

Q3 Fiscal year ending March 31, 2024

Summary of Consolidated Financial Results

For the Nine-Month Period Ended December 31, 2023

(IFRS basis)

(April 1, 2023 – December 31, 2023)

**This document is an English translation of materials originally prepared in Japanese.*

The Japanese original shall be considered the primary version.

Marubeni

(TSE Code: 8002)

Summary of Consolidated Financial Statements for the Nine-Month Period Ended December 31, 2023 (IFRS basis)

Company name: Marubeni Corporation (URL: <https://www.marubeni.com/en/>) Listed: Tokyo
 Code number: 8002
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 Expected date of quarterly financial statement report : February 8, 2024
 Expected date of the beginning of delivery of dividends : -
 Supplementary explanations of quarterly business results: Prepared
 IR meeting on financial results: To be held (for institutional investors and analysts)

1. Consolidated financial results for the Nine-month period ended December 31, 2023 (April 1, 2023 - December 31, 2023)

(Remarks)
 Figures are rounded to the nearest million.

(1) Consolidated business results

%: change from the previous fiscal year

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the parent		Comprehensive income for the period	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Nine months ended December 31, 2023	5,427,765	(26.4)	211,587	(25.9)	451,561	(19.9)	379,910	(19.6)	371,469	(19.8)	649,435	(4.3)
2022	7,373,196	18.6	285,648	39.7	564,074	40.1	472,312	40.4	463,456	41.5	678,777	79.4

	Earnings per share (basic)		Earnings per share (diluted)	
	(yen)	(yen)	(yen)	(yen)
Nine months ended December 31, 2023	219.89	219.59		
2022	269.33	268.89		

(Note) 1. "Operating profit" are presented in accordance with Japanese accounting practice for investors' convenience and are not required by IFRS.
 "Operating profit" is the sum of "Gross trading profit", "Selling, general and administrative expenses" and "Provision for doubtful accounts" stated in Consolidate Statements of Comprehensive Income.
 2. "Earnings per share" (basic and diluted) are based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	(millions of yen)	(millions of yen)	(millions of yen)	(%)	(yen)
December 31, 2023	8,487,617	3,265,690	3,167,979	37.3	1,890.00
March 31, 2023	7,953,604	2,981,973	2,877,747	36.2	1,610.81

2. Dividends information

	Annual dividends per share				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	4th Quarter-end	Total
Fiscal year ended March 31, 2023	(yen)	(yen)	(yen)	(yen)	(yen)
	-	37.50	-	40.50	78.00
Fiscal year ending March 31, 2024	-	41.50	-	-	-
Fiscal year ending March 31, 2024 (forecast)	-	-	-	41.50	83.00

(Note) Changes from the latest announced dividends forecast: None

3. Consolidated earnings forecast for fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(Remarks)

%: change from the previous fiscal year

	Profit attributable to owners of the parent		Earnings per share (basic)
	(millions of yen)	(%)	(yen)
Fiscal year ending March 31, 2024 (forecast)	450,000	(17.1)	266.86

(Note) 1. Changes from the latest announced earnings forecast: None
 2. "Earnings per share (basic)" is based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

***Notes**

(1) Changes in significant subsidiaries during the period : Yes
Excluded company: Marubeni Aviation Holding Cooperatief U.A.

(2) Changes in accounting policies and accounting estimates

① Changes in accounting policies required by IFRS : None
② Changes other than ① : None
③ Changes in accounting estimate : None

(3) Number of issued shares (Ordinary shares)

① Number of issued shares at the end of the period	December 31, 2023	1,684,926,107
(Treasury stock is included)	March 31, 2023	1,698,395,498
② Number of treasury stock at the end of the period	December 31, 2023	8,921,597
	March 31, 2023	2,367,155
③ Average number of outstanding shares during the period	Nine months ended December 31, 2023	1,685,027,048
	Nine months ended December 31, 2022	1,713,640,163

(Note)

(1) At the meeting of the Board of Directors held on June 23, 2023, the Company resolved to issue new shares using monetary remuneration claims paid as restricted stock compensation as investment assets. As a result, effective July 21, 2023, the total number of shares issued increased by 208,709 shares.
(2) Effective August 25, 2023, the Company retired treasury stock, resulting in a decrease of 13,678,100 shares in the total number of shares issued and outstanding respectively.

※ The Summary of Consolidated Financial Results For the Nine-Month Period is not subject to quarterly review by certified accountants or audit firms.

※ Descriptions relating to the proper use of earnings forecast and other special notes

(Notes to the description about future)

The descriptions about future such as the above earnings forecast are based upon available information and assumptions, as of the time of the announcement date, about uncertain factors which would influence future businesses. Actual results might be influenced materially by various factors in the future.

