

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2022 (IFRS) — Supplementary Materials

February 2, 2023

Sojitz Corporation

(BN JPY)						(BN JPY)					(BN JPY)						
Operating Results						Segment Performance [Gross Profit]					Segment Performance [Profit for the Period (Attributable to Owners of the Company)]						
	FY2022 9-month	FY2021 9-month	Difference	FY2022 Revised Forecast (Feb. 2, 2023)	Percentage Achieved (against revised forecast)		FY2022 9-month	FY2021 9-month	Difference	FY2022 Revised Forecast (Feb. 2, 2023)	FY2022 9-month	FY2021 9-month	Difference	Main Factors Behind Difference	FY2022 Revised Forecast (Feb. 2, 2023)	Progress Overview	FY2022 Revised Forecast (Nov. 1, 2022)
Revenue	1,925.3	1,548.6	+376.7	—	—												
Gross profit	263.4	190.7	+72.7	345.0	76%	Automotive	41.6	33.1	+8.5	55.0	6.9	5.9	+1.0	Increased due to yen depreciation in overseas automobile businesses	8.0	Upward revision based on steady progress up to Q3	6.0
SG&A expenses	(162.0)	(130.1)	(31.9)	(225.0)	—	Aerospace & Transportation Project	14.6	10.7	+3.9	20.0	4.4	2.3	+2.1	Increased due to earnings from aircraft-related businesses	5.0	Performance generally as forecast	5.0
Other income/expenses	7.2	(2.6)	+9.8	(18.0)	—	Infrastructure & Healthcare	18.8	12.7	+6.1	25.0	12.2	2.8	+9.4	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	17.0	Upward revision from earning contributions anticipated from LNG-related businesses	12.0
Financial income/costs	(0.2)	1.6	(1.8)	(1.0)	—	Metals, Mineral Resources & Recycling	70.3	35.1	+35.2	90.0	48.3	28.3	+20.0	Increased due to higher selling prices in coal businesses	60.0	Downward revision to forecasts, despite strong coal market, to account for impacts of asset replacement and of lower production volumes stemming from heavy rains	65.0
Share of profit (loss) of investments accounted for using the equity method	37.1	25.4	+11.7	49.0	—	Chemicals	48.1	38.7	+9.4	60.0	15.1	11.2	+3.9	Increased due to higher prices of various chemical products and improved profitability	17.0	Earning contributions anticipated from strong conditions for chemical businesses	17.0
Profit before tax	145.5	85.0	+60.5	150.0	97%	Consumer Industry & Agriculture Business	24.8	24.4	+0.4	30.0	7.4	6.6	+0.8	Unchanged year on year	7.5	Upward revision based on steady progress up to Q3	6.0
Profit for the period (Profit attributable to Owners of the Company)	112.8	65.1	+47.7	115.0	98%	Retail & Consumer Service	33.7	23.4	+10.3	50.0	7.5	3.3	+4.2	Increased due to impacts of asset replacement	7.5	Upward revision based on steady progress up to Q3	7.0
Non-controlling interests	4.1	3.1	+1.0	5.0	99%	Others	11.5	12.6	(1.1)	15.0	6.9	1.6	+5.3		(12.0)	Incorporation of asset assessment revision costs	(8.0)
Core earnings*1	138.9	87.9	+51.0	168.0	—												
Comprehensive income attributable to owners of the Company	150.4	89.0	+61.4														
*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	263.4	190.7	+72.7	345.0	108.7	62.0	+46.7		110.0		110.0

Note: Effective April 1, 2022, the Sojitz Group reorganized the Consumer Industry & Agriculture Business and the Retail & Consumer Service segments and changed its reporting figures for FY2021 Q3.

(BN JPY)				
Financial Position				
	Dec. 31, 2022	Mar. 31, 2022	Difference	Mar. 31, 2023 Revised Forecast (Feb. 2, 2023)
Total assets	2,855.6	2,661.7	+193.9	2,750.0
Total equity*2	849.2	728.0	+121.2	830.0
Equity ratio	29.7%	27.4%	+2.3ppt	30.2%
Net interest-bearing debt*3	748.1	770.2	(22.1)	600.0
Net D/E ratio (Times)	0.88	1.06	(0.18)	0.7
Risk assets	—	450.0	—	—
Ratio of risk assets to equity (Times)	—	0.6	—	—

*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)	FY2021 Results	FY2022 9-month Results	MTP 2023 3-year Initial Target (Aggregate)
Core operating cash flow	219.0	128.7	115.6	Approx. 240.0-250.0
Core cash flow	56.0	10.5	79.5	Positive over the six-year period of MTP 2020 and MTP 2023
FCF	108.0	(73.7)	81.7	—

* Medium-Term Management Plan

Note: As of December 31, 2022, in addition to cash in bank of ¥242.8 bn, Sojitz maintains a ¥100.0 bn long-term commitment line (which remains unused) and a US\$2.275 bn long-term commitment line (of which US\$1.079 bn has been used).

Commodity Prices and Exchange Rates			
	FY2021 Results (Apr.-Dec. 2021 Avg.)	FY2022 Results (Apr.-Dec. 2022 Avg.)	Latest Data (As of Jan. 27, 2023)
Coking coal**1	US\$278.0/t	US\$322.8/t	US\$329.5/t
Thermal coal**1	US\$163.9/t	US\$394.5/t	US\$301.0/t
Crude oil (Brent)	US\$74.0/bbl	US\$99.4/bbl	US\$86.7/bbl
Exchange rate**2	¥111.5/US\$	¥136.9/US\$	¥129.6/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. ¥0.75 bn annually, profit for the year (attributable to owners of the Company) by approx. ¥0.3 bn annually, and total equity by approx. ¥2.0 bn annually.