

# Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2020 (IFRS) — Supplementary Materials

August 4, 2020  
Sojitz Corporation

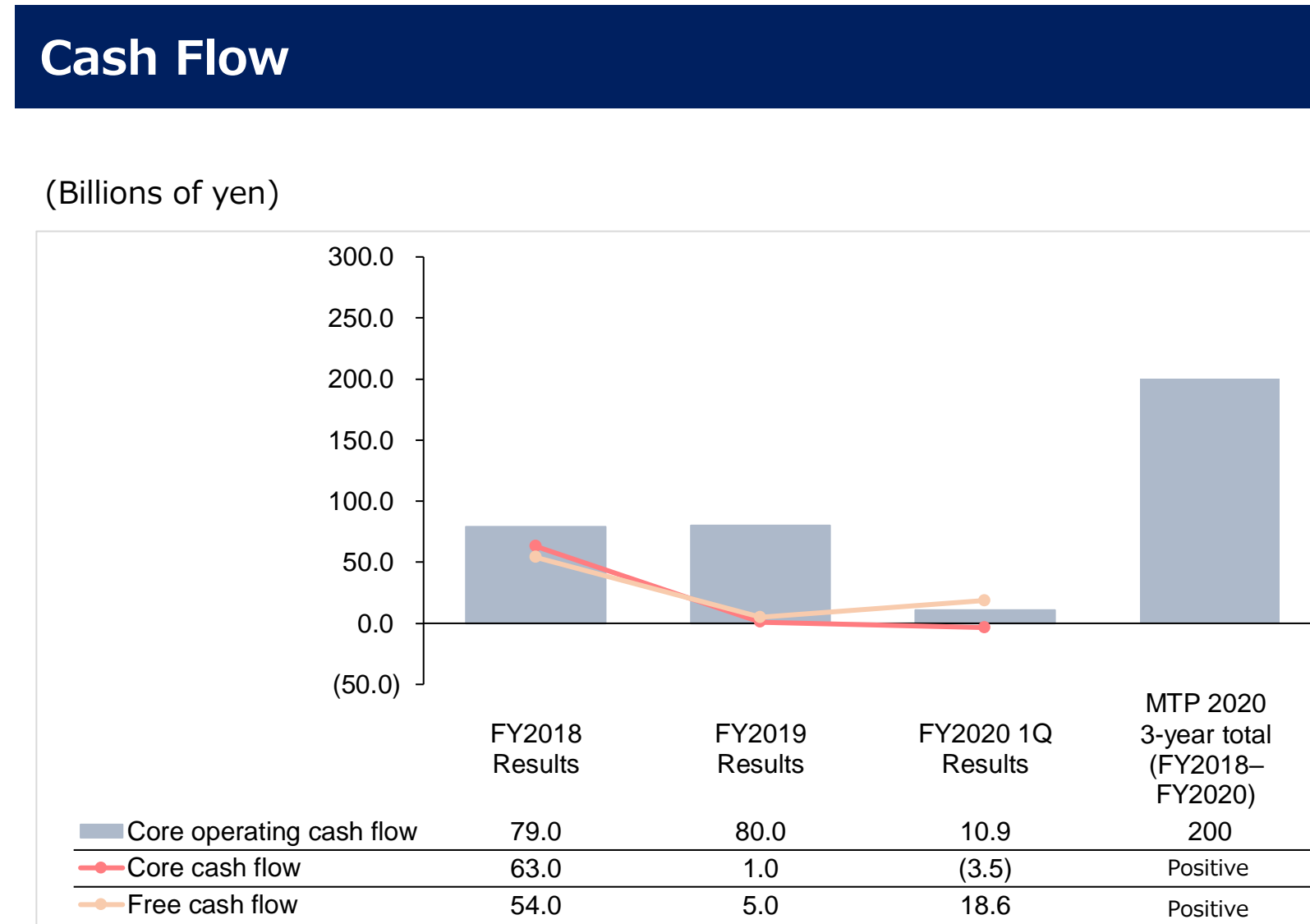
(Billions of yen)													(Billions of yen)					
Operating Results					Segment Performance [Gross Profit]				Segment Performance [Profit for the Period (Attributable to Owners of the Company)]									
	FY2020 1Q Results	FY2019 1Q Results	Difference	FY2020 Revised Forecast (Aug. 4, 2020)	Percentage Achieved		FY2020 1Q	FY2019 1Q	Difference	FY2020 Revised Forecast (Aug. 4, 2020)		FY2020 1Q	FY2019 1Q	Difference	Main Factors Behind Difference	FY2020 Revised Forecast (Aug. 4, 2020)	Progress Overview	(Reference) FY2020 Initial Forecast
<b>Revenue</b>	<b>349.3</b>	<b>437.4</b>	(88.1)	-	-													
<b>Gross profit</b>	<b>39.0</b>	<b>54.9</b>	(15.9)	<b>203.0</b>	19%	<b>Automotive</b>	<b>4.9</b>	10.9	(6.0)	<b>35.0</b>		<b>(1.8)</b>	1.5	(3.3)	Decreased due to reduced automobile sales as a result of the global COVID-19 pandemic	<b>1.0</b>	Performance expected to be in line with forecasts as sales activities are ramped up centered on regions in which operations are being resumed	<b>1.0</b>
Selling, general and administrative expenses	(38.8)	(42.8)	+4.0	(165.0)		<b>Aerospace &amp; Transportation Project</b>	<b>2.4</b>	3.0	(0.6)	<b>19.0</b>		<b>(0.5)</b>	0.2	(0.7)	Decreased due to reduced aircraft related transactions	<b>6.0</b>	Earnings contributions projected from aircraft businesses and large-scale projects	<b>6.0</b>
Other income/expenses	1.6	(0.2)	+1.8	(2.0)		<b>Machinery &amp; Medical Infrastructure</b>	<b>2.8</b>	2.9	(0.1)	<b>13.0</b>		<b>1.1</b>	0.3	+0.8	Increased due to higher returns from medical infrastructure business and industrial machinery transactions	<b>3.5</b>	Performance generally as forecast	<b>3.5</b>
Financial income/costs	(0.9)	(0.6)	(0.3)	(5.0)		<b>Energy &amp; Social Infrastructure</b>	<b>3.0</b>	4.4	(1.4)	<b>20.0</b>		<b>1.8</b>	0.3	+1.5	Increased due to gains on asset replacement in power generation businesses	<b>3.5</b>	Performance generally as forecast	<b>3.5</b>
