

Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2022 (IFRS) — Supplementary Materials

August 2, 2022

Sojitz Corporation

Operating Results						Segment Performance [Gross Profit]				Segment Performance [Profit for the Period (Attributable to Owners of the Company)]							
	FY22 3-month	FY21 3-month	Difference	FY22 Forecast	Percentage Achieved		FY22 3-month	FY21 3-month	Difference	FY22 Forecast	FY22 3-month	FY21 3-month	Difference	Main Factors Behind Difference	FY22 Forecast	Progress Overview	(Reference) FY2021 Results
Revenue	618.5	492.8	+125.7	-	-	Automotive	13.7	10.0	+3.7	50.0	2.0	1.1	+0.9	Increased due to higher sales volumes in overseas automobile operations	6.0	Performance generally as forecast, though business impacts related to Russia and semiconductor shortages anticipated	7.1
Gross profit	96.9	56.4	+40.5	300.0	32%	Aerospace & Transportation Project	4.2	2.7	+1.5	20.0	0.8	0.1	+0.7	Increased due to aircraft- and railway-related earnings contributions	4.5	Performance generally as forecast	4.7
Selling, general and administrative expenses	(51.5)	(41.8)	(9.7)	(210.0)		Infrastructure & Healthcare	5.1	4.2	+0.9	25.0	6.2	0.8	+5.4	Increased due to gain on partial sale of equity in telecommunications tower business	9.0	Earnings contributions projected from domestic and overseas power generation and LNG businesses as well as from new investments	6.6
Other income/expenses	3.3	1.1	+2.2	0.0		Metals, Mineral Resources & Recycling	34.1	5.5	+28.6	65.0	24.7	6.0	+18.7	Increased due to higher selling prices in coal businesses	51.0	Forecasts unchanged based on coal market and operating environment conditions	34.1
Financial income/costs	1.2	0.0	+1.2	(5.0)		Chemicals	16.2	13.1	+3.1	50.0	5.6	4.0	+1.6	Increased due to higher methanol prices	12.5	Steady progress in methanol businesses and plastic resin businesses anticipated	12.6
Share of profit (loss) of investments accounted for using the equity method	10.6	7.5	+3.1	35.0		Consumer Industry & Agriculture Business	9.6	8.7	+0.9	25.0	3.2	3.0	+0.2	Relatively unchanged year on year as increased transaction volumes in lumber-related businesses counteracted impacts of consistently high raw material prices in fertilizer businesses	3.0	Strong performance surpassing forecasts in fertilizer businesses, but need to monitor profit trends	6.4
Profit before tax	60.5	23.2	+37.3	120.0	50%	Retail & Consumer Service	10.9	7.5	+3.4	50.0	0.5	0.6	(0.1)	Relatively unchanged year on year	5.0	Earnings contributions in food-related business anticipated	5.0
Profit for the period (Profit attributable to)	46.0	18.0	+28.0	88.0	52%	Others	3.1	4.7	(1.6)	15.0	2.2	1.3	+0.9		(6.0)		5.8
Owners of the Company Non-controlling interests	45.2 0.8	16.9 1.1	+28.3 (0.3)	85.0 3.0	53%	Total	96.9	56.4	+40.5	300.0	45.2	16.9	+28.3		85.0		82.3
Core earnings*1	56.6	22.6	+34.0	120.0													
Comprehensive income attributable to owners of the Company	87.6	36.5	+51.1														

*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

Note: Effective April 1, 2022, Sojitz Group reorganized the Consumer Industry & Agriculture Business and the Retail & Consumer Service segments and changed their reporting figures for FY2021 Q1.

Financial Position				
	Jun. 30, 2022	Mar. 31, 2022	Difference	Mar. 31, 2023 Forecast
Total assets	2,841.9	2,661.7	+180.2	2,700.0
Total equity*2	801.4	728.0	+73.4	760.0
Equity ratio	28.2%	27.4%	+0.8%	28.1%
Net interest-bearing debt*3	800.4	770.2	+30.2	800.0
Net D/E ratio (times)	1.00	1.06	(0.06)	1.1
Risk assets	490.0	450.0	40.0	-
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					Commodity Prices and Exchange Rates				
	MTP 2020 3-year Results (Aggregate)	FY22 3-month Results	FY22 Forecast	MTP 2023 3-Year Target (Aggregate)		FY21 Results (Apr.-Jun. '21 Avg.)	FY22 Assumption (Annual Avg.)	FY22 Results (Apr.-Jun. '22 Avg.)	Latest Data (As of Jul. 27, 2022)
Core operating cash flow	219.0	61.0	110.0	Approx. 240.0-250.0	Coking coal**1	US\$139.1/t	US\$280.0/t 1H : US\$340.0/t 2H : US\$220.0/t	US\$448.0/t	US\$201.5/t
Core cash flow	56.0	30.0	(48.0)	Positive over the six-year period of MTP 2020 and MTP 2023	Thermal coal**1	US\$109.0/t	US\$160.0/t	US\$378.9/t	US\$417.8/t
FCF	108.0	17.0	77.0	-	Crude oil (Brent)	US\$69.1/bbl	US\$90.0/bbl	US\$112.0/bbl	US\$106.6/bbl
					Exchange rate**2	¥109.8/US\$	¥115.0/US\$	¥131.3/US\$	¥137.0/US\$

Note: As of the end of June 30, 2022, in addition to cash in bank of ¥269.9 bn, Sojitz maintains a ¥100.0 bn long-term commitment line (which remains unused) and a US\$2.025 bn long-term commitment line (of which US\$1.20 bn has been used).

**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. ¥0.3 bn annually, and total equity by approx. ¥1.5 bn annually.