#### **Results Highlights**

 In the six-month period ended September 30, 2021, economic recovery was seen in certain regions amid a global decline in the number of COVID-19 cases. Governments in the United States and Europe are transitioning away from large-scale government finance measures for responding to the pandemic and toward policies based on a longer-term perspective. Conversely, certain emerging countries are moving to raise their policy interest rates. This situation is creating a need for

The Company's revenue for the six-month period ended September 30, 2021, was up year on year due to higher revenue in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal and precious metals; in the Chemicals Division, a result of growth in plastic resin transactions and higher methanol prices; and in the Automotive Division, a result of increased sales volumes in overseas automotive businesses.

Despite the increase in SG&A expenses along with a rise in non-personnel expenses profit for the period (attributable to owners of the Company) increased year on year following higher gross profit and a rise in share of profit of investments accounted for using the equity method attributable to earnings growth at a steel operating company.

(Figures in parentheses are YoY changes)

#### Revenue 1,000.7 bn yen (+256.1 bn yen / +34.4%)

- Increase in the Metals, Mineral Resources & Recycling Div. due to higher coal prices, and an increase in prices as well as transaction volumes of precious metals
- Increase in the Chemicals Div. due to higher transaction volumes of plastic resin and a
- price increase in methanol Increase in the Automotive Div. due to higher sales volumes in overseas automobile
- Gross profit 117.7 bn yen (+33.2 bn yen / +39.4%)
- · Increase in the Metals, Mineral Resources & Recycling Div. due to the increase in coal prices
  Increase in the Chemicals Div. due to the higher price of methanol and higher transaction
- volumes of plastic resin

  Increase in the Automotive Div. due to higher sales volumes in overseas automobile

Profit for the period (attributable to owners of the Company)

39.4 bn yen (+30.3 bn yen / +331.2%)

- · Increase in gross profit
- · Increase in share of profit of investments accounted for using the equity method
- Earnings forecast for the year ending March 31, 2022

Full-year earnings forecasts were revised as follows.

	initiai Forecast	Revise	Revised Forecast (Nov. 2, 202)		
Gross profit	220.0 bn yen	$\Rightarrow$	240.0 bn yen		
Profit before tax	70.0 bn yen	$\Rightarrow$	95.0 bn yen		
Profit for the year (attributable to owners of the Company)	e 53.0 bn yen	$\Rightarrow$	70.0 bn yen		

(Initial Assumptions)

Exchange rate (annual average: ¥/US\$)

Cash dividends per share for the year ending March 31, 2022 Year-end cash dividends per share were revised as follows.

Initial Forecast Revised Forecast (Nov. 2, 2021

Interim (result) 7.00 yen per share ⇒ 9.00 yen per share Year-end (forecast) 35.00 yen per share  $\Rightarrow$  45.00 yen per share

The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The interim dividend relecting this share consolidation would be 45.00 ven.

- $*{\tt 1} \quad \mathsf{Core} \; \mathsf{earnings} = \mathsf{Gross} \; \mathsf{profit} \; + \; \mathsf{SG\&A} \; \mathsf{expenses} \; (\mathsf{before} \; \mathsf{provision} \; \mathsf{of} \; \mathsf{allowance} \; \mathsf{for} \; \mathsf{doubtful}$ accounts and write-offs) + Net interest expenses + Dividend income + Share of profit (loss) of investments accounted for using the equity method
- \*2 Core operating cash flow = Net cash provided by (used in) operating activities Changes in working capital
- $\label{eq:core} \mbox{Core cash flow = Core operating cash flow + Post-adjustment, net cash provided by}$ (used in) investing activities - Dividends paid - Purchase of treasury stock (Post-adjustment, net cash provided by (used in) investing activities is net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets,

#### Caution regarding forward-looking statements:

This document contains forward-looking statements based on information available to the Company at the time of disclosure and certain assumptions that management believes to be reasonable. Actual results may differ materially based on various factors, including the timing at which the COVID-19 pandemic ends; changes in economic conditions in key markets, both in and outside of Japan; and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues

#### **Consolidated Statements of Profit or Loss**

**Comprehensive Income** 

Profit for the period

Owners of the Company

Non-controlling interests

FY2021 H1

Q1

18.0

19.6

37.6

36.5

1.1

Q2

23.5

(0.4)

23.1

21.8

1.3

1.0

Results

41.5

19.2

60.7

58.3

2.4

								(BN JPY)			
	l ,	FY2021 H1		FY20	20 H1		FY2021 (			Sep. 30,	ı
	Results	Q1	Q2	Results	Difference	Factors Affecting Circled Figures	Full-year Forecast	Percentage Achieved		2021	
	а			b	a-b		с	a/c		d	
						Revenue: segment changes			Current assets	1,259.6	
						Metals, Mineral Resources & Recycling +87.7			Cash and cash equivalents	254.2	
Revenue	1,000.7	492.8	507.9	744.6	256.1)	Chemicals +77.1			Time deposits	12.7	
	i i					Automotive +49.4			Trade and other receivables	698.8	
									Inventories	224.8	
						Gross profit: segment changes			Other current assets	69.1	
						Metals, Mineral Resources & Recycling +10.5			Non-current assets	1,190.4	
Gross profit	117.7	56.4	61.3	84.5	33.2	Chemicals +8.8	240.0	49%	Property, plant and equipment	190.9	
						Automotive +8.6			Lease assets (usage rights assets)	66.6	
									Goodwill	64.9	
SG&A expenses									Intangible assets	62.4	
•	(47.7)	(00.7)	(0.4.0)	(47.0)	(0.7)						
Personnel expenses	(47.7)	(23.7)	(24.0)	(47.0)	(0.7)				Investment property	11.5	
Non-personnel expenses	(26.3)	(13.1)	(13.2)	(23.5)	(2.8)				Investments accounted for using	639.4	
Depreciation	(9.1)	(4.5)	(4.6)	(8.6)	(0.5)				the equity method	05511	
Provision of allowance for	(0.7)	(0.5)	(0.2)	0.1	(0.8)				Other non-current assets	154.7	
doubtful accounts									Total assets	2,450.0	1
(Total SG&A expenses)	(83.8)	(41.8)	(42.0)	(79.0)	(4.8)		(178.0)		Total assets	2,430.0	
Other income/expenses									Current liabilities	799.0	
Other income/ expenses											
Gain/loss on sale and disposal	0.1	0.0	0.1	2.1	(2.0)				Trade and other payables	539.7	
of fixed assets, net						Sale of shopping mall			Lease liabilities	15.4	
Impairment loss on fixed assets	(0.2)	0.0	(0.2)	0.0	(0.2)	Partial sale of a natural gas-fired power project			Bonds and borrowings	154.0	
Gain on reorganization of	2.2			- 23	0.4	company			Other current liabilities	89.9	
subsidiaries/associates	2.3	0.1	2.2)	2.2	0.1	Sale of industrial machinery-related company			Non-current liabilities	959.9	
Loss on reorganization of									Lease liabilities	54.7	
subsidiaries/associates	(0.7)	(0.1)	(0.6)	(0.1)	(0.6)				Bonds and borrowings	797.4	
Other operating income/expenses	0.4	1.1	(0.7)	(0.5)	0.9				Retirement benefit liabilities	21.8	
(Total other income/expenses)	1.9	1.1	0.8	3.7	(1.8)		4.0		Other non-current liabilities	86.0	
Financial income/costs									Total liabilities	1,758.9	
·	2.2		4.0	2.0	0.0				Total habilities	1,750.5	
Interest earned Interest expenses	3.2	1.4 (2.6)	1.8 (2.9)	3.0	0.2 0.7				Share capital	160.3	
(Interest expenses, net)	(5.5) (2.3)	(2.6) (1.2)	(2.9) (1.1)	(6.2) (3.2)	0.7				Capital surplus	146.9	
Dividends received	1.9	1.2	0.7	1.5	0.4				Treasury stock	(30.8	
Other financial income/costs	0.2	0.0	0.2	(0.1)					Other components of equity	96.3	
							(2.0)				
(Financial income/costs, net) Share of profit (loss) of	(0.2)	0.0	(0.2)	(1.8)	1.6	Transport in purelit from the cl	(2.0)		Retained earnings	284.9	
investments accounted for using the equity method	16.9	7.5	9.4	4.6	12.3	Increase in profit from steel operating company	31.0		Total equity attributable to owners of the Company	657.6	
Profit before tax	52.5	23.2	29.3	12.0	40.5		95.0	55%	Non-controlling interests	33.5	_
Income tax expenses	(11.0)	(5.2)	(5.8)	(1.5)	(9.5)		(22.0)	F70/	Total equity	691.1	_
Profit for the period (Profit attributable to)	41.5	18.0	23.5	10.5	31.0		73.0	57%	Total liabilities and equity	2,450.0	
Owners of the Company	39.4	16.9	22.5	9.1	30.3		70.0	56%	Gross interest-bearing debt*	951.4	-
Non-controlling interests	2.1	1.1	1.0		0.7		3.0		Net interest-bearing debt*	684.5	-
, and the second				•				ı	Net debt/equity ratio (times)**	1.04	1
Core earnings *1	51.1	22.6	28.5	8.3	42.8		91.0	]	Equity ratio**	26.8%	D
	<del></del> -			·			·		Current ratio	157.6%	ò

