

# Business Results for FYE 2021

## General Review of FYE 2021

- Practiced “commitment-based management” even as the business environment underwent dramatic changes due to COVID-19.
- Became the No. 1 general trading company in terms of market capitalization and stock price for the first time in history. Promoted the sustained enhancement of corporate value.

| Quantitative Targets                | Target   | Actual |
|-------------------------------------|--|--------|
| Consolidated Net Profit             | Despite the impact of COVID-19, achieved the initial plan by minimizing profit decline.  |        |
| Financial Position, Cash Flows      | Firmly maintained our financial position while making a large-scale investment. On track to maintain A ratings.  |        |
| Indicators                          | ROE was about 13% and the ratio of Group companies reporting profits remained at a high level of 80% even during the COVID-19 pandemic.  |        |
| Market Capitalization, Stock Prices | Became the No. 1 general trading company in terms of market capitalization and stock price for the first time in history.  |        |
| Shareholder Returns                 | Continued progressive dividends. Continuously executed share buyback.  |        |
| Qualitative Targets                 | Target   | Actual |
| Growth Strategy                     | <ul style="list-style-type: none"> <li>Delisted FamilyMart, accelerated FamilyMart’s growth strategy, and promoted business expansion by leveraging consumer contacts through Group collaboration.</li> <li>Implemented various additional purchase measures, taking advantage of opportunities. Strengthened cooperation with major Group companies.</li> </ul> |        |
| COVID-19 Response                   | Initiated new working styles that maintain labor productivity even under COVID-19 and implemented flexible working systems.  |        |
| ESG                                 | The only major general trading company adopted by all GPIF ESG investment indices.   |        |

## Summary of Financial Results for FYE 2021

- Consolidated net profit was ¥401.4 billion, achieved the FYE 2021 forecast (disclosed on May 8, 2020) of ¥400.0 billion.
- Core profit was approximately ¥452.5 billion, steadily increased and recovered quarter by quarter, and the core profit for Q4 renewed all-time high as a 4th quarter’s, driven by Metals & Minerals, Power & Environmental Solution, Chemicals, and ICT, while COVID-19 significantly affected some businesses.
- Extraordinary gains and losses were approximately -¥51.0 billion (gains: approx. ¥105.5 billion, losses: approx. -¥156.5 billion) due to the implementation of measures to eliminate concerns over the future.
- While we generated stable cash (core operating cash flows: approx. ¥574.0 billion, second-highest level ever) even during the COVID-19 pandemic, investment reached a record-high (net investment cash flows: approx. -¥755.0 billion).
- Total shareholders’ equity was ¥3,316.3 billion (the highest ever) and NET DER was 0.78 times (the second lowest ever).

## Impact of the COVID-19 Pandemic

- The impact over the full fiscal year was approximately -¥56.0 billion, which was mainly due to decreases in apparel-related sales, automobile trade, and demand for aircraft-related businesses as well as slumps in restaurant-related services, convenience stores, etc.
- Quarterly impact: Q1: approx. -¥22.0 billion, Q2: approx. -¥18.0 billion, Q3: approx. -¥7.0 billion, Q4: approx. -¥9.0 billion
- Impact by segment: The 8th: approx. -¥20.0 billion, Machinery: approx. -¥16.0 billion, Textile: approx. -¥8.5 billion, etc.

## Business Results

| (Billions of yen)   | FYE 2020 Results | FYE 2021 Results | Increase / Decrease |
|---|------------------|------------------|---------------------|
| Consolidated net profit   | 501.3            | 401.4            | (99.9)              |
| Extraordinary gains and losses  | 16.0             | (51.0)           | (67.0)              |
| Core profit   | Approx. 485.5    | Approx. 452.5    | Approx. (33.0)      |
| Non-resource  | 378.3            | 292.7            | (85.6)              |
| Resource  | 126.8            | 107.9            | (18.9)              |
| Others  | (3.7)            | 0.9              | +4.6                |
| Non-resource (%)*   | 75%              | 73%              | Decreased 2 pt      |
| Profits / losses of Group companies (including overseas trading subsidiaries) | 445.2            | 359.6            | (85.5)              |
| Ratio of Group companies reporting profits (%)                                | 88.6%            | 82.4%            | Decreased 6.1 pt    |
| EPS   | ¥335.58          | ¥269.83          | ¥(65.75)            |

\* % composition is calculated using the total of non-resource and resource sectors as 100%.

