

Highlights of Consolidated Financial Results for the Year Ended March 31, 2023 (IFRS) II

May 2, 2023
Sojitz Corporation

Operating Results (BN JPY)					Segment Performance [Gross Profit] (BN JPY)			Segment Performance [Profit for the Year (Attributable to Owners of the Company)] (BN JPY)							
	FY2022	FY2021	Difference	FY2022 Forecast (Feb. 2, 2023)	Percentage Achieved (against revised forecast)		FY2022	FY2021	Difference	FY2022	FY2021	Difference	Main Factors Behind Difference	FY2022 Revised Forecast (Feb. 2, 2023)	Progress Overview
Revenue	2,479.8	2,100.8	+379.0			Automotive	55.4	45.6	+9.8	6.0	7.1	(1.1)	Decreased due to lower fourth-quarter earnings in overseas automotive businesses	8.0	Performance lower than full-year forecast due to decreased earnings from overseas automotive businesses
Gross profit	337.6	271.3	+66.3	345.0	98%	Aerospace & Transportation Project	20.3	16.2	+4.1	6.4	4.7	+1.7	Increased following aircraft-related earnings contributions and gains on sales of a ship	5.0	Performance higher than full-year forecast following aircraft-related earnings contributions and gains on sales of a ship
SG&A expenses	(222.8)	(180.3)	(42.5)	(225.0)		Infrastructure & Healthcare	27.2	19.0	+8.2	7.5	6.6	+0.9	Increased, despite a loss on revaluation of assets recorded by an overseas off-shore wind power generation business, as a result of earnings contributions from domestic and overseas power generation businesses and asset replacement	17.0	Loss on revaluation of assets recorded by an overseas off-shore wind power generation business
Other income/expenses	12.7	(13.8)	+26.5	(18.0)		Metals, Mineral Resources & Recycling	83.4	60.0	+23.4	62.7	34.1	+28.6	Increased as a result of higher product selling prices in coal businesses and rises in earnings at a steel trading company	60.0	Performance generally as forecast
Financial income/costs	0.2	2.1	(1.9)	(1.0)		Chemicals	62.2	50.7	+11.5	18.5	12.6	+5.9	Increased due to higher prices of various chemical products and improved profitability	17.0	Performance higher than full-year forecast as a result of improved profitability in chemical transactions
Share of profit (loss) of investments accounted for using the equity method	27.3	38.0	(10.7)	49.0		Consumer Industry & Agriculture Business	29.7	30.1	(0.4)	6.4	6.4	+0.0	Unchanged year on year	7.5	Performance lower than full-year forecast due to reduced demand in lumber-related businesses
Profit before tax	155.0	117.3	+37.7	150.0	103%	Retail & Consumer Service	43.7	32.5	+11.2	7.4	5.0	+2.4	Increased due to benefits of asset replacement and earnings contributions from an aquaculture food product manufacturing company	7.5	Performance generally as forecast
Profit for the period (Profit attributable to Owners of the Company)	115.8	85.5	+30.3	115.0	101%	Others	15.7	17.2	(1.5)	(3.7)	5.8	(9.5)	Decreased as a result of impairment losses on system-related assets	(12.0)	
Non-controlling interests	4.6	3.2	+1.4	5.0		Total	337.6	271.3	+66.3	111.2	82.3	+28.9		110.0	
Core earnings*1	145.1	131.3	+13.8	168.0											
Comprehensive income attributable to owners of the Company	138.4	142.4	(4.0)												

*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 (BN JPY)			
	Mar. 31, 2023	Mar. 31, 2022	Difference
Total assets	2,660.8	2,661.7	(0.9)
Total equity*2	837.7	728.0	+109.7
Equity ratio	31.5%	27.4%	+4.1ppt
Net interest-bearing debt*3	629.4	770.2	(140.8)
Net D/E ratio (times)	0.75	1.06	(0.31)
Risk assets	490.0	450.0	+40.0
Ratio of risk assets to equity (times)	0.6	0.6	0.0

