

# Kobe Steel's Consolidated Financial Results for First Half of Fiscal 2019 (April 1 – September 30, 2019)

November 6, 2019

Company name: Kobe Steel, Ltd.  
 Code number: 5406  
 Stock exchanges listed: Tokyo and Nagoya, Japan  
 Website: <http://www.kobelco.co.jp/english/>  
 Representative: Mitsugu Yamaguchi, President, CEO and Representative Director  
 Filing of quarterly report: November 6, 2019  
 Dividend payments begin: ---  
 Supplemental information available: Yes  
 IR Briefing: Yes (in Japanese only)  
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(Sums of less than 1 million yen have been omitted.)

## 1. Consolidated results for First half of FY2019 (April 1–September 30, 2019)

### (1) Consolidated operating results

(% of change from the corresponding period of the previous year)

	Net sales		Operating income		Ordinary income (loss)		Net income (loss) attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2019 1H	944,464	(1.4)	7,443	(67.8)	1,493	(84.0)	(6,281)	—
FY2018 1H	958,239	5.6	23,131	(55.0)	9,345	(79.6)	33,399	(15.2)

Note: Comprehensive income(loss) FY2019 1H: (13,255)million yen [—]  
 FY2018 1H: 30,851million yen [(29.3)%]

	Net income(loss) per share	Diluted net income per share
	Yen	Yen
FY2019 1H	(17.32)	---
FY2018 1H	92.19	---

### (2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
	Million yen	Million yen	%
FY2019 1H	2,381,502	785,814	30.5
FY2018	2,384,973	803,312	31.0

Reference: Equity capital FY2019 1H: 725,455million yen FY2018: 739,576million yen

## 2. Dividends

	Annual dividends				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2018	---	10.00	---	10.00	20.00
FY2019	---	0.00			
FY2019 Forecast					

Revision to dividend forecast in FY2019 2Q: No  
 The dividend for the end of fiscal 2019 is undetermined.

### 3. Consolidated earnings forecast for FY2019 (April 1, 2019–March 31, 2020)

(% of change from the corresponding period of the previous year)

	Net sales		Operating income		Ordinary income (loss)		Net income(loss) attributable to owners of the parent		Net income(loss) per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,970,000	(0.1)	15,000	(68.9)	0	(100.0)	(5,000)	-	(13.78)

Revision to consolidated forecast in FY2019 2Q: Yes

For more information, please refer to “Announcement on the Difference between the Forecast and Actual Results for the First Half of Fiscal 2019 and Revision to Earnings Forecast for Fiscal 2019, ending March 31, 2020”

#### Notes

- (1) Changes in number of material subsidiaries in fiscal year  
(Changes in specified subsidiaries due to changes in scope of consolidation): No
- (2) Adoption of specific accounting procedures for preparing the quarterly consolidated financial statements: No
- (3) Changes in accounting policies, estimates and restatement on the preparation of consolidated financial statements
- Changes in accounting policies due to revised accounting standards: No
  - Other changes: No
  - Changes in accounting estimates: No
  - Restatement: No

- (4) Number of issued shares (common stock)

Number of issued shares (including treasury stock)  
Number of shares of treasury stock  
Average number of shares (1H)

	FY2019 1H	FY2018
Number of issued shares (including treasury stock)	364,364,210 shares	364,364,210 shares
Number of shares of treasury stock	1,663,677 shares	2,055,945 shares
Average number of shares (1H)	362,504,207 shares	362,279,696 shares

#### **Explanation on the Appropriate Use of the Forecast and Other Special Items**

The above forecast is based on currently available information as of today.  
Actual results may differ considerably due to various changeable conditions in the future.  
For preconditions on the forecast and other related factors, please refer to page 6 and 7.

# 1. Qualitative Information on Consolidated Operating Results

## (1) Qualitative Information on Consolidated Operating Results

Japan's economy in the first half of fiscal 2019 (April 1–September 30, 2019) continued on a moderate recovery supported by increased personal spending from improvements in employment and income conditions and by firm corporate capital investments, although weakness was seen centered on exports. In overseas economies, China, Southeast Asia, the United States and Europe saw a slowdown in economic growth from the impact of protectionist trade policies and other factors.