## Cash Flows

| (Billions of yen)                    | FYE 2020 Results | FYE 2021 Results |
|--------------------------------------|------------------|------------------|
| Cash flows from operating activities | 878.1            | * 895.9          |
| Cash flows from investing activities | (248.8)          | (207.3)          |
| Free cash flows                      | 629.4            | * 688.6          |
| Cash flows from financing activities | (575.5)          | (728.8)          |

## Core Free Cash Flows

| (Billions of yen)           | FYE 2020 Results | FYE 2021 Results |
|-----------------------------|------------------|------------------|
| Core operating cash flows*1 | 602.0            | 574.0            |
| Net investment cash flows*2 | (290.0)          | * (755.0)        |
| Core free cash flows        | 312.0            | (181.0)          |

\*1 “Operating cash flows” minus “changes in working capital” (excluding the effect of lease accounting).

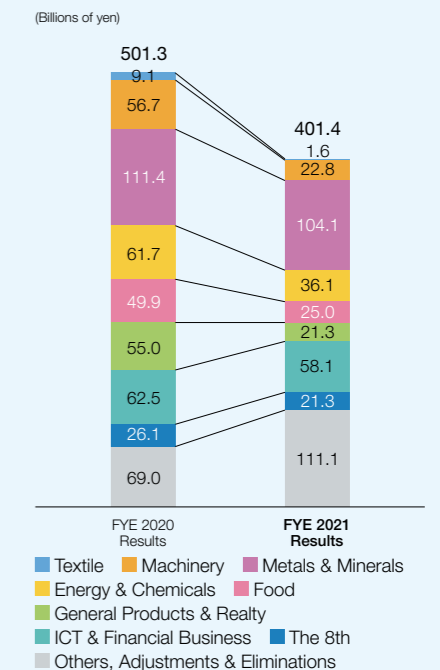
\*2 Payments and collections for substantive investment and capital expenditure “Investment cash flows” plus “equity transactions with non-controlling interests” minus “changes in loan receivables,” etc.

## Financial Position

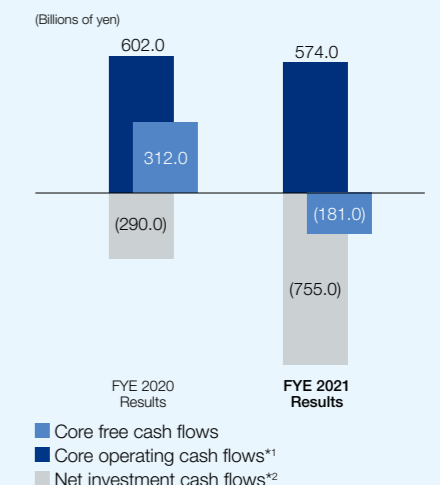
| (Billions of yen)                             | March 31, 2020 | March 31, 2021 | Increase / Decrease |
|---|----------------|----------------|---------------------|
| Total assets                                  | 10,919.6       | * 11,178.4     | +258.8              |
| Net interest-bearing debt                     | 2,256.9        | 2,601.4        | +344.5              |
| Total shareholders’ equity                    | 2,996.0        | * 3,316.3      | +320.3              |
| Ratio of shareholders’ equity to total assets | 27.4%          | 29.7%          | Increased 2.2 pt    |
| NET DER                                       | 0.75 times     | 0.78 times     | Increased 0.03      |
| ROE   | 17.0%          | 12.7%          | Decreased 4.3 pt    |

\* Record high (Total assets: record high as fiscal year end)

## Consolidated Net Profit by Segment



## Core Free Cash Flows



## Financial Position