#### **Consolidated Statements of Financial Position**

	Consolidated Sta	iteme	וונא טו	ГШап	ciai Position
N JPY)		_			(BN JF
sed)		Sep. 30,	Mar. 31,		
entage nieved		2021	2021	Difference	Factors Affecting Circled Figures
a/c		d	е	d-e	
	Current assets	1,259.6	1,195.4	<u>64.2</u>	
	Cash and cash equivalents	254.2	287.6	(33.4)	
	Time deposits	12.7	10.1	2.6	
	Trade and other receivables	698.8	636.2	62.6	Increase in tobacco and wheat
	Inventories	224.8	187.9	36.9	Increase in aircraft and real estate held fo sale
	Other current assets	69.1	73.6	(4.5)	Saic
	Non-current assets	1,190.4	1,104.7	85.7	
49%	Property, plant and equipment	190.9	191.3	(0.4)	
	Lease assets (usage rights assets)	66.6	72.8	(6.2)	
	Goodwill	64.9	67.2	(2.3)	
	Intangible assets	62.4	61.5	0.9	
	Investment property	11.5	11.6	(0.1)	
	Investments accounted for using the equity method	639.4	590.8	48.6	Increase due to new acquisition and accumulation of share of profit of investments accounted for
	Other non-current assets	154.7	109.5	45.2)	using the equity method  Increase due to aircraft-related businesses
	Total assets	2,450.0	2,300.1	149.9	
		,	, , , , , ,		
	Current liabilities	<u>799.0</u>	734.8	<u>64.2</u>	
	Trade and other payables	539.7	476.0	63.7	Increase in tobacco and wheat
	Lease liabilities	15.4	16.8	(1.4)	
	Bonds and borrowings	154.0	158.6	(4.6)	
	Other current liabilities	89.9	83.4	6.5	
	Non-current liabilities	959.9	910.8	49.1	
	Lease liabilities	54.7	60.5	(5.8)	
	Bonds and borrowings	797.4	749.7	47.7)	Increase due to new borrowings
	Retirement benefit liabilities	21.8	21.9	(0.1)	
	Other non-current liabilities	86.0	78.7	7.3	
	Total liabilities	1,758.9	1,645.6	113.3	
	Share capital	160.3	160.3	_	
	Capital surplus	146.9	146.8	0.1	
	Treasury stock	(30.8)	(15.9)	(14.9)	Purchase of treasury stock
	Other components of equity	96.3	77.8	18.5	Increase due to changes in foreign exchan
	Retained earnings	284.9	250.0	34.9	rates and stock prices Profit for the period +39.4
	Total equity attributable to owners of the Company	<u>657.6</u>	619.0	38.6	Dividends paid (6.0)
55%	Non-controlling interests	33.5	35.5	(2.0)	
3370	Total equity	691.1	654.5	36.6	
57%	Total liabilities and equity	2,450.0	2,300.1	149.9	
56%	Gross interest-bearing debt*	951.4	908.3	+43.1	<ul> <li>Lease liabilities (under current liabilities and no current liabilities) have been excluded from the</li> </ul>
	Net interest-bearing debt*  Net debt/equity ratio (times)**	684.5 1.04	610.6	+73.9	calculations of gross interest-bearing debt and interest-bearing debt.
	Equity ratio**	26.8%	0.99 26.9%	+0.05 (0.1)ppt	** "Total equity attributable to owners of the
	Current ratio	157.6%	162.7%	(5.1)ppt	Company" is recognized as "Total equity" and is also used as the denominator of "Net
			70	(/FPC	debt/equity ratio" and the numerator when

Core cash flow\*3

(BN JPY) FY2020 H1 Results Difference 10.5 31.0 Ca (3.8) 23.0 Ca 6.7 54.0 FC 52.6 5.7

1.4

**Cash Flows** 

				(BN JPY)
	FY2021 H1	FY2020 H1		
	Results	Results	Difference	Factors Affecting Circled Figures
	а	b	a-b	
Cash flows from operating activities	29.6	96.9	(67.3)	Inflows from business earnings and dividend income
Cash flows from investing activities	(67.1)	(4.3)	(62.8)	Outflows due to aircraft-related businesses and investments
<u>FCF</u>	(37.5)	92.6	(130.1)	
Cash flows from financing activities	5.2	(50.5)		Inflows from new borrowings and outflows due to dividends paid and purchase of treasury stock
Core operating cash flow*2	49.3	20.9	28.4	

9.9

## Highlights of Consolidated Financial Results for the First Half of the Year Ended September 30, 2021 (IFRS) — Supplementary Materials

November 2, 2021 Sojitz Corporation

					(BN JPY)
Operating Results					
	FY2021 H1	FY2020 H1	Difference	FY2021 Revised Forecast (Nov. 2, 2021)	Percentage Achieved (against revised forecast)
Revenue	1,000.7	744.6	+256.1	-	
Gross profit	117.7	84.5	+33.2	240.0	49%
SG&A expenses	(83.8)	(79.0)	(4.8)	(178.0)	-
Other income/expenses	1.9	3.7	(1.8)	4.0	-
Financial income/costs	(0.2)	(1.8)	+1.6	(2.0)	-
Share of profit (loss) of investments accounted for using the equity method	16.9	4.6	+12.3	31.0	-
Profit before tax	52.5	12.0	+40.5	95.0	55%
Profit for the period	41.5	10.5	+31.0	73.0	57%
(Profit attributable to)  Owners of the Company	39.4	9.1	+30.3	70.0	56%
Non-controlling interests	2.1	1.4	+0.7	3.0	
Core earnings*1	51.1	8.3	+42.8	91.0	-
Comprehensive income attributable to owners of	58.3	5.7	+52.6		

*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	ed
for using the equity method	

the Company

				(BN JPY)						
Financial Position										
	Sep. 30, 2021	Mar. 31, 2021	Difference	Mar. 31, 2022 Revised Forecast (Nov. 2, 2021)						
Total assets	2,450.0	2,300.1	+149.9	2,500.0						
Total equity*2	657.6	619.0	+38.6	680.0						
Equity ratio	26.8%	26.9%	(0.1)ppt	27.2%						
Net interest-bearing debt*3	684.5	610.6	+73.9	780.0						
Net D/E ratio (Times)	1.04	0.99	+0.05	1.2						
Risk assets	410.0	390.0	+20.0	-						
Ratio of risk assets to equity (Times)	0.6	0.6	0.0	-						

<sup>\*2 &</sup>quot;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."

	Segment	t Perfor	mance	Gross	Profit]	Segm	Segment Performance [Profit for the Period (Attributable to Owners of the Company)]									
ntage eved revised cast)		FY2021 H1	FY2020 H1	Difference	FY2021 Revised Forecast (Nov. 2, 2021)	FY2021 H1	FY2020 H1	Difference	Main Factors Behind Difference		FY2021 Revised Forecast (Nov. 2, 2021)	Progress Overview	FY2021 Initial Forecast			
49%	Automotive	21.6	13.0	+8.6	43.5	3.4	(1.5)	+4.9	Increased due to higher sales volumes in overseas automobile operations		5.5	Forecast revised upwards reflecting steady progress in the first half of the year, while also considering effects of semiconductor shortage	5.0			
-	Aerospace & Transportation Project	6.7	4.6	+2.1	16.5	1.4	(0.3)	+1.7	Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses	d	4.0	Forecast revised downwards due to delay in recovery of certain aircraft-related transactions	4.5			
-	Infrastructure & Healthcare	8.3	7.7	+0.6	20.0	1.2	2.6		Decreased due to absence of gains from assets replacement in power generation businesses recorded in the previous equivalent period		6.5	Forecast revised downwards due to delay of earnings contributions from new and ongoing projects	7.5			
-	Metals, Mineral Resources & Recycling	15.3	4.8	+10.5	39.0	16.2	(2.0)	+18.2	Increased due to higher profit from steel operating company thanks to increased steel demand as well as higher profit from recovery of coal market conditions		31.0	Forecast revised upwards due to strong coal market conditions	12.0			
55%	Chemicals	25.4	16.6	+8.8	48.0	6.8	1.3	+5.5	Increased due to recovery of methanol prices and higher transaction volumes of plastic resin		12.0	Forecast revised upwards to reflect strong methanol prices and transaction volumes of plastic resin	10.5			
57%	Consumer Industry & Agriculture Business	16.9	16.0	+0.9	27.0	4.8	4.0	+0.8	Increased due to rise in market conditions of imported plywood		4.0	Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19	5.0			
-	Retail & Consumer Service	14.9	13.1	+1.8	30.0	1.9	2.7		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	Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19	5.0			
	Others	8.6	8.7	(0.1)	16.0	3.7	2.3	+1.4			3.0		3.5			

				(BN JPY)
Cash Flows				
	MTP*2020 Three-year Cumulative Results	FY21 H1 Results	FY21 Forecast	MTP 2023 Three-year Cumulative Forecast
Core operating cash flow	219.0	49.3	85.0-90.0	Approx. 240.0-250.0
Core cash flow	56.0	(2.6)	(35.0)-(45.0)	Positive over the six-year period of MTP 2020 and MTP 2023
FCF	108.0	(37.5)	(75.0)	-
* Medium-Term Management	Dlan (MTD)			

+33.2

240.0

39.4

+30.3

9.1

117.7

84.5

Commodity Prices and Exchange Rates											
	FY20 Results (AprSep. '20 Avg.)	FY21 Assumption (Annual Avg.)	FY21 Results (AprSep. '21 Avg.)	Latest Data (As of Oct. 27, 2021)	FY21 Revised Assumption for Second Half of the Year (Nov. 2, 2021)						
Coking coal**1	US\$117.4/t	US\$127.5/t	US\$199.5/t	US\$398.0/t	US\$200.0/t						
Thermal coal**1	US\$53.1/t	US\$80.0/t	US\$138.3/t	US\$195.2/t	US\$110.0/t						
Crude oil (Brent)	US\$36.7/bbl	US\$50.0/bbl	US\$71.2/bbl	US\$84.6/bbl	US\$60.0/bbl **2						
Exchange rate**3	¥106.3/US\$	¥108.0/US\$	¥110.1/US\$	¥114.1/US\$	¥108.0/US\$						

<sup>\*\*1</sup> Coal prices are based on standard market prices and therefore differ from the Company's selling prices.

