

# Highlights of Consolidated Financial Results for the First Half of the Year Ended September 30, 2021 (IFRS) — Supplementary Materials

November 2, 2021  
Sojitz Corporation

Operating Results					Segment Performance [Gross Profit]				Segment Performance [Profit for the Period (Attributable to Owners of the Company)]									
	FY2021 H1	FY2020 H1	Difference	FY2021 Revised Forecast (Nov. 2, 2021)	Percentage Achieved (against revised forecast)		FY2021 H1	FY2020 H1	Difference	FY2021 Revised Forecast (Nov. 2, 2021)		FY2021 H1	FY2020 H1	Difference	Main Factors Behind Difference	FY2021 Revised Forecast (Nov. 2, 2021)	Progress Overview	FY2021 Initial Forecast
<b>Revenue</b>	<b>1,000.7</b>	<b>744.6</b>	+256.1	-	-													
<b>Gross profit</b>	<b>117.7</b>	<b>84.5</b>	+33.2	<b>240.0</b>	49%	<b>Automotive</b>	<b>21.6</b>	13.0	+8.6	<b>43.5</b>	<b>3.4</b>	(1.5)	+4.9	Increased due to higher sales volumes in overseas automobile operations	<b>5.5</b>	Forecast revised upwards reflecting steady progress in the first half of the year, while also considering effects of semiconductor shortage	<b>5.0</b>	
SG&A expenses	(83.8)	(79.0)	(4.8)	(178.0)	-	<b>Aerospace &amp; Transportation Project</b>	<b>6.7</b>	4.6	+2.1	<b>16.5</b>	<b>1.4</b>	(0.3)	+1.7	Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses	<b>4.0</b>	Forecast revised downwards due to delay in recovery of certain aircraft-related transactions	<b>4.5</b>	
Other income/expenses	1.9	3.7	(1.8)	4.0	-	<b>Infrastructure &amp; Healthcare</b>	<b>8.3</b>	7.7	+0.6	<b>20.0</b>	<b>1.2</b>	2.6	(1.4)	Decreased due to absence of gains from assets replacement in power generation businesses recorded in the previous equivalent period	<b>6.5</b>	Forecast revised downwards due to delay of earnings contributions from new and ongoing projects	<b>7.5</b>	
Financial income/costs	(0.2)	(1.8)	+1.6	(2.0)	-	<b>Metals, Mineral Resources &amp; Recycling</b>	<b>15.3</b>	4.8	+10.5	<b>39.0</b>	<b>16.2</b>	(2.0)	+18.2	Increased due to higher profit from steel operating company thanks to increased steel demand as well as higher profit from recovery of coal market conditions	<b>31.0</b>	Forecast revised upwards due to strong coal market conditions	<b>12.0</b>	
Share of profit (loss) of investments accounted for using the equity method	16.9	4.6	+12.3	31.0	-	<b>Chemicals</b>	<b>25.4</b>	16.6	+8.8	<b>48.0</b>	<b>6.8</b>	1.3	+5.5	Increased due to recovery of methanol prices and higher transaction volumes of plastic resin	<b>12.0</b>	Forecast revised upwards to reflect strong methanol prices and transaction volumes of plastic resin	<b>10.5</b>	
<b>Profit before tax</b>	<b>52.5</b>	<b>12.0</b>	+40.5	<b>95.0</b>	55%	<b>Consumer Industry &amp; Agriculture Business</b>	<b>16.9</b>	16.0	+0.9	<b>27.0</b>	<b>4.8</b>	4.0	+0.8	Increased due to rise in market conditions of imported plywood	<b>4.0</b>	Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19	<b>5.0</b>	
<b>Profit for the period (Profit attributable to)</b>	<b>41.5</b>	<b>10.5</b>	+31.0	<b>73.0</b>	57%	<b>Retail &amp; Consumer Service</b>	<b>14.9</b>	13.1	+1.8	<b>30.0</b>	<b>1.9</b>	2.7	(0.8)	Decreased, despite higher sales volumes of food-related company, due to absence of gains from sale of shopping mall recorded in the previous equivalent period	<b>4.0</b>	Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19	<b>5.0</b>	
<b>Owners of the Company</b>	<b>39.4</b>	<b>9.1</b>	+30.3	<b>70.0</b>	56%	<b>Others</b>	<b>8.6</b>	8.7	(0.1)	<b>16.0</b>	<b>3.7</b>	2.3	+1.4		<b>3.0</b>		<b>3.5</b>	
Non-controlling interests	2.1	1.4	+0.7	3.0	-													
Core earnings*1	51.1	8.3	+42.8	91.0	-													
Comprehensive income attributable to owners of the Company	58.3	5.7	+52.6															
<b>Total</b>	<b>117.7</b>	<b>84.5</b>	<b>+33.2</b>	<b>240.0</b>												<b>70.0</b>		<b>53.0</b>

