

Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (IFRS)

May 2, 2022

Sojitz Corporation

(URL <https://www.sojitz.com/en/>)

Listed stock exchange: Prime section of Tokyo

Security code: 2768

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Scheduled date of Ordinary General Shareholders' Meeting: June 17, 2022

Scheduled filing date of financial report: June 17, 2022

Scheduled date of delivery of dividends: June 20, 2022

Supplementary materials for the quarterly financial results: Yes

Investor conference for the quarterly financial results: Yes

(Rounded down to millions of Japanese Yen)

1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(1) Consolidated Operating Results

Description of % is indicated as the change rate compared with the previous fiscal year.

	Revenue		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Total comprehensive income for the year	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the year ended March 31, 2022	2,100,752	31.1	117,295	213.5	85,471	190.5	82,332	204.9	148,588	136.0
March 31, 2021	1,602,485	(8.7)	37,420	(50.5)	29,417	(54.4)	27,001	(55.6)	62,967	-

	Basic earnings per share	Diluted earnings per share	Profit ratio to equity attributable to owners of the Company	Profit before tax ratio to total assets
	Yen	Yen	%	%
For the year ended March 31, 2022	352.65	352.65	12.2	4.7
March 31, 2021	112.53	112.53	4.5	1.7

Note :

1.Share of profit (loss) of investments accounted for using the equity method

March 31, 2022 : 37,968 millions of yen March 31, 2021 : 14,786 millions of yen

2.Basic earnings per share and diluted earnings per share are calculated based on profit for the period attributable to owners of the Company.

3.The Company conducted a five-for-one share consolidation of shares of common stock effective October 1, 2021. Basic earnings per share and diluted earnings per share have been calculated based on the assumption that the share consolidation had been conducted on April 1, 2021.

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the Company	Total equity attributable to owners of the Company ratio	Total equity per share attributable to owners of the Company
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2022	2,661,680	763,878	728,012	27.4	3,153.90
March 31, 2021	2,300,115	654,639	619,111	26.9	2,581.58

(3) Consolidated Statement of Cash Flows

	Operating activities	Investing activities	Financing activities	Cash & cash equivalents at the end of the year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the year ended March 31, 2022	65,084	(137,819)	46,898	271,651
March 31, 2021	84,972	(35,676)	(40,621)	287,597

2.Cash Dividends

	Cash dividends per share					Total amount of cash dividends (annual)	Consolidated payout ratio	Dividend on total equity attributable to owners of the Company (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
For the year ended March 31, 2021	-	5.00	-	5.00	10.00	12,006	44.4	2.0
March 31, 2022	-	9.00	-	61.00	-	24,546	30.1	3.7
March 31, 2023 (forecast)	-	56.00	-	56.00	112.00		30.4	

Note :

1. Changes in cash dividends forecast : Yes

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

No figure is displayed for the annual dividend for the year ended March 31, 2022, as an appropriate figure cannot be arrived at through simple addition. If the share consolidation is accounted for, the interim dividend for the year ended March 31, 2022, would be ¥45.00.

3. Consolidated Earnings Forecast for the Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

Description of % is indicated as the change rate compared with the same period of the previous fiscal year.

	Profit attributable to owners of the Company		Basic earnings per share
	Millions of Yen	%	Yen
For the Year Ending March 31, 2023 Full-year	85,000	3.2	368.24

Note : Basic earnings per share is calculated based on profit attributable to owners of the Company.

4. Others

(1) Changes in major subsidiaries during the period

(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No

(2) Accounting policy changes and accounting estimate changes

1. Changes in accounting policies required by IFRS : No
2. Changes due to other reasons : No
3. Accounting estimate change : No

(3) Number of outstanding shares at the end of the periods (common stock):

1. Number of issued shares at the end of the periods (including treasury stock):

As of March 31, 2022: 250,299,900 As of March 31, 2021: 250,299,900

2. Number of treasury stock at the end of the periods:

As of March 31, 2022 : 19,470,556 As of March 31, 2021 : 10,480,864

3. Average number of issued shares during the periods:

For the Year ended March 31, 2022 (accumulative): 233,464,995

For the Year ended March 31, 2021 (accumulative): 239,952,082

Notes: For information on the number of shares used to calculate consolidated earnings per share, please refer to "(Earnings per share)" under "5. Consolidated Financial Statements" of this document.

The above figures for treasury shares do not include shares held as part of mutual holdings with investments accounted for using the equity method.

The trust account holds stock of the Company's stock, which are treated as treasury stock; 1,003,203 stocks in the financial year ended March 2022 and 309,595 stocks in the financial year ended March 2021.

(Reference) Non-consolidated Financial Results

Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(1) Non-consolidated Operating Results

Description of % is indicated as the change rate compared with the last year.

	Revenue		Operating profit		Ordinary income		Profit	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the year ended March 31, 2022	678,262	-	(11,244)	-	55,543	57.1	50,389	27.7
March 31, 2021	2,334,428	(3.2)	(13,236)	-	35,345	(5.7)	39,462	22.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
For the year ended March 31, 2022	215.83	-
March 31, 2021	164.46	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
For the year ended March 31, 2022	1,683,267	460,636	27.4	1,995.57
March 31, 2021	1,500,259	420,405	28.0	1,753.01

(Reference) Total equity: As of March 31, 2022: 460,636 million yen As of March 31, 2021: 420,405 million yen

Notes:

1. Effective April 1, 2021, Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29, March 31, 2020) has been applied, changing the method of calculation used for revenue.

However, these accounting standards have not been applied from the beginning of the fiscal year ended March 31, 2021, so that comparison with the prior year is not available.

2. Effective October 1, 2021, the Company conducted a five-for-one share consolidation of common shares of stock. Figures for earnings per share and net assets per share are calculated based on the assumption that this stock consolidation was conducted with an effective date of April 1, 2020.

* This summary of consolidated financial results is not subject to audits by certified public accountants or the accounting auditor.

* Important Note Concerning the Appropriate Use of Business Forecasts and other :

* 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. The company makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by forward-looking statements due to various factors including 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.

* Supplementary materials on financial results can be found on the Company's web site. The company will hold an IR meeting on financial results for the year ended March 31, 2022 for analysts and institutional investors on May 2, 2022. Contents (materials and videos) of the meeting and condensed transcript of Q&A session will be posted on our the company's site immediately after the meeting.

1. Analysis of Business Results

(1) Overview of Fiscal Year 2021 (April 1, 2021 — March 31, 2022)

Economic Environment

In the year ended March 31, 2022, increasingly strong downward pressure was placed on the global economy by factors including Russia's military invasion of Ukraine and the economic sanctions placed on Russia in response to this act. At the same time, the operating environment was plagued by a myriad of factors requiring careful attention. Such factors included resumed increases in COVID-19 cases, soaring resource prices, supply restrictions and inflation resulted from supply chain disruptions, and rapid interest rate increases and yen depreciation triggered by the monetary tightening measures of the central banks of several countries.

In the United States, it is projected that asset downsizing will be practiced in light of the interest rate hikes kicked off by the Federal Reserve Board in March 2022 and the quantitative tightening measures scheduled to start in May of this year. Moreover, the situation in Ukraine is expected to contribute to the prolongation of high inflation rates while prompting the United States to implement aggressive measures for combatting said inflation. Looking ahead, caution is needed with regard to the impacts on the U.S. economy from the rising burden of interest payments, whether this pertains to the public sector or the private sector.

In Europe, the European Central Bank is taking an unprecedentedly cautious stance in its response toward inflation. In addition, European countries are implementing increasingly harsh sanctions on Russia. At the same time, however, these countries are also highly dependent on crude oil and gas produced in Russia, a situation that is expected to have an adverse impact on the value chains of the manufacturing industry and a wide range of other industries.

China continues to implement lockdowns across the country in an effort to contain COVID-19. Meanwhile, there is a push to strengthen regulations on certain Chinese companies based on the goal of reducing income disparities. Such trends bring with them concern for downturns in investments. At the same time, careful attention is warranted with regard to the economic stimulus measures to be implemented in relation to infrastructure investments and tax breaks for small and medium-sized enterprises leading up to the meeting of the National Congress of the Chinese Communist Party scheduled for November 2022.

The Asian economy showed a recovery from the impacts of the COVID-19 pandemic, and this region is thus anticipated to see an GDP growth rate of around 5% in 2022. As COVID-19 vaccination progresses in Asian countries, it can be expected that the economies of these countries will be supported by the benefits of relaxed inbound travel restrictions, strong exports, and brisk recoveries in domestic demand. However, there is concern for the potential prolongation of inflation trends, currency depreciation, financing issues, and other repercussions of the situation in Ukraine.

