

Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2021 (IFRS) — Supplementary Materials

August 3, 2021
Sojitz Corporation

(Billions of yen)

(Billions of yen)

Operating Results

	FY2021 1Q Results	FY2020 1Q Results	Difference	FY2021 Forecast	Percentage Achieved
Revenue	492.8	349.3	+143.5	-	-
Gross profit	56.4	39.0	+17.4	220.0	26%
Selling, general and administrative expenses	(41.8)	(38.8)	(3.0)	(178.0)	-
Other income/expenses	1.1	1.6	(0.5)	4.0	-
Financial income/costs	0.0	(0.9)	+0.9	(2.0)	-
Share of profit (loss) of investments accounted for using the equity method	7.5	1.7	+5.8	26.0	-
Profit before tax	23.2	2.6	+20.6	70.0	33%
Profit for the period (Profit attributable to)	18.0	2.7	+15.3	56.0	32%
Owners of the Company	16.9	2.4	+14.5	53.0	32%
Non-controlling interests	1.1	0.3	+0.8	3.0	-
Core earnings*1	22.6	0.9	+21.7	66.0	-
Comprehensive income attributable to owners of the Company	36.5	3.2	+33.3		

*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

Segment Performance [Gross Profit]

	FY2021 1Q	FY2020 1Q	Difference	FY2021 Forecast
Automotive	10.0	4.4	+5.6	43.0
Aerospace & Transportation Project	2.7	2.1	+0.6	17.0
Infrastructure & Healthcare	4.2	3.6	+0.6	20.0
Metals, Mineral Resources & Recycling	5.5	2.9	+2.6	20.0
Chemicals	13.1	7.7	+5.4	46.0
Consumer Industry & Agriculture Business	8.9	7.6	+1.3	28.0
Retail & Consumer Service	7.3	6.3	+1.0	30.0
Others *4	4.7	4.4	+0.3	16.0

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

	FY2021 1Q	FY2020 1Q	Difference	Main Factors Behind Difference	FY2021 Forecast	Progress Overview	(Reference) FY2020 Results
Automotive	1.1	(1.8)	+2.9	Increased due to higher sales volumes in overseas automobile transactions	5.0	Performance expected to be generally as forecast, while the effects of semiconductor shortage need monitoring	1.1
Aerospace & Transportation Project	0.1	(0.3)	+0.4	Recovery of shipping market conditions	4.5	Earnings contributions from aircraft-related businesses anticipated in the 2nd half of the fiscal year	1.8
Infrastructure & Healthcare	0.8	2.2	(1.4)	Decreased due to the rebound from asset replacement in power generation businesses recorded in the previous equivalent period	7.5	Earnings accumulation anticipated from healthcare-related businesses, domestic and overseas power generation businesses, and LNG businesses in the 4th quarter of the fiscal year	8.2
Metals, Mineral Resources & Recycling	6.0	(2.0)	+8.0	Increased due to higher profit from steel operating company with recovery of steel demand and recovery in coal market conditions	12.0	Forecast unchanged, while coal market conditions show higher performance than forecast	(1.8)
Chemicals	4.0	0.0	+4.0	Increased due to recovery from the drop in methanol prices and higher transaction volumes of plastic resins	10.5	Performance generally as forecast, while ongoing caution regarding the impacts of COVID-19 on Southeast Asia businesses is necessary	5.8
Consumer Industry & Agriculture Business	3.0	2.1	+0.9	Increased due to higher sales volumes in overseas fertilizer businesses	5.0	Performance generally as forecast, with earnings contributions from overseas fertilizer businesses anticipated in the 1st half of the fiscal year	4.6
Retail & Consumer Service	0.6	0.1	+0.5	Increased due to higher sales volumes in food-related company	5.0	Steady progress in food-related business anticipated	4.9
Others *4	1.3	2.1	(0.8)		3.5		2.4

Total	56.4	39.0	+17.4	220.0	16.9	2.4	+14.5	53.0	27.0
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Financial Position

(Billions of yen)

	Jun. 30, 2021	Mar. 31, 2021	Difference	Mar. 31, 2022 Forecast
Total assets	2,449.4	2,300.1	+149.3	2,450.0
Total equity*2	645.2	619.0	+26.2	640.0
Equity ratio	26.3%	26.9%	(0.6%)	26.1%
Net interest-bearing debt*3	693.6	610.6	+83.0	780.0
Net D/E ratio (times)	1.08	0.99	+0.09	1.2
Risk assets	400.0	390.0	+10.0	-
Ratio of risk assets to equity (times)	0.6	0.6	0.0	-

*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 the calculations of net interest-bearing debt.

