

# Highlights of Consolidated Financial Results for the Year Ended March 31, 2020 (IFRS) — Supplementary Materials (1)

April 30, 2020

Sojitz Corporation

(Billions of yen)

## Operating Results

	FY2019	FY2018	Difference	FY2019 Revised Forecast (Feb. 5, 2020)	Percentage Achieved
<b>Revenue</b>	<b>1,754.8</b>	<b>1,856.2</b>	(101.4)	—	—
<b>Gross profit</b>	<b>220.5</b>	<b>241.0</b>	(20.5)	<b>230.0</b>	96%
Selling, general and administrative expenses	(173.2)	(173.4)	+0.2	(175.0)	
Other income/expenses	7.5	2.4	+5.1	6.0	
Financial income/costs	(4.2)	(2.9)	(1.3)	(5.0)	
Share of profit (loss) of investments accounted for using the equity method	24.9	27.8	(2.9)	26.0	
<b>Profit before tax</b>	<b>75.5</b>	<b>94.9</b>	(19.4)	<b>82.0</b>	92%
<b>Profit for the year (Profit attributable to)</b>	<b>64.6</b>	<b>75.2</b>	(10.6)	<b>70.0</b>	92%
Owners of the Company	<b>60.8</b>	<b>70.4</b>	(9.6)	<b>66.0</b>	92%
Non-controlling interests	3.8	4.8	(1.0)	4.0	
Core earnings*1	68.4	93.2	(24.8)	76.0	
Comprehensive income attributable to owners of the Company	(4.2)	51.0	(55.2)		

\*1 Core earnings = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividends received + Share of profit (loss) of investments accounted for using the equity method

(Billions of yen)

## Segment Performance [Gross Profit]

	FY2019	FY2018	Difference
<b>Automotive</b>	<b>41.2</b>	<b>42.3</b>	(1.1)
<b>Aerospace &amp; Transportation Project</b>	<b>15.7</b>	<b>15.5</b>	+0.2
<b>Machinery &amp; Medical Infrastructure</b>	<b>14.7</b>	<b>13.6</b>	+1.1
<b>Energy &amp; Social Infrastructure</b>	<b>25.7</b>	<b>18.7</b>	+7.0
<b>Metals &amp; Mineral Resources</b>	<b>20.4</b>	<b>37.6</b>	(17.2)
<b>Chemicals</b>	<b>43.2</b>	<b>46.4</b>	(3.2)
<b>Foods &amp; Agriculture Business</b>	<b>14.2</b>	<b>16.4</b>	(2.2)
<b>Retail &amp; Lifestyle Business</b>	<b>35.5</b>	<b>38.7</b>	(3.2)
<b>Industrial Infrastructure &amp; Urban Development</b>	<b>6.0</b>	<b>7.0</b>	(1.0)
<b>Other</b>	<b>3.9</b>	<b>4.8</b>	(0.9)
<b>Total</b>	<b>220.5</b>	<b>241.0</b>	(20.5)

