

Consolidated Financial Statements

Consolidated Statement of Cash Flows

Fiscal Years Ended March 31	Millions of yen					Millions of U.S. dollars
	2019	2020	2021	2022	2023	2023
<b>Cash flows from operating activities</b>						
Net profit .....	¥ 545,689	¥ 559,209	¥ 440,883	¥ 878,973	¥ 844,681	\$ 6,326
Adjustments to reconcile net profit to net cash provided by operating activities						
Depreciation and amortization .....	154,944	422,624	424,297	404,184	409,962	3,070
(Gains) losses on investments .....	(203,034)	(57,801)	(4,105)	(211,851)	(67,157)	(503)
(Gains) losses on property, plant, equipment and intangible assets .....	12,041	4,396	157,524	17,601	50,118	376
Financial (income) loss .....	(34,112)	(44,141)	(40,041)	(72,177)	(52,172)	(391)
Equity in earnings of associates and joint ventures .....	(98,052)	(205,860)	(228,636)	(291,435)	(320,666)	(2,401)
Income tax expense .....	149,694	142,221	71,592	271,056	262,180	1,963
Provision for doubtful accounts and other provisions .....	1,394	22,154	30,504	(2,836)	(3,338)	(25)
Changes in assets and liabilities, other-net	(37,738)	23,574	58,976	(241,650)	(183,718)	(1,376)
Proceeds from interest .....	37,525	34,460	24,142	19,706	35,029	262
Proceeds from dividends .....	140,146	152,862	144,732	201,532	233,884	1,751
Payments for interest .....	(56,365)	(62,775)	(39,412)	(29,807)	(57,855)	(433)
Payments for income taxes .....	(135,581)	(112,790)	(144,556)	(142,133)	(212,890)	(1,594)
<b>Net cash provided by (used in) operating activities</b> .....	<b>476,551</b>	<b>878,133</b>	<b>895,900</b>	<b>801,163</b>	<b>938,058</b>	<b>7,025</b>
<b>Cash flows from investing activities</b>						
Net change in investments accounted for by the equity method .....	(106,112)	(50,915)	(20,694)	67,043	(294,890)	(2,209)
Net change in other investments .....	353,023	(69,382)	(50,913)	83,344	22,937	172
Net change in loans receivable .....	27,723	21,411	23,300	15,672	(20,035)	(150)
Net change in property, plant, equipment and intangible assets .....	(95,672)	(147,688)	(152,583)	(124,883)	(165,721)	(1,241)
Net change in time deposits	22,187	(2,192)	(6,406)	(2,539)	3,903	29
<b>Net cash provided by (used in) investing activities</b> .....	<b>201,149</b>	<b>(248,766)</b>	<b>(207,296)</b>	<b>38,637</b>	<b>(453,806)</b>	<b>(3,399)</b>
<b>Cash flows from financing activities</b>						
Net change in debentures and loans payable ...	(345,047)	(79,726)	251,606	(349,350)	(16,476)	(123)
Repayments of lease liabilities* .....	—	(267,193)	(277,493)	(266,974)	(261,271)	(1,956)
Equity transactions with non-controlling interests .....	18,947	(5,774)	(531,774)	(14,093)	54,766	410
Cash dividends to shareholders .....	(116,437)	(133,537)	(129,008)	(135,356)	(188,372)	(1,411)
Cash dividends to non-controlling interests .....	(27,081)	(27,236)	(27,832)	(20,897)	(28,547)	(214)
Net change in treasury stock .....	(68,700)	(62,016)	(14,266)	(60,036)	(60,181)	(451)
<b>Net cash provided by (used in) financing activities</b> .....	<b>(538,318)</b>	<b>(575,482)</b>	<b>(728,767)</b>	<b>(846,706)</b>	<b>(500,081)</b>	<b>(3,745)</b>
Net change in cash and cash equivalents .....	139,382	53,885	(40,163)	(6,906)	(15,829)	(119)
Cash and cash equivalents at the beginning of the period (Opening balance on the consolidated statement of financial position) ...	432,140	572,030	611,223	544,009	611,715	4,581
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance .....	—	—	—	44,331	—	—
Cash and cash equivalents at the beginning of the year .....	432,140	572,030	611,223	588,340	611,715	4,581
Effect of exchange rate changes on cash and cash equivalents .....	508	(14,692)	17,280	30,281	10,116	76
Cash and cash equivalents included in assets held for sale .....	—	—	(44,331)	—	—	—
<b>Cash and cash equivalents at the end of the year</b> .....	<b>¥ 572,030</b>	<b>¥ 611,223</b>	<b>¥ 544,009</b>	<b>¥ 611,715</b>	<b>¥ 606,002</b>	<b>\$ 4,538</b>

\* “Repayments of lease liabilities” in Cash flows from financing activities is presented independently due to the application of IFRS 16 “Leases” and the amount of “Repayments of lease liabilities” for the Fiscal Year ended March 31, 2019 is not reclassified.