In this economic environment, the sales volume of steel products in the Kobe Steel Group was similar to the same period last year, as demand decreased mainly from overseas automobile manufacturers. Looking at the same period last year, temporary trouble with production equipment and natural disasters led to a decrease in sales volume in Japan. In the first half of fiscal 2019, the sales volume of aluminum rolled products decreased, compared with the same period last year, as demand fell in the semiconductor and IT sectors. The sales volume of copper rolled products decreased, compared with the same period last year, as demand fell for copper strips used in automotive terminals and semiconductors. Unit sales of hydraulic excavators were on the whole similar to the same period last year, although increasing or decreasing depending on the region.

As a result, consolidated net sales for the first half of fiscal 2019 decreased 13.7 billion yen, compared with the same period last year, to 944.4 billion yen. Operating income decreased 15.6 billion yen, compared with the same period last year, to 7.4 billion yen. Ordinary income decreased 7.8 billion yen, compared with the same period last year, to 1.4 billion yen. Net income attributable to owners of the parent worsened 39.6 billion yen, compared to the same period last year, to net loss attributable to owners of the parent of 6.2 billion yen, owing to loss on valuation of investment securities posted as extraordinary loss. In the same period last year, Kobe Steel posted extraordinary income from the partial transfer of shares held in Shinko Real Estate Co., Ltd.

Conditions in the business segments for the first half of fiscal 2019 follow below.

### **Iron & Steel**

The sales volume of steel products was similar to the same period last year, as demand decreased mainly from overseas automobile manufacturers owing to the impact of protectionist trade policies. Looking at the same period last year, sales volume decreased from the impact of temporary trouble with production equipment and natural disasters. Sales prices increased, compared with the same period last year, owing to a rise in prices of the main raw materials and other factors.

Sales of steel castings and forgings decreased, compared with the same period last year, owing to changes in the product mix. Sales of titanium products increased, compared with the same period last year, owing to expanded sales to the aircraft sector and other factors.

As a result, consolidated sales in the Iron & Steel segment for the first half of fiscal 2019 were similar to the same period last year at 365.2 billion yen. Although production costs steadily decreased, the product mix of steel products and steel castings and forgings worsened, prices for the main raw materials increased, and distribution costs and secondary material costs rose, leading to ordinary loss worsening 4.1 billion yen, compared with the same period last year, to ordinary loss of 5.8 billion yen.

### **Welding**

The sales volume of welding materials increased, compared with the same period last year, as demand in the shipbuilding sector, mainly in the Republic of Korea, stopped falling and demand was firm in China's energy sector, although demand was sluggish in Thailand, Indonesia and other countries.

Sales of welding systems increased, compared with the same period last year, as domestic demand to replace facilities, which use architectural steel frames, continued to remain firm.

As a result, consolidated sales in the Welding segment for the first half of fiscal 2019 increased 8.3 percent, compared with the same period last year, to 43.1 billion yen. Ordinary income increased 0.9 billion yen, compared with the same period last year, to 1.8 billion yen.

## **Aluminum & Copper**

The sales volume of aluminum rolled products decreased, compared with the same period last year, as demand decreased in the semiconductor and IT sectors.

The sales volume of copper rolled products decreased, compared with the same period last year, as demand for copper strip used in automotive terminals and semiconductors decreased, although demand was firm for copper tubes.

As a result consolidated sales in the Aluminum & Copper segment for the first half of fiscal 2019 decreased 6.1 percent, compared with the same period last year, to 170.2 billion yen. Ordinary income worsened 10.0 billion yen, compared with the same period last year, to ordinary loss of 8.3 billion yen, owing to the impact of equipment trouble at an overseas subsidiary, in addition to lower sales volume and the impact of inventory valuation.

## **Machinery**

Orders in the consolidated first half of fiscal 2019 increased 11.0 percent, compared with the same period last year, to 80.5 billion yen, as demand remained firm in the petrochemical sector in Asia and the Middle East. The backlog of orders at the end of the consolidated first half of fiscal 2019 stood at 159.0 billion yen.

Consolidated sales in the Machinery segment for the first half of fiscal 2019 decreased 4.6 percent, compared with the same period last year, to 80.4 billion yen, because of the large posting of sales from large orders of compressors used in the petrochemical sector in the first half of the previous fiscal year. Ordinary income increased 1.4 billion yen, compared with the same period last year, to 2.3 billion yen owing to improved profitability, higher demand for after-sales services, and other factors.