## Segment Performance [Profit for the Year (Attributable to Owners of the Company)]

	FY2019	FY2018	Difference	Main Factors Behind Differences	FY2019 Revised Forecast (Feb. 5, 2020)	Main Factors Behind Differences between Results and Revised Forecast for FY2019
<b>Automotive</b>	<b>2.4</b>	<b>6.4</b>	(4.0)	Decreased due to absence of gain on sales of automotive business company in the previous fiscal year coupled with decreases in the sales of overseas automotive business companies	<b>2.0</b>	Performance as generally forecast
<b>Aerospace &amp; Transportation Project</b>	<b>1.8</b>	<b>4.0</b>	(2.2)	Decreased due to impairment losses on Company-owned ships and rebound from gains on sales of aircraft recorded in the previous fiscal year	<b>5.0</b>	Performance lower than forecast due to impairment losses on Company-owned ships and delays in aircraft business projects
<b>Machinery &amp; Medical Infrastructure</b>	<b>4.6</b>	<b>2.8</b>	+1.8	Increased due to higher sales volumes from medical infrastructure business and industrial machinery transactions	<b>4.5</b>	Performance as generally forecast
<b>Energy &amp; Social Infrastructure</b>	<b>9.6</b>	<b>5.8</b>	+3.8	Despite year-end impairment losses of oil and gas interests, increased due to gains on asset replacement in power generation businesses and tax breaks for U.S. subsidiaries	<b>8.0</b>	Performance higher than forecast as a result of on-schedule progress in asset replacement and tax breaks for U.S. subsidiaries
<b>Metals &amp; Mineral Resources</b>	<b>20.1</b>	<b>30.5</b>	(10.4)	Decreased due to fall in sales prices in overseas coal business	<b>21.5</b>	Performance lower than forecast, despite sale of overseas thermal coal interests conducted as planned, as a result of bearish steel demand
<b>Chemicals</b>	<b>9.3</b>	<b>9.0</b>	+0.3	Relatively unchanged year on year	<b>9.5</b>	Performance as generally forecast
<b>Foods &amp; Agriculture Business</b>	<b>1.4</b>	<b>2.3</b>	(0.9)	Decreased due to impairment loss on domestic marine products business and lower sales volumes in overseas fertilizer businesses stemming from unseasonable weather and reduced demand	<b>2.0</b>	Performance as generally forecast
<b>Retail &amp; Lifestyle Business</b>	<b>6.0</b>	<b>5.7</b>	+0.3	Relatively unchanged year on year	<b>7.5</b>	Performance lower than forecast due to delays in planned asset replacement activities
<b>Industrial Infrastructure &amp; Urban Development</b>	<b>1.5</b>	<b>1.1</b>	+0.4	Increased due to higher number of overseas industrial parks delivered	<b>1.0</b>	Performance higher than forecast due to increase in numbers of overseas industrial parks delivered
<b>Other</b>	<b>4.1</b>	<b>2.8</b>	+1.3		<b>5.0</b>	
<b>Total</b>	<b>60.8</b>	<b>70.4</b>	(9.6)		<b>66.0</b>	

(Billions of yen)

## Financial Position

	Mar. 31, 2020	Mar. 31, 2019	Difference
<b>Total assets</b>	<b>2,230.3</b>	<b>2,297.1</b>	(66.8)
<b>Total equity*2</b>	<b>579.1</b>	<b>618.2</b>	(39.1)
<b>Equity ratio</b>	<b>26.0%</b>	<b>26.9%</b>	(0.9)ppt
<b>Net interest-bearing debt*3</b>	<b>613.2</b>	<b>584.7</b>	+28.5
<b>Net D/E ratio (times)</b>	<b>1.06</b>	<b>0.95</b>	0.11
<b>Risk assets</b>	<b>380.0</b>	<b>360.0</b>	+20.0
<b>Ratio of risk assets to equity (times)</b>	<b>0.7</b>	<b>0.6</b>	+0.1

\*2 "Total equity" above refers to "Total equity attributable to owners of the Company" and is used as the denominator when calculating "Net D/E ratio" and the numerator when calculating "Equity ratio."

\*3 Lease liabilities (under current liabilities and non-current liabilities) have been excluded from calculations of net interest-bearing debt.