(How to access supplementary explanations of quarterly business results and the details of IR meeting of financial results)

Supplementary explanations on business results will be made available on the Company's website on Friday, February 2, 2024.

The Company is scheduled to hold an IR meeting on financial results for institutional investors and analysts on Friday, February 2, 2024, and to post the script of the meeting together with the materials used at the briefing on the Company's website at the earliest possible time.

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Consolidated Financial Results

1. Qualitative Information on Financial Results for the Nine-month Period

(1) Qualitative Information on Business Results

The following is an overview of the economic environment for the nine-month period ended December 31, 2023.

The global economy showed increasing signs of slowdown, as inflation remained above central bank targets in many countries, and a monetary tightening stance continued since the previous fiscal year mainly in the U.S. and Europe. In developed countries, the U.S. economy grew at a stable pace while the European economy continued to slow down further. In Japan, domestic and inbound demand recovered with the easing of measures against COVID-19, and capital investment remained steady. In emerging countries, China's economic recovery continued to progress but lacked strength, and the economies, particularly of Asian countries, slowed down.

Prices of primary commodities, in comparison to the previous fiscal year, remained generally at low levels due to falling demand associated with a global economic slowdown. Despite escalating tensions in the Middle East, crude oil prices remained soft. Prices for copper and iron ore, of which China is the world's largest importer, were weighed down by the country's slow economic recovery but remained generally at the same level as the previous year due to supply concerns.

In the U.S. and European bond markets, with the strengthened prospect of prolonged monetary tightening by central banks, interest rates continued to rise but declined after peaking in October. The Japanese yen continued to depreciate against the U.S. dollar, but an appreciating yen was also observed toward the end of the year. Stock market prices remained at high levels in comparison to the previous fiscal year.

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Under the aforementioned business environment, consolidated operating results for the Nine-month period ended December 31, 2023, are as follows.

(Millions of yen)

	Nine-month period ended December 31,		Variance
	2022	2023	
Revenue	7,373,196	5,427,765	(1,945,431)
Gross trading profit	810,859	783,837	(27,022)
Operating profit	285,648	211,587	(74,061)
Share of profits (losses) of associates and joint ventures	216,568	238,839	22,271
Profit (loss) for the period attributable to owners of the parent	463,456	371,469	(91,987)

(Note 1) Figures are rounded to the nearest million yen unless otherwise stated.

(Note 2) "Operating profit" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS. "Operating profit" is the sum of "Gross trading profit," "Selling, general and administrative expenses" and "Provision for doubtful accounts" stated in Consolidated Statements of Comprehensive Income.

Revenue

Revenue decreased by 1,945.4 billion yen, or 26.4% year on year, to 5,427.8 billion yen. By operating segment, revenue mainly decreased in Food II due to the sale of Gavilon's grain business.

Gross trading profit

Gross trading profit decreased by 27.0 billion yen, or 3.3% year on year, to 783.8 billion yen. Main increases and decreases by operating segment are the following.

-Metals & Mineral Resources: Decrease by 29.3 billion yen

Due to a decrease in profit from the Australian coking coal business caused by decline in market prices

-Food II: Decrease by 14.8 billion yen

Due to decreased profits from business divestitures (deconsolidation) of Gavilon's grain business

-Construction, Industrial Machinery & Mobility: Increase by 14.6 billion yen

Due to increases in profits from the increased sales volume and others in the construction machinery business and the automotive-related business

Operating profit decreased by 74.1 billion yen, or 25.9% year on year, to 211.6 billion yen.

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Share of profits (losses) of associates and joint ventures

Share of profits (losses) of associates and joint ventures increased by 22.3 billion yen, or 10.3% year on year, to 238.8 billion yen. Main increases and decreases by operating segment are the following:

- Forest Products: Increase by 13.2 billion yen

Due to absence of impairment loss on investment in the domestic paper manufacturing and sales business recognized in the same period of the previous year and others

- Power: Increase by 10.5 billion yen

Due to increases in profits from the overseas power generation businesses and others

-Metals & Mineral Resources: Decrease by 14.9 billion yen

Due to a decrease in profit from the Australian coking coal business caused by decline in market prices and others

As a result, net profit attributable to owners of the parent for the nine-month period ended December 31, 2023 decreased by 92.0 billion yen, or 19.8% year on year, to 371.5 billion yen. Consequently, the Company achieved 82.5% of 450.0 billion yen, the forecast announced on November 2, 2023, for the profit attributable to owners of the parent for the fiscal year ending March 31, 2024.