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

Note: As of the end of September 30, 2021, in addition to cash in bank of ¥254.2 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\$1.08 bn has been used).

<sup>\*\*2</sup> Assumption of crude oil (brent) for the second half of FY2021 incorporates mainly hedged prices.

<sup>\*\*3</sup> 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.





# Financial Results for the First Half Ended September 30, 2021

#### **Caution regarding Forward-looking Statements**

This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by such forward-looking statements due to various factors including the timing at which the COVID-19 pandemic ends, changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements.

The company will provide timely disclosure of any material changes, events, or other relevant issues.

November 2, 2021 Sojitz Corporation



# FY2021 H1 Summary



- Record highs for the first half of the year due to recovery of automotive, materialrelated businesses such as steel and chemical, and strong coal prices
- Strong core operating CF, generating profit with cash
- Upward revision to full-year forecast of profit for the year as a result of higher profit for the period than initial forecast
- Upward revision of interim dividend of ¥9, year-end dividend of ¥45, and consolidated payout ratio of 30%

payout ratio of s	<b>50</b> 70					
	FY20 H1	FY21 H1	Difference	FY21 Initial Forecast	FY21 Revised Forecast	Achieved (vs. Revised Forecast)
Profit for the period/year attributable to owners of the Company	9.1	39.4 ★	30.3	53.0	70.0	56%
Non-Resources		29.6	22.1			
down] Resources	(1.9)	9.2	11.1			
One-time gain/los	s 3.5	0.6	(2.9)			
Core operating CF	20.9	49.3	28.4	70.0 - 75.0	85.0 – 90.0	
NET DER (Times)	0.93	1.04	0.11	1.2	1.2	
■ Non-Resources businesse  • Steel products: +¥7.7bn  • Chamical + LYE Fbn (Page)	(Recovery of steel de	emand)	•	FY21 Initial Forecast	FY21 Revised Forecast	
<ul><li>Chemical: +¥5.5bn (Recoincrease in transaction volumers)</li><li>Automotive: +¥4.8bn (Hings)</li></ul>	mes of plastic resin) gher sales volumes i	) n Americas)	ROE	8.4%	10.8 %	
<ul> <li>Stable earnings contribution power generation business</li> </ul>	es, fertilizer busines	ses	ROA	2.2%	2.9%	
■ Resources businesses: M	ain breakdown of	<u>+¥11.1bn (YoY)</u>				Ī
<ul> <li>Coal businesses +¥6.9bn, Ferroalloys and non-ferrou</li> </ul>	s metals+¥3.3bn		Dividends	Interim: ¥7* Year-end: ¥35	Interim: ¥9* Year-end: ¥45	

## **★**: Record highs for the first half of the year

\*The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021.

The interim dividend reflecting this share consolidation would be ¥45.

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# **Performance Forecast Revisions**



- Upward revision to full-year forecast for profit for the year (attributable to the owners of the Company) from ¥53.0bn to ¥70.0bn based on six-month progress
- Revisions to segment forecasts based on the following point of view

## **Upward revision**

#### Automotive

Upward revision of ¥0.5bn reflecting steady progress in the first half of the year, while also considering effects of semiconductor shortage

## Metals, Mineral Resources & Recycling

Upward revision of ¥19.0bn mainly due to strong coal prices

#### Chemicals

Upward revision of ¥1.5bn mainly due to strong methanol prices and higher transaction volumes of plastic resin

### **Downward revision**

### Aerospace & Transportation Project

Downward revision of ¥0.5bn due to delay in recovery of certain aircraft-related transactions

#### ■ Infrastructure & Healthcare

Downward revision of ¥1.0bn due to delay of earnings contributions from new and ongoing projects

#### Consumer Industry & Agriculture Business

Downward revision of ¥1.0bn to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19

#### Retail & Consumer Service

Downward revision of ¥1.0bn to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19



# **Summary of Profit or Loss (Profit for the period by segment)**



Upward revision to full-year forecast for profit for the year based on six-month progress

(BN JPY)	FY21 H1	FY21 Initial Forecast	Achieved (Against initial forecast)		FY21 Revised Forecast	Achieved (Against revised forecast)
Profit for the period/year attributable to owners of the Company	39.4	53.0	<u>74%</u>	1	70.0	<u>56%</u>
■ Automotive	3.4	5.0	68%		5.5	62%
<ul><li>Aerospace &amp; Transportation Project</li></ul>	1.4	4.5	31%		4.0	35%
■ Infrastructure & Healthcare	1.2	7.5	16%		6.5	18%
Metals, Mineral Resources & Recycling	16.2	12.0	135%		31.0	52%
- Chemicals	6.8	10.5	65%		12.0	57%
Consumer Industry & Agriculture Business	4.8	5.0	96%		4.0	120%
Retail & Consumer Service	1.9	5.0	38%		4.0	48%
■Others	3.7	3.5	106%		3.0	123%





# **Cash Flow Management**

Maintaining a positive core cash flow over the six-year period during MTP2023\*

\*MTP2023: Referred to as Medium-Term Management Plan 2023

	MTP 2020 3-year cumulative results (FY18-FY20)	FY21 H1 Results	MTP 2023 3-year cumulative forecast (FY21-FY23)
Core operating cash flow *1	¥219.0 bn	¥49.0 bn	Approx. ¥240.0 - ¥250.0 bn
Asset replacement (Investment recovery)	¥170.0 bn	¥9.0 bn	Approx. ¥100.0 bn
New investments and others	¥(262.0) bn	¥(40.0) bn	Approx. ¥(330.0) bn
Shareholder returns *2	¥(71.0) bn	¥(21.0) bn	Approx. ¥(70.0) bn
Core cash flow *3	¥56.0 bn	¥(3.0) bn	Positive (MTP2020 and MTP2023 6-year period)
Free cash flow	¥108.0 bn	¥(38.0) bn	

<sup>\*1</sup> Core operating cash flow =Cash flow after deducting changes in working capital from operating cash flows calculated for accounting purposes

<sup>-</sup> Dividends paid - Purchase of treasury stock



<sup>\*2</sup> Includes acquisitions of treasury stock

<sup>\*3</sup> Core cash flow = Core operating cash flow (excluding changes in working capital) + Investing cash flow (including asset replacement)

## MTP2023 - Investment Progress (Earning contributions ) Hassojitz

### MTP2017

The amount of the investments

Approx. ¥315.0bn

Initial outstanding investments

Approx. ¥130.0bn

**ROI** 

3 years avg. Initial forecast Approx. 7.0% **FY20 Results** 

**FY21 H1** Results

**FY21 Forecast** \*incorporating the impact of market conditions for the 2nd half of the year

Cumulative 3-years earnings contributions

Approx. ¥5.0bn

Approx. ¥8.0bn\* (¥7.5bn at MTP announcement)

Approx. 23.0bn (¥23.5bn at MTP

announcement)

Main Businesses

Approx. ¥9.0bn

Renewable energy business Automobile dealership business Hospital project in Turkey

#### MTP2020

The amount of the investments

Approx. ¥260.0bn

Initial outstanding investments

Approx. ¥206.0bn

**ROI** 

3 years avg. Initial forecast Approx. **7.0**% **FY20 Results** 

Approx. ¥1.8bn

Main **Businesses**  **FY21 H1** Results

Approx. ¥2.0bn

Approx. ¥8.0bn\*

(¥4.5bn at MTP announcement)

**FY21** Forecast

\*incorporating the impact

of market conditions for

the 2nd half of the year

Cumulative 3-years earnings contributions

Approx. ¥30.0bn (¥28.5bn at MTP

announcement)

 Coking coal business in Australia
 Natural gas-fired power plant business in the U.S. • Paper manufacturing business in Vietnam

## MTP2023

**FY21 H1** 

Results

Initial forecast of 3 years amount of the investments

Approx. ¥300.0bn (+Non-Financial +30.0bn)

**ROI** 

3 years avg. Initial forecast

Approx.4.0%

**FY20 Results** 

Approx. ¥0.0bn

**FY21 Forecast** 

Approx. 0.5bn (¥2.0bn at MTP announcement)

Cumulative 3-vears earnings contributions

Approx. 25.0bn (¥25.0bn at MTP announcement)

Main Businesses IWPP project in Middle East Domestic shopping mall business

 Solar power generation business in Australia etc.

sojitz

#### MTP2023 **Investment Progress**



MTP2017 & MTP2020 **Investment Results** 

¥575.0bn

Including Capex

The Key business

- ·Overseas automotive dealership
- ·Renewable energy
- ·Overseas PPP hospital business
- ·Coking coal business in Australia
- Paper manufacturing business in Vietnam

ROI Approx.0.9%

ROI Approx.6.7%

MTP2023 **Investment Forecast** 

¥300.0bn

Including Capex

FY2023 Forecast

Earning contributions from MTP2023

Approx.¥15.0bn

Materials & Circular economy

#### FY20 Results

Earning contributions from MTP2020

Approx.¥2.0bn

(¥10.0bn planned at MTP2020 announcement)

Earning contributions from MTP2017

Approx.¥9.0bn

(¥12.0bn planned at MTP2020 announcement)

Growth markets to be approached through market-oriented initiatives

**Infrastructure & Healthcare** 

MTP2023 Forecast

Earning contributions from MTP2020 Approx.¥14.0bn

**Earning contributions** from MTP2017

Approx.¥8.0bn

FY2021

FY2022

FY2023

MTP2017+MTP2020

MTP2023

**POST MTP2023** 

**MTP** 2023

- Invested in IWPP and Desalination projects in Middle East, renewable energy project in Australia, and electricity retail business in Spain.
- Planning to realize projects in the second half of the year. Total investments for the first year of MTP2023 is expected to be ¥150.0bn as initially planned.