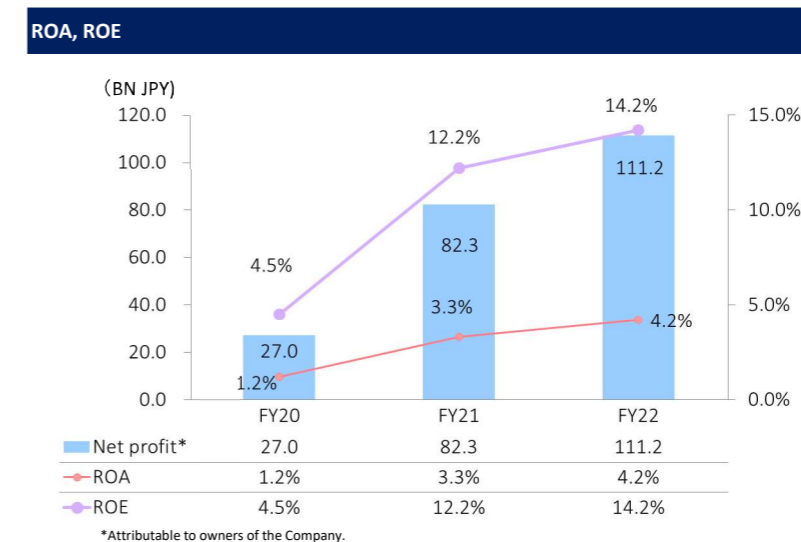
*2 "Total equity" above refers to "Total equity attributable to owners of the Company" and is used as the denominator when calculating "Net D/E ratio" and the numerator when calculating "Equity ratio."

*3 Lease liabilities (under current liabilities and non-current liabilities) have been excluded from calculations of net interest-bearing debt.

Commodity Prices and Exchange Rates				
	FY2021 Results (Annual Avg.)	FY2022 Initial Assumption (Annual Avg.)	FY2022 Results (Annual Avg.)	FY2022 Results (Jan.-Mar. Avg.)
Coking coal**1	US\$317.5/t	US\$280.0/t	US\$328.0/t	US\$343.0/t
Thermal coal**1	US\$181.7/t	US\$160.0/t	US\$356.0/t	US\$248.0/t
Crude oil (Brent)	US\$80.0/bbl	US\$90.0/bbl	US\$95.1/bbl	US\$82.1/bbl
Exchange rate**2	¥113.0/US\$	¥115.0/US\$	¥136.0/US\$	¥133.4/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.



Highlights of Consolidated Financial Results for the Year Ended March 31, 2023 (IFRS) III

May 2, 2023
Sojitz Corporation

Operating Results

(BN JPY)

	FY2022	FY2023 Forecast	Difference
Revenue	2,479.8	—	—
Gross profit	337.6	320.0	(17.6)
SG&A expenses	(222.8)	(230.0)	(7.2)
Other income/expenses	12.7	5.0	(7.7)
Financial income/costs	0.2	(15.0)	(15.2)
Share of profit (loss) of investments accounted for using the equity method	27.3	45.0	+17.7
Profit before tax	155.0	125.0	(30.0)
Profit for the year (Profit attributable to)	115.8	100.0	(15.8)
Owners of the Company	111.2	95.0	(16.2)
Non-controlling interests	4.6	5.0	+0.4
Core earnings*	145.1	120.0	(25.1)

* 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

Segment Performance (Profit for the Year*)

(BN JPY)

* Attributable to owners of the Company

New Structure (Organizational reforms)	FY2022	FY2023 Forecast
Automotive	6.0	7.0
Aerospace & Transportation Project	6.9	4.0
Infrastructure & Healthcare	7.5	16.0
Metals, Mineral Resources & Recycling	62.7	33.0
Chemicals	18.6	16.0
Consumer Industry & Agriculture Business	6.3	8.0
Retail & Consumer Service	6.9	11.0
Other	(3.7)	0.0
Total	111.2	95.0

* Based on organizational reforms, figures for the Aerospace & Transportation Project, the Infrastructure & Healthcare, the Chemicals, the Consumer Industry & Agriculture Business, the Retail & Consumer Service, and Other segments have been arrived at through a simple conversion of figures for the previous organizational structure to reflect the new organizational structure. Accordingly, it is possible that these figures may differ from those disclosed later.