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Results (net profit attributable to owners of the parent) for each operating segment for the Nine-month period ended December 31, 2023 are as follows:

(Millions of yen)

	Nine-month period ended December 31,		Variance
	2022	2023	
Lifestyle	5,702	7,352	1,650
IT Solutions	6,154	4,556	(1,598)
Food I	8,954	14,258	5,304
Food II	80,159	17,749	(62,410)
Agri Business	40,883	34,756	(6,127)
Forest Products	(2,363)	2,840	5,203
Chemicals	12,745	7,616	(5,129)
Metals & Mineral Resources	157,354	122,134	(35,220)
Energy	36,651	26,036	(10,615)
Power	40,129	43,328	3,199
Infrastructure Project	6,232	8,770	2,538
Aerospace & Ship	23,707	16,788	(6,919)
Finance, Leasing & Real Estate Business	30,655	36,411	5,756
Construction, Industrial Machinery & Mobility	17,800	21,021	3,221
Next Generation Business Development	(2,985)	214	3,199
Next Generation Corporate Development	(757)	(2,165)	(1,408)
Other	2,436	9,805	7,369
Consolidated	463,456	371,469	(91,987)

(Note 1) Effective from the fiscal year ending March 31, 2024, "ICT Business & Logistics" has been renamed "IT Solutions". Also, parts of "Lifestyle" have been incorporated into "Finance, Leasing & Real Estate Business" and "Next Generation Business Development," parts of "ICT Business & Logistics" into "Next Generation Business Development", parts of "Energy" into "Power", parts of "Next Generation Business Development" into "Chemicals", and parts of "Other" into "IT Solutions" respectively. In conjunction with these organizational changes, operating segment information for the nine-month period ended December 31, 2022 has been reclassified. Additionally, for "New Energy Business Development Dept." which has been newly established in the fiscal year ending March 31, 2024, incorporating parts of "Energy", "Power" and "Infrastructure Project", the profit/loss and others are allocated to "Energy", "Power" and "Infrastructure Project". In conjunction with these organizational changes, operating segment information for the nine-month period ended December 31, 2022 has been reclassified.

(Note 2) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(Note 3) "Other" includes profit/loss such as head office expenses that are not allocated to the operating segments, inter-segment elimination, and others.

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Lifestyle

Net profit attributable to owners of the parent for the nine-month period ended December 31, 2023 (hereinafter referred to as "net profit for the period") increased by 1.7 billion yen to 7.4 billion yen. This is due to an increase in profit from the trading of apparel and other products as well as the absence of the one-time loss related to the planning, manufacturing, and sales of apparel and other products recognized in the same period of the previous year.

IT Solutions

Net profit for the period decreased by 1.6 billion yen to 4.6 billion yen, due to increased expenses concerning the establishment of an intermediate holding company of an IT-related business and others.

Food I

Net profit for the period increased by 5.3 billion yen to 14.3 billion yen, due to increases in profits from the instant coffee manufacturing and sales business, the instant noodles production and sales business, and the domestic confectionary wholesale business.

Food II

Net profit for the period decreased by 62.4 billion to 17.7 billion yen, due to absence of gains on sale of Gavilon's grain business recognized in the same period of the previous year, a decrease in profit of the beef processing and sales business and others.

Agri Business

Net profit for the period decreased by 6.1 billion yen to 34.8 billion yen, due to decreases in profits of Helena against the backdrop of lower agrichemical and fertilizer prices and others.

Forest Products

Net profit for the period improved by 5.2 billion yen to 2.8 billion yen, due to absence of impairment loss on investment in the domestic paper manufacturing and sales business recognized in the same period of the previous year and others, despite the lower profit of the MUSI pulp business resulting from the deteriorated pulp market prices.

Chemicals

Net profit for the period decreased by 5.1 billion yen to 7.6 billion yen, due to a decrease in profit from petrochemicals and inorganic chemicals trading.

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Metals & Mineral Resources

Net profit for the period decreased by 35.2 billion yen to 122.1 billion yen. This is due to a decrease in profit of the Australian coking coal business caused by decline in market prices and others.

Energy

Net profit for the period decreased by 10.6 billion yen to 26.0 billion yen, due to a decrease in profit from oil and gas E&P caused by lower oil and gas prices and others, as well as a deterioration in interest expense-net.

Power

Net profit increased by 3.2 billion yen to 43.3 billion yen, due to increases in profits from the overseas power generation businesses and others, despite a recognition of provision for additional costs due to delays in construction and others in the power plant EPC project in Taiwan.

Infrastructure Project

Net profit for the period increased by 2.5 billion yen to 8.8 billion yen due to increases in profits from the overseas water/wastewater services and IWP projects.

Aerospace & Ship

Net profit for the period decreased by 6.9 billion yen to 16.8 billion yen due to a decline in profit in the ship owning and operating business following the weaker ship market conditions, despite a profit increase in the aviation-related business due to a recovery in demand.