In Japan, caution is required with regard to risks associated with a potential impact over the recovery of production and exports of major industrial products, such as the protracted supply chain disruptions. At the Bank of Japan's monetary policy meeting held in March 2022, it was decided that Japan would take a different path from other countries by continuing its prior monetary easing measures. Accordingly, there is concern that further yen depreciation may occur going forward due to the ongoing widening of the gap in interest rates between the United States and Japan as well as structural changes in the balance of Japan's finances.

Financial Performance

Sojitz Corporation's consolidated business results for the year ended March 31, 2022 are presented below.

Revenue	Revenue was up 31.1% year on year, to ¥2,100,752 million, due to higher revenue in the Metals, Mineral Resources & Recycling Division, a result of; in the Chemicals Division, a result of higher methanol prices and growth in plastic resin transactions; and in the Automotive Division, a result of increased sales volumes in overseas automotive businesses.
Gross profit	Gross profit was up ¥83,199 million year on year to ¥271,319 million, due to higher revenue in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal; in the Chemicals Division, a result of higher methanol prices and growth in plastic resin transactions; and in the Automotive Division, a result of increased sales volumes in overseas automotive businesses.
Profit before tax	Profit before tax was up ¥79,875 million year on year, to ¥117,295 million, as a result of increases in gross profit and share of profit of investments accounted for using the equity method.
Profit for the year	After deducting income tax expenses of ¥31,824 million from profit before tax of ¥117,295 million, profit for the year amounted to ¥85,471 million, up ¥56,054 million year on year. Profit for the year (attributable to owners of the Company) increased ¥55,331 million year on year, to ¥82,332 million.
Comprehensive income for the year	Comprehensive income for the year of ¥148,588 million was recorded, up ¥85,621 million year on year, following an increase in financial assets at fair value through other comprehensive income along with more beneficial foreign currency translation differences for foreign operations. Comprehensive income for the year (attributable to owners of the Company) was ¥142,429 million, an increase of ¥83,318 million.

(In Millions of Yen)

	Fiscal Year 2021 Results(A)	Fiscal Year2020 Results(B)	Difference (A)-(B)	Percentage difference (%)
Revenue	2,100,752	1,602,485	498,267	31.1
Gross profit	271,319	188,120	83,199	44.2
Profit before tax	117,295	37,420	79,875	213.5
Profit for the year	85,471	29,417	56,054	190.5
Profit for the year attributable to owners of the Company	82,332	27,001	55,331	204.9
Comprehensive income for the year	148,588	62,967	85,621	136.0

Results for the year ended March 31, 2022, are summarized by segment below.

Effective April 1, 2021, the Machinery & Medical Infrastructure Division, Energy & Social Infrastructure Division, and part of the Industrial Infrastructure & Urban Development Division were reorganized into the Infrastructure & Healthcare Division. The Foods & Agriculture Business Division, Retail & Lifestyle Business Division, and part of the Industrial Infrastructure & Urban Development Division were reorganized into the

Consumer Industry & Agriculture Business Division and the Retail & Consumer Service Division. The Metals & Mineral Resources Division was renamed the Metals, Mineral Resources & Recycling Division. In addition, the car and motorcycle parts, ship equipment, industrial machinery, forefront industry business, bearing, and nuclear power-related equipment businesses previously included in the Automotive Division, the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division, and the Energy & Social Infrastructure Division were transferred to the Others segment.

Automotive

Revenue was up 35.1% year on year to ¥243,051 million, due to higher sales volumes in overseas automobile transactions. Profit for the period (attributable to owners of the Company) rose by ¥5,989 million, to ¥7,083 million, as a result of an increase in gross profit.

Aerospace & Transportation Project

Revenue was up 175.7% year on year to ¥70,020 million, due to the acquisition of higher revenue in aircraft transactions and recovery of shipping market conditions. Profit for the period (attributable to owners of the Company) increased by ¥2,847 million to ¥4,687 million, as a result of an increase in gross profit.

Infrastructure & Healthcare

Revenue was down 0.9% year on year to ¥61,794 million, despite an increase in revenue at gas sales company due to decrease in revenue from overseas fired power project. Profit for the period (attributable to owners of the Company) decreased ¥1,596 million to ¥6,624 million, despite an increase in share of profit of investments accounted for using the equity method, as loss on reorganization of subsidiaries / associates of overseas telecommunication infrastructure business was recorded and gross profit decreased.

Metals, Mineral Resources & Recycling

Revenue was up 57.3% year on year to ¥56,046 million, due to higher prices for coal and precious metals. Profit for the period (attributable to owners of the Company) increased by ¥35,829 million to ¥34,068 million, as a result of an increase in gross profit as well as an increase in share of profit of investments accounted for using the equity method associated with higher profit of steel operating company.

Chemicals

Revenue was up 32.3% year on year, to ¥538,299 million, due to growth in plastic resin transactions and higher methanol prices. Profit for the period (attributable to owners of the Company) increased by ¥12,630 million to ¥6,861 million, as a result of an increase in gross profit.

Consumer Industry & Agriculture Business

Revenue was up 23.7% year on year, to ¥291,755 million, due to higher prices in lumber transactions and overseas fertilizer businesses. Profit for the period (attributable to owners of the Company) increased by ¥1,782 million to ¥6,385 million, as a result of an increase in gross profit.

Retail & Consumer Service

Revenue was up 8.0% year on year to ¥214,586 million, due to higher sales prices in meat transaction. Profit for the period (attributable to owners of the Company) increased by ¥131 million to ¥5,040 million, due to an increase in gross profit despite other income was down due to absence of gains from sale of shopping mall recorded in the previous equivalent period.

(2) Financial Position

Consolidated Balance Sheet

Total assets on March 31, 2022, were ¥2,661,680 million, up ¥361,565 million from March 31, 2021, following the increase in trade and other receivables under current assets associated with chemicals and building materials, and an increase in investments accounted for using the equity method following new acquisition.

Total liabilities on March 31, 2022, amounted to ¥1,897,802 million, up ¥252,326 million from March 31, 2021, as results of an increase in trade and other payables under current liabilities associated with chemicals and building materials and an increase in interest-bearing debt attributable to new borrowings.

Total equity attributable to owners of the Company was ¥728,012 million on March 31, 2022, up ¥108,901 million from March 31, 2021. This increase was due to the accumulation of profit for the year (attributable to owners of the Company), and an increase in other components of equity resulted primarily from foreign exchange rate and stock price fluctuations.

Consequently, on March 31, 2022, the current ratio was 155.3%, the long-term debt ratio was 78.0%, and the equity ratio was 27.4%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥770,291 million on March 31, 2022, ¥159,613 million increase from March 31, 2021. This resulted in the Company's net debt equity ratio* equaling 1.06 times at March 31, 2022.

(*) The equity ratio and net debt equity ratio are calculated based on total equity attributable to owners of the Company. Lease liabilities have been excluded from aforementioned total interest-bearing debt.

Under Medium-Term Management Plan 2023, the Sojitz Group continues to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has endeavored to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at a certain level. As one source of long-term funding, Sojitz issued ¥10 billion straight bonds in May 2021. Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional issues whenever the timing and associated costs prove advantageous.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥100 billion long-term commitment line (which remains unused) and a long-term commitment line totaling US\$2.025 billion (of which US\$1.42 billion has been used). The amount of the U.S. dollar-denominated commitment line was increased by US\$0.225 billion in the year ended March 31, 2022.

(3) Consolidated Cash Flows

In the year ended March 31, 2022, operating activities provided net cash flow of ¥65,084 million, investing activities used net cash of ¥138,819 million, and financing activities used net cash of ¥46,898 million. Sojitz ended the year with cash and cash equivalents of ¥271,651 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥65,084 million, consisted of business earnings and dividends received, etc. It was down ¥19,888 million year on year.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥138,819million, up ¥103,143 million year on year, as a result of aircraft transactions and investment for energy conservation business in the U.S. and processed marine products company.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥46,898 million, up ¥87,519 million year on year. This outcome was primarily a result of proceeds from borrowings, which offset outflows for dividends paid and acquisition of treasury stock.

(4) Consolidated Earnings Forecast

Profit for the year (attributable to owners of the Company)	¥ 85.0 billion
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The above forecast assumes a yen/dollar rate of ¥115/US\$.

***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.

(5) Dividend Policy and Fiscal 2021-22 Dividends

Sojitz's basic dividend policy and top management priority is to pay stable dividends to shareholders on an ongoing basis, and to commit to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing earnings. Under the Medium-Term Management Plan 2023, the basic dividend policy is to maintain a consolidated payout ratio of around 30%. Lower limit for dividends is set as representing market price-based DOE (*1) of 4% until PBR reaches 1.0 times and book value-based DOE (*2) of 4% after PBR reaches 1.0 times.

