method	559,939	607,712
Trade and other receivables	86,293	92,350
Other investments	129,781	131,285
Derivatives	1,328	1,040
Other non-current assets	6,650	6,550
Deferred tax assets	6,609	8,667
<b>Total non-current assets</b>	<b>1,216,303</b>	<b>1,353,021</b>
<b>Total assets</b>	<b>2,660,843</b>	<b>2,792,605</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	579,252	644,783
Lease liabilities	17,305	18,909
Bonds and borrowings	167,775	156,060
Derivatives	5,480	5,154
Income tax payables	20,633	7,818
Provisions	2,437	1,549
Other current liabilities	79,676	75,594
Subtotal	872,560	909,869
Liabilities directly related to assets held for sale	19,260	-
<b>Total current liabilities</b>	<b>891,821</b>	<b>909,869</b>
<b>Non-current liabilities</b>		
Lease liabilities	54,104	62,065
Bonds and borrowings	715,929	762,733
Trade and other payables	9,234	11,560
Derivatives	38	45
Retirement benefits liabilities	22,713	23,927
Provisions	48,962	50,692
Other non-current liabilities	15,421	11,736
Deferred tax liabilities	26,042	32,131
<b>Total non-current liabilities</b>	<b>892,445</b>	<b>954,892</b>
<b>Total liabilities</b>	<b>1,784,266</b>	<b>1,864,762</b>
<b>Equity</b>		
Share capital	160,339	160,339
Capital surplus	147,601	96,103
Treasury stock	(31,058)	(9,271)
Other components of equity	138,638	191,532
Retained earnings	422,193	458,609
<b>Total equity attributable to owners of the Company</b>	<b>837,713</b>	<b>897,312</b>
Non-controlling interests	38,863	30,529
<b>Total equity</b>	<b>876,576</b>	<b>927,842</b>
<b>Total liabilities and equity</b>	<b>2,660,843</b>	<b>2,792,605</b>

## (2) Consolidated Statements of Profit or Loss

(In Millions of Yen)

	FY 2022 9-month (From April 1, 2022 To December 31, 2022)	FY 2023 9-month (From April 1, 2023 To December 31, 2023)
Revenue		
Sale of goods	1,844,809	1,703,816
Sales of service and others	80,514	84,299
Total revenue	1,925,323	1,788,115
Cost of sales	(1,661,908)	(1,545,780)
Gross profit	263,415	242,335
Selling, general and administrative expenses	(161,966)	(175,790)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	517	1,240
Impairment loss of fixed assets	(2,359)	(388)
Gain on reorganization of subsidiaries/associates	14,136	4,948
Loss on reorganization of subsidiaries/associates	(8,334)	(2,733)
Other operating income	8,084	11,701
Other operating expenses	(4,851)	(7,296)
Total other income/expenses	7,192	7,472
Financial income		
Interests earned	9,238	9,084
Dividends received	3,456	4,636
Total financial income	12,695	13,721
Financial costs		
Interest expenses	(12,818)	(17,176)
Other financial costs	(160)	(29)
Total financial cost	(12,979)	(17,205)
Share of profit(loss) of investments accounted for using the equity method	37,096	29,161
Profit before tax	145,453	99,694
Income tax expenses	(32,633)	(22,274)
Profit for the period	112,820	77,419
Profit attributable to:		
Owners of the Company	108,731	75,215
Non-controlling interests	4,088	2,203
Total	112,820	77,419

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

(In Millions of Yen)

	FY 2022 9-month (From April 1, 2022 To December 31, 2022)	FY 2023 9-month (From April 1, 2023 To December 31, 2023)
Profit for the period	112,820	77,419
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets at fair value through other comprehensive income	(12,305)	10,096
Remeasurements of defined benefit pension plans	(392)	(50)
Share of other comprehensive income of investments accounted for using the equity method	3,315	148
Total items that will not be reclassified to profit or loss	(9,382)	10,194
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	30,066	32,328
Cash flow hedges	(2,968)	266
Share of other comprehensive income of investments accounted for using the equity method	26,929	12,904
Total items that may be reclassified subsequently to profit or loss	54,027	45,499
Other comprehensive income for the year, net of tax	44,645	55,694
Total comprehensive income for the period	157,465	133,113
Total comprehensive income attributable to:		
Owners of the Company	150,405	128,542
Non-controlling interests	7,059	4,571
Total	157,465	133,113