**MTP** 2020 Stable full-year earnings supported by contributions from U.S. natural gas-fired power project and from Australian coking coal business amid rising coking coal prices and full-fledged sales.

#### [Paper manufacturing business in Vietnam]

Single-month profitability achieved in March, April, and May 2021. While operations were restricted due to the impacts of COVID-19, operations have gradually restarted. We will continue conducting earnings improvement measures on inventory management and cost reductions looking ahead to recovery of external environment.

**MTP** 2017 Stable full-year earnings anticipated following strong contributions from Turkish hospital project and renewable energy businesses.

#### [ASEAN Retail]

Profitability achieved in four-temperature controlled logistics and food wholesale business from previous medium-term management plan. Despite the impacts of COVID-19 pandemic, earnings growth is planned from convenience store business in Vietnam through setting business polices incorporating recovery of external environment with partners as well as lowering procurement costs.



# MTP2023 - Investments and Asset Replacements



#### **Total Investments**

## ¥40.3bn

## Main breakdowns

# Infrastructure & Healthcare

**¥16.7**bn

- IWPP and Desalination Project in Middle East
- Renewable energy businesses in Australia
- Offshore wind power project in Taiwan

etc.

## <u>Growth markets ×</u> <u>Market-oriented</u> initiatives

**¥16.0**bn

- Domestic shopping malls
- Domestic real estate business
- Retail businesses in Southeast Asia

etc.

## Materials & Circular economy

¥0.0bn

<u>Others</u>

¥7.6bn

- Non-financial-related investments
- Innovation investment
- Others

## Total Asset Replacement

Main breakdown

## ¥9.4bn

Industrial machinery business, Domestic and overseas renewable energy businesses, Sale of cross-shareholdings

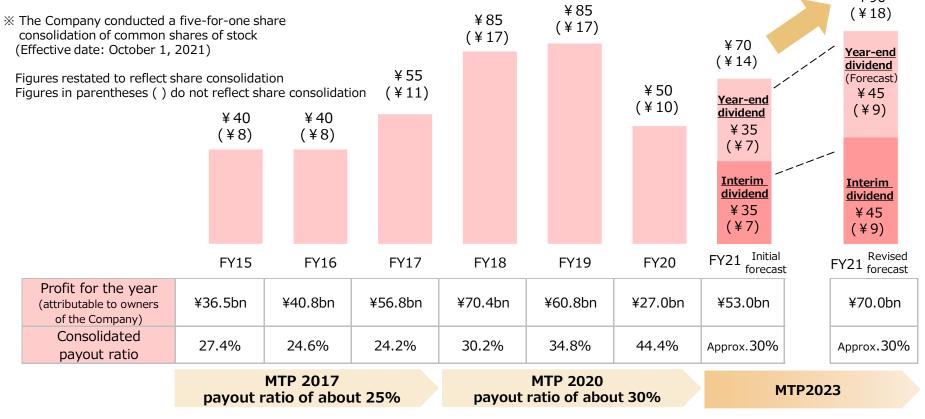


# **Dividends Policy**



- Sojitz recognizes that paying stable and continuous dividends is a management priority, together with enhancing shareholder value through the accumulation and effective use of retained earnings.
- Our basic policy will be to target a consolidated payout ratio of about 30%.

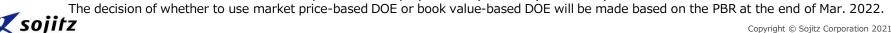
Lower limit for dividends set as representing market price-based DOE of 4% until PBR reaches 1.0x and book value-based DOE of 4% after PBR reaches 1.0x ¥90



Note1: The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021.

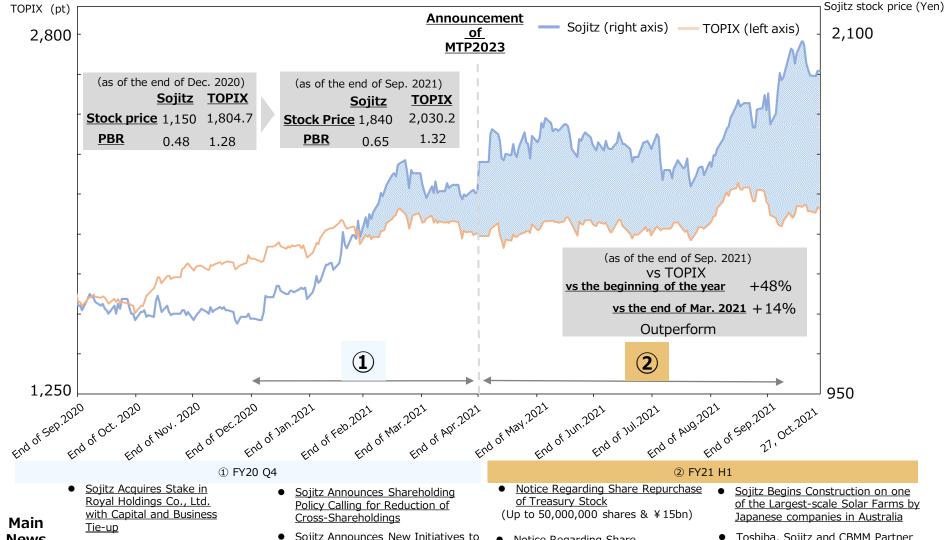
The year-end dividend figures for FY15 to FY20 and the interim dividend figures for FY21 have been restated to reflect the share consolidation. Figures in parentheses ( ) are provided for reference and do not reflect the share consolidation.

Note2: Market price-based DOE = Total dividends paid ÷ (Average annual closing share price × Total shares issued at fiscal year-end) Book value-based DOE = Total dividends paid ÷ Total equity at fiscal year-end (book value)



# Stock Price & PBR Trend





News Releases

Sojitz Group Policies for Realizing a Decarbonized Society

\*Click each link for the relevant news release.

- Sojitz Announces New Initiatives to Support Diverse Career Paths and Working Styles (Support for Entrepreneurs and Independent Businesses)
- Sojitz Joins Hospital Project in Australia
- Notice Regarding Share Consolidation (5 shares⇒1share, Effective date: Oct. 1st, 2021)
- Sojitz Enters Natural Gas-fired Power and Desalination Project in the UAE
- Toshiba, Sojitz and CBMM Partner to Commercialize Next-Generation Lithium-ion Batteries
- SKK Migas approved Plan of Development for Ubadari Field and Vorwata CCUS at Tangguh LNG **Project**



# **Non-financial Initiatives**



## - External evaluation of disclosure materials

Sojitz's FY2020 disclosure materials were chosen by government agencies as best practice examples and introduced at external lawyer seminars and in legal magazines.

## 1. Corporate Governance Report

Following aspects of corporate governance report were praised as frontrunning examples and introduced at external lawyer seminars and in legal magazines:

#### <Point>

- Submission of Corporate Governance Report on June 18, 2021 (promptly after General Shareholders' Meeting), one week after issuance of revision of Japan's Corporate Governance Code by the Tokyo Stock Exchange (on June 11, 2021)
- All amended and newly established principles in revised Japan's Corporate Governance Code addressed in corporate governance report
- Concrete and clear targets set for supplementary principle 2.4.1 (diversity in promotion to core positions)
  and supplementary principle 3.1.3 (disclosure of initiatives on sustainability) serving as a model for other
  companies in complying with Japan's Corporate Governance Code

## 2. Disclosing information on our web site

## about human rights policy and sustainability challenge

Sojitz's initiatives were introduced in a collection of examples released by Ministry of Foreign Affairs in September 2021 (Sojitz was only general trading company among 15 companies)



# Hassojitz









# Financial Results for the First Half Ended September 30, 2021 (Supplemental Data)

November 2, 2021 Sojitz Corporation





#### **Caution regarding Forward-looking Statements and Original Language**

This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by such forward-looking statements due to various factors including the timing at which the COVID-19 pandemic ends, changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements.

The company will provide timely disclosure of any material changes, events, or other relevant issues.

The Company has no responsibility for any possible damages arising from the use of information on this material, nor does the Company have any obligation to update these statements.

This document is an English language translation of the materials originally written in Japanese. In case of discrepancies, the Japanese version is authoritative and universally valid.