• Year-End Dividend

The year-end dividend for the year ended March 31, 2022, is to be decided as follows based on a comprehensive evaluation business results, total equity, and other factors.

1) Type of property to be distributed as dividends

Cash

2) Total value of dividend distribution and its allocation among shareholders

¥61 per share of Sojitz common stock, ¥14,141 million in total

For the year ended March 31, 2022, Sojitz will issue annual dividend payments of ¥106 per share, when including the interim dividend of ¥45 per share made on December 1, 2021. This will make for total dividend payments of ¥24,546 million and a consolidated dividend payout ratio of 30.1% along with a market price-based dividend on equity of 6.1%, surpassing the defined minimum level of 4%.

3) Effective date of dividends from surplus

June 20, 2022

• FY2022 Dividends

In the year ending March 31, 2023, Sojitz plans to pay an annual dividend of ¥112 per share (interim dividend of ¥56 plus year-end dividend of ¥56) based on its basic policy and earnings forecast. This amount will equate to a consolidated payout ratio of 30.4% of the forecast for profit for the year (attributable to owners of the Company)

(*1) Price-based DOE = Dividend of per share / Stock price ('Average of last price at the end of fiscal year)

(*2) Book value-based DOE = Dividend of per share / Total equity per share attributable to owners of the Company ('At the end of fiscal year)

(*3) Sojitz conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021.

2. Group Business Operations

Sojitz Group is engaged in a wide range of businesses on a global basis as a general trading company. Our main businesses are trading, import, and export of products, domestic and overseas manufacture and sale of a diverse array of products, provision of services in Japan and overseas, planning and organizing of various projects, investment in diversified business areas, and financial activities.

The Group consists of 430 consolidated subsidiaries and equity method associates, including 294 consolidated subsidiaries and 136 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 264 companies consisting of 179 consolidated subsidiaries and 85 equity method associates.)

Due to the reorganization effective April 1, 2021, the Machinery & Medical Infrastructure Division, the Energy & Social Infrastructure Division, and the Industrial Infrastructure & Urban Development were reorganized to the Infrastructure & Healthcare Division. The Foods & Agriculture Business Division, and the Retail & Lifestyle Business Division were reorganized to the Consumer Industry & Agriculture Business Division, and the Retail & Consumer Service Division. The Metals & Mineral Resources Division was renamed the Metals, Mineral Resources & Recycling Division. In addition, the car and motorcycle parts, ship equipment, industrial machinery/machine tools, advanced industrial equipment, bearing, and nuclear power-related equipment businesses previously included in the Automotive Division, the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division, and the Energy & Social Infrastructure Division were transferred to the Others segment.

The following table lists our products, services, and main subsidiaries and affiliates by industry segment.

As of March 31, 2022

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries : 25 Number of equity method associates: 4	Trading of completed automobiles; assembly and sales; retail; quality inspection operations; financing; sales and service operations incorporating digital technologies	- Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary)
Aerospace & Transportation Project Number of consolidated subsidiaries : 37 Number of equity method associates: 11	Aero business (Commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business); Transportation and social infrastructure projects (transportation projects; airport, port, and other social infrastructure projects) Marine business (New building, second-hand ships, purchase and charter of new and used vessels, ship chartering, ship owning)	- Sojitz Aerospace Corporation (Import, export and sale of aero-related and defense-related equipment; Subsidiary) - Sojitz Royal In-flight Catering Co., Ltd. (Preparation, sale, and loading of in-flight meals, food sales, bonded warehouse business; Subsidiary)
Infrastructure & Healthcare Number of consolidated subsidiaries : 46 Number of equity method associates: 41	Infrastructure & Environment (Renewable energy IPP infrastructure investment, Renewable energy-related service project); power Infrastructure-solution projects (IWPP, energy management, power plant EPC business); energy (Oil and gas; petroleum products; LNG and LNG-related business); nuclear power related business (nuclear fuels); social infrastructure projects (telecommunications infrastructure projects, energy management, next-generation infrastructure projects utilizing IoT, AI, and big data) Industrial and urban infrastructure (Industrial park, housing, office, smart cities, data center); sales and maintenance of communications and IT equipment; systems integration, software development and sales, cloud services, and managed services; healthcare project (Hospital PPP, Medical-related service, healthcare new technology)	- Nissho Electronics Corporation (IT systems, network services; Subsidiary) - Tokyo Yuso Co., Ltd. (Tank storage operations of petroleum and chemical products etc., storage, logistics; Subsidiary) - Sojitz Hospital PPP Investment B.V. (Investment in hospital PPP business; Subsidiary) - Sojitz Global Investment B.V. (Investment in power generation projects; Subsidiary) - Blue Horizon Power International Ltd. (Investment in power generation projects; Subsidiary) - Sojitz Healthcare Australia Ltd. (Investment in hospital PPP business; Subsidiary) - LNG Japan Corporation (LNG business and related investments and loans; Equity method associate) - SAKURA Internet Inc. (Cloud services and internet data center operator; Equity method associate) *1 - PT. Pura delta Lestari Tbk (New city development including development and management of industrial park; Equity method associate) - Qualitas Medical Limited (Clinic Chains; Equity method associate)
Metals, Mineral Resources & Recycling Number of consolidated subsidiaries : 25 Number of equity method associates: 14	Coal; iron ore; ferroalloys (nickel, chromium, Niobium), ores, alumina, aluminum, copper, zinc, tin, precious metals, ceramics and minerals; coke; carbon products; infrastructure businesses; steel-related business; resource recycling business	- Sojitz Ject Corporation (Trading in coke, carbon products and various minerals; Subsidiary) - Sojitz Development Pty Ltd. (Investment in coal mines; Subsidiary) - Sojitz Resources (Australia) Pty. Ltd. (Production of alumina; Subsidiary) - Sojitz Moly Resources, Inc. (Investment in molybdenum mines; Subsidiary) - Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-Equity method associate) - Japan Alumina Associates (Australia) Pty. Ltd. (Production of alumina; Equity method associate) - Cariboo Copper Corporation (Investment in copper mine; Equity method associate)
Chemicals Number of consolidated subsidiaries : 28 Number of equity method associates: 13	Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; healthcare and natural products; rare earths; commodity resins; advanced resins; environmentally friendly resins; packaging materials for industry and foodstuffs; advanced film; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; printed circuit board electronics materials; fiber materials and products for use in industrial supplies	- Sojitz Pla-Net Corporation (Trading and sale of plastics raw materials and products; Subsidiary) - Pla Matels Corporation (Trading and sale of plastics raw materials and products; Subsidiary) - P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) - solvadis deutschland gmbh (Trading and sale of chemical products; Subsidiary)