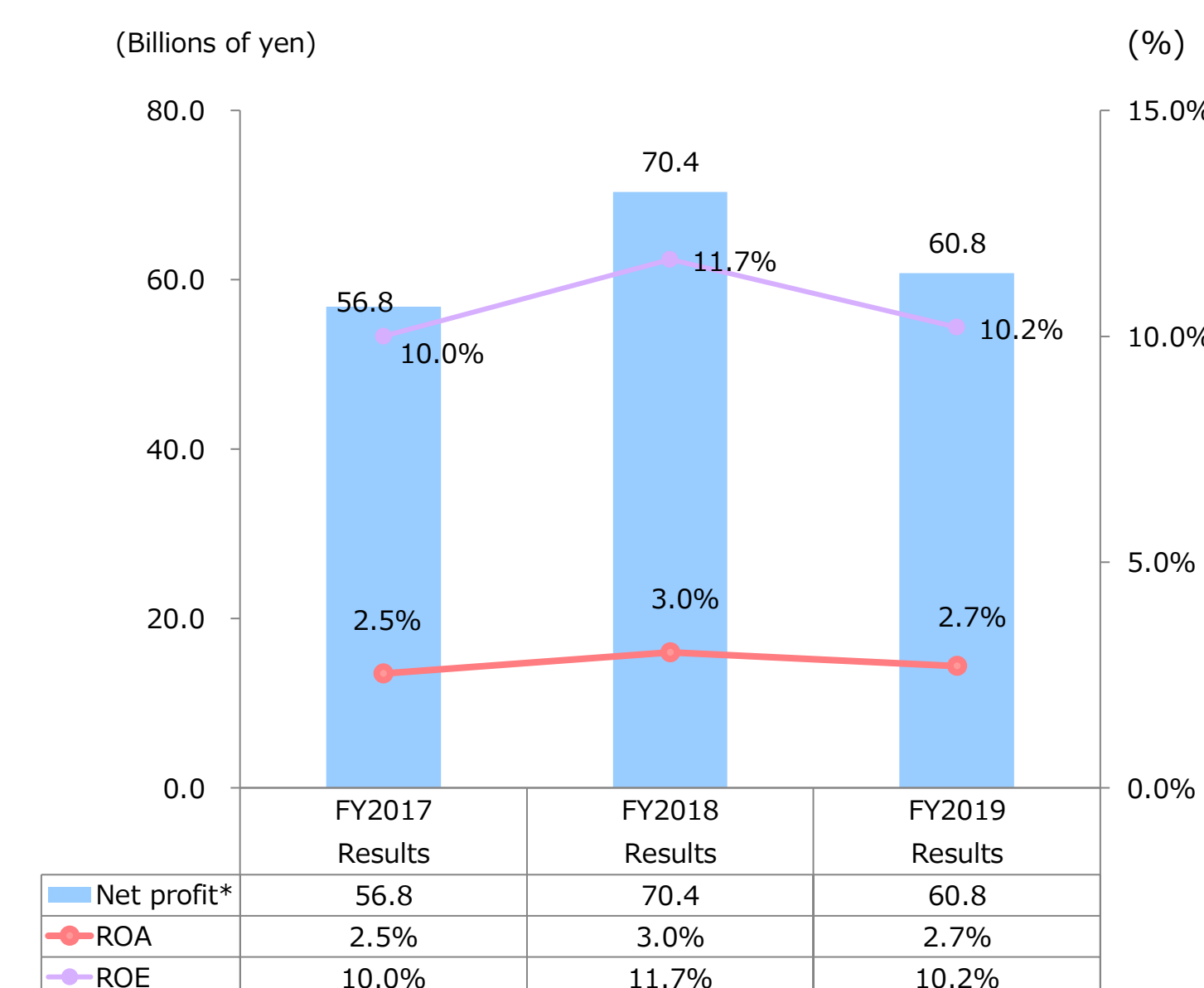
## Commodity Prices and Exchange Rates

	FY2018 Results (Annual Avg.)	FY2019 Assumption (Annual Avg.)	FY2019 Results (Annual Avg.)	FY2019 Results (Jan.-Mar. Avg.)
<b>Crude oil (Brent)</b>	US\$70.8/bbl	US\$60.0/bbl	US\$60.9/bbl	US\$50.8/bbl
<b>Thermal coal **1</b>	US\$105.8/t	US\$80.0/t	US\$70.7/t	US\$67.6/t
<b>Coking coal**1</b>	US\$202.2/t	US\$180.0/t (1H) US\$170.0/t (2H)	US\$163.6/t	US\$155.0/t
<b>Exchange rate**2</b>	¥111.1/US\$	¥110.0/US\$	¥108.9/US\$	¥109.1/US\$

\*\*1 Coal prices are based on standard market prices and therefore differ from the Company's selling prices.

\*\*2 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.5 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.25 billion annually, and total equity by approx. ¥2.0 billion annually.

## ROA and ROE



\*Profit for the year (attributable to owners of the Company)

## Highlights of Consolidated Financial Results for the Year Ended March 31, 2020 (IFRS) — Supplementary Materials (2)

April 30, 2020

Sojitz Corporation

(Billions of yen)

### Operating Results

	FY2019	FY2020 Forecast	Difference
<b>Revenue</b>	<b>1,754.8</b>	<b>—</b>	<b>—</b>
<b>Gross profit</b>	<b>220.5</b>	<b>210.0</b>	(10.5)
Selling, general and administrative expenses	(173.2)	(165.0)	+8.2
Other income/expenses	7.5	(2.0)	(9.5)
Financial income/costs	(4.2)	(5.0)	(0.8)
Share of profit (loss) of investments accounted for using the equity method	24.9	18.0	(6.9)
<b>Profit before tax</b>	<b>75.5</b>	<b>56.0</b>	(19.5)
<b>Profit for the year</b> (Profit attributable to)	<b>64.6</b>	<b>42.0</b>	(22.6)
<b>Owners of the Company</b>	<b>60.8</b>	<b>40.0</b>	(20.8)
Non-controlling interests	3.8	2.0	(1.8)
Core earnings*1	68.4	58.0	(10.4)

\*1 Core earnings = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividends received + Share of profit (loss) of investments accounted for using the equity method

(Billions of yen)