## (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				37,502	(8,861)	13,428
Total comprehensive income for the period	-	-	-	37,502	(8,861)	13,428
Purchase of treasury stock		(2)	(113)			
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					(13,528)	
Share remuneration payment transaction		166				
Other changes						
Total contributions by and distributions to owners of the Company	-	68	(17)	-	(13,528)	-
Balance as of December 31, 2022	160,339	147,096	(31,032)	68,817	82,342	14,128

	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			108,731	108,731	4,088	112,820
Other comprehensive income	(395)	41,673		41,673	2,971	44,645
Total comprehensive income for the period	(395)	41,673	108,731	150,405	7,059	157,465
Purchase of treasury stock				(115)		(115)
Disposal of treasury stock				-		-
Dividends			(29,208)	(29,208)	(2,395)	(31,603)
Change in ownership interests in subsidiaries without loss/acquisition of control				-	687	687
Purchase commitments for non-controlling interests' shares			(73)	(73)		(73)
Reclassification from other components of equity to retained earnings	395	(13,132)	13,132	-		-
Share remuneration payment transaction				166		166
Other changes			(24)	(24)	363	338
Total contributions by and distributions to owners of the Company	395	(13,132)	(16,173)	(29,255)	(1,344)	(30,600)
Balance as of December 31, 2022	-	165,288	407,470	849,162	41,581	890,743

(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				42,168	10,068	1,114
Total comprehensive income for the period	-	-	-	42,168	10,068	1,114
Purchase of treasury stock		(11)	(30,081)			
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				3,571		
Purchase commitments for non-controlling interests' shares						
Reclassification from other components of equity to retained earnings					(4,028)	
Share remuneration payment transaction		388				
Other changes						
Total contributions by and distributions to owners of the Company	-	(51,497)	21,787	3,571	(4,028)	-
Balance as of December 31, 2023	160,339	96,103	(9,271)	100,298	76,979	14,253

	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			75,215	75,215	2,203	77,419
Other comprehensive income	(24)	53,326		53,326	2,367	55,694
Total comprehensive income for the period	(24)	53,326	75,215	128,542	4,571	133,113
Purchase of treasury stock				(30,093)		(30,093)
Disposal of treasury stock				(5)		(5)
Cancellation of treasury stock				-		-
Dividends			(29,504)	(29,504)	(2,907)	(32,412)
Change in ownership interests in subsidiaries without loss/acquisition of control		3,571	(14,476)	(10,904)	(10,440)	(21,345)
Purchase commitments for non-controlling interests' shares			1,690	1,690		1,690
Reclassification from other components of equity to retained earnings	24	(4,004)	4,004	-		-
Share remuneration payment transaction				388		388
Other changes			(514)	(514)	444	(70)
Total contributions by and distributions to owners of the Company	24	(433)	(38,799)	(68,943)	(12,904)	(81,847)
Balance as of December 31, 2023	-	191,532	458,609	897,312	30,529	927,842

## (5) Consolidated Statements of Cash Flows

(In Millions of Yen)