#### Notes

- "Total equity attributable to owners of the Company" is recognized as "Total equity" and is also used in the denominator of the "Net DER" and the numerator of the "Equity ratio".
- "SG&A expenses" is referred to as "selling, general and administrative expenses".
- "MTP2023" is referred to as "Medium-term Management Plan 2023." The same applies to "MTP2020" and "MTP2017".
- "Core operating cash flow" = Cash flow after deducting changes in working capital from operating cash flows calculated for accounting purposes
- "Core cash flow" = Core operating cash flow + Post-adjustment, net cash provided by (used in) investing activities Dividends paid Purchase of treasury stock
  - (Post-adjustment, net cash provided by (used in) investing activities are net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)





# (Supplemental Data)

I. Financial Results for the First Half Ended September 30, 2021 and Full Year Forecast of Fiscal Year Ending March 31, 2022





# **Summary of Profit or Loss**

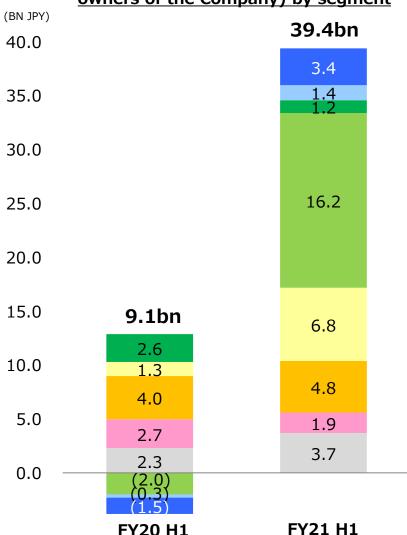
(BN JPY)	FY20 H1	FY21 H1	Difference	FY21 Initial Forecast	FY21 Revised Forecast (Nov. 2, 2021)	Achieved against revised forecast
Revenue	744.6	1,000.7	+ 256.1	-	-	-
Gross profit	84.5	117.7	+ 33.2	220.0	240.0	49%
SG & A expenses	(79.0)	(83.8)	(4.8)	(178.0)	(178.0)	-
Share of profit (loss) of investments accounted for using the equity method	4.6	16.9	+ 12.3	26.0	31.0	55%
Profit before tax	12.0	52.5	+ 40.5	70.0	95.0	55%
Profit for the year Attributable to Owners of the Company	9.1	39.4	+ 30.3	53.0	70.0	56%
Core earnings	8.3	51.1	+ 42.8	66.0	91.0	56%



# **Summary of Profit or Loss Profit for the period by segment**



# <u>Profit for the period (attributable to</u> owners of the Company) by segment



### **Main Factors Behind Difference**

- Automotive ¥3.4 bn (up ¥4.9 bn YoY)
- Increased due to higher sales volumes in overseas automobile operations
- Aerospace & Transportation Project ¥1.4 bn (up ¥1.7 bn YoY)
- Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses
- Infrastructure & Healthcare ¥1.2 bn (down ¥(1.4) bn YoY)
- Decreased due to absence of gains from assets replacement in power generation businesses recorded in the previous equivalent period
- Metals, Mineral Resources & Recycling ¥16.2 bn (up ¥18.2 bn YoY)
- Increased due to higher profit from steel operating company thanks to increased steel demand as well as higher profit from recovery of coal market conditions
- Chemicals ¥6.8 bn (up ¥5.5 bn YoY)
- Increased due to recovery of methanol prices and higher transaction volumes of plastic resin
- Consumer Industry & Agriculture Business ¥4.8 bn (up ¥0.8 bn YoY)

  Increased due to rise in market conditions of imported plywood
- Retail & Consumer Service ¥1.9 bn (down ¥(0.8) bn YoY)
- 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
- ■Others ¥3.7 bn (up ¥1.4 billion YoY)



# FY21 Forecast Profit for the Year by Segment



			FY21	
	FY21 H1	FY21 Initial	Revised	Progress Overview
(BN JPY)	пт	Forecast	Forecast (Nov.2, 2021)	
Automotive	3.4	5.0	5.5	■ Automotive  Forecast revised upwards reflecting steady progress in the first half of the
<ul><li>Aerospace &amp; Transportation Project</li></ul>	1.4	4.5	4.0	year, while also considering effects of semiconductor shortage  Aerospace & Transportation Project
Transportation Troject				Forecast revised downwards due to delay in recovery of certain
<ul><li>Infrastructure &amp; Healthcare</li></ul>	1.2	7.5	6.5	aircraft-related transactions  Infrastructure & Healthcare
<ul><li>Metals, Mineral Resources&amp; Recycling</li></ul>	16.2	12.0	31.0	Forecast revised downwards due to delay of earnings contributions from new and on-going projects
Resources& Recycling				■ Metals, Mineral Resources & Recycling
Chemicals	6.8	10.5	12.0	Forecast revised upwards due to strong coal market conditions
				- Chemicals
Consumer Industry & Agriculture Business	4.8	5.0	4.0	Forecast revised upwards to reflect strong methanol prices and transaction volumes of plastic resin
- I give man e e une e e				Consumer Industry & Agriculture Business
<ul><li>Retail &amp; Consumer Service</li></ul>	1.9	5.0	4.0	Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19
				Retail & Consumer Service
<b>■ Others</b>	3.7	3.5	3.0	Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19
Total	39.4	53.0	70.0	■ Others





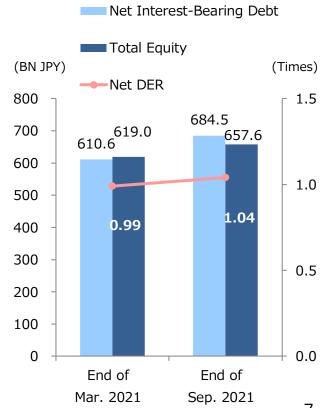
# **Summary of Balance Sheets**

(BN JPY)	End of Mar. 2021	End of Sep. 2021	Difference	FY21 Initial Forecast	FY21 Revised Forecast (Nov. 2, 2021)
Total Assets	2,300.1	2,450.0	+149.9	2,450.0	2,500.0
Total Equity*	619.0	657.6	+38.6	640.0	680.0
Equity Retio	26.9%	26.8%	(0.1)%	26.1%	27.2%
Net interest- bearing debt	610.6	684.5	+ 73.9	780.0	780.0
Net DER (Times)	0.99	1.04	+ 0.05	1.2	1.2
Risk Assets vs. Total Equity(Times)	390.0 (0.6x)	41.0 (0.6x)	+20.0		
Current Ratio	162.7%	157.6%	(5.1)%		
Long-term debt ratio	82.5%	83.8%	+1.3%		

<sup>\* &</sup>quot;Total equity attributable to owners of the Company" is recognized as "Total equity" above and is also used in the denominator of the "Net DER" and the numerator of the "Equity ratio".

#### Changes in Total Equity (End of Mar. 2021 vs. end of Sep. 2021, Breakdown)

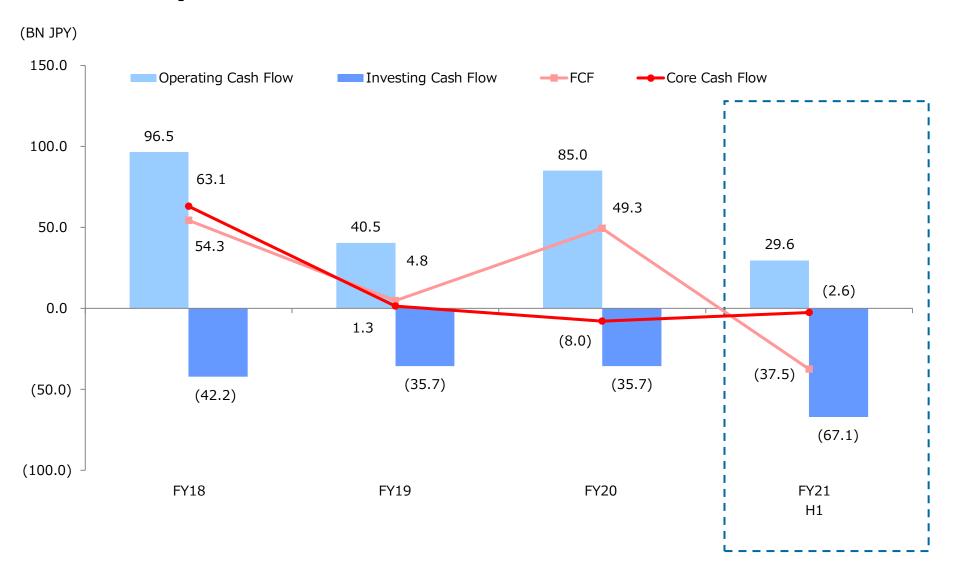
- Profit for the period attributable to owners of the company \(\frac{4}{2} + 39.4\) bn
- Dividends paid ¥(6.0)bn
- Acquisitions of treasury stock ¥(14.9)bn







# **Summary of Free Cash Flows**







# **Major One-time Gain/Loss**

		FY20 H1	FY21 H1		
Non-Resource	¥2.7 bn	·Sales of shopping mall etc.	¥0.5 bn	·Sales of surface-mounting machines related business etc.	
Resource	¥0.8 bn	·Sales of oil interests etc.	¥0.1 bn	_	
<b>Total</b> (After income tax expenses)	¥3.5bn			¥0.6bn	





# **Breakdown of Resource and Non-Resource Profit**

	FY20 H1	FY21 H1	Difference	FY18	FY19	FY20
A. Profit for the year (attributable to Owners of the Company)	9.1	39.4	+30.3	70.4	60.8	27.0
(B. Total one-time income movements)	3.5	0.6	(2.9)	1.9	1.5	(0.2)
A. – B. Profit for the year  [(attributable to owners	5.6	38.8	+33.2	68.5	59.3	27.2
Resource	(1.9)	9.2	+11.1	25.3	10.4	(0.4)
Non- Resource	7.5	29.6	+22.1	43.2	48.9	27.6







	FY20 (AprSep. Avg.)	FY21 Assumptions (Annual Avg.)	FY21 (AprSep. Avg.)	Latest Data (As of Oct.27, 2021)	FY21 H2 Assumptions
Coking Coal *1	US\$117.4/t	US\$127.5/t	US\$199.5/t	US\$398.0/t	US\$200.0/t
Thermal Coal *1	US\$53.1/t	US\$80.0/t	US\$138.3/t	US\$195.2/t	US\$110.0/t
Crude Oil (Brent)	US\$36.7/bbl	US\$50.0/bbl	US\$71.2/bbl	US\$84.6/bbl	US\$60.0/bbl *2
Exchange Rate	¥106.3/US\$	¥108.0/US\$	¥110.1/US\$	¥114.1/US\$	¥108.0/US\$
Interest Rate (TIBOR) *3	0.07%	0.08%	0.06%	0.06%	0.08%

<sup>\*3</sup> 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.



<sup>\*1</sup> Coal prices are based on standard market prices and therefore differ from the Company's selling prices.

<sup>\*2</sup> Assumption of crude oil (brent) for the second half of FY2021 incorporates mainly hedged prices.