Finance, Leasing & Real Estate Business

Net profit for the period increased by 5.8 billion yen to 36.4 billion yen due to received cash settlement proceeds in respect of aircraft previously leased to Russian airlines in the U.S. aircraft leasing business, and an increase in profits of the domestic real estate business and others.

Construction, Industrial Machinery & Mobility

Net profit for the period increased by 3.2 billion yen to 21.0 billion yen due to increases in profits of the construction machinery business and the industrial equipment business.

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Next Generation Business Development

Net profit for the period improved by 3.2 billion yen to 0.2 billion yen, due to the absence of the bad debt expense posted in the same period of the previous year and others.

Next Generation Corporate Development

Net loss for the period worsened by 1.4 billion yen to 2.2 billion yen, due to increase in expenses associated with the establishment of subsidiaries and others.

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(2) Qualitative Information on Cash Flows and Financial Position

① Cash Flows

Cash and cash equivalents at the end of the nine-month period ended December 31, 2023 were 497.8 billion yen, a decrease of 111.1 billion yen from the end of the previous fiscal year.

(Operating activities)

Net cash provided by operating activities was 240.0 billion yen due to operating revenue and dividend income despite an increase of working capital and others.

(Investing activities)

Net cash used in investing activities was 276.7 billion yen, due to the outflow of a capital expenditure in overseas businesses and acquisition of shares of equity method affiliates and others.

As a result of the above-mentioned activities, free cash flow for the nine-month period ended December 31, 2023 was an outflow of 36.7 billion yen.

(Financing activities)

Net cash used in financing activities amounted to 101.5 billion yen as a result of dividend payments and share repurchases. As for the progress of share repurchases that had been resolved at the meeting of the Board of Directors held on November 2, 2023, aggregate repurchased amount totaled 15.8 billion yen as of December 31, 2023.

② Assets, Liabilities and Equity

(Billions of yen)

	March 31, 2023	December 31, 2023	Variance
Total assets	7,953.6	8,487.6	534.0
Net interest-bearing debt	1,483.1	1,926.2	443.2
Equity attributable to owners of the parent	2,877.7	3,168.0	290.2
Net DE ratio (times)	0.52	0.61	0.09 points

(Note 1) Figures are rounded to the nearest hundred million yen.

(Note 2) Net interest-bearing debt is calculated as cash and cash equivalents and time deposit subtracted from the sum of bonds and borrowings (current and non-current).

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Total assets at the end of nine-month period ended December 31, 2023, increased by 534.0 billion yen from the end of the previous fiscal year to 8,487.6 billion yen due to the Japanese yen depreciation and others. **Net interest-bearing debt** increased by 443.2 billion yen from the end of the previous fiscal year to 1,926.2 billion yen, due to the free cash outflow, the optional repayment of the perpetual subordinated loan(*) as well as dividend payments and others. **Equity attributable to owners of the parent** increased by 290.2 billion yen from the end of the previous fiscal year to 3,168.0 billion yen, due to an increase in retained earnings by net profit accumulation and an increase in foreign currency translation adjustments by the Japanese yen depreciation, despite a decrease by the optional repayment of the perpetual subordinated loan(*). Consequently, **net DE ratio** stood at 0.61 times.

(Note *) The Company made an optional repayment of a total of 150.0 billion yen on August 16, 2023, for the perpetual subordinated loan. Perpetual subordinated loans are classified as equity instruments under IFRS. Therefore, as a result of the above repayment, the equity decreased 150.0 billion yen.

(3) Qualitative Information on Future Outlook Including Consolidated Earnings Forecast

The consolidated earnings forecasts (profit attributable to owners of the parent: 450.0 billion yen) for the fiscal year ending March 31, 2024 are unchanged from the previous projections announced on November 2, 2023.

(Notes to the description about the future)

The descriptions about future such as the above earnings forecast are based upon available information and assumptions, as of the time of the announcement date, about uncertain factors which would influence future businesses. Actual results might be influenced by various factors in the future.

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(4) Others (Lawsuits related to the Sugar Group in Indonesia - the Gunung Sugih Case)

With respect to the Gunung Sugih Case among the lawsuits against the Sugar Group in Indonesia, Marubeni ("the Company") received on January 30, 2024 the official decision on the second Judicial Review by the Supreme Court ("Decision") that the Company's application for the second Judicial Review was not accepted.

The Company will plan to take all countermeasures based on the perceived injustice of the content of the Decision, and there is no change in the Company's belief that the Supreme Court's ruling on the Gunung Sugih Case will probably become invalid; accordingly, the Company recognizes no provision for loss on litigation concerning the Gunung Sugih Case.