<p>Consumer Industry & Agriculture Business</p> <p>Number of consolidated subsidiaries : 24 Number of equity method associates: 12</p>	<p>Grains; flour; oils and fats; oil stuff; feed materials; marine products; processed seafood; sweets; raw ingredients for sweets; other foodstuffs and raw ingredients; compound chemical fertilizers; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; housing materials; manufacture and sale of wood chips; household- and industrial-use paper</p>	<p>- Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary, construction planning, research, design, supervision and contracting)</p> <p>- Thai Central Chemical Public Co., Ltd (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary)</p> <p>- Saigon Paper Corporation (Manufacture and sale of household and industrial paper and other paper products; Subsidiary)</p> <p>- Atlas Fertilizer Corporation (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary)</p>
<p>Retail & Consumer Service</p> <p>Number of consolidated subsidiaries : 29 Number of equity method associates: 19</p>	<p>Food manufacturing and distribution businesses, food service business, shopping center management, convenience store business, real estate development, consignment sales, rent, administration and management businesses (housing,office,etc.) sugar, saccharified products, wheat flour, grain, oils and fats, starch flour, dairy products, crop processors and indigent, livestock products and livestock-related processed products, processed marine products and marine products, other foodstuffs and raw ingredients, imported tobacco,cotton and synthetic fabrics, knitted fabrics and products, clothing, bedclothes and home fashion-related products, general commodities, medical materials</p>	<p>- Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary)</p> <p>- The Marine Foods Corporation (Manufacture and sale of processed marine food products ; import and sale of marine product raw materials; Subsidiary)</p> <p>- Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary)</p> <p>- Daichi Co., Ltd. (Manufacture and sale of textiles, storage distribution ; Subsidiary)</p> <p>- Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary)</p> <p>- Sojitz New Urban Development Corporation (Development and consignment sales of newly constructed condominiums,' real estate brokerage, development and ownership of rental apartments, sale of residential-related products ; Subsidiary)</p> <p>- Sojitz LifeOne Corporation (Condominium and office building management, real estate agency services : Subsidiary)</p> <p>- Royal Holdings Corporation (Restaurant, Food manufacturing, Hotels, Contract and Services, In-flight Catering; Subsidiary)*1</p> <p>- JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service, business fields; Equity method associate) *1</p> <p>- Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) *1</p> <p>- Tri-Stage inc. (Direct marketing support operations; Equity method associate) *1</p>
<p>Other</p> <p>Number of consolidated subsidiaries : 26 Number of equity method associates: 11</p>	<p>Industrial Machinery; Forefront Industry businesses; Bearings; Automobile and motorcycle parts; Automotive Process; Marine business; Power, energy and plant business; Nuclear power-related equipment businesses; Administration; Domestic branches; Logistics and insurance services</p>	<p>- Sojitz Machinery Corporation (General industrial machinery; automobile and motorcycle components ; sale and purchase of ships; Subsidiary)</p> <p>- Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary)</p> <p>- Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary)</p> <p>- Sojitz Insurance Agency Corporation (Insurance agency services; Subsidiary)</p> <p>- Sojitz Tourist Corporation (Travel agency; Subsidiary)</p> <p>- Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary)</p> <p>- Sojitz Research Institute (Research and consulting; Subsidiary)</p>
<p>Overseas branches</p> <p>Number of consolidated subsidiaries : 54 Number of equity method associates: 11</p>	<p>We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.</p>	<p>- Sojitz Corporation of America (Subsidiary)</p> <p>- Sojitz Europe plc (Subsidiary)</p> <p>- Sojitz Asia Pte. Ltd (Subsidiary)</p> <p>- Sojitz (Hong Kong) Ltd. (Subsidiary)</p> <p>- Sojitz (China) Co., Ltd. (Subsidiary)</p>

(*1) The following five companies are listed in the Japanese stock market as of March 31, 2022:

- SAKURA Internet Inc. (TSE 1st section)
- JALUX Inc. (TSE 1st section)
- Royal Holdings Co., Ltd.(TSE 1st section, Fukuoka stock exchange)
- Fuji Nihon Seito Corporation (TSE 2nd section)
- Tri-Stage inc. (Mothers)

As of May 2nd, 2022 these companies had been transferred to the following sections of the Tokyo Stock Exchange as a result of the section revision conducted on April 4, 2022. JALUX Inc. is scheduled to be delisted following the completion of the necessary procedures, as was announced on January 31 and March 17, 2022

- SAKURA Internet Inc. (TSE Prime)
- JALUX Inc. (TSE Standard)
- Royal Holdings Co., Ltd.(TSE Prime, Fukuoka stock exchange)
- Fuji Nihon Seito Corporation (TSE Standard)
- Tri-Stage inc. (TSE Growth)

3. Management Policies

(1) Fundamental Policy

Based on the articles of Sojitz Group Statement and the Sojitz Group Slogan, the Sojitz Group is committed to maximizing two types of value: “value for Sojitz,” which contributes to the fortification of our business foundation and to ongoing growth, and “value for society,” which contributes to economic development on regional and national scales and to human rights and environmental awareness.

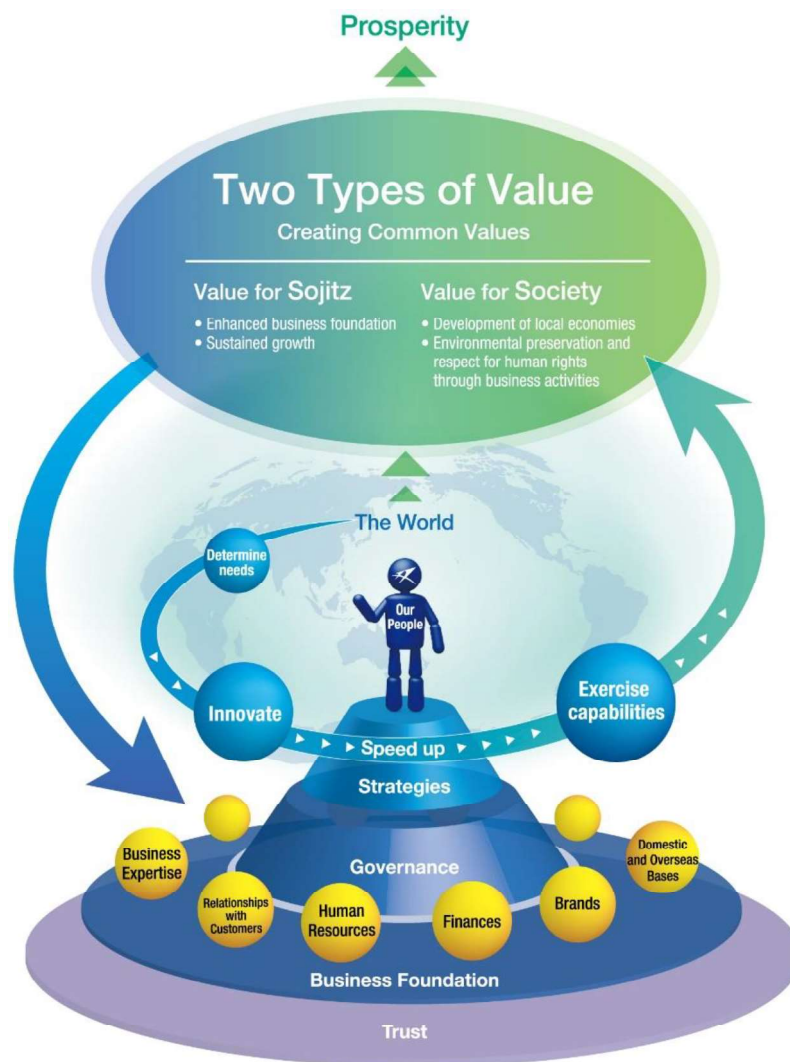
Sojitz Group Statement

The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.

Sojitz Group Slogan

New way, New value

Sojitz's Value Creation Model



(2) Medium- to Long-term Business Strategy and Targeted Performance Indicators

Medium-Term Management Plan 2023

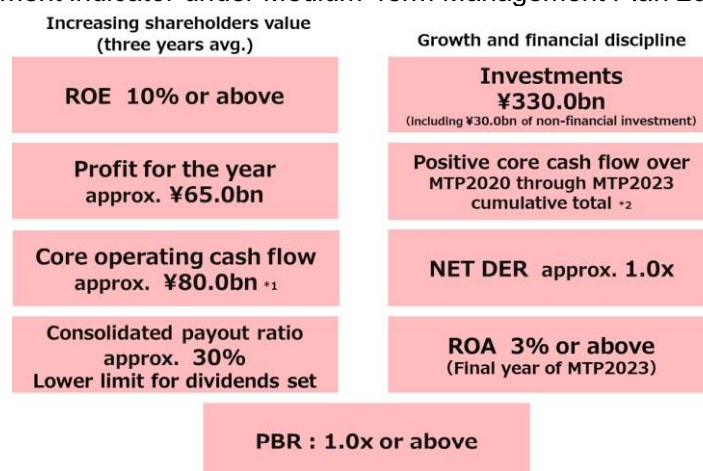
Under Medium-Term Management Plan 2023 ~Start of the Next Decade~, Sojitz has defined its vision for 2030 as becoming a general trading company that constantly cultivates new businesses and human capital. Sojitz will continue to create value by pursuing higher levels of competitiveness and growth through an intensely market-oriented initiative, internal and external exchanges and co-creation, and strive for speed while transforming organizations and human resources as necessary.

Corporate Statement :

The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.



A target of management indicator under Medium-Term Management Plan 2023 is as below.



⁺¹ Core operating cash flow = Cash flow after deducting changes in working capital from operating cash flows calculated for accounting purposes

⁺² Core cash flow = Core operating cash flow (excluding changes in working capital) + Investing cash flow (including asset replacement)
- Dividends paid - Purchase of treasury stock

ROE target of 10% or higher has been set for this management indicator based on the Company's shareholders' equity costs of approximately around 8%. Cash return on invested capital (CROIC), which represents the core operating cash flow generated from invested capital, has been adopted as an internal management indicator to guide efforts for accomplishing this target, and segment CROIC targets has been set to function as value creation guideline figures*.

*CROIC Value Creation Level: The minimum level for CROIC that should be achieved on three-year average of Medium-Term Management Plan 2023.