# [Supplemental Data] II. Segment Information

\*Figures for gross profit, SG&A expenses, share of profit of investments accounted for using the equity method, and profit for the period for the six-month period ended September 30, 2020, and for total assets for the year ended March 31, 2021, have been restated to reflect the organizational restructuring undertaken in April 2021.





## **Automotive**

## **FY21 H1 Summary**

#### (BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	13.0	21.6	8.6
SG&A expenses	(13.0)	(15.4)	(2.4)
Share of profit (loss) of investments accounted for using the equity method	(0.4)	0.1	0.5
Profit for the period (attributable to owners of the Company)	(1.5)	3.4	4.9
	FY20	FY21 H1	Difference

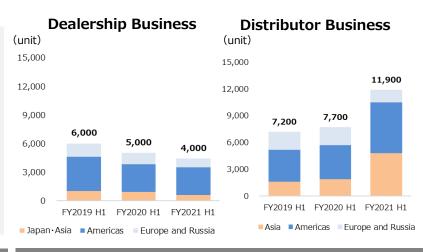
151.4

#### Main Factors Behind Difference

#### [ Profit for the period ]

Increased due to higher sales volumes in overseas automobile operations

#### **Vehicle Sales**



## **Major Subsidiaries and Associates**

19.1

170.5

#### (BN JPY)

Total Asset

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Automotive Group, Inc	100%	0.3	0.6	0.3	Automobile dealership
Sojitz de Puerto Rico Corporation	100%	0.0	1.1	1.1	Import and sales of automobiles
Subaru Motor LLC	66%	0.2	0.4	0.2	Import and sales of automobiles
Sojitz Quality, Inc	100%	(0.2)	0.1	0.3	Investment in Automotive parts quality inspection services
Total		0.3	2.2	1.9	

<sup>\*1</sup> The equity ownership is as of the end of September 2021

## **Progress of distributor business**





Philippine Geely

Pakistani Hyundai

- The Philippine Geely automobile business Sojitz entered in 2019 achieved a position of profitability in 2020.
- The Pakistani Hyundai automobile business Sojitz entered in 2018 is expected to turn a profit in the year ending March 31, 2022.
- In the future, both businesses are looked to expand their sales area and achieve annual sales volumes surpassing 10,000 units in both businesses.



<sup>\*2</sup> The above figures are profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.



# **Aerospace & Transportation Project**

## **FY21 H1 Summary**

#### **Business Jet charter sales**

#### (BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	4.6	6.7	2.1
SG&A expenses	(4.6)	(5.2)	(0.6)
Share of profit (loss) of investments accounted for using the equity method	(0.2)	0.0	0.2
Profit for the period (attributable to owners of the Company)	(0.3)	1.4	1.7

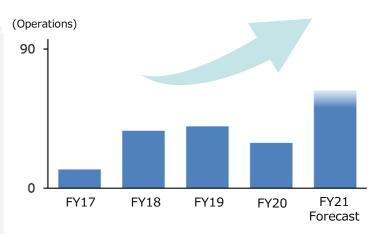
.0	0.2	
.4	1.7	

FY20	FY21 H1	Difference
153.0	201.0	48.0

#### Main Factors Behind Difference

#### [ Profit for the period ]

Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses



■ Sojitz invested in Phenix Jet Group in 2017 and since then it has expanded their earnings.

■ Business jet demand has remained strong, even

amid COVID-19 pandemic.

## **Major Subsidiaries and Associates**

(BN JPY)

Total Asset

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Aerospace Corporation	100%	0.4	0.3	(0.1)	Import/export and sales of aerospace and defense-related equipment, components and materials
Sojitz Aviation and Marine B.V.	100%	0.0	0.0	0.0	Aircraft part-out business and marine vessel- related business
SJ Aviation Capital Pte. Ltd.	100%	0.1	0.1	0.0	Aircraft leasing business
Sojitz Transit & Railway Canada Inc.	74.9%	0.4	(0.1)	(0.5)	General repair and remanufacturing of railway rolling stocks
Total		0.9	0.3	(0.6)	

- \*1 The equity ownership is as of the end of September 2021
- \*2 The above figures are profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by companies.
- \*3 Sojitz Aircraft Leasing B.V. changed the name of the company to Sojitz Aviation and Marine B.V. effective from August 16,2021





# Infrastructure & Healthcare

## **FY21 H1 Summary**

#### (BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	7.7	8.3	0.6
SG&A expenses	(10.6)	(10.9)	(0.3)
Share of profit (loss) of investments accounted for using the equity method	3.8	3.9	0.1
Profit for the period (attributable to owners of the Company)	2.6	1.2	(1.4)

#### **Main Factors Behind** Difference

#### [ Profit for the period ]

Decreased due to absence of gains from assets replacement in power generation businesses recorded in the previous equivalent period

	FY20	FY21 H1	Difference
Total Asset	337.2	350.2	13.0

## **Major Subsidiaries and Associates**

#### (BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Nissho Electronics Corporation	100%	(0.1)	0.3	0.4	Providing leading-edge IT solutions and network services
Tokyo Yuso Corporation	100%	0.2	0.2	0.0	Tank storage operations for petroleum and chemical products
Renewable Energy Businesses	-	1.1	0.7	(0.4)	Renewable energy business in domestic and overseas
LNG Japan Corporation	50%	0.7	0.2	(0.5)	LNG business and related investments
Sojitz Hospital PPP Investment B.V.	100%	1.9	1.5	(0.4)	Investment in hospital project
Total		3.8	2.9	(0.9)	

- \*1 The equity ownership is as of the end of September 2021
- \*2 The above figures are profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.
- \*3 For information on the following companies, please refer to their respective corporate websites.

## Infrastructure-related initiative

#### **Sojitz Enters the Electricity Retail Business** in Europe's Leading Sustainability Markets

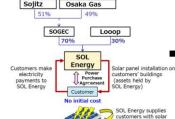




- Sojitz will underwrite a third-party allotment of shares by Nexus Energia S.A. ("Nexus Energia"), a major Spanish electricity and gas retailer, to become the largest shareholder of Nexus Energia's business.
  - With business operations in Spain, Portugal, and Mexico, Nexus Energia is one of Spain's top five electricity retailers in terms of annual electricity sales (electricity sales volume in 2020 was 3.8TWh) excluding the five former statedowned energy utilities in Spain.
- The company is distinguished by the fact that 100% of its electricity sales come from renewable sources

#### **SOL Energy Begins Rooftop Solar Generation Business in Vietnam**





- Sojitz Osaka Gas Energy Company Ltd., a joint venture company between Sojitz and Osaka Gas Co., Ltd., has partnered with Looop Inc. to establish a new joint venture company SOL Energy Company Limited.
- SOL Energy plans to install rooftop solar panels that can provide over 10MW of solar power to customers at the Sojitz-operated Long Duc Industrial Park in southern Vietnam's Dong Nai Province.
- Installation of solar panels is expected to reduce CO2 emissions for Long Duc Industrial Park as a whole by approximately 5,800 tons annually.

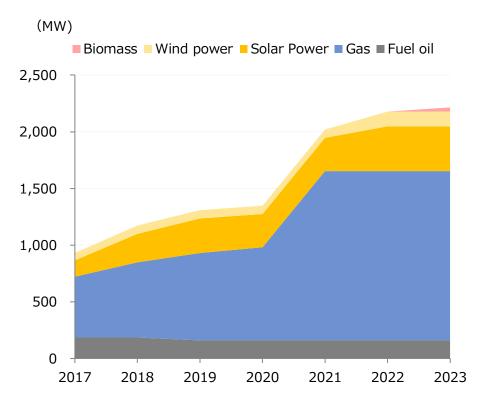


SAKURA Internet Inc. (equity-method associate)

https://www.sakura.ad.jp/ PT. Puradelta Lestari Tbk (equity-method associate) https://www.kota-deltamas.com/

# **Change in Net Power-Generation Capacity**



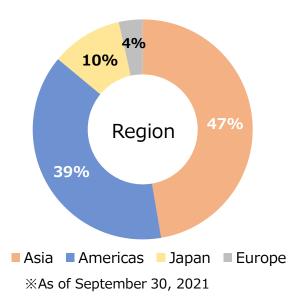


Results and Forecast of Net Power-Generation Capacity

(MW)

			(11144)
	2017	2020	2023
Solar power	140	290	400
Wind power	70	70	130
Gas	540	820	1,490
Oil	180	160	160
Biomass	_	_	40





# Metals, Mineral Resources & Recycling



## **FY21 H1 Summary**

(BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	4.8	15.3	10.5
SG&A expenses	(6.2)	(6.6)	(0.4)
Share of profit (loss) of investments accounted for using the equity method	0.8	11.5	10.7
Profit for the period (attributable to owners of the Company)	(2.0)	16.2	18.2

	FY20	FY21 H1	Difference
Total Asset	476.2	506.2	30.0

#### **Main Factors Behind Difference**

#### [ Profit for the period ]

Increased due to higher profit from steel operating company thanks to increased steel demand as well as higher profit from recovery of coal market conditions

## **Major Subsidiaries and Associates**

(BN JPY)

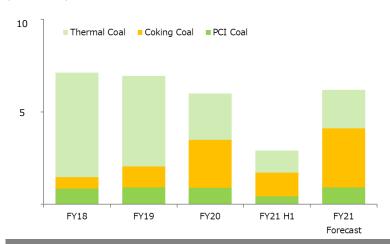
Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Development Pty. Ltd.	100%	(2.0)	3.8	5.8	Investment in coal mines
Sojitz Resources (Australia) Pty. Ltd.	100%	(0.2)	0.2	0.4	Production of alumina
Japan Alumina Associates (Australia) Pty. Ltd.	50%	0.2	0.4	0.2	Investment in an alumina refinery
Metal One Corporation	40%	0.1	7.8	7.7	Import, export, and sale of, and domestic and foreign trading in, steel-related products
Total		(1.9)	12.2	14.1	