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Consolidated Financial Results

2. Consolidated Financial Statements and Notes

(1) Consolidated Statements of Financial Position

	(Millions of yen)		
	March 31 2023	December 31 2023	Variance
Assets			
Current assets:			
Cash and cash equivalents	608,917	497,834	(111,083)
Time deposits	1,394	1,586	192
Trade and loan receivables	1,337,276	1,483,363	146,087
Other current financial assets	389,141	368,599	(20,542)
Inventories	1,157,864	1,067,821	(90,043)
Assets held-for-sale	-	9,690	9,690
Other current assets	265,982	352,284	86,302
Total current assets	3,760,574	3,781,177	20,603
Non-current assets:			
Investments in associates and joint ventures	2,316,481	2,603,958	287,477
Other investments	251,788	301,111	49,323
Trade and loan receivables	127,729	138,197	10,468
Other non-current financial assets	172,467	176,816	4,349
Property, plant and equipment	947,647	1,026,693	79,046
Intangible assets	300,875	374,686	73,811
Deferred tax assets	8,370	8,078	(292)
Other non-current assets	67,673	76,901	9,228
Total non-current assets	4,193,030	4,706,440	513,410
Total assets	7,953,604	8,487,617	534,013

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	(Millions of yen)		
	March 31	December 31	
	2023	2023	Variance
Liabilities and Equity			
Current liabilities:			
Bonds and borrowings	485,413	613,299	127,886
Trade and other payables	1,308,657	1,219,976	(88,681)
Other current financial liabilities	445,155	517,732	72,577
Income tax payable	36,537	19,291	(17,246)
Other current liabilities	521,608	447,157	(74,451)
Total current liabilities	2,797,370	2,817,455	20,085
Non-current liabilities:			
Bonds and borrowings	1,607,983	1,812,367	204,384
Trade and other payables	1,006	1,523	517
Other non-current financial liabilities	312,917	303,464	(9,453)
Accrued pension and retirement benefits	46,630	38,051	(8,579)
Deferred tax liabilities	146,678	184,151	37,473
Other non-current liabilities	59,047	64,916	5,869
Total non-current liabilities	2,174,261	2,404,472	230,211
Total liabilities	4,971,631	5,221,927	250,296
Equity:			
Issued capital	263,324	263,599	275
Capital surplus	107,261	98,088	(9,173)
Other equity instruments	145,657	-	(145,657)
Treasury stock	(3,357)	(19,890)	(16,533)
Retained earnings	1,778,193	1,988,505	210,312
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	79,671	104,575	24,904
Foreign currency translation adjustments	456,527	651,621	195,094
Gains (losses) on cash flow hedges	50,471	81,481	31,010
Equity attributable to owners of the parent	2,877,747	3,167,979	290,232
Non-controlling interests	104,226	97,711	(6,515)
Total equity	2,981,973	3,265,690	283,717
Total liabilities and equity	7,953,604	8,487,617	534,013

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(2) Consolidated Statements of Comprehensive Income

	(Millions of yen)			
	Nine-month period ended December 31,			
	2022	2023	Variance	Ratio (%)
Revenue:				
Sale of goods	7,263,460	5,320,842	(1,942,618)	(26.7)
Commissions on services and trading margins	109,736	106,923	(2,813)	(2.6)
Total revenue	<u>7,373,196</u>	<u>5,427,765</u>	<u>(1,945,431)</u>	<u>(26.4)</u>
Cost of goods sold	(6,562,337)	(4,643,928)	1,918,409	(29.2)
Gross trading profit	810,859	783,837	(27,022)	(3.3)
Other income (expenses) :				
Selling, general and administrative expenses	(521,449)	(564,289)	(42,840)	8.2
Provision for doubtful accounts	(3,762)	(7,961)	(4,199)	111.6
Gains (losses) on property, plant and equipment				
Impairment losses on property, plant and equipment	(4,188)	(248)	3,940	(94.1)
Gains (losses) on sales of property, plant and equipment	3,228	2,712	(516)	(16.0)
Other income	42,211	36,515	(5,696)	(13.5)
Other expenses	(27,429)	(24,768)	2,661	(9.7)
Total other income (expenses)	<u>(511,389)</u>	<u>(558,039)</u>	<u>(46,650)</u>	<u>9.1</u>
Finance income (expenses):				
Interest income	16,178	24,348	8,170	50.5
Interest expense	(37,814)	(53,512)	(15,698)	41.5
Dividend income	9,614	13,940	4,326	45.0
Gains (losses) on investment securities	60,058	2,148	(57,910)	(96.4)
Total finance income (expenses)	<u>48,036</u>	<u>(13,076)</u>	<u>(61,112)</u>	<u>—</u>
Share of profits (losses) of associates and joint ventures	<u>216,568</u>	<u>238,839</u>	<u>22,271</u>	<u>10.3</u>
Profit for the period before tax	<u>564,074</u>	<u>451,561</u>	<u>(112,513)</u>	<u>(19.9)</u>
Income taxes	<u>(91,762)</u>	<u>(71,651)</u>	<u>20,111</u>	<u>(21.9)</u>
Profit for the period	<u>472,312</u>	<u>379,910</u>	<u>(92,402)</u>	<u>(19.6)</u>
Profit for the period attributable to:				
Owners of the parent	463,456	371,469	(91,987)	(19.8)
Non-controlling interests	8,856	8,441	(415)	(4.7)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss for the period				
Gains (losses) on financial assets measured at fair value through other comprehensive income	1,862	24,109	22,247	—
Remeasurements of defined benefit plan	(6,658)	5,080	11,738	—
Changes in other comprehensive income of associates and joint ventures	(80)	3,641	3,721	—
Items that may be reclassified subsequently to profit or loss for the period				
Foreign currency translation adjustments	66,326	145,728	79,402	119.7
Gains (losses) on cash flow hedges	39,419	5,157	(34,262)	(86.9)
Changes in other comprehensive income of associates and joint ventures	105,596	85,810	(19,786)	(18.7)
Other comprehensive income, net of tax	<u>206,465</u>	<u>269,525</u>	<u>63,060</u>	<u>30.5</u>
Total comprehensive income for the period	<u>678,777</u>	<u>649,435</u>	<u>(29,342)</u>	<u>(4.3)</u>
Attributable to:				
Owners of the parent	670,038	638,569	(31,469)	(4.7)
Non-controlling interests	8,739	10,866	2,127	24.3