## **Engineering**

Orders in the consolidated first half of fiscal 2019 increased 5.5 percent, compared with the same period last year, to 76.1 billion yen, owing to firm orders in the waste treatment-related business. The backlog of orders at the end of the consolidated first half of fiscal 2019 stood at 181.4 billion yen.

Consolidated sales in the Engineering segment for the first half of fiscal 2019 increased 10.9 percent, compared with the same period last year, to 61.4 billion yen, owing to progress of existing orders in the waste treatment-related business, direct reduced iron-related business, and other areas. Ordinary income increased 1.1 billion yen, compared with the same period last year, to 2.1 billion yen.

## **Construction Machinery**

Unit sales of hydraulic excavators were similar to the same period last year, as unit sales rose in China and Japan owing to firm demand, but decreased in Southeast Asia, owing to a temporary decline in demand affected by delays in infrastructure construction.

Unit sales of crawler cranes decreased, compared with the same period last year, as competition mainly in Southeast Asia intensified from overseas manufacturers.

As a result, consolidated sales in the Construction Machinery segment for the first half of fiscal 2019 decreased 3.5 percent, compared with the same period last year, to 197.8 billion yen. Ordinary income decreased 4.7 billion yen, compared with the same period last year, to 8.7 billion yen owing to changes in the composition of hydraulic excavators sold and the impact of the high yen in the exchange rates for the euro and renminbi.

## **Electric Power**

The amount of electricity sold was higher than the same period last year owing to the difference in the number of days for equipment inspection, maintenance and repairs. The unit price of electricity decreased, compared with the same period last year, as it was affected by the fall in market prices of coal for power generation.

As a result, consolidated sales in the Electric Power segment for the first half of fiscal 2019 were 35.4 billion yen, similar to the same period last year. However, ordinary income improved 5.2 billion yen to 1.6 billion yen billion yen, compared with the same period last year, which incurred temporary costs from arranging project finance for the No. 3 unit and No. 4 unit of the Kobe Power Plant.

## Other Businesses

At Kobelco Research Institute, Inc., sales on the whole were similar to the same period last year. Although sales decreased in the sputtering target business, sales increased in the testing and research business and semiconductor inspection equipment business.

Compared with the same period last year when Shinko Real Estate Co., Ltd. was within the scope of consolidation until the first quarter of fiscal 2018, consolidated sales in the Other Businesses segment for the first half of fiscal 2019 decreased 37.8 percent to 13.8 billion yen.

Ordinary income decreased 0.8 billion yen, compared with the same period last year, to 0 billion yen.

## Progress of the Medium-Term Management Plan

The Kobe Steel Group in April 2016 established the Fiscal 2016–2020 Group Medium-Term Management Plan and launched initiatives under KOBELCO VISION “G+”, its medium- to long-term business vision.

Since 2016, the Kobe Steel Group has been making steady progress in consolidating upstream operations in the steel business, restructuring the construction machinery business in China, promoting new projects in the electric power business, and undertaking other initiatives. On the other hand, there are also changes in the situation faced by the Kobe Steel Group, including changes in the market environment such as higher raw material prices and energy prices, the occurrence of equipment trouble, delays in the profitability of strategic investments, the discovery of the quality misconduct, and other issues. To achieve its medium- to long-term business vision, the Kobe Steel Group recognizes that it must tackle these other issues.

Under these circumstances, the Kobe Steel Group compiled the priority issues and measures to be implemented in the remaining two years of the Medium-Term Management Plan and for the future, as a “rolling,” or revision, of its existing Medium-Term Management Plan and made an announcement in May 2019. The key themes of the revised Medium-Term Management Plan follow below.

	<b>Key Themes of the Rolling of the Medium-Term Management Plan</b>
<b>Key Themes for Fiscal Years 2019–2020</b>	Strengthen profitability with a focus on materials <ul style="list-style-type: none"><li>● Strengthen <i>monozukuri</i> capabilities and increase sales prices</li><li>● Obtain returns on strategic investment projects</li><li>● Make further contributions to customers by reorganizing the Iron &amp; Steel Business and Aluminum &amp; Copper Business</li></ul>
	Make efficient use of management resources and strengthen the business foundation
<b>Continuing Themes for the next Management Plan from Fiscal 2021</b>	Continue to strengthen corporate governance (Continue initiatives of measures to prevent a recurrence of the quality misconduct)
	Expand various programs to secure and cultivate human resources
	Strengthen IT strategies
	Promote sustainability management that leverages the distinctive features of the Kobe Steel Group (Contribute to the environment and society through business activities; pursue sustainable growth)