Sojitz is pursuing growth through new investments of substantive scale backed by strategies in the following focus areas together with drastic profit structure reforms in existing businesses. Medium-Term Management Plan 2023 calls for the steady improvement of corporate value through the execution of investments in growth and new fields, to be identified based on megatrends, totaling ¥330.0 billion over the three-year period of the plan (¥30.0 billion of which is to be directed toward non-financial investments in human resources and organizational reforms). These investments shall be executed while practicing continued discipline in cash flow management.



In addition to paying stable dividends to shareholders on an ongoing basis, Sojitz is also committed to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing retained earnings. This endeavor has positioned as a basic policy. In accordance with this basic policy, the Company is targeting a consolidated payout ratio of around 30% under the Medium-Term Management Plan 2023. Lower limit for dividends is set as representing market price-based DOE of 4% until PBR reaches 1.0 times and book value-based DOE of 4% after PBR reaches 1.0 times. In other words, we are committed to paying effective dividend yield of 4% while PBR is below 1.0 times, and will pay dividends equivalent to half of our capital cost of approximately 8 %, which we calculate when PBR reaches 1.0 times.

For more information on Medium-Term Management Plan 2023, please refer to the link below.

<https://www.sojitz.com/en/>

Initiatives in the year ended March 31, 2022

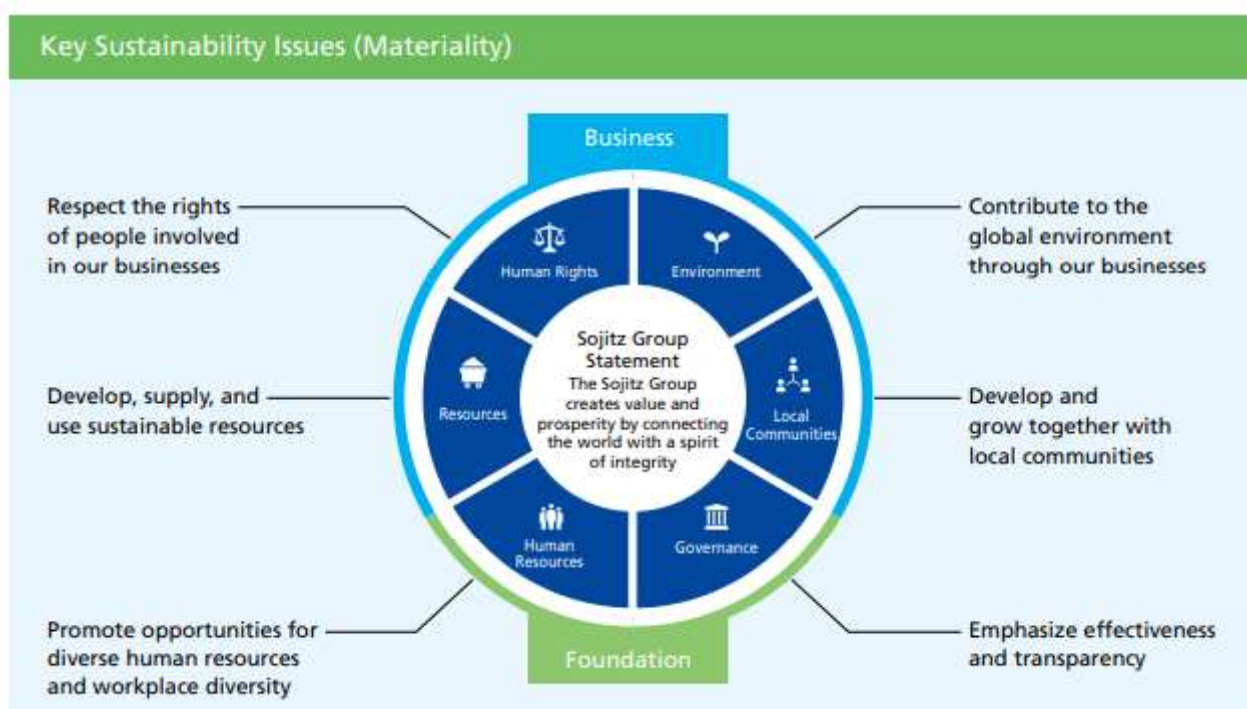
In the year ended March 31, 2022, the first year of Medium-Term Management Plan 2023, Sojitz posted performance surpassing its initially disclosed targets with profit for the year of ¥82.3 billion and return on equity of 12.2%. Factors behind this strong performance included increased earnings in the Metals, Mineral Resources & Recycling Division, a result of higher prices of coal and other resources, as well as earnings contributions from new investments conducted under Medium-Term Management Plan 2020 and Medium-Term Management Plan 2023. In addition, a total of ¥150.0 billion worth of new investments was conducted in U.S. energy service business companies, an African gas retailing company, aquaculture product processing companies, and tender offer for shares of JALUX Inc. As for existing businesses, we undertook the structural reformation of real estate business together with partners.

Meanwhile, the operating environment presented a need for value creation initiatives that position a diverse range of risks and changes as opportunities amid the great and persisting volatility produced by factors such as Russia's invasion of Ukraine and other geopolitical risks. Going forward, Sojitz will continue to pursue higher levels of competitiveness and growth by adopting local market-oriented initiatives, collaborating proactively, and striving for speed while implementing initiatives for realizing its vision for 2030. At the same time, we will continue to implement the necessary organizational and human resource reforms to grow and create value on an ongoing basis. Information on these initiatives will be actively disclosed and used in engagement activities to foster a sense of anticipation regarding Sojitz's growth with the goal of achieving a price book-value ratio of 1.0 times or above.

Initiatives for Sustainable Growth

1) Sustainability Initiative

To continue creating two types of value in the future, Sojitz has determined 6 Key Sustainability Issues (Materiality) to focus on in its business over the medium to long term. Based on these issues, we are striving to integrate solutions to environmental and social problems on a global scale with our corporate activities and build systems for such integration. Medium-Term Management Plan 2023 defines growth strategies entailing concentrated allocation of management resources on growth markets in which Sojitz can secure a competitive edge. These strategies are to be prefaced on sustainability as we work toward the vision we have put forth for 2030.



Sustainability Challenge which reflects our strategy have been formulated as a long-term vision for 2050 based on the recognition that Sojitz is obligated to help achieve a decarbonized society and to promote respect for human rights, including across our supply chains, out of consideration of global issues such as those described by the Paris Agreement and the United Nations Sustainable Development Goals.

Long-term vision for 2050, the “Sustainability Challenge”

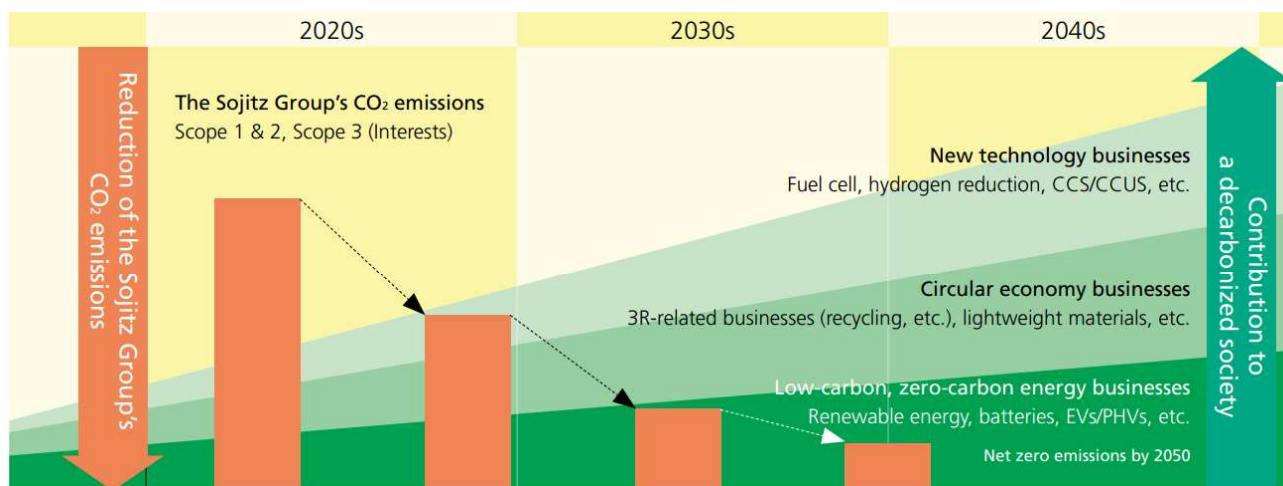
We will strive to create sustainable growth for both Sojitz and society by working to help achieve a decarbonized society through our business activities, and by responding to human rights issues, including those within our supply chains.

