

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2021 (IFRS) — Supplementary Materials

February 2, 2022  
Sojitz Corporation

(BN JPY)						(BN JPY)											
Operating Results						Segment Performance [Gross Profit]				Segment Performance [Profit for the Period (Attributable to Owners of the Company)]							
	FY21 9-month	FY20 9-month	Difference	FY21 Revised Forecast (Feb. 2, 2022)	Percentage Achieved (Against Revised Forecast)		FY21 9-month	FY20 9-month	Difference	FY21 Revised Forecast (Feb. 2, 2022)	FY21 9-month	FY20 9-month	Difference	Main Factors Behind Difference	FY21 Revised Forecast (Feb. 2, 2022)	Progress Overview	(Reference) FY21 Revised Forecast (Nov. 2, 2021)
Revenue	1,548.6	1,159.7	+388.9	-	-												
Gross profit	190.7	132.5	+58.2	260.0	73%	Automotive	33.1	23.2	+9.9	43.5	5.9	(0.4)	+6.3	Increased due to higher sales volumes in overseas automotive operations	6.5	Upward revision based on steady progress seen in overseas automotive businesses leading up to Q3	5.5
SG&A expenses	(130.1)	(119.5)	(10.6)	(180.0)	-	Aerospace & Transportation Project	10.7	7.4	+3.3	16.5	2.3	(0.1)	+2.4	Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses	4.0	Accumulation of profits anticipated from aircraft- and marine vessel-related businesses	4.0
Other income/expenses	(2.6)	6.0	(8.6)	(7.0)	-	Infrastructure & Healthcare	12.7	12.1	+0.6	20.0	2.8	3.5	(0.7)	Decreased due to absence of gains from asset replacement in power generation businesses recorded in the previous equivalent period	6.5	Earnings contributions anticipated from LNG-related businesses	6.5
Financial income/costs	1.6	(2.8)	+4.4	1.0	-	Metals, Mineral Resources & Recycling	35.1	6.9	+28.2	57.0	28.3	(2.5)	+30.8	Increased due to higher profits from rise in coal market conditions as well as higher profits from steel operating company thanks to recovery of steel demand	44.0	Upward revision in reflection of current coal market conditions	31.0
Share of profit (loss) of investments accounted for using the equity method	25.4	7.9	+17.5	34.0	-	Chemicals	38.8	26.8	+12.0	48.0	11.2	3.7	+7.5	Increased due to recovery of methanol prices and higher transaction volumes of plastic resin	12.0	Performance generally as forecast	12.0
Profit before tax	85.0	24.1	+60.9	108.0	79%	Consumer Industry & Agriculture Business	25.3	21.1	+4.2	29.0	6.8	3.7	+3.1	Increased due to rise in market conditions of imported plywood	5.0	Upward revision, despite impacts of high resource prices in fertilizer businesses and struggling Southeast Asian businesses, based on progress seen in lumber businesses	4.0
Profit for the period (Profit attributable to)	65.1	18.7	+46.4	83.0	78%	Retail & Consumer Service	22.5	20.9	+1.6	30.0	3.1	4.6	(1.5)	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	4.0	Performance generally as forecast	4.0
Owners of the Company	62.0	16.7	+45.3	80.0	78%	Others	12.5	14.1	(1.6)	16.0	1.6	4.2	(2.6)		(2.0)	Structural reform expenses included	3.0
Non-controlling interests	3.1	2.0	+1.1	3.0													
Core earnings*1	87.9	18.2	+69.7	115.0	-												
Comprehensive income attributable to owners of the Company	89.0	20.7	+68.3														
*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						Total	190.7	132.5	+58.2	260.0	62.0	16.7	+45.3		80.0		70.0

(BN JPY)				
Financial Position				
	Dec. 31, 2021	Mar. 31, 2021	Difference	Mar. 31, 2022 Revised Forecast (Feb. 2, 2022)
Total assets	2,509.2	2,300.1	+209.1	2,550.0
Total equity*2	674.7	619.0	+55.7	690.0
Equity ratio	26.9%	26.9%	0.0 ppt	27.1%
Net interest-bearing debt*3	725.4	610.6	+114.8	760.0
Net D/E ratio (Times)	1.08	0.99	+0.09	1.1
Risk assets	410.0	390.0	+20.0	-
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 calculations of net interest-bearing debt.

(BN JPY)				
Cash Flows				
	MTP* 2020 3-year Results (Aggregate)	FY21 9-month Results	FY21 Revised Forecast (Feb. 2, 2022)	MTP 2023 3-Year Target (Aggregate)
Core operating cash flow	219.0	81.3	90.0-95.0	Approx. 240.0-250.0
Core cash flow	56.0	(8.9)	(20.0)-(30.0)	Positive over the six-year period of MTP 2020 and MTP 2023
FCF	108.0	(62.0)	(70.0)	-

\* Medium-Term Management Plan (MTP)

Note: As of the end of December 31, 2021, in addition to cash in bank of ¥233.6 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\$1.31 bn has been used).

Commodity Prices and Exchange Rates				
	FY20 Results (Apr.-Dec. '20 Avg.)	FY21 Assumption (Annual Avg.)	FY21 Results (Apr.-Dec. '21 Avg.)	Latest Data (As of Jan. 27, 2022)
Coking coal**1	US\$113.3/t	US\$127.5/t	US\$278.0/t	US\$445.5/t
Thermal coal**1	US\$60.1/t	US\$80.0/t	US\$163.9/t	US\$262.6/t
Crude oil (Brent)	US\$41.3/bbl	US\$50.0/bbl	US\$74.0/bbl	US\$89.3/bbl
Exchange rate**2	¥105.5/US\$	¥108.0/US\$	¥111.5/US\$	¥114.6/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 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.