Cash Flows

(Billions of yen)

	MTP* 2020 three-year cumulative results	FY2021 1Q Results	FY2021 Forecast	MTP* 2023 three-year cumulative forecast
Core operating cash flow	219.0	26.6	70.0-75.0	Approx. 240.0-250.0
Core cash flow	56.0	(11.1)	(65.0)-(75.0)	Positive over the 6-year period of MTP* 2020 and MTP* 2023
Free cash flow	108.0	(61.3)	(1,400.0)	-

* Medium-term Management Plan (MTP)

Note: As of the end of June 30, 2021, in addition to cash in bank of ¥282.5 billion, Sojitz maintains a ¥120.0 billion long-term commitment line (which remains unused) and a US\$1.8 billion long-term commitment line (of which US\$1.02 billion has been used).

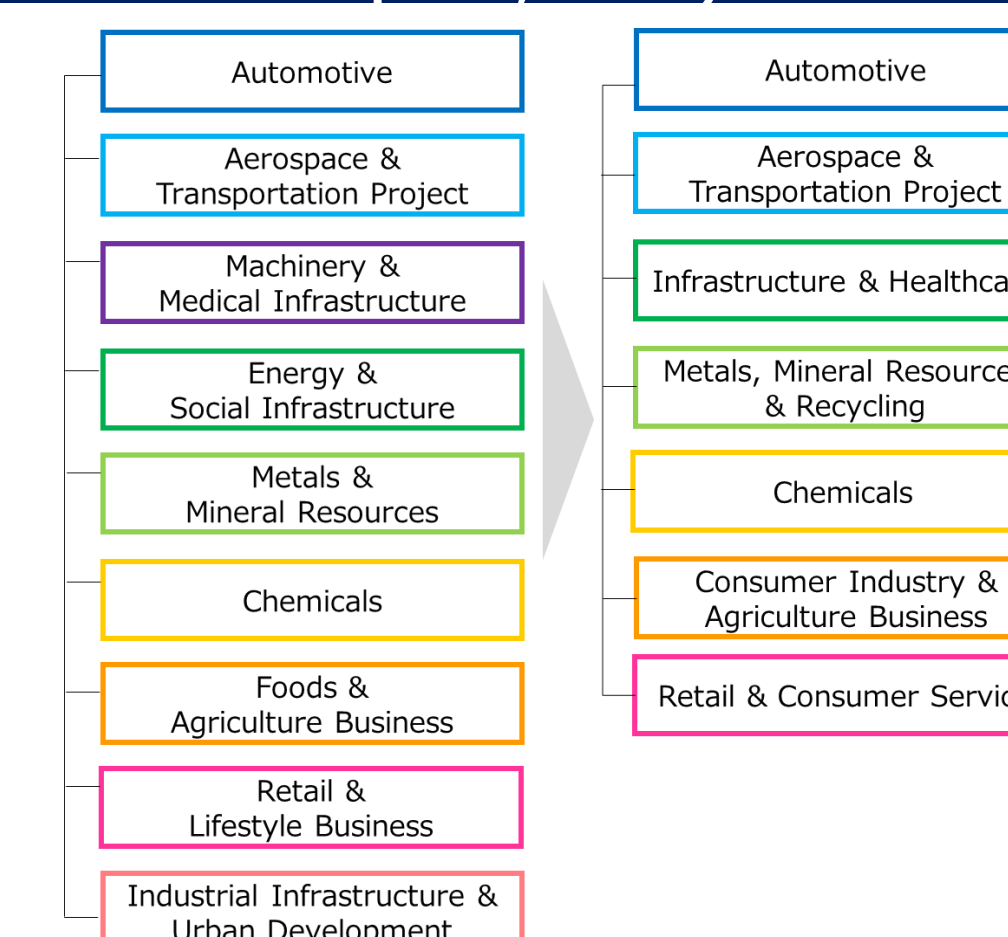
Commodity Prices and Exchange Rates

	FY2020 Results (Apr.-Jun. '20 Avg.)	FY2021 Assumption (Annual Avg.)	FY2021 Results (Apr.-Jun. '21 Avg.)	Latest Data (As of July 28, 2021)
Coking coal**1	US\$119.0/t	US\$127.5/t	US\$139.1/t	US\$216.0/t
Thermal coal**1	US\$54.4/t	US\$80.0/t	US\$109.0/t	US\$159.2/t
Crude oil (Brent)	US\$33.4/bbl	US\$50.0/bbl	US\$69.1/bbl	US\$74.7/bbl
Exchange rate**2	¥107.4/US\$	¥108.0/US\$	¥109.8/US\$	¥109.9/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. ¥1.5 billion annually.

Organizational Reforms (effective as of April 1, 2021)



Note: Effective April 1, 2021, four machinery-related subsidiaries—Sojitz Machinery Corporation, Sojitz Autrans Corporation, e-Energy Corporation, and Sojitz Marine & Engineering Corporation—were merged. After the merger, the surviving company was placed under the control of the Portfolio Transformation (PX) Office in the Others segment.

Segment information for the three-month period ended June 30, 2020, has been restated to reflect the change in reportable segments.