We will pursue effective sustainability through flexible responses based on the demands and changes in from time to time in order to achieve this vision.

- Sustainability Challenge - Decarbonization Initiatives

The Sojitz Group is working to help achieve a decarbonized society through its business activities by accelerating initiatives for reducing its own CO₂ emissions while raising its resilience in preparation for the upcoming decarbonized society. We believe that the transition to a decarbonized society represents an opportunity that we can capitalize on in order to develop businesses in a wide range of fields.

In March 2021, Sojitz defined decarbonization policies along with concrete targets to guide it in realizing the ideals encapsulated in its Sustainability Challenge. Various measures are being enacted in accordance with these policies under Medium-Term Management Plan 2023 as we also seek to measure and track reductions in Scope 3 emissions and in Scope 4 emissions (avoided emissions).



The Sojitz Group's Decarbonization Policies and Targets and Progress Toward Targets

The Sojitz Group recognizes its obligation to reduce Scope 1 and Scope 2 emissions while curtailing fossil resource interest businesses. Moreover, the Group tracks all Scope 3 emissions and performs quantitative assessments of power generation and other high-CO₂-emission sectors in order to maintain an understanding of the decarbonization risks faced across its value chain. Scope 4 emissions will also be measured and accelerate initiatives for positioning the decarbonization trend as a business opportunity.

	< Target >	< Progress >
Existing businesses	Scope 1/2 Reduce emissions by 60% by 2030; achieve net zero emissions by 2050*1 (Net zero emissions by 2030 for Scope 2*1) Note: Coal-fired power generation: No current projects nor future projects planned	Confirmation of measures and timetables with high-emissions Group companies and commencement of partial renewable energy introduction to accomplish targets by 2030
	Scope 3 < Natural Resource Interests reduction target > Thermal coal interests : Reduce interests to half or less by 2025, Zero interests by 2030 Oil interests : Zero interests by 2030 Coking coal interests : Zero interests by 2050	Target of halving thermal coal interests by 2025 accomplished ahead of schedule Qualitative assessment of Groupwide Scope 3 emissions and commencement of quantitative measurements beginning with power generation sector, which has high CO ₂ emissions and a large impact on Sojitz's business
New businesses	Formulation of business-specific decarbonization policies and net zero emissions by 2050	
Contributions to a decarbonized society	■ Expansion of relevant businesses and initiatives framing situation as an opportunity ■ Measurement of contributions to reductions in society's CO ₂ emissions (Scope 4) and advancement of related business activities	Commencement of Scope 4 measurements for renewable energy, energy conservation, and other power generation sector businesses

Furthermore, Sojitz declared its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures in 2018, and we have been conducting more proactive and transparent disclosure based on the recommended framework while practicing engagement with stakeholders since.

For more information on Sojitz’s initiatives based on the recommendations of the Task Force on Climate-related Financial Disclosures, please refer to the following website
<https://www.sojitz.com/en/csr/environment/tcfd/>

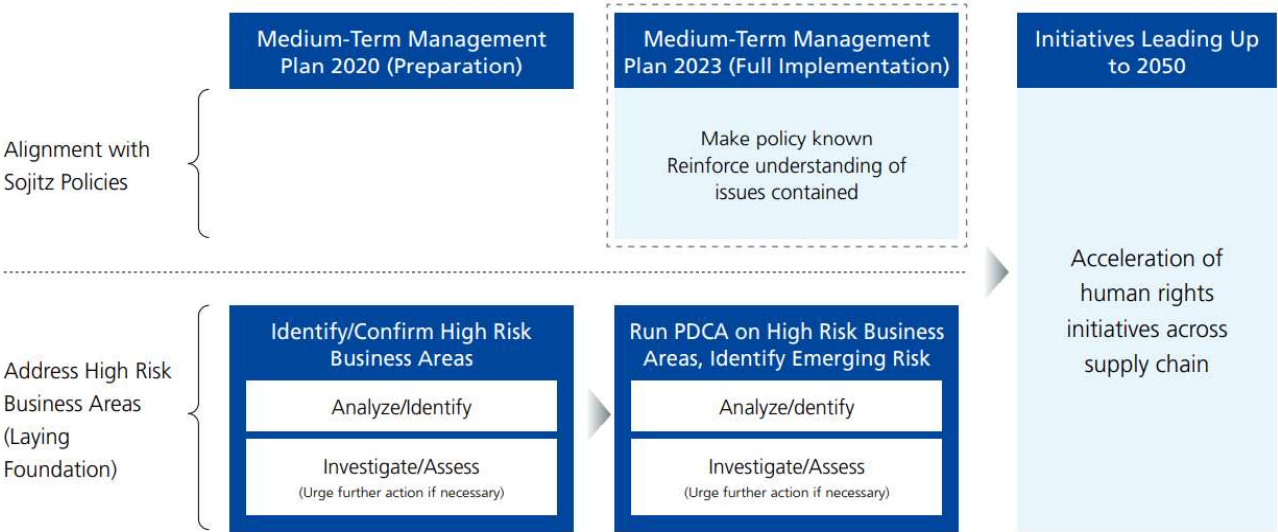
- Sustainability Challenge - Supply Chain Human Rights Initiatives
As a general trading company developing businesses around the world, Sojitz is involved in a wide variety of supply chains. Accordingly, we are actively tracking and mitigating environmental and human rights risks to ensure respect for human rights across our value chain. In this regard, the Sojitz Group supports the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We are promoting our initiatives in accordance with the UN Guiding Principles on Business and Human Rights.

< Human rights support framework as defined by the UN Guiding Principles on Business and Human Rights >



【Initiatives】

Under Medium-Term Management Plan 2020, circumstances related to general high-risk environmental and human rights areas were identified and the status of response measures was confirmed. The foundations formed through these activities will be further solidified under Medium-Term Management Plan 2023 as we disseminate and entrench understanding of our policies and issues.



Establishment and Sharing of Policies

The Sojitz Group CSR Action Guidelines for Supply Chains have been established based on the Ten Principles of the United Nations Global Compact. We share these guidelines with our suppliers and Group companies and ask them to adhere to the following principles

- | | |
|---|---|
| 1. Respect for the human rights of employees, and treatment of employees in a humane manner. | 6. Observance of all relevant laws and regulations, ensuring fair transactions and prevention of corruption. |
| 2. Prevention of forced labor, child labor, and the observance of appropriate labor hours and minimum wage. | 7. Ensuring the quality and safety of products and services. |
| 3. Non-discrimination in hiring and employment. | 8. Consideration for ecosystems, the environment, and environmental conservation within our business activities, as well as efforts to prevent environmental pollution. |
| 4. Respect for employees' freedom of association and the right to collective bargaining to ensure constructive negotiations between labor and management. | 9. Timely and appropriate disclosure of information regarding the above items. |
| 5. Provision of a safe, sanitary and healthy work environment for employees. | |

Response to Serious Violations of Guidelines

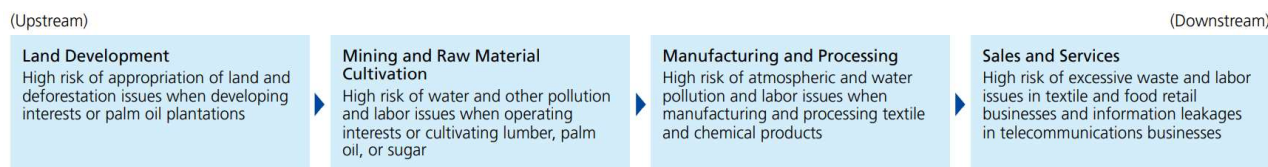
Should a supplier, business partner, or other stakeholder be found to be in violation of the Sojitz Group CSR Action Guidelines for Supply Chains, improvements will be requested, and transactions may be discontinued if improvements are not seen.