	FY 2022 9-month (From April 1, 2022 To December 31, 2022)	FY 2023 9-month (From April 1, 2023 To December 31, 2023)
<b>Cash flows from operating activities</b>		
Profit for the period	112,820	77,419
Depreciation and amortization	30,030	30,334
Impairment loss of fixed assets	2,359	388
Finance (income) costs	284	3,484
Share of (profit)loss of investments accounted for using the equity method	(37,096)	(29,161)
(Gain) loss on sale of fixed assets, net	(517)	(1,240)
Income tax expenses	32,633	22,274
(Increase) decrease in trade and other receivables	(64,397)	(45,020)
(Increase) decrease in inventories	(61,489)	21,992
Increase (decrease) in trade and other payables	127,359	31,675
Changes in other assets and liabilities	11,166	(5,609)
Increase (decrease) in retirement benefits liabilities	(288)	62
Others	(7,501)	(7,542)
Subtotal	145,361	99,058
Interests earned	6,401	8,835
Dividends received	27,411	33,735
Interests paid	(12,764)	(19,057)
Income taxes paid	(38,415)	(36,378)
Net cash provided (used) by/in operating activities	127,994	86,192
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(18,000)	(19,641)
Proceeds from sale of property, plant and equipment	4,284	1,250
Purchase of intangible assets	(7,805)	(3,083)
(Increase) decrease in short-term loans receivable	(441)	1,117
Payment for long-term loans receivable	(686)	(8,343)
Collection of long-term loans receivable	1,625	5,233
Proceeds from (payments for) acquisition of subsidiaries	(1,065)	(10,177)
Proceeds from (payments for) sale of subsidiaries	8,750	25,571
Purchase of investments	(34,882)	(55,343)
Proceeds from sale of investments	37,749	21,526
Others	(35,796)	67,403
Net cash provided (used) by/in investing activities	(46,266)	25,513
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings and commercial papers	(61,609)	(57,423)
Proceeds from long-term borrowings	146,568	262,441
Repayment of long-term borrowings	(163,689)	(248,864)
Redemption of bonds	(10,000)	-
Repayment of lease liabilities	(12,632)	(15,102)
Payment for acquisition of subsidiary's interests from non-controlling interest holders	(3)	(22,170)
Proceeds from non-controlling interest holders	1,479	385
Sales of treasury stock	29	65
Purchase of treasury stock	(113)	(30,031)
Dividends paid	(29,208)	(29,504)
Dividends paid to non-controlling interest holders	(3,190)	(2,780)
Others	(8)	(336)
Net cash provided (used) by/in financing activities	(132,378)	(143,323)
Net increase (decrease) in cash and cash equivalents	(50,651)	(31,617)
Cash and cash equivalents at the beginning of the year	271,651	247,286
Effect of exchange rate changes on cash and cash equivalents	4,641	7,612
Cash and cash equivalents at the end of the period	225,642	223,281

(6) Assumption for Going Concern

For the third quarter ended December 31, 2023 (April 1, 2023 - December 31, 2023)  
: None



## (7) Segment information

For the third quarter ended December 31, 2022 (April 1, 2022 – December 31, 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	226,473	49,800	107,635	518,998	491,890	261,800
Inter-segment revenue	0	8	7	-	3	1
Total revenue	226,473	49,808	107,642	518,998	491,893	261,801
Segment profit attributable to owners of the Company	6,886	4,719	13,839	48,321	15,253	7,332

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer Business	Total			
Revenue					
External revenue	234,862	1,891,459	33,864	-	1,925,323
Inter-segment revenue	280	301	116	(418)	-
Total revenue	235,142	1,891,761	33,980	(418)	1,925,323
Segment profit attributable to owners of the Company	7,147	103,500	2,025	3,205	108,731

Reconciliation of segment profit(loss) of 3,205 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 3,941 million yen, and unallocated financial costs and others of (735) million yen.

For the third quarter ended December 31, 2023 (April 1, 2023 – December 31, 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	302,139	30,766	122,932	368,387	421,818	205,072
Inter-segment revenue	-	12	0	1	3	1
Total revenue	302,139	30,778	122,932	368,388	421,821	205,073
Segment profit attributable to owners of the Company	2,781	3,787	9,571	28,992	12,160	5,210

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer Business	Total			
Revenue					
External revenue	297,573	1,748,689	39,426	-	1,788,115
Inter-segment revenue	284	302	105	(408)	-
Total revenue	297,858	1,748,991	39,532	(408)	1,788,115
Segment profit attributable to owners of the Company	11,378	73,883	1,698	(366)	75,215

Reconciliation of segment profit(loss) of (366) 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 (1,051) million yen, and unallocated dividend income and others of 685 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 third quarter ended December 31, 2022, has been restated to reflect the change in reportable segments.