# Highlights of Consolidated Financial Results for the First Half Ended September 30, 2020 (IFRS) – Supplementary Materials

				(	Billions of yen)				(E	Billions of yen)							(Billi
<b>Operating Results</b>						Segment	Perfor	mance	[Gross	Profit]	Segm	ent Per	forman	ce [Profit for the Period (Attributable to Ow	ners of t	the Company)]	
	FY2020 1H Results	FY2019 1H Results	Difference	FY2020 Revised Forecast (Aug. 4, 2020)	Percentage Achieved		FY2020 1H	FY2019 1H	Difference	FY2020 Revised Forecast	FY2020 1H	FY2019 1H	Difference	Main Factors Behind Difference	FY2020 Revised Forecast	Progress Overview	$\left  \right $
Revenue	744.6	893.8	(149.2)	-	-					(Oct. 30, 2020)					(Oct. 30, 2020)		<u>     (</u>
Gross profit	84.5	109.7	(25.2)	203.0	42%	Automotive	13.7	20.9	(7.2)	35.0	(1.6)	1.5	(3.1)	Decreased due to reduced automobile sales as a result of the global COVID-19 pandemic	1.0	Performance expected to be in line with forecasts as demand is on recovery track	
Selling, general and administrative expenses	(79.0)	(85.6)	+6.6	(165.0)		Aerospace & Transportation Project	5.1	6.6	(1.5)	18.0	(0.3)	0.6	(0.9)	Decreased due to reduced aircraft and marine vessels related transactions		Downward revision to forecasts due to lower air travel-related demand and delays in railroad construction projects because of lockdown	
Other income/expenses Financial income/costs	3.7 (1.8)	0.1 (2.1)	+3.6 +0.3	(2.0)		Machinery & Medical Infrastructure	6.2	6.9	(0.7)	14.0	2.2	1.5	+0.7	Increased due to higher returns from medical infrastructure business	4.5	Upward revision based on industrial machinery transactions stemming from economic recovery in China and steady progress in first half	
Share of profit (loss) of investments accounted for using the equity method	4.6	13.2	(8.6)	13.0		Energy & Social Infrastructure	6.7	10.0	(3.3)	20.0	1.7	3.4	(1.7)	Decreased, despite the assets replacement in power generation businesses, due to deterioration of crude oil market conditions and the absence of gains on sales of power generation businesses and oil interests recorded in the previous equivalent period	3.5	Higher earnings projected from domestic and overseas renewable energy businesses and from associates	
Profit before tax Profit for the period	12.0 10.5	35.3 31.6	(23.3)	44.0	27% 33%	Metals & Mineral Resources	4.8	11.8	(7.0)	13.0	(2.0)	9.8	(11.8)	Decreased due to steel demand declines and coal market stagnated as a result of the global COVID-19 pandemic		Ongoing cost reductions and earnings from advancement of sales measures with gradual recovery of steel demand. Need for ongoing caution with regard to sluggish coal market	
(Profit attributable to) Owners of the Company Non-controlling interests	<b>9.1</b> 1.4	<b>29.5</b> 2.1	(20.4) (0.7)	<b>30.0</b> 2.0	30%	Chemicals	16.6	22.4	(5.8)	39.0	1.3	4.8		Decreased due to impacts from the drop in methanol prices as a result of the global COVID-19 pandemic		Methanol price recovery and steady progress in Chinese economic conditions anticipated, performance in line with forecasts	
Core earnings*1	8.3	35.5	(27.2)	46.0		Foods & Agriculture Business	11.8	8.2	+3.6	18.0	4.3	1.2	+3.1	Increased due to higher profitability in overseas fertilizer businesses from lower production costs and higher sales volumes and the absence of losses on domestic marine products business recorded in the previous equivalent period	4.5	Upward revision to forecasts in reflection of strong performance based on steady progress of overseas fertilizer businesses in first half	
Comprehensive income attributable to owners of the Company	5.7	(6.6)	+12.3	-		Retail & Lifestyle Business	15.5	18.1	(2.6)	35.0	2.6	2.8		Decreased, despite gains on sales of shopping mall, due to sluggish domestic consumption as a result of the global COVID-19 pandemic	4.0	Downward revision to forecasts in reflection of stagnation in domestic consumption	
*1 Core earnings = Gross profit + Se for doubtful accounts and write-o of investments accounted for usin	fs) + Net interes	st expenses + Divi				Industrial Infrastructure & Urban Development	2.8	2.8	+0.0	6.0	(0.6)	0.6	(1.2)	Decreased due to lower number of overseas industrial parks delivered	0.5	Turn overs of industrial parks scheduled, performance in line with forecasts	
						Other	1.3	2.0	(0.7)	5.0	1.5	3.3	(1.8)		(1.0)		

(Billions of yen)

(Billions of yen)	
Mar. 31, 2021	
Forecast	
(Oct. 30, 2020)	
2,250.0	

Note: As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥100 billion long-term yen commitment line (which remains unused) and a longterm commitment line totaling US\$1.8 billion (of which US\$0.17 billion has been used). The amount of the U.S. dollar-denominated commitment line was increased by US\$0.2 billion in the six-month period ended September 30, 2020.

