

October 30, 2020
Sojitz Corporation

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.

Cash Flow				
	FY2018 Results	FY2019 Results	FY2020 2Q Results	MTP 2020 3-year total (FY2018– FY2020)
Core operating cash flow	79.0	80.0	21.0	200.0
Core cash flow	63.0	1.0	10.0	Positive
Free cash flow	54.0	5.0	92.5	Positive

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 long-term 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.

Commodity Prices and Exchange Rates				
	FY2019 Results (Apr.–Sep. '19 Avg.)	FY2020 Assumption (Annual Avg.) ⇒ Revised Forecast (Aug. 4, 2020)	FY2020 Results (Apr.–Sep. '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.

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).	
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[Current conditions] <ul style="list-style-type: none">Modest recovery in steel demand, but ongoing need for caution with regard to sluggish coal market conditionsMovement restrictions, project delays, and weak domestic consumption due to lockdowns in various countriesAll 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	