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(3) Consolidated Statements of Changes in Equity

◆ The Nine-month Period Ended December 31, 2022 (April 1, 2022 - December 31, 2022) (Millions of yen)

	Equity attributable to owners of the parent						
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Other components of equity	
						Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at beginning of period	262,947	143,653	145,657	(19,738)	1,379,701	63,505	330,292
Adjustment at the beginning of the fiscal year (hyperinflationary economy)		227					2,047
Profit for the period					463,456		
Other comprehensive income						1,850	85,840
Share-based payment transactions	377	222					
Purchases and sales of treasury stock		(396)		(32,297)			
Cancellation of treasury stock		(26,729)		26,729			
Dividends payment					(127,208)		
Equity transactions with non-controlling interests and others		(1,951)					
Distribution to owners of other equity instruments					(1,275)		
Transfer to retained earnings					(6,395)	(637)	
Transfer to non-financial assets and others							
Balance at end of period	263,324	115,026	145,657	(25,306)	1,708,279	64,718	418,179

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Equity attributable to owners of the parent		
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit pension plan	Other components of equity total			
Balance at beginning of period	(63,837)	-	329,960	2,242,180	96,148	2,338,328
Adjustment at the beginning of the fiscal year (hyperinflationary economy)			2,047	2,274		2,274
Profit for the period				463,456	8,856	472,312
Other comprehensive income	125,924	(7,032)	206,582	206,582	(117)	206,465
Share-based payment transactions				599		599
Purchases and sales of treasury stock				(32,693)		(32,693)
Cancellation of treasury stock				-		-
Dividends payment				(127,208)	(6,922)	(134,130)
Equity transactions with non-controlling interests and others				(1,951)	7,000	5,049
Distribution to owners of other equity instruments				(1,275)		(1,275)
Transfer to retained earnings		7,032	6,395	-		-
Transfer to non-financial assets and others	(19,593)		(19,593)	(19,593)		(19,593)
Balance at end of period	42,494	-	525,391	2,732,371	104,965	2,837,336

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◆ The Nine-month Period Ended December 31, 2023 (April 1, 2023 - December 31, 2023)

(Millions of yen)

	Equity attributable to owners of the parent						
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Other components of equity	
						Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at beginning of period	263,324	107,261	145,657	(3,357)	1,778,193	79,671	456,527
Profit for the period					371,469		
Other comprehensive income						27,549	195,094
Share-based payment transactions	275	523					
Purchases and sales of treasury stock		(110)		(45,189)	(490)		
Cancellation of treasury shares				28,656	(28,656)		
Dividends payment					(138,537)		
Equity transactions with non-controlling interests and others		(5,243)					
Distribution to owners of other equity instruments					(1,262)		
Redemption of other equity instruments		(4,343)	(145,657)				
Transfer to retained earnings					7,788	(2,645)	
Transfer to non-financial assets and others							
Balance at end of period	263,599	98,088	-	(19,890)	1,988,505	104,575	651,621