Share of profit (loss) of investments accounted for using the equity method	1.7	6.8	(5.1)	13.0		<b>Metals &amp; Mineral Resources</b>	<b>2.9</b>	7.5	(4.6)	<b>13.0</b>		<b>(2.0)</b>	7.1	(9.1)	Decreased due to steel demand declines and coal market stagnated as a result of the global COVID-19 pandemic	<b>3.0</b>	Revision of initial forecasts to reflect projected prolongation of steel demand declines and coal market stagnancy	<b>13.0</b>
<b>Profit before tax</b>	<b>2.6</b>	<b>18.1</b>	(15.5)	<b>44.0</b>	6%	<b>Chemicals</b>	<b>7.7</b>	11.4	(3.7)	<b>39.0</b>		<b>0.0</b>	2.3	(2.3)	Decreased due to impacts of the drop in methanol price as a result of the global COVID-19 pandemic	<b>5.0</b>	Performance expected to be in line with forecasts due to Chinese economy bounces back into growth and earnings contributions from methanol businesses	<b>5.0</b>
<b>Profit for the period</b> (Profit attributable to)	<b>2.7</b>	<b>15.4</b>	(12.7)	<b>32.0</b>	8%	<b>Foods &amp; Agriculture Business</b>	<b>5.5</b>	4.0	+1.5	<b>16.0</b>		<b>2.0</b>	0.7	+1.3	Increased due to improved profitability stemming from lower production costs as well as higher sales volumes in overseas fertilizer businesses	<b>3.0</b>	Performance generally as forecast	<b>3.0</b>
<b>Owners of the Company</b>	<b>2.4</b>	<b>14.3</b>	(11.9)	<b>30.0</b>	8%	<b>Retail &amp; Lifestyle Business</b>	<b>7.6</b>	9.0	(1.4)	<b>37.0</b>		<b>0.6</b>	1.1	(0.5)	Decreased due to halted operation of commercial facilities as a result of the global COVID-19 pandemic	<b>5.5</b>	Need to monitor domestic consumption trends, but performance expected to be in line with forecasts as a result of projected asset replacement activities	<b>5.5</b>
Non-controlling interests	0.3	1.1	(0.8)	2.0		<b>Industrial Infrastructure &amp; Urban Development</b>	<b>1.3</b>	0.8	+0.5	<b>6.0</b>		<b>(0.6)</b>	(0.9)	+0.3	Relatively unchanged year on year	<b>0.5</b>	Performance generally as forecast	<b>0.5</b>
Core earnings*1	0.9	18.4	(17.5)	46.0		<b>Other</b>	<b>0.9</b>	1.0	(0.1)	<b>5.0</b>		<b>1.8</b>	1.7	+0.1		<b>(1.0)</b>		<b>(1.0)</b>
Comprehensive income attributable to owners of the Company	3.2	(2.4)	+5.6	-		<b>Total</b>	<b>39.0</b>	54.9	(15.9)	<b>203.0</b>		<b>2.4</b>	14.3	(11.9)		<b>30.0</b>		<b>40.0</b>