For more information on the Sojitz Group CSR Action Guidelines for Supply Chains, the Sojitz Group Human Rights Policy, and the Sojitz Group Environmental Policy, please refer to Sojitz's corporate website:

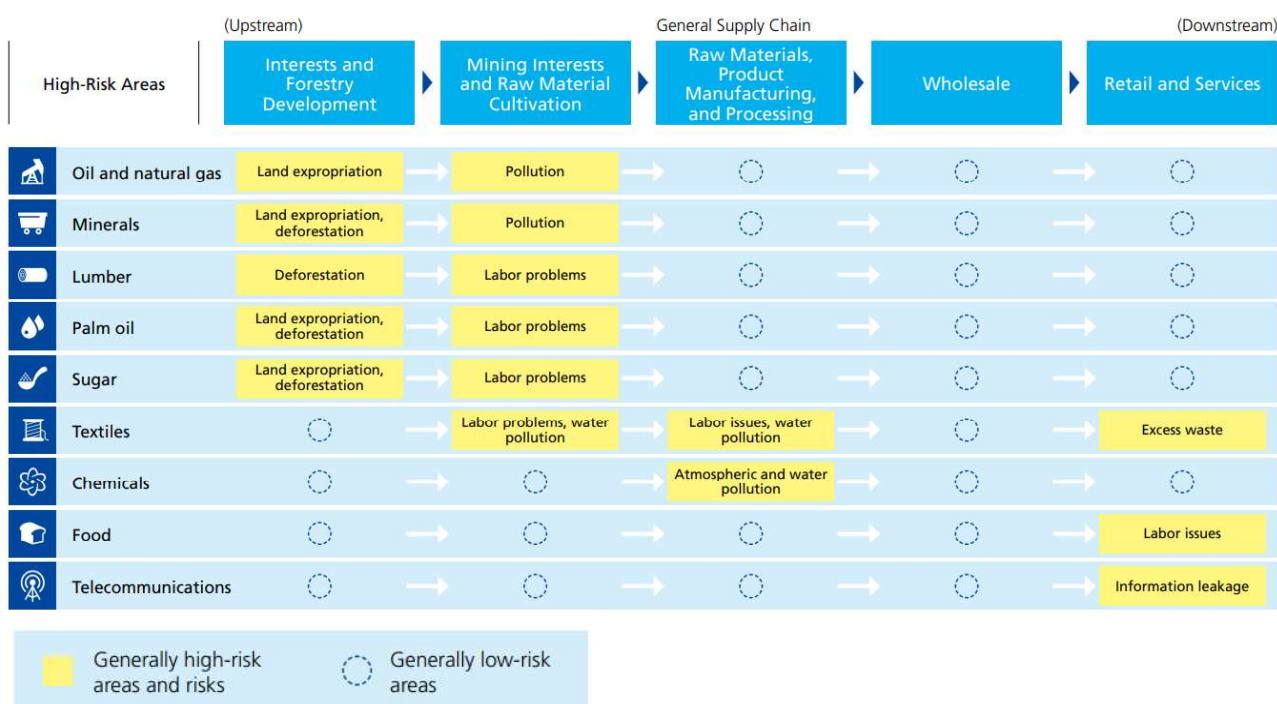
To ensure that all members of the Sojitz Group recognize respect for human rights as a top management priority, we require all Group companies to submit documents stating that they fully understand the importance of respecting human rights and that this understanding has been shared with frontline operations. The Corporate Sustainability Office maintains direct contact with the human rights representatives of Group companies in order to spread understanding regarding human rights policies and initiatives while soliciting the opinions of people at actual worksites.

Risk Assessment

Sojitz is engaged in a diverse range of businesses encompassing all areas of the supply chain. The Business & Human Rights Resource Centre, a U.K. NGO, maintains a database with examples of environmental and human rights risks. This database is used to identify areas of Sojitz Group businesses in which risks are particularly high and to analyze and confirm the areas of the supply chain in which environmental and human rights risks are generally most likely to appear.



Sojitz's Environmental and Human Rights Risks across the Supply Chain



The following PDCA cycle is implemented with regard to the high-risk business areas indicated above.

1. Comprehensive surveys of Group companies and business partners
2. Monitoring through meetings with Group companies
3. On-site investigations and other human rights due diligence measures

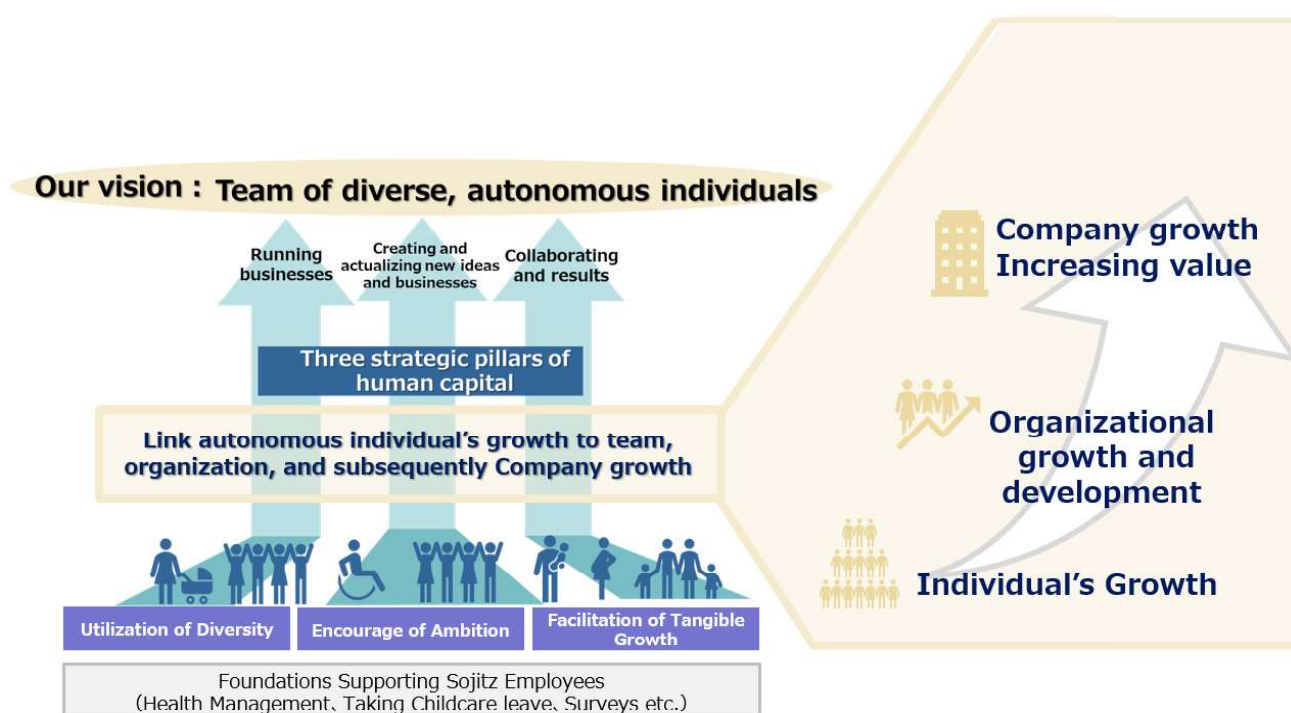
Improvements, Remedial Action, and Results Disclosure

It has been confirmed that no issues exist in relation to the response measures of Sojitz Group companies or across the supply chain in the identified high-risk areas. In addition, external experts have been consulted to identify any areas requiring improvements. We will continue to pursue improvements with regard to high-risk areas through the implementation of a PDCA (plan-do-check-act) cycle, and timely and appropriate disclosure will be practiced in this regard.

2)Corporate and Human resource reformation initiatives

Marching boldly toward the vision for 2030 of becoming a general trading company that constantly cultivates new businesses and human capital described in Medium-Term Management Plan 2023. Sojitz continues to cultivate and mobilize human resources capable of creating two types of value: value for society and value for Sojitz.