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Equity attributable to owners of the parent		
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit pension plan	Other components of equity total			
Balance at beginning of period	50,471	-	586,669	2,877,747	104,226	2,981,973
Profit for the period				371,469	8,441	379,910
Other comprehensive income	39,314	5,143	267,100	267,100	2,425	269,525
Share-based payment transactions				798		798
Purchases and sales of treasury stock				(45,789)		(45,789)
Cancellation of treasury shares				-		-
Dividends payment				(138,537)	(8,088)	(146,625)
Equity transactions with non-controlling interests and others				(5,243)	(9,293)	(14,536)
Distribution to owners of other equity instruments				(1,262)		(1,262)
Redemption of other equity instruments				(150,000)		(150,000)
Transfer to retained earnings		(5,143)	(7,788)	-		-
Transfer to non-financial assets and others	(8,304)		(8,304)	(8,304)		(8,304)
Balance at end of period	81,481	-	837,677	3,167,979	97,711	3,265,690

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(4) Consolidated Statements of Cash Flows

	(Millions of yen)		
	Nine-month period ended December 31		Variance
	2022	2023	
Operating activities			
Profit for the period	472,312	379,910	(92,402)
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities:			
Depreciation and amortisation	117,876	127,779	9,903
(Gains) Losses on property, plant and equipment	960	(2,464)	(3,424)
Finance (income) expenses	(48,036)	13,076	61,112
Share of profits of associates and joint ventures	(216,568)	(238,839)	(22,271)
Income taxes	91,762	71,651	(20,111)
Changes in notes and trade accounts receivable	(67,465)	(74,005)	(6,540)
Changes in inventories	174,406	159,875	(14,531)
Changes in notes and trade accounts payable	(132,497)	(142,827)	(10,330)
Other-net	(75,374)	(101,873)	(26,499)
Interest received	15,339	19,731	4,392
Interest paid	(35,245)	(53,799)	(18,554)
Dividends received	148,722	153,332	4,610
Income taxes paid	(69,354)	(71,580)	(2,226)
Net cash provided by/used in operating activities	376,838	239,967	(136,871)
Investing activities			
Net (increase) decrease in time deposits	(1,280)	(271)	1,009
Proceeds from sale of property, plant and equipment	15,501	15,694	193
Collection of loans receivable	11,958	7,384	(4,574)
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	331,913	443	(331,470)
Proceeds from sale of investments in associates and joint ventures, and other investments	30,354	60,938	30,584
Purchase of property, plant and equipment	(69,815)	(106,072)	(36,257)
Loans provided	(73,679)	(57,346)	16,333
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(1,287)	(52,123)	(50,836)
Purchase of investments in associates and joint ventures, and other investments	(88,480)	(145,351)	(56,871)
Net cash provided by/used in investing activities	155,185	(276,704)	(431,889)
Financing activities			
Net increase (decrease) in short-term borrowings	(215,402)	333,461	548,863
Proceeds from long-term bonds and borrowings	86,838	467,990	381,152
Repayments of long-term bonds and borrowings	(308,602)	(543,627)	(235,025)
Dividends paid to owners of the parent	(127,208)	(138,537)	(11,329)
Net cash outflows on purchases and sales of treasury stock	(33,178)	(45,874)	(12,696)
Capital contribution from non-controlling interests	6,767	1,311	(5,456)
Acquisition of equity portion of subsidiary from non-controlling interests	(150)	(16,849)	(16,699)
Distribution to owners of other equity instruments	(1,275)	(1,262)	13
Redemption of other equity instruments	-	(150,000)	(150,000)
Other	(6,930)	(8,092)	(1,162)
Net cash provided by/used in financing activities	(599,140)	(101,479)	497,661
Effect of exchange rate changes on cash and cash equivalents	29,792	27,133	(2,659)
Net increase (decrease) in cash and cash equivalents	(37,325)	(111,083)	(73,758)
Cash and cash equivalents at beginning of period	578,636	608,917	30,281
Increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	91	-	(91)
Cash and cash equivalents at end of period	541,402	497,834	(43,568)

(5) Notes Related to Going Concern Assumptions

: None

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(6) Segment Information

<Operating Segment>

◆ The Nine-month period ended December 31, 2022 (April 1, 2022 - December 31, 2022)

(Millions of yen)

	Lifestyle	IT Solutions	Food I	Food II	Agri Business	Forest Products	Chemicals	Metals & Mineral Resources	Energy
Revenue	125,802	258,407	679,614	2,581,726	1,211,269	201,988	519,911	397,214	714,521
Gross trading profit (loss)	35,034	72,314	41,497	73,936	193,486	39,916	35,997	73,414	72,623
Operating profit (loss)	9,607	11,955	6,303	26,017	56,398	20,257	16,806	58,074	45,836
Share of profits (losses) of associates and joint ventures	292	419	3,076	3,085	1,019	(11,475)	1,623	118,078	7,127
Profit (loss) attributable to owners of the parent	5,702	6,154	8,954	80,159	40,883	(2,363)	12,745	157,354	36,651
Segment assets (as of March 31, 2023)	173,852	372,121	425,999	560,361	1,099,277	323,206	322,871	1,209,495	555,856