### Financial Position

	Mar. 31, 2020	Mar. 31, 2021 Forecast	Difference
<b>Total assets</b>	<b>2,230.3</b>	<b>2,300.0</b>	+69.7
<b>Total equity*1</b>	<b>579.1</b>	<b>600.0</b>	+20.9
<b>Equity ratio</b>	<b>26.0%</b>	<b>26.1%</b>	+ 0.1%
<b>Net interest-bearing debt*2</b>	<b>613.2</b>	<b>680.0</b>	+66.8
<b>Net D/E ratio (times)</b>	<b>1.06</b>	<b>1.1</b>	—
<b>Risk assets</b>	<b>380.0</b>	<b>—</b>	—
<b>Ratio of risk assets to equity (times)</b>	<b>0.7</b>	<b>—</b>	—

\*1 "Total equity" above refers to "Total equity attributable to owners of the Company" and is used as the denominator when calculating "Net D/E ratio" and the numerator when calculating "Equity ratio."

\*2 Net interest-bearing debt does not include impact of lease liabilities.

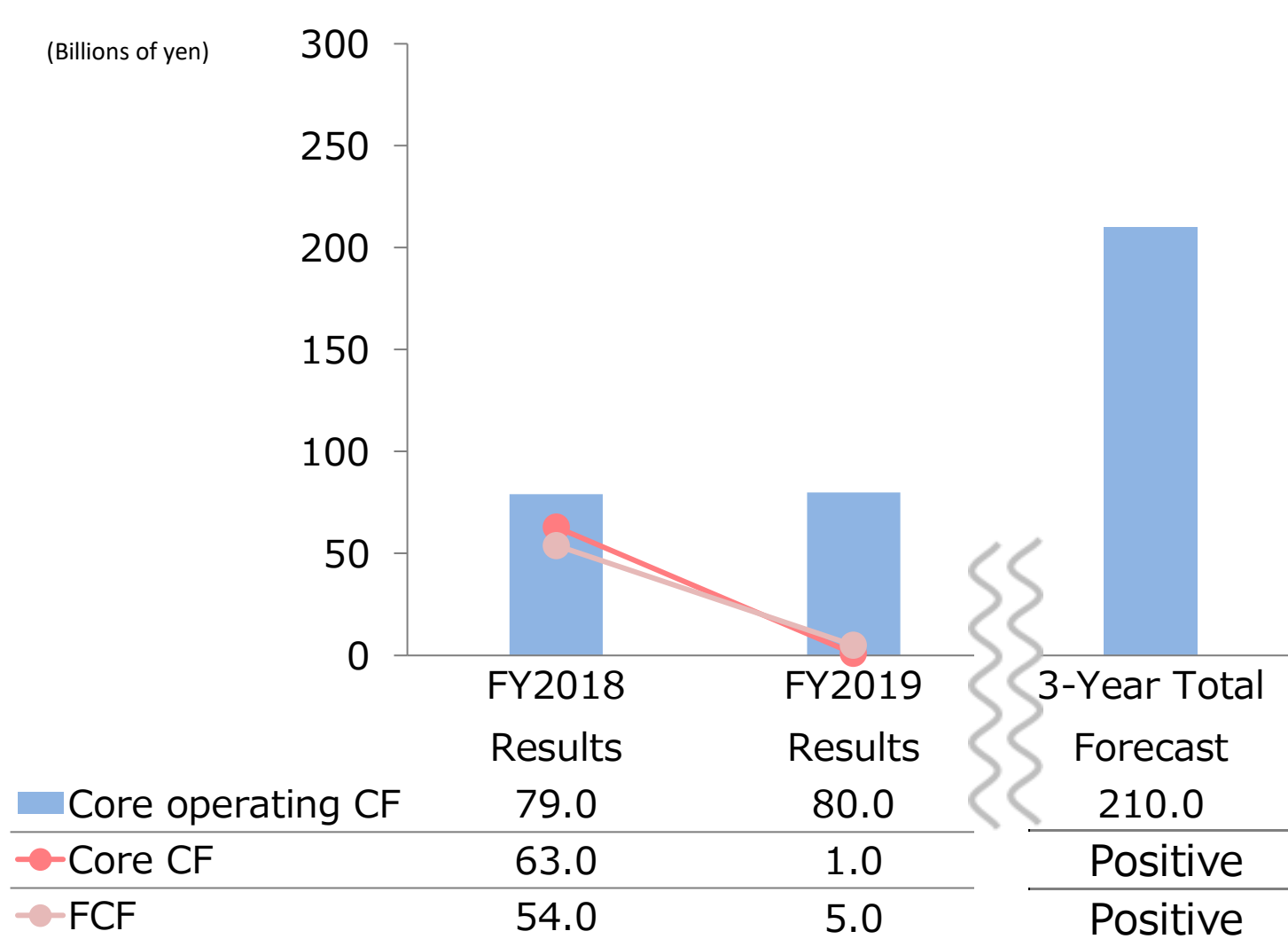
(Billions of yen)