FY2023 Outlook

Automotive	Earnings expected to increase due to growing earnings from investment projects
Aerospace & Transportation Project	Earnings expected to decrease as a result of gains on sales of a ship recorded in previous fiscal year
Infrastructure & Healthcare	Earnings expected to increase due to absence of one-time loss recorded in previous fiscal year and earnings contributions from investment projects
Metals, Mineral Resources & Recycling	Earnings expected to decrease based on coal market conditions
Chemicals	Steady performance expected in methanol and plastic resin businesses
Consumer Industry & Agriculture Business	Earnings expected to increase due to recovery of profit in fertilizer businesses
Retail & Consumer Service	Earnings expected to increase as a result of gains from asset replacement and earnings contributions from investment projects

Financial Position

(BN JPY)

	Mar. 31, 2023	Mar. 31, 2024 Forecast	Difference
Total assets	2,660.8	2,750.0	+89.2
Total equity*1	837.7	870.0	+32.3
Equity ratio	31.5%	31.6%	+0.1ppt
Net interest-bearing debt*2	629.4	650.0	+20.6
Net D/E ratio (times)	0.75	0.75	0.0
Risk assets	490.0	—	—
Ratio of risk assets to equity (times)	0.6	—	—

*1 "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."

*2 Lease liabilities (under current liabilities and non-current liabilities) have been excluded from calculations of net interest-bearing debt.

Cash Flows

(BN JPY)

	FY2021 Results	FY2022 Results	FY2023 Forecast	MTP* 2023 Three-year Forecast (FY2022-FY2023)
Core operating cash flow	128.7	145.2	115.0	Approx. 380.0
Core cash flow	10.5	135.6	(75.0)	Positive
FCF	(73.7)	200.8	80.0	200.0

* Medium-Term Management Plan (MTP)

Note: As of the end of March 31, 2023, in addition to cash in bank of ¥254.3 bn, Sojitz maintains a ¥100.0 bn long-term commitment line (which remains unused) and a US\$2.575 bn long-term commitment line (of which US\$ 0.774 bn has been used).

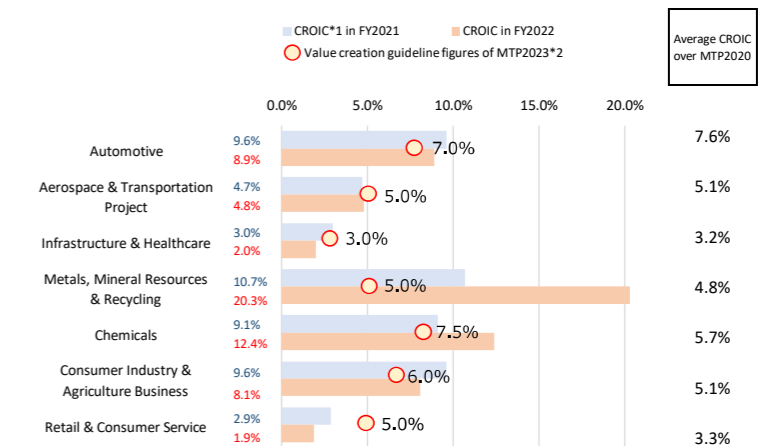
Commodity Prices and Exchange Rates

	FY2023 Assumption (Annual Avg.)	Latest Data (As of Apr. 26, 2023)
Coking coal*1	US\$230.0/t	US\$250.0/t
Thermal coal*1	US\$160.0/t	US\$187.9/t
Crude oil (Brent)	US\$80.0/bbl	US\$77.7/bbl
Exchange rate*2	¥125.0/US\$	¥133.8/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.

Cash Return on Invested Capital (CROIC) *1



*1 CROIC is an indicator used for measuring and evaluating value creation introduced as part of MTP 2023. CROIC = Core operating cash flow/Invested capital

*2 Value creation guideline figures have been set under MTP 2023 indicating the minimum level of the three-year average CROIC that each division needs to achieve in order for us to accomplish our Companywide target of ROE of 10% or above.