\*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				
	Jun. 30, 2020	Mar. 31, 2020	Difference	Mar. 31, 2021 Forecast
<b>Total assets</b>	<b>2,208.0</b>	<b>2,230.3</b>	(22.3)	<b>2,300.0</b>
<b>Total equity*2</b>	<b>567.1</b>	<b>579.1</b>	(12.0)	<b>600.0</b>
<b>Equity ratio</b>	<b>25.7%</b>	<b>26.0%</b>	(0.3)ppt	<b>26.1%</b>
<b>Net interest-bearing debt*3</b>	<b>613.3</b>	<b>613.2</b>	+0.1	<b>680.0</b>
<b>Net D/E ratio (times)</b>	<b>1.08</b>	<b>1.06</b>	+0.02	<b>1.1</b>
<b>Risk assets</b>	<b>360.0</b>	<b>380.0</b>	(20.0)	-
<b>Ratio of risk assets to equity (times)</b>	<b>0.6</b>	<b>0.7</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.



Note: As of the end of June 30, 2020, in addition to cash in bank of ¥300 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\$0.55 billion has been used) so as to enhance supplemental sources of procurement flexibility and precautionary liquidity.

Commodity Prices and Exchange Rates				
	FY2019 Results (Apr.-Jun. '19 Avg.)	FY2020 Assumption (Annual Avg.) ⇒ Revised Forecast	FY2020 Results (Apr.-Jun. '20 Avg.)	Latest Data (As of July 29, 2020)
<b>Crude oil (Brent)</b>	US\$68.4/bbl	US\$25.0/bbl (1H) US\$35.0/bbl (2H)	US\$33.4/bbl	US\$43.8/bbl
<b>Thermal coal**1</b>	US\$80.2/t	US\$63.8/t ⇒ US\$58.0/t	US\$54.4/t	US\$50.7/t
<b>Coking coal**1</b>	US\$203.7/t	US\$135.0/t ⇒ US\$125.0/t	US\$119.0/t	US\$111.5/t
<b>Exchange rate**2</b>	¥109.7/US\$	¥108.0/US\$	¥107.4/US\$	¥105.1/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. ¥0.2 billion annually, and total equity by approx. ¥2.0 billion annually.

Effects of COVID-19 Pandemic (Update)	
<b>[Assumptions at the beginning of FY2020]</b>	Limitations on movements of people and commodities as a result of the global COVID-19 pandemic to continue for three months (until June 2020).
<b>[Current conditions]</b>	<ul style="list-style-type: none"> <li>Impacts of global COVID-19 pandemic on decreased steel demand and coal and other resource prices beyond initially assumed; may continue throughout the fiscal year</li> <li>All other segments are generally in line with our expectations, although there have been increases and decreases by region and business.</li> <li>Need to monitor global economic trends, such as prolongation of stagnancy due to second waves of COVID-19 infections, and impacts on Sojitz's business.</li> </ul>