### Segment Performance [Profit for the Year]

	FY2019 Results	FY2020 Forecast
<b>Automotive</b>	2.4	1.0
<b>Aerospace &amp; Transportation Project</b>	1.8	6.0
<b>Machinery &amp; Medical Infrastructure</b>	4.6	3.5
<b>Energy &amp; Social Infrastructure</b>	9.6	3.5
<b>Metals &amp; Mineral Resources</b>	20.1	13.0
<b>Chemicals</b>	9.3	5.0
<b>Foods &amp; Agriculture Business</b>	1.4	3.0
<b>Retail &amp; Lifestyle Business</b>	6.0	5.5
<b>Industrial Infrastructure &amp; Urban Development</b>	1.5	0.5
<b>Other</b>	4.1	(1.0)
<b>Total</b>	<b>60.8</b>	<b>40.0</b>

(Billions of yen)

### Cash Flows



(Supplement)

As of the end of March 31, 2020, in addition to cash in bank of ¥280 billion, Sojitz maintains a ¥100 billion long-term yen commitment line (which remains unused) and long-term commitment line totaling US\$1.6 billion (of which US\$0.26 billion has been used) so as to enhance supplemental sources of procurement flexibility and precautionary liquidity.

### FY2020 Current Position and Outlook

<b>Automotive</b>	Ongoing stagnancy in automobile sales and shipments projected following reductions in demand and temporary halts in operation
<b>Aerospace &amp; Transportation Project</b>	Increase due to benefits of large-scale aircraft business projects delayed from the previous fiscal year and absence of impairment losses recorded on Company-owned ships in the previous fiscal year
<b>Machinery &amp; Medical Infrastructure</b>	Decrease due to reduced global demand for machinery transactions and domestic and overseas associates
<b>Energy &amp; Social Infrastructure</b>	Decrease due to reduced crude oil price and rebound from asset replacement activities conducted in previous fiscal year
<b>Metals &amp; Mineral Resources</b>	Decrease due to sluggish steel demand, poor coal market conditions, and absence of gains on sales of overseas coal assets recorded in the previous fiscal year
<b>Chemicals</b>	Decrease greatly due to poor market conditions and reduced sales volumes for chemical products
<b>Foods &amp; Agriculture Business</b>	Increase, despite ongoing stagnancy in overseas fertilizer businesses, as a result of absence of one-time losses recorded in the previous fiscal year
<b>Retail &amp; Lifestyle Business</b>	Earnings projected to be generated by domestic and overseas subsidiaries despite halted operation of certain commercial facilities and reduced demand in textile and other businesses
<b>Industrial Infrastructure &amp; Urban Development</b>	Decrease in turn overs of overseas industrial parks and domestic real estate held for sales purposes
<b>Other</b>	Structural reform expenses incorporated into forecasts

### Effects of COVID-19 Pandemic

- Current conditions arising from COVID-19 projected to continue until the end of June, 2020, reducing Sojitz's earnings by ¥23.0 billion
- Structural reform expenses of ¥5.0 billion incorporated into forecasts to reflect reviews of underperforming businesses and measures to improve resilience to volatility
- Full-year forecasts for FY2020 calling for 20% of sales to be generated in first half of fiscal year and 80% to be generated in second half
- In addition to the above, downward pressure on earnings of ¥8.0 billion should current conditions continue for an additional month
- Need for continued focus on global environmental trends and impacts on Sojitz's business stemming from COVID-19 pandemic

### Commodity Prices and Exchange Rates

	FY2020 Assumption (Annual Avg.)	Latest Data (As of Apr. 27, 2020)	
<b>Crude oil (Brent)</b>	US\$25.0/bbl (1H) US\$35.0/bbl (2H)	US\$20.0/bbl	*1 Coal prices are based on standard market prices and therefore differ from the Company's selling prices.
<b>Thermal coal *1</b>	US\$63.8/t	US\$49.4/t	*2 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.4 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.15 billion annually, and total equity by approx. ¥2.0 billion annually.
<b>Coking coal *1</b>	US\$135.0/t	US\$115.4/t	
<b>Exchange rate *2</b>	¥108.0/US\$	¥107.6/US\$	