\*1 Core earnings = Gross profit + SG&A 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

Financial Position				
	Sep. 30, 2021	Mar. 31, 2021	Difference	Mar. 31, 2022 Revised Forecast (Nov. 2, 2021)
<b>Total assets</b>	<b>2,450.0</b>	<b>2,300.1</b>	+149.9	<b>2,500.0</b>
<b>Total equity*2</b>	<b>657.6</b>	<b>619.0</b>	+38.6	<b>680.0</b>
<b>Equity ratio</b>	<b>26.8%</b>	<b>26.9%</b>	(0.1)ppt	<b>27.2%</b>
<b>Net interest-bearing debt*3</b>	<b>684.5</b>	<b>610.6</b>	+73.9	<b>780.0</b>
<b>Net D/E ratio (Times)</b>	<b>1.04</b>	<b>0.99</b>	+0.05	<b>1.2</b>
<b>Risk assets</b>	<b>410.0</b>	<b>390.0</b>	+20.0	-
<b>Ratio of risk assets to equity (Times)</b>	<b>0.6</b>	<b>0.6</b>	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 calculations of net interest-bearing debt.

Cash Flows				
	MTP*2020 Three-year Cumulative Results	FY21 H1 Results	FY21 Forecast	MTP 2023 Three-year Cumulative Forecast
Core operating cash flow	219.0	49.3	85.0-90.0	Approx. 240.0-250.0
Core cash flow	56.0	(2.6)	(35.0)-(45.0)	Positive over the six-year period of MTP 2020 and MTP 2023
FCF	108.0	(37.5)	(75.0)	-

\* Medium-Term Management Plan (MTP)

Note: As of the end of September 30, 2021, in addition to cash in bank of ¥254.2 bn, Sojitz maintains a ¥120.0 bn long-term commitment line (which remains unused) and a US\$1.8 bn long-term commitment line (of which US\$1.08 bn has been used).

Commodity Prices and Exchange Rates					
	FY20 Results (Apr.-Sep. '20 Avg.)	FY21 Assumption (Annual Avg.)	FY21 Results (Apr.-Sep. '21 Avg.)	Latest Data (As of Oct. 27, 2021)	FY21 Revised Assumption for Second Half of the Year (Nov. 2, 2021)
<b>Coking coal**1</b>	US\$117.4/t	US\$127.5/t	US\$199.5/t	US\$398.0/t	US\$200.0/t
<b>Thermal coal**1</b>	US\$53.1/t	US\$80.0/t	US\$138.3/t	US\$195.2/t	US\$110.0/t
<b>Crude oil (Brent)</b>	US\$36.7/bbl	US\$50.0/bbl	US\$71.2/bbl	US\$84.6/bbl	US\$60.0/bbl **2
<b>Exchange rate**3</b>	¥106.3/US\$	¥108.0/US\$	¥110.1/US\$	¥114.1/US\$	¥108.0/US\$

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

\*\*2 Assumption of crude oil (brent) for the second half of FY2021 incorporates mainly hedged prices.

\*\*3 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.5 bn annually, profit for the year (attributable to owners of the Company) by approx. ¥0.25 bn annually, and total equity by approx. ¥1.5 bn annually.