

Highlights of Consolidated Financial Results for the First Half of the Year Ended September 30, 2022 (IFRS) — Supplementary Materials

November 1, 2022
Sojitz Corporation

Operating Results					Segment Performance [Gross Profit]				Segment Performance [Profit for the Period (Attributable to Owners of the Company)]								
	FY2022 H1	FY2021 H1	Difference	FY2022 Revised Forecast (Nov. 1, 2022)	Percentage Achieved (against revised forecast)		FY2022 H1	FY2021 H1	Difference	FY2022 Revised Forecast (Nov. 1, 2022)	FY2022 H1	FY2021 H1	Difference	Main Factors Behind Difference	FY2022 Revised Forecast (Nov. 1, 2022)	Progress Overview	FY2022 Initial Forecast
Revenue	1,273.3	1,000.7	+272.6	-	-												
Gross profit	182.2	117.7	+64.5	340.0	54%	Automotive	28.3	21.6	+6.7	50.0	4.5	3.4	+1.1	Increased due to yen depreciation in overseas automobile businesses	6.0	Performance generally as forecast	6.0
SG&A expenses	(105.6)	(83.8)	(21.8)	(230.0)	-	Aerospace & Transportation Project	9.0	6.7	+2.3	20.0	2.0	1.4	+0.6	Increased due to earnings from aircraft-related businesses	5.0	Performance generally as forecast	4.5
Other income/expenses	3.8	1.9	+1.9	2.0	-	Infrastructure & Healthcare	11.3	8.3	+3.0	25.0	9.0	1.2	+7.8	Increased due to gain on partial sale of equity in overseas telecommunications tower operating business as well as earnings from domestic and overseas power generation and LNG businesses	12.0	Upward revision to forecast to reflect one-time factor seen in six-month period and strong performance in domestic and overseas power generation businesses	9.0
Financial income/costs	1.2	(0.2)	+1.4	(5.0)	-	Metals, Mineral Resources & Recycling	54.6	15.3	+39.3	90.0	41.8	16.2	+25.6	Increased due to higher selling prices in coal businesses	65.0	Upward revision to forecast to account for strong six-month performance and solid conditions seen in coal market and at a steel trading company	51.0
Share of profit (loss) of investments accounted for using the equity method	24.9	16.9	+8.0	43.0	-	Chemicals	32.7	25.4	+7.3	60.0	11.3	6.8	+4.5	Increased due to higher prices of various chemical products and improved profitability	17.0	Upward revision to forecast based on strong conditions for chemical businesses	12.5
Profit before tax	106.5	52.5	+54.0	150.0	71%	Consumer Industry & Agriculture Business	18.3	16.5	+1.8	30.0	5.9	4.7	+1.2	Increased due to improved profitability in fertilizer businesses and higher selling prices in lumber-related businesses	6.0	Upward revision to forecast to account for steady six-month performance for fertilizer businesses	3.0
Profit for the period (Profit attributable to)	81.6	41.5	+40.1	115.0	71%	Retail & Consumer Service	21.4	15.3	+6.1	50.0	1.4	1.9	(0.5)	Decreased due to reduced profitability for imported food products as a result of yen depreciation	7.0	Upward revision to forecast due to gain from asset replacement activities scheduled for second half of fiscal year	5.0
Owners of the Company	78.9	39.4	+39.5	110.0	72%	Others	6.6	8.6	(2.0)	15.0	3.0	3.8	(0.8)		(8.0)		(6.0)
Non-controlling interests	2.7	2.1	+0.6	5.0	-	Total	182.2	117.7	+64.5	340.0	78.9	39.4	+39.5		110.0		85.0
Core earnings*1	102.3	51.1	+51.2	148.0	-												
Comprehensive income attributable to owners of the Company	148.6	58.3	+90.3														

*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

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

Financial Position				
	Sep. 30, 2022	Mar. 31, 2022	Difference	Mar. 31, 2023 Revised Forecast (Nov. 1, 2022)
Total assets	2,933.4	2,661.7	+271.7	3,000.0
Total equity*2	862.3	728.0	+134.3	870.0
Equity ratio	29.4%	27.4%	+2.0%	29.0%
Net interest-bearing debt*3	819.3	770.2	+49.1	870.0
Net D/E ratio (Times)	0.95	1.06	(0.11)	1.0
Risk assets	540.0	450.0	+90.0	-
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.

Cash Flows				
	MTP* 2020 3-year Results (Aggregate)	FY21 Results	FY22 H1 Results	MTP 2023 3-year Initial Target (Aggregate)
Core operating cash flow	219.0	128.7	90.3	Approx. 240.0-250.0
Core cash flow	56.0	10.5	58.2	Positive over the six-year period of MTP 2020 and MTP 2023
FCF	108.0	(73.7)	38.0	-

* Medium-Term Management Plan

Note: As of the end of September 30, 2022, in addition to cash in bank of ¥274.0 bn, Sojitz maintains a ¥100.0 bn long-term commitment line (which remains unused) and a US\$2.125 bn long-term commitment line (of which US\$1.36 bn has been used).

Commodity Prices and Exchange Rates				
	FY21 Results (Apr.-Sep. '21 Avg.)	FY22 Initial Assumption ⇒ FY22 H2 Assumption (Nov. 1)	FY22 Results (Apr.-Sep. '22 Avg.)	Latest Data (As of Oct. 26, 2022)
Coking coal**1	US\$199.5/t	US\$280.0/t [H1 : US\$340.0/t] [H2 : US\$220.0/t]	US\$345.3/t	US\$306.8/t
Thermal coal**1	US\$138.3/t	US\$160.0/t ⇒US\$330.0/t (H2)	US\$401.3/t	US\$379.3/t
Crude oil (Brent)	US\$71.2/bbl	US\$90.0/bbl	US\$104.8/bbl	US\$95.7/bbl
Exchange rate**2	¥110.1/US\$	¥115.0/US\$ ⇒¥140.0/US\$ (H2)	¥135.3/US\$	¥148.2/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. ¥0.75 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.