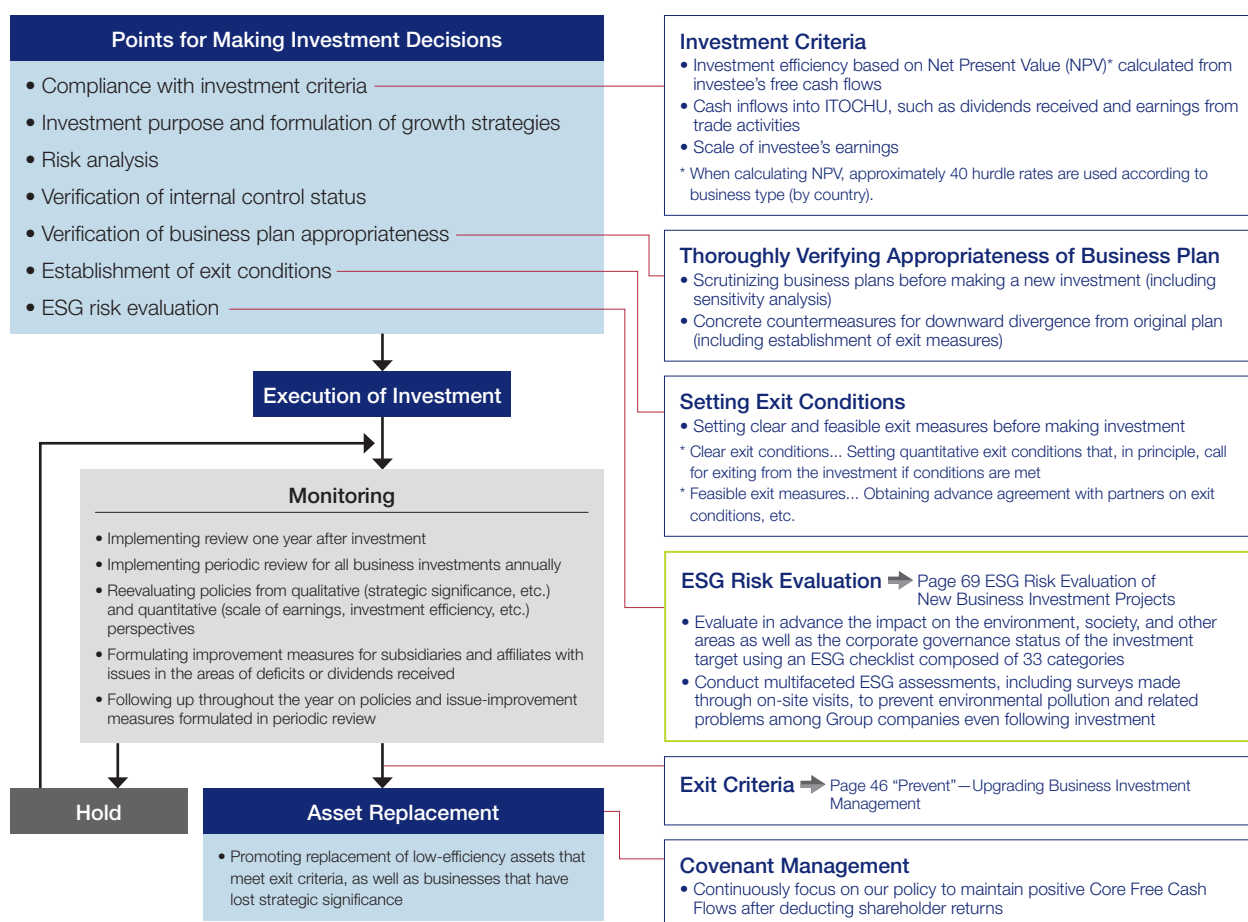


Business Investment Process

Under “Brand-new Deal 2020,” in addition to the conventional investment process, we have further strengthened the earnings base to make it more resilient to economic fluctuation by thoroughly verifying the appropriateness of business plans and focusing on the monitoring of sub-subsidiaries. Despite the challenging business environment, in FYE 2020 profits / losses of Group companies reached a record high for the fourth consecutive year. Besides, amid the COVID-19 pandemic, the ratio of Group companies reporting profits remained high, at 88.6%.

Given the rapidly changing business environment, we recognize that “prevent” efforts will be an even higher priority in FYE 2021 than in the past. By conducting careful and close monitoring, which is our forte as a company having strengths in the non-resource sector, we will strive to accurately ascertain risks unique to individual businesses. If we anticipate impairment concerns that could result from lower share prices or decreased earnings, we will act preemptively.



Number of Consolidated Group Companies and Ratio of Group Companies Reporting Profits