<sup>\*1</sup> The equity ownership is as of the end of September 2021

# **x** sojitz

## **Change in Coal Sales Volume**

(million ton)



## Partner to Commercialize Next-Generation Lithium-ion Batteries



Prototype cells and Niobium Titanium Oxide (NTO)

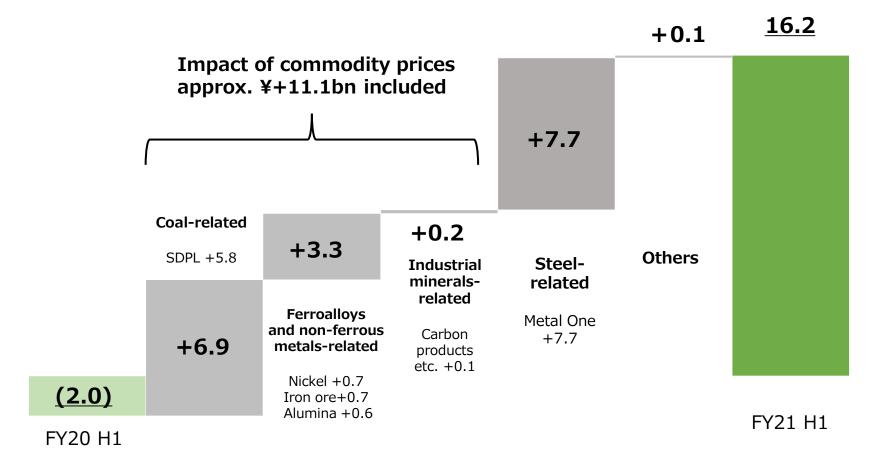
- Toshiba Corporation, Sojitz Corporation, and CBMM have entered into a joint development agreement for the commercialization of next generation lithium-ion batteries using niobium titanium oxide (NTO) as the anode material. (released in September 2021)
- Led by Toshiba's Corporate Research & Development Center from March 2018, we have reached fruition with the development of prototype cells. The companies have now agreed to extend collaboration for accelerating development of mass production processes and the early commercialization of next-generation lithium-ion batteries.
- Sojitz will aim to secure stable supply of niobium materials and the three companies will target to gain market share in the rapidly expanding secondary battery market by utilizing CBMM and Sojitz's 17 global network.

<sup>\*2</sup> The above figures are profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.



# Metals & Mineral Resources YoY Main Factors Behind Difference

(BN JPY)





# **Chemicals**



## **FY21 H1 Summary**

#### (BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	16.6	25.4	8.8
SG&A expenses	(13.8)	(14.8)	(1.0)
Share of profit (loss) of investments accounted for using the equity method	0.3	0.5	0.2
Profit for the period (attributable to owners of the Company)	1.3	6.8	5.5

	FY20	FY21 H1	Difference
Total Asset	272.3	281.5	9.2

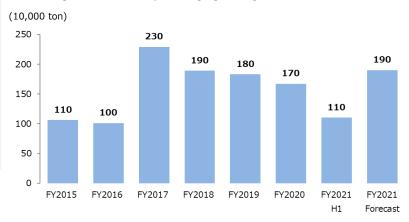
#### **Main Factors Behind Difference**

#### [ Profit for the period ]

Increased due to recovery of methanol prices and higher transaction volumes of plastic resin

## **Sales Volume for Methanol**

Massive growth in sales volume due to February 2017 acquisition of solvadis deutschland gmbh development of stable earnings foundations by leveraging strengths



## **Major Subsidiaries and Associates**

#### (BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Pla-Net Corporation	100%	0.3	1.2	0.9	Trading and sale of plastics and related products
PT. Kaltim Methanol Industri	85%	0.0	2.2	2.2	Manufacture and sale of methanol
solvadis deutschland gmbh	100%	0.2	0.6	0.4	Trading and sale of chemical products
Total		0.5	4.0	3.5	

<sup>\*1</sup> The equity ownership is as of the end of September 2021



<sup>\*2</sup> The above figures are profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

# **Consumer Industry & Agriculture Business**



## **FY21 H1 Summary**

(BN JPY)			
	FY20 H1	FY21 H1	Difference
Gross profit	16.0	16.9	0.9
SG&A expenses	(10.0)	(10.0)	0.0
Share of profit (loss) of investments accounted for using the equity method	0.5	0.5	0.0
Profit for the period (attributable to owners of the Company)	4.0	4.8	0.8

Company)			
	FY20	FY21 H1	Difference
Total Asset	210.3	222.5	12.2

#### Main Factors Behind Difference

# 【 Profit for the period 】 Increased due to rise in market conditions of imported plywood

#### Profit of overseas fertilizers business

Development of stable earnings foundations by leveraging strength of top-class market shares in Thailand, the Philippines, and Vietnam



<sup>\*</sup>The above figures are the total of the results of each companies which is calculated in accordance with nonconsolidated basis.

## **Major Subsidiaries and Associates**

#### (BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Thai Central Chemical Public Company(TCCC)	81%	3.4	<b>%3</b>	<b>%3</b>	Manufacture and sales of fertilizers
Atlas Fertilizer Corporation	100%	1.0	1.0	0.0	Manufacture and sales of fertilizers, sales of imported fertilizer products
Japan Vietnam Fertilizer Company	75%	0.2	0.1	(0.1)	Manufacture and sales of fertilizers
Saigon Paper	96%	(0.3)	(0.1)	0.2	Papermaking business (Vietnam)
Sojitz Building Materials Corporation	100%	0.1	1.3	1.2	Trading company specializing in sales of construction materials
Total		4.4	<b>%</b> 3	<b>%3</b>	

<sup>\*1</sup> The equity ownership is as of the end of September 2021

# **Sojitz**

# Sales Company for Beef Products initiative in Vietnam



- Sojitz and Vietnam's largest dairy manufacturer Vinamilk Group established sales company for beef products as of March, 2021.
- Sojitz will work together with Vinamilk, to leverage Vinamilk's major business presence and sales network along with Sojitz's know-how of livestock product sales cultivated through businesses of Sojitz Foods Corporation and Meat One Corporation. Through the establishment of this joint venture, Sojitz and Vinamilk intend to together provide a safe and reliable supply of high-quality beef products to the Vietnamese market.
- Sojitz aims to build a stable supply system for protein in Vietnam and Southeast Asia via this beef sales business

<sup>\*2</sup> The above figures are profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

<sup>\*3</sup> The company has not announced the financial results yet. Sojitz will update the information after TCCC discloses the latest financial results.

# **Retail & Consumer Service**



## FY21 H1 Summary

#### (BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	13.1	14.9	1.8
SG&A expenses	(10.1)	(10.4)	(0.3)
Share of profit (loss) of investments accounted for using the equity method	(0.3)	0.0	0.3
Profit for the period (attributable to owners of the Company)	2.7	1.9	(0.8)

	FY20	FY21 H1	Difference
Total Asset	337.0	370.2	33.2

#### Main Factors Behind Difference

#### [ Profit for the period ]

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

## **Investment in Royal HD**

Purchase cost reduction

Leveraging the Sojitz Group's procurement capabilities to optimize purchasing costs

Expansion of contract food

Consider opening stores at airports utilizing the Sojitz Group's network and Royal HD's expertise

Improvement of operating efficiency of factories

Improve operation rates through collaboration with Japanese major retail company

## **Major Subsidiaries and Associates**

#### (BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	
Sojitz Foods Corporation	100%	1.1	1.9	0.8	Sale of farmed and marine products, sugar, saccharified products, dairy products, processed foods, and other foodstuffs
Sojitz Fashion Co., Ltd.	100%	0.3	0.3	0.0	Printing of cotton and synthetic textiles, processing and wholesale of non-patterned and dyed fabrics
Sojitz New Urban Development Corporation	100%	(0.1)	(0.2)	(0.1)	Development and sale of condominiums, real estate brokerage, development and possession of rental apartment and sale of housing equipment
Sojitz REIT Advisors K.K.	67%	0.2	0.2	0.0	Management of real estate asset
Total		1.5	2.2	0.7	

- \*1 The equity ownership is as of the end of September 2021
- \*2 The above figures are profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.
- \*3 For information on the following companies, please refer to their respective corporate websites.
  - •Tri-Stage Inc. (equity-method associate)
  - JALUX Inc. (equity-method associate)
  - Fuji Nihon Seito Corporation (equity-method associate)
  - ·Royal Holdings (equity-method associate)
- https://www.tri-stage.jp/

https://www.jalux.com/ https://www.fnsugar.co.jp/

https://www.royal-holdings.co.jp/





# **Others**



## **Major Subsidiaries and Associates**

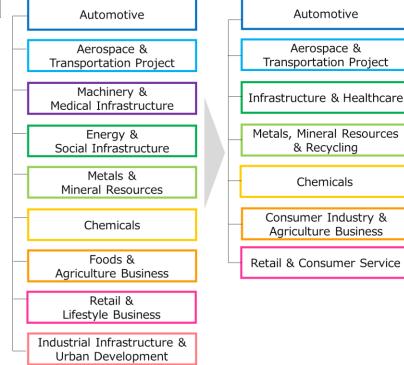
#### (BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Machinery Corporation	100%	0.5	1.0		Import/export and sales of general industrial machinery
Total		0.5	1.0	0.5	

- \*1 The equity ownership is as of the end of September 2021
- \*2 The above figures are profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

# Organizational Reforms (effective as of April 1, 2021)

■ Effective April 1, 2021, four machinery-related subsidiaries— Sojitz Machinery Corporation, Sojitz Autrans Corporation, e-Energy Corporation, and Sojitz Marine & Engineering Corporation—were merged. After the merger, the surviving company was placed under the control of the Portfolio Transformation (PX) Office in the Others segment.