	Power	Infrastructure Project	Aerospace & Ship	Finance, Leasing & Real Estate Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development	Next Generation Corporate Development	Other	Consolidated
Revenue	220,799	14,696	90,583	32,504	319,189	11,612	-	(6,639)	7,373,196
Gross trading profit (loss)	40,086	8,430	30,855	17,799	77,883	4,269	-	(6,680)	810,859
Operating profit (loss)	4,272	(5,709)	21,277	(418)	20,138	(3,358)	(1,067)	(740)	285,648
Share of profits (losses) of associates and joint ventures	35,348	11,936	7,458	31,414	6,593	605	(97)	67	216,568
Profit (loss) attributable to owners of the parent	40,129	6,232	23,707	30,655	17,800	(2,985)	(757)	2,436	463,456
Segment assets (as of March 31, 2023)	1,179,906	281,004	334,644	550,488	379,750	37,849	13,448	133,477	7,953,604

◆ The Nine-month period ended December 31, 2023 (April 1, 2023 - December 31, 2023)

(Millions of yen)

	Lifestyle	IT Solutions	Food I	Food II	Agri Business	Forest Products	Chemicals	Metals & Mineral Resources	Energy
Revenue	135,888	272,820	673,442	857,257	1,152,802	182,620	406,771	383,356	581,519
Gross trading profit (loss)	41,201	73,643	50,284	59,091	196,591	31,236	27,643	44,164	66,692
Operating profit (loss)	10,021	9,443	13,147	23,040	40,475	11,461	6,215	27,386	37,546
Share of profits (losses) of associates and joint ventures	353	248	5,206	1,422	(263)	1,716	3,002	103,168	6,501
Profit (loss) attributable to owners of the parent	7,352	4,556	14,258	17,749	34,756	2,840	7,616	122,134	26,036
Segment assets (as of December 31, 2023)	186,162	375,883	501,220	539,671	1,075,903	346,409	409,378	1,239,956	647,327

	Power	Infrastructure Project	Aerospace & Ship	Finance, Leasing & Real Estate Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development	Next Generation Corporate Development	Other	Consolidated
Revenue	210,063	21,150	95,852	41,620	406,307	13,621	61	(7,384)	5,427,765
Gross trading profit (loss)	42,510	9,262	28,061	23,492	92,443	5,010	38	(7,524)	783,837
Operating profit (loss)	(4,084)	(6,437)	16,522	3,253	26,173	(2,097)	(1,930)	1,453	211,587
Share of profits (losses) of associates and joint ventures	45,856	15,689	5,955	38,777	9,033	2,107	-	69	238,839
Profit (loss) attributable to owners of the parent	43,328	8,770	16,788	36,411	21,021	214	(2,165)	9,805	371,469
Segment assets (as of December 31, 2023)	1,286,139	329,533	374,827	646,854	408,766	74,453	34,292	10,844	8,487,617

(Note 1) Effective from the fiscal year ending March 31, 2024, "ICT Business & Logistics" has been renamed "IT Solutions". Also, parts of "Lifestyle" have been incorporated into "Finance, Leasing & Real Estate Business" and "Next Generation Business Development," parts of "ICT Business & Logistics" into "Next Generation Business Development", parts of "Energy" into "Power", parts of "Next Generation Business Development" into "Chemicals", and parts of "Other" into "IT Solutions" respectively. In conjunction with these organizational changes, operating segment information for the nine-month period ended December 31, 2022 and at March 31, 2023 have been reclassified. Additionally, for "New Energy Business Development Dept." which has been newly established in the fiscal year ending March 31, 2024, incorporating parts of "Energy", "Power" and "Infrastructure Project", the profit/loss and others are allocated to "Energy", "Power" and "Infrastructure Project". In conjunction with these organizational changes, operating segment information for the nine-month period ended December 31, 2022 and at March 31, 2023 have been reclassified.

(Note 2) "Operating profit (loss)" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS. "Operating profit (loss)" is the sum of "Gross trading profit", "Selling, general and administrative expenses" and "Provision for doubtful accounts".

(Note 3) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(Note 4) "Other" includes profit/loss such as head office expenses that are not allocated to the operating segments, inter-segment elimination, and assets such as cash and cash equivalents related to financing held for general corporate purposes that are not allocated to the operating segments.