Major Indicators

Selling, General and Administrative (SG&A) Expenses, Provision for Doubtful Accounts, and Expense Ratio

Fiscal Years Ended March 31	Billions of yen					Millions of U.S. dollars
	2019	2020	2021	2022	2023	2023
Personnel expenses .....	¥ 538.4	¥ 586.9	¥ 588.9	¥ 585.5	¥ 615.8	\$ 4,612
Other SG&A expenses .....	654.9	794.0	777.5	761.2	803.3	6,016
Total SG&A expenses (A) .....	1,193.3	1,380.9	1,366.5	1,346.7	1,419.1	10,628
Provision for doubtful accounts .....	9.0	17.4	10.8	7.9	8.9	66
SG&A expenses and provision for doubtful accounts .....	1,202.3	1,398.4	1,377.3	1,354.6	1,428.0	10,694
Gross trading profit .....	1,563.8	1,797.8	1,780.7	1,937.2	2,129.9	15,951
Net interest expenses .....	(14.3)	(22.3)	(13.1)	(8.6)	(27.5)	(206)
Dividends received .....	48.4	66.5	53.1	80.7	79.7	597
Total (B) .....	1,597.9	1,841.9	1,820.8	2,009.3	2,182.1	16,342
Expense ratio (A) / (B) (%)*	74.7	75.0	75.0	67.0	65.0	—

\* Expense ratio is the ratio of total SG&A expenses to the combined total of gross trading profit, net interest expenses, and dividends received.

Interest-Bearing Debt, Shareholders’ Equity, and Net Debt-to-Shareholders’ Equity Ratio

As of March 31	Billions of yen					Millions of U.S. dollars
	2019	2020	2021	2022	2023	2023
Short-term borrowings .....	¥ 235.0	¥ 286.4	¥ 282.8	¥ 205.9	¥ 352.8	\$ 2,643
Commercial paper .....	30.5	32.0	15.0	30.0	28.0	210
Current maturities of long-term borrowings .....	313.6	287.7	302.0	230.3	248.8	1,863
Current maturities of debentures .....	71.7	78.3	110.3	56.3	30.1	225
Short-term total .....	650.9	684.4	710.2	522.4	659.7	4,941
Long-term borrowings .....	2,023.4	1,953.6	2,252.6	2,235.3	2,225.7	16,668
Debentures .....	309.5	239.0	192.5	148.2	121.3	908
Long-term total .....	2,332.9	2,192.6	2,445.1	2,383.5	2,346.9	17,576
Total interest-bearing debt (A) .....	2,983.8	2,877.0	3,155.3	2,905.9	3,006.6	22,517
Cash and cash equivalents, time deposits (B) .....	577.1	620.1	554.0	622.9	615.5	4,609
Net interest-bearing debt (A)–(B) .....	2,406.8	2,256.9	2,601.4	2,283.0	2,391.2	17,908
Shareholders’ equity .....	2,936.9	2,996.0	3,316.3	4,199.3	4,819.5	36,093
Net debt-to-shareholders’ equity ratio (times)* .....	0.82	0.75	0.78	0.54	0.50	—

\* Net debt-to-shareholders’ equity ratio =  $\frac{\text{Net interest-bearing debt}}{\text{Shareholders’ equity}}$

Profits / Losses of Group Companies

Fiscal Years Ended March 31	Billions of yen					Millions of U.S. dollars
	2019	2020	2021	2022	2023	2023
Profits of Group companies .....	¥ 545.3	¥ 471.1	¥ 463.8	¥ 719.5	¥ 771.6	\$ 5,778.0
Losses of Group companies .....	(107.4)	(25.9)	(104.2)	(10.6)	(77.9)	(583.0)
Total .....	437.9	445.2	359.6	708.9	693.7	5,195.0
Ratio of Group companies reporting profits (%) .....	90.0	88.6	82.4	90.9	88.6	—

Risk Buffer and Risk Assets

As of March 31	Billions of yen					Millions of U.S. dollars
	2019	2020	2021	2022	2023	2023
Risk buffer .....	¥3,690.1	¥3,840.6	¥3,870.2	¥4,763.7	¥5,463.6	\$40,917
Risk assets .....	2,267.7	2,588.4	2,815.3	3,088.0	3,337.7	24,996