# [Supplemental Data] **II.** Summary of Financial Results





# **Summary of Profit or Loss**

(BN JPY)	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 H1
Net sales (JGAAP)	4,014.6	4,321.7	3,934.5	4,046.6	4,105.3	4,006.6	3,745.5	4,209.1	_	_	_	_
Revenue	_	2,006.6	1,747.8	1,803.1	1,809.7	1,658.1	1,555.3	1,816.5	1,856.2	1,754.8	1,602.5	1,000.7
Gross profit	192.7	217.1	187.2	198.2	197.7	180.7	200.7	232.4	241.0	220.5	188.1	117.7
Operating profit	37.5	57.5	25.5	23.7	33.6	29.2	51.6	59.8	_	_	_	_
Share of profit (loss) of investments accounted for using the equity method	19.3	16.3	15.8	31.0	28.6	23.2	12.7	25.1	27.8	24.9	14.8	16.9
Profit before tax	39.3	58.5	28.1	44.0	52.6	44.3	58.0	80.3	94.9	75.5	37.4	52.5
Profit for the year attributable to owners of the Company	16.0	(1.0)	13.4	27.3	33.1	36.5	40.8	56.8	70.4	60.8	27.0	39.4
Core earnings	41.9	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	68.4	38.4	51.1
ROA	0.7%	(0.0%)	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	3.0%	2.7%	1.2%	_
ROE	4.7%	(0.3%)	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	11.7%	10.2%	4.5%	-

<sup>(\*)</sup> The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for FY2010.





# **Summary of Balance Sheets**

(BN JPY)	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2020	End of Mar. 2021	End of Sep. 2021
Total assets	2,117.0	2,190.7	2,150.1	2,220.2	2,297.4	2,056.7	2,138.5	2,350.4	2,297.1	2,230.3	2,300.1	2,450.0
Total equity	330.0	330.0	382.6	459.9	550.9	520.3	550.5	586.4	618.2	579.1	619.0	657.6
Equity ratio	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	26.9%	26.0%	26.9%	26.8%
Net interest- bearing debt	700.6	676.4	643.3	640.2	629.6	571.6	611.1	603.5	584.7	613.2	610.6	684.5
Net DER (Times)	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.0	1.0	1.1	0.99	1.04
Risk assets	310.0	330.0	340.0	350.0	320.0	330.0	320.0	350.0	360.0	380.0	390.0	410.0
(vs. Total equity, times)	0.9	1.0	0.9	0.8	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.6
Current ratio	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	157.1%	161.4%	162.7%	157.6%
Long-term debt ratio	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	82.9%	79.1%	82.5%	83.8%

<sup>(\*)</sup> The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for End of Mar. 2011. Under JGAAP, Total equity is calculated as Total net assets – Minority interests.





# **Summary of Cash Flows**

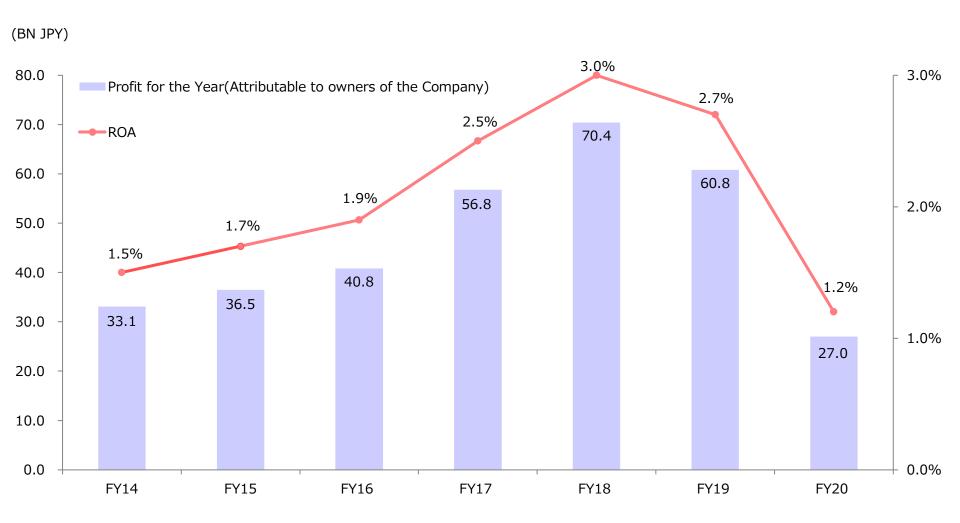
(BN JPY)	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2020	End of Mar. 2021	End of Sep. 2021
Core cash flow	_	_	_	_	_	18.3	5.5	(56.7)	63.1	1.3	(8.0)	(2.6)
Free cash flow	48.0	46.4	43.4	22.5	25.3	66.0	(31.3)	12.4	54.3	4.8	49.3	(37.5)
Core operationg cash flow	_	_	_	_	_	60.0	59.4	82.9	79.1	80.2	60.2	49.3
Cash flow from operating activities	67.9	88.7	55.1	47.0	39.1	99.9	0.9	98.8	96.5	40.5	85.0	29.6
Cash flow from investment activities	(19.9)	(42.3)	(11.7)	(24.5)	(13.8)	(33.9)	(32.2)	(86.4)	(42.2)	(35.7)	(35.7)	(67.1)
Cash flow from financing activities	(72.1)	(29.5)	(56.2)	(30.9)	(42.6)	(114.7)	(4.0)	(13.1)	(74.9)	(12.2)	(40.6)	5.2
Investments	73.0	53.0	44.0	54.0	57.0	71.0	86.0	158.0	91.0	81.0	96.0	40.3

<sup>\*\*</sup>Core cash flow = Core operating cash flow = Cash flow after deducting changes in working capital from operating cash flows calculated for accounting purposes





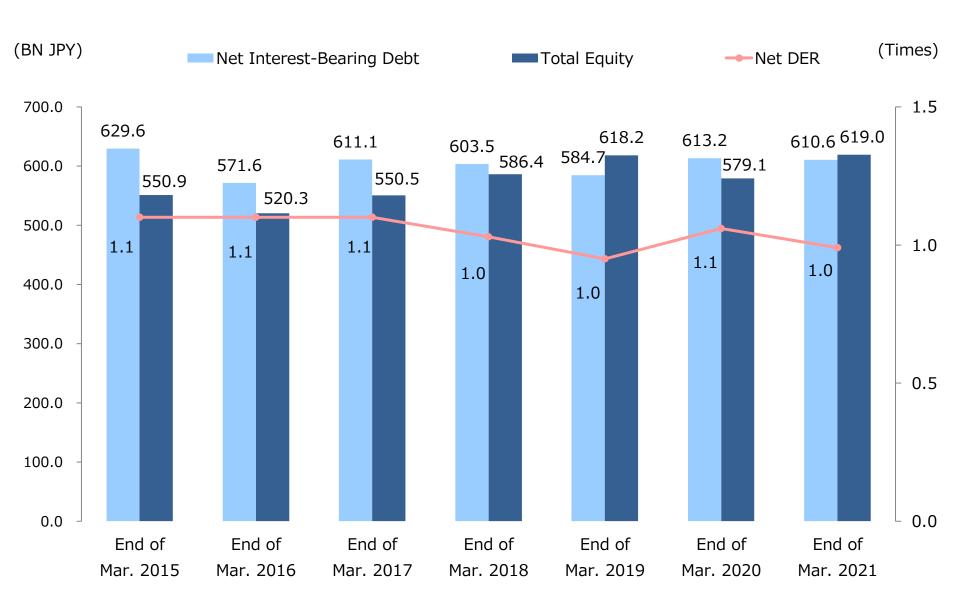
# **Summary of Profit or Loss**







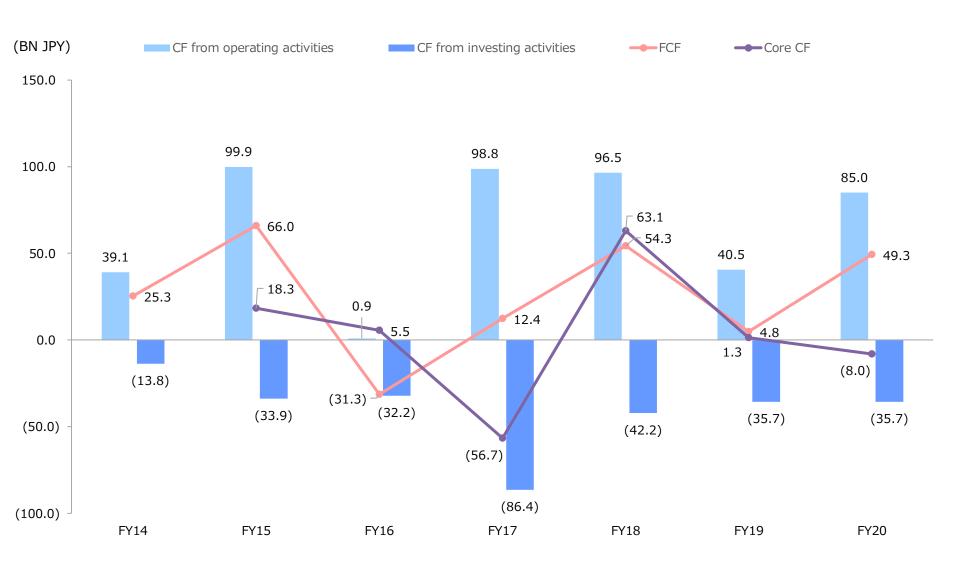
# **Summary of Balance Sheets**







# **Summary of Cash Flow**





# Hassojitz