For details on the medium- to long-term business vision KOBELCO VISION “G+”, please see the News Releases section of our website: <https://www.kobelco.co.jp/english/>

Link to “Kobe Steel’s Fiscal 2016–2020 Group Medium-Term Management Plan,” April 5, 2016:  
[https://www.kobelco.co.jp/english/releases/1194607\\_15581.html](https://www.kobelco.co.jp/english/releases/1194607_15581.html)

Link to “Rolling of the Fiscal 2016–2020 Group Medium-Term Management Plan,” May 15, 2019:  
[https://www.kobelco.co.jp/english/releases/1201246\\_15581.html](https://www.kobelco.co.jp/english/releases/1201246_15581.html)

## **Progress of the Fiscal 2016–2020 Group Medium-Term Management Plan and the Rolling of the Medium-Term Management Plan in the first half of fiscal 2019**

- In the electric power business, Japan's first inland gas-fired electric power plant currently under construction in Moka, Tochigi Prefecture, successfully completed trial operation of its No. 1 unit and began commercial operation on October 1, 2019. In addition, construction of the No. 2 unit is progressing as planned, and operation is planned to begin in the first half of 2020.

- As a part of making efficient use of management resources and strengthening its business foundation as one of the key themes in fiscal 2019 and fiscal 2020, Kobe Steel is working to strengthen Group governance, including the restructuring of Group companies. To promote greater efficiency in its aluminum extrusion business, Kobe Steel has decided to absorb subsidiary Shinko Fabtech, Ltd. (planned merger date: April 2020).

In regard to Kobelco & Materials Copper Tube Co., Ltd. (KMCT), which manufactures and sells air-conditioning copper tubes, construction and cold/hot water supply copper tubes, and other products, Kobe Steel decided to transfer a portion of the shares it holds in KMCT as it judged that new capital ties would be effective for KMCT's business development, in order to further improve the corporate value of KMCT (planned transfer date: March 2020).

In addition, in an effort to make efficient use of its management resources, Kobe Steel will reduce its strategically held shares when necessary.

- From the viewpoint of securing outstanding human resources and creating a pleasant work environment for employees as continuing themes for the next medium-term management plan from fiscal 2021 and beyond, Kobe Steel has been continuing to promote work-style reforms and diversity. It was recently awarded the "Platinum Kurumin" certification from Japan's Minister of Health, Labour and Welfare as a corporation that continues to provide excellent child care support (August 2019).

The Kobe Steel Group will sincerely tackle these issues. By steadily undertaking the key themes, it aims to move forward into the future.

### **Qualitative Information on Consolidated Earnings Forecast**

Japan's current economy is anticipated to continue on a moderate recovery from improvements in employment and income conditions, although there is concern over weakness seen centered on exports owing to the slowdown in the world economy and reduced demand from the increase in the domestic consumption tax. In overseas markets, it is necessary to keep a close watch as the world economy on the whole is seen to be on a deceleration trend.

In light of this situation, Kobe Steel forecasts the following conditions in its business segments for the third quarter of fiscal 2019 (October–December 2019) and beyond.

#### **Iron & Steel**

For steel products, demand in the domestic automotive sector is expected to be firm, but in the industrial machinery, construction machinery and some other sectors, demand is anticipated to decline. Overseas, demand from the manufacturing sector, mainly in the automotive sector, is anticipated to decrease.

For steel castings and forgings, demand in the shipbuilding sector is anticipated to continue being weak, but for titanium products, demand in the aircraft sector is anticipated to continue being firm.

#### **Welding**

For welding materials, recovery is expected to be slow in the shipbuilding sector, but demand is anticipated to remain firm for architectural steel frames in Japan.

For welding systems, demand for architectural steel frames in Japan is anticipated to remain steady for the time being owing to a shortage of workers.

## **Aluminum & Copper**

For aluminum rolled products, demand is anticipated to remain sluggish in the semiconductor and IT sectors, although demand for beverage containers is anticipated to remain similar to the same period last year.

For copper rolled products, recovery in demand is anticipated to be delayed in the semiconductor sector and for automotive terminals.