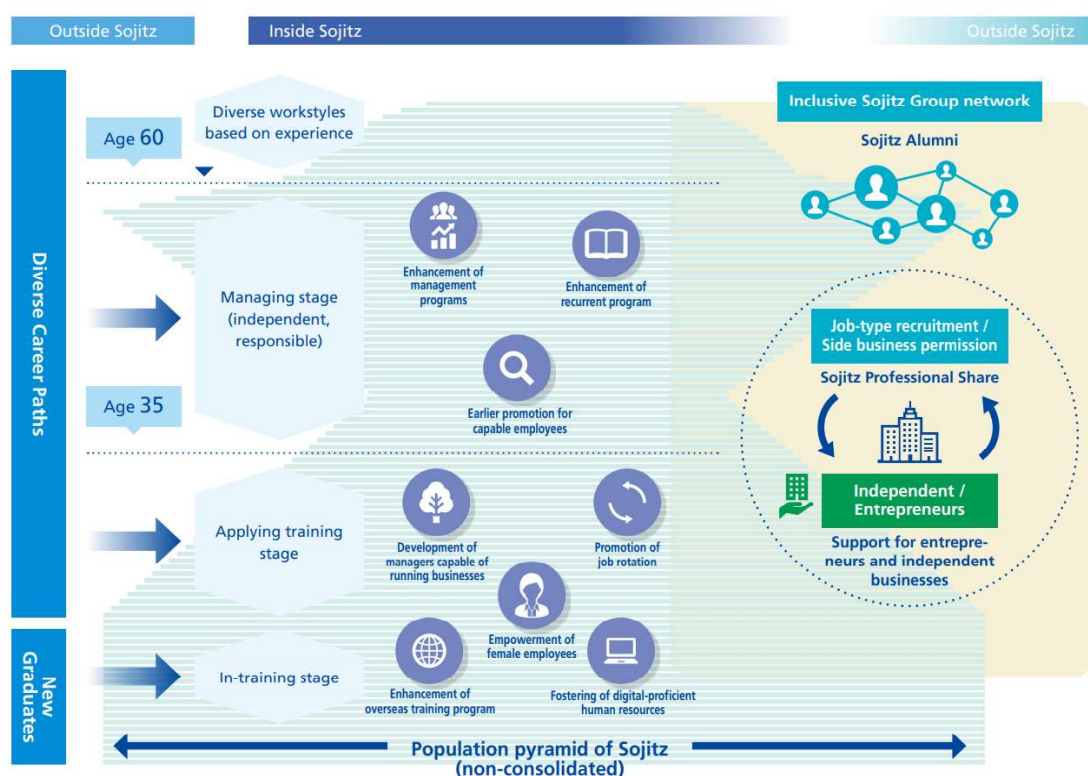
We believe that a team of diverse, autonomous individuals is a driver of value creation for companies. Based on this belief, we are rolling out various measures to support the three human resource strategies of utilization of diversity, encouragement of ambition, and facilitation of tangible growth while also establishing an environment that enables employees to adopt diverse workstyles. This is the approach we are taking toward reforming organizations while fostering employees capable of running businesses, creating and actualizing new ideas and businesses, and collaborating and producing results.



Cultivation of Diverse Human Resources

Sojitz is actively utilizing diverse human resources with differing insights and experience, regardless of their age, gender, or nationality. We seek to develop independency and autonomy in our employees of different generations on diverse career stages through training and other strategies, and create a cycle in which our employees can feel their personal growths and contribution in order to create a team of diverse and autonomous individuals.

【The Human Capital Development Framework】



① Utilization of Diversity

In practicing diversity management, Sojitz is developing an environment conducive to value creation by incorporating the innovative ideas of diverse employees in an effective and multifaceted manner. By advancing the following initiatives, we aim to foster and utilize employees with diverse backgrounds and values to identify market needs from multiple perspectives and thereby drive value creation.

- Appointment of Non-Japanese Chief Officers

Sojitz is appointing chief officers of non-Japanese nationalities in order to create and grow businesses from a market-oriented perspective while utilizing locally hired human resources.

- Promoting women in the workplace

Sojitz has established a dedicated diversity management organization and efforts are being advanced from a medium- to long-term perspective to develop a workplace environment in which contributions by women employees are commonplace. Sojitz is bolstering its human resource pipelines among all age groups while helping employees gain experience and encouraging them to pursue career development with the aim of increasing the representation

of women in management.

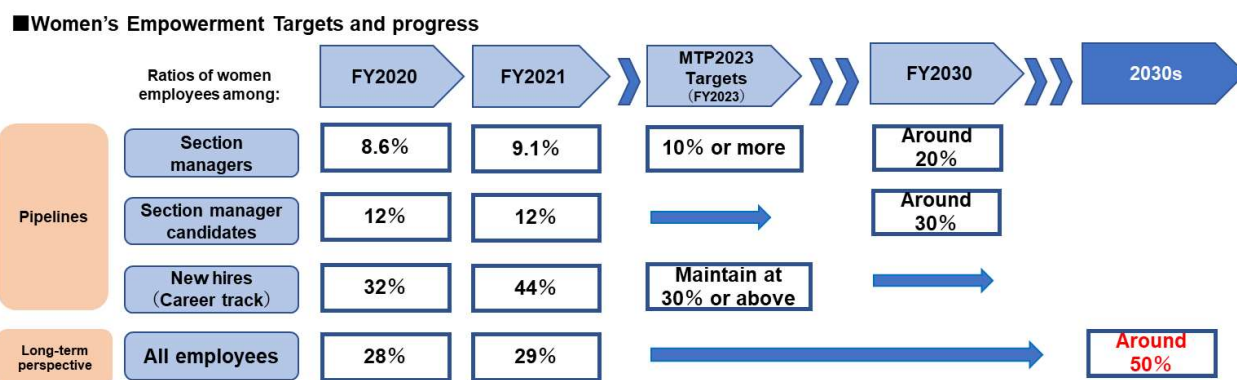
FY2021's Initiatives

- Sojitz will continue to actively recruit women for new graduate career-track positions as well as for mid-career track positions.
- An increase of the number of women promoted to managerial roles.
- Sojitz aims to increase the ratio of female career-track employees seconded to companies overseas or within Japan so employees can gain additional experience.
- Sojitz offers a mentorship program geared towards female career-track employees in their late 20s and early 30s, where members of Sojitz management serve as mentors.
- Female managers are provided with opportunities to participate in external executive training.

Based on Sojitz's various efforts for empowering women in the workplace, Sojitz has been named a "Nadeshiko Brand 2022" company, a designation that recognizes Sojitz as a listed enterprise for its exceptional work to promote the success of women in the workplace. This year marks the sixth consecutive year Sojitz has received this designation.

(Related information)

- Sojitz Selected as "Nadeshiko Brand" for the Sixth Consecutive Year (March, 2022)
<https://www.sojitz.com/en/news/2022/03/20220323.php>
- General Employer Action Plan (April 2021 - March 2024) established in accordance with Japan's Act on Promotion of Women's Participation and Advancement in the Workplace
https://www.sojitz.com/en/csr/employee/pdf/kodo2021_en.pdf



② Encouragement of Ambition

The current era of volatility requires employees with fresh perspectives for making new observations, responsibility and conviction for giving form to one's ideas, and the inquisitiveness and independence required to see these efforts through. Sojitz is committed to fostering human resources with the ability to transcend existing business frameworks and preconceptions to create value based on new ideas and thereby drive the ongoing growth and eventually the rapid evolution of the Company.

- Challenge-Taking Index as a KPI

Recognizing how important to ongoing growth it is for employees to be inspired to tackle new challenges, Sojitz is fostering a corporate culture that encourages ongoing ambitious endeavors in new fields and areas. Specifically, we have established a challenge-taking index that is incorporated into the annual commitments made by all employees, and the ratio of positive evaluations by supervisors regarding this index has been defined as a key performance indicator (KPI). Moreover, employee awareness surveys are conducted regularly to gauge the level of ambition among employees and assess the state of our workplace environment. This information is used to guide ongoing efforts to develop an environment that is conducive to tackling new challenges.

- Hassojitz Project

The Hassojitz Project is a new business creation project launched in 2019 with the aim of fostering employees' abilities to plan for the future and to practice strategic thinking by providing an opportunity to contemplate Sojitz's future growth. This project entered its third year in 2021. The theme for Hassojitz Project 2021 is co-creation, and we accepted project ideas that aimed to create value with partner companies.

- Introduction of Support System for Entrepreneurs and Independent Businesses

Sojitz has introduced a support system for entrepreneurs and independent businesses that provides employees pursuing such ventures access to Sojitz's resources (funding, informational resources, and networks). The ideas developed through Hassojitz Project can now be commercialized and established as independent businesses through this funding initiative.

- Digital-Proficient Human Resource Development (Please refer 3) Policy for DX initiative for DX initiatives)

Sojitz refers to human resources capable of utilizing internal and external data and digital technologies to transform business models and processes as "digital-proficient human resources," and we are dedicating efforts to cultivating such human resources

- Establishment of Sojitz Professional Share

In the coming era, it will be important to abandon prior conventions such as seniority based on years of employment and lifetime employment to ensure that employees with diverse values and career ambitions can maintain high levels of motivation. Sojitz Professional Share Co., Ltd., is a platform supporting the diverse career and life plans of employees over 35. This company allows employees to work until the age of 70, has no restrictions on workplace or time, and authorizes side businesses and entrepreneurial ventures to support every employee in making ongoing contributions on new career paths.

- Sojitz Alumuni

In response to a proposal made by former Sojitz employees to establish "Sojitz Alumni," we officially recognize and support operations of Sojitz Alumni activities. Sojitz Alumni is a platform for expanding our business scope via networking among current members of Sojitz as well as former members. This platform also facilitates the creation of new business opportunities and open innovation that transcends the boundaries of our existing business domain through the development of a more inclusive Sojitz Group.