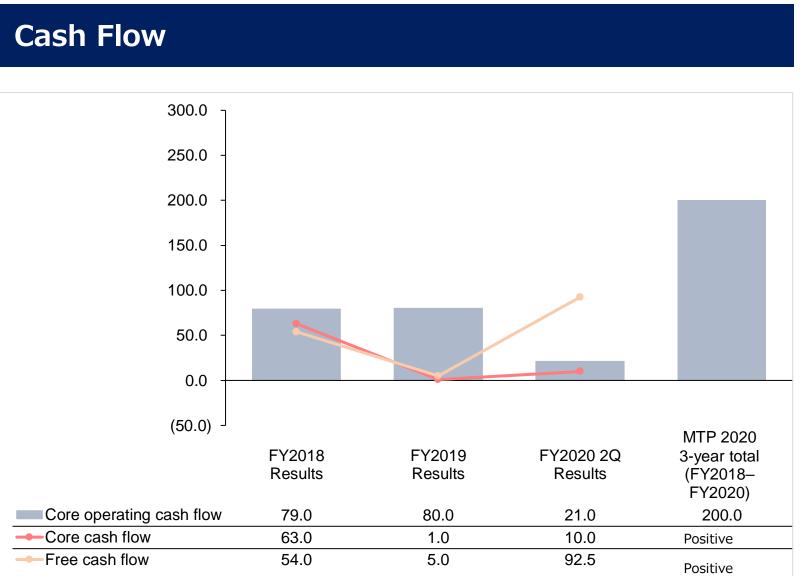
**Financial Position** 

	Sep. 30, 2020	Mar. 31, 2020	Difference	Mar. 31, 2021 Forecast (Oct. 30, 2020)
Total assets	2,154.7	2,230.3	(75.6)	2,250.0
Total equity*2	569.5	579.1	(9.6)	600.0
Equity ratio	26.4%	26.0%	+0.4ppt	26.7%
Net interest-bearing debt*3	531.5	613.2	(81.7)	650.0
Net D/E ratio (times)	0.93	1.06	(0.13)	1.1
Risk assets	360.0	380.0	(20.0)	-
Ratio of risk assets to equity (times)	0.6	0.7	(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.

(25.2) 203.0 84.5 109.7 9.1 29.5 (20.4) Total



## **Commodity Prices and Exchange Rates**

	FY2019 Results (AprSep. '19 Avg.)	FY2020 Assumption (Annual Avg.) ⇒ Revised Forecast (Aug. 4, 2020)	FY2020 Results (AprSep. '20 Avg.)	Latest Data (As of October 26, 2020)
Crude oil (Brent)	US\$65.2/bbl	US\$25.0/bbl (1H) US\$35.0/bbl (2H)	US\$36.7/bbl	US\$40.5/bbl
Thermal coal**1	US\$73.9/t	US\$63.8/t ⇒ US\$58.0/t	US\$53.1/t	US\$60.4/t
Coking coal**1	US\$180.8/t	US\$135.0/t ⇒ US\$125.0/t	US\$117.4/t	US\$106.3/t
Exchange rate**2	¥108.7/US\$	¥108.0/US\$	¥106.3/US\$	¥104.7/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.

### October Sojitz Co

30.0

## Effects of COVID-19 Pandemic (Update)

### [Assumptions at the beginning of FY2020] Limitations on movements of people and commodities as a result of the global COVID-19 pandemic to continue for three months (until June 2020).

### [Current conditions]

 Modest recovery in steel demand, but ongoing need for caution with regard to sluggish coal market conditions

- Movement restrictions, project delays, and weak domestic consumption due to lockdowns in various countries
- All other segments are generally in line with our expectations, although there have been increases and decreases by region and business.
- Need for ongoing monitoring of potential impacts on global economic trends and Sojitz's business from developments such as second wave of COVID-19 infections

30, 2020 orporation
Billions of yen)
(Reference) FY2020 Revised Forecast (Aug. 4, 2020)
1.0
6.0
3.5
3.5
3.0
5.0
3.0
5.5
0.5
(1.0)



30.0