## **Machinery**

Demand for compressors is on a recovery trend owing to stable crude oil prices and other factors, but overseas, the difficult competitive environment is anticipated to continue. Investments by Chinese manufacturers in China and North America have decreased, impacted by trade friction with China and the United States. Kobe Steel is keeping a close watch on demand trends for both industrial machinery and construction machinery.

For plastic processing machinery, demand for after-sales services in the petrochemical industry mainly in Asia, the Middle East and other areas is anticipated to continue being firm.

## **Engineering**

In the waste treatment-related business, demand is expected to be steady into the future.

In the direct reduced iron-related business, demand is anticipated to remain at a low level owing to sluggish prices for iron units.

## **Construction Machinery**

For hydraulic excavators, a sense of a slowdown has emerged in Europe and Southeast Asia, and competition with overseas manufacturers is anticipated to intensify, although demand continues to be firm mainly in Japan and China.

For crawler cranes, total world demand is anticipated to remain similar to the same period last year.

## **Electric Power**

Plans call for the Kobe Power Plant and the No. 1 unit at the Moka Power Plant, which began commercial operation in October, to continue providing a steady supply of electric power through their continued steady operation.

## **Other Businesses**

At Kobelco Research Institute, Inc., there is concern over lower orders in the testing and research business, semiconductor inspection equipment business, and for sputter target materials due to lower demand from the automotive and semiconductor sectors.

Under these circumstances, the Iron & Steel segment will take into account lower demand from the overseas automotive sector and the domestic industrial machinery, construction machinery and other sectors. The Aluminum & Copper sector will take into account lower sales volume due to slower recovery in demand in the semiconductor and IT sectors than originally anticipated; equipment trouble at an overseas subsidiary that is taking longer than expected to resolve; and a worsening in the impact of inventory valuation owing to a drop in ingot prices. The Construction Machinery segment will take into account the impact of the high yen in exchange rates and higher research expenses and other costs. It will also take into account loss on the valuation of investment securities taken as extraordinary loss and other factors.

As a result, consolidated net sales in the Kobe Steel Group are forecast to reach approximately 1,970.0 billion yen for the full fiscal year. Ordinary income is anticipated to be approximately 0.0 billion yen, and net income attributable to owners of the parent is anticipated to become net loss of approximately 5.0 billion yen.

### **\* Definition of Ordinary Income (Loss)**

Ordinary income (loss) under accounting principles generally accepted in Japan (Japanese GAAP) is a category of income (loss) that comes after operating income (expenses) and non-operating income (expenses), but before extraordinary income and loss. It is also called "pretax recurring profit" or simply "pretax profit."

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Balance Sheets

(In millions of yen)

ASSETS	FY2018	FY2019 1H
	Ended Mar. 31, 2019	Ended Sep. 30, 2019
<b>Current Assets</b>		
Cash and deposits	173,899	157,789
Notes and accounts receivable	343,288	305,592
Merchandise and finished goods	178,080	186,887
Work-in-process	131,198	139,098
Raw materials and supplies	167,127	177,339
Other	112,868	93,729
Allowance for doubtful accounts	(4,212)	(4,039)
Total current assets	1,102,249	1,056,396
<b>Fixed Assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	257,510	253,745
Machinery and equipment	429,209	427,524
Land	144,459	144,283
Other	99,405	165,639
Total property, plant and equipment	930,584	991,193
<b>Intangible fixed assets</b>	32,640	32,875
<b>Investments and other assets</b>		
Investments in securities	190,008	166,774
Other	173,075	174,670
Allowance for doubtful accounts	(43,585)	(40,407)
Total investment and other assets	319,498	301,037
Total fixed assets	1,282,723	1,325,106
<b>Total assets</b>	2,384,973	2,381,502



<b>LIABILITIES</b>	<b>FY2018</b>	<b>FY2019 1H</b>
	<b>Ended Mar. 31, 2019</b>	<b>Ended Sep. 30, 2019</b>
<b>Current liabilities</b>		
Notes and accounts payable	455,310	412,637
Short-term borrowings	116,382	120,008
Current portion of bonds	22,215	20,215
Income and enterprise taxes payable	7,080	5,489
Provisions	53,062	54,075
Other	157,676	178,814
Total current liabilities	<u>811,727</u>	<u>791,239</u>
<b>Long-term liabilities</b>		
Bonds and notes	111,837	91,730
Long-term borrowings	509,929	558,981
Net defined benefit liability	81,079	85,270
Provisions	6,042	5,473
Other	61,043	62,992
Total long-term liabilities	<u>769,932</u>	<u>804,448</u>
<b>Total liabilities</b>	<u>1,581,660</u>	<u>1,595,688</u>
<b>NET ASSETS</b>		
<b>Stockholders' equity</b>		
Common stock	250,930	250,930
Capital surplus	102,218	102,350
Retained earnings	415,320	407,387
Treasury stock, at cost	(2,614)	(2,260)
Total stockholders' equity	<u>765,855</u>	<u>758,407</u>
<b>Accumulated other comprehensive income</b>		
Unrealized gains or losses on securities, net of taxes	7,105	7,141
Unrealized gains or losses on hedging derivatives, net of taxes	(14,030)	(15,548)
Land revaluation differences, net of taxes	(3,406)	(3,406)
Foreign currency translation adjustments	2,705	(4,011)
Remeasurements of defined benefit plans, net of taxes	(18,652)	(17,127)
Total accumulated other comprehensive income	<u>(26,278)</u>	<u>(32,952)</u>
<b>Non-controlling interests</b>	<u>63,736</u>	<u>60,359</u>
<b>Total net assets</b>	<u>803,312</u>	<u>785,814</u>
<b>Total liabilities and net assets</b>	<u>2,384,973</u>	<u>2,381,502</u>

## Consolidated Statements of Income

(In millions of yen)

	FY2018 1H	FY2019 1H
	Ended Sep. 30, 2018	Ended Sep. 30, 2019
<b>Net sales</b>	958,239	944,464
<b>Cost of sales</b>	826,962	826,321
<b>Gross profit</b>	131,277	118,143
<b>Selling, general and administrative expenses</b>	108,145	110,700
<b>Operating income</b>	23,131	7,443
<b>Non-operating income</b>		
Interest income	1,499	1,610
Dividend income	2,149	2,862
Reimbursement of seconded employees' salaries	2,112	1,878
Equity in income of equity method companies	3,157	4,660
Other	6,193	4,680
Total non-operating income	15,112	15,691
<b>Non-operating expenses</b>		
Interest expense	4,902	4,531
Seconded employees' salaries	5,412	5,074
Other	18,582	12,036
Total non-operating expenses	28,898	21,641
<b>Ordinary income</b>	9,345	1,493
<b>Extraordinary income</b>		
Gain on sale of investment securities	31,485	6,740
Gain on acquisition of subsidiary	4,892	—
Total extraordinary income	36,377	6,740
<b>Extraordinary loss</b>		
Loss on valuation of investment securities	—	10,864
Total extraordinary loss	—	10,864
<b>Income (loss) before income taxes and non-controlling interests</b>	45,723	(2,630)
<b>Income taxes</b>		
Current	11,150	4,812
Deferred	(354)	(1,300)
Total income taxes	10,795	3,511
<b>Income (loss) before non-controlling interests</b>	34,927	(6,142)
<b>Net income attributable to non-controlling interests</b>	1,528	138
<b>Net income (loss) attributable to owners of the parent</b>	33,399	(6,281)

## Consolidated Statements of Comprehensive Income

(In millions of yen)

	<b>FY2018 1H</b>	<b>FY2019 1H</b>
	<b>Ended Sep. 30, 2018</b>	<b>Ended Sep. 30, 2019</b>
<b>Income (loss) before non-controlling interests</b>	34,927	(6,142)
<b>Other comprehensive income (loss)</b>		
Unrealized gains or losses on securities, net of taxes	1,575	57
Unrealized gains or losses on hedging derivatives, net of taxes	(795)	(1,935)
Foreign currency translation adjustments	(6,391)	(3,994)
Remeasurements of defined benefit plans, net of taxes	1,469	1,554
Share of other comprehensive gains and losses related to equity method companies	66	(2,795)
Total other comprehensive income (loss)	(4,075)	(7,112)
<b>Comprehensive Income (loss)</b>	<b>30,851</b>	<b>(13,255)</b>
Breakdown of total comprehensive income (loss) attributed to:		
Stockholders of the parent interests	29,716	(13,030)
Non-controlling interests	1,134	(224)

## Notes

### Notes on premise of a going concern

None

### Notes on significant changes in the amount of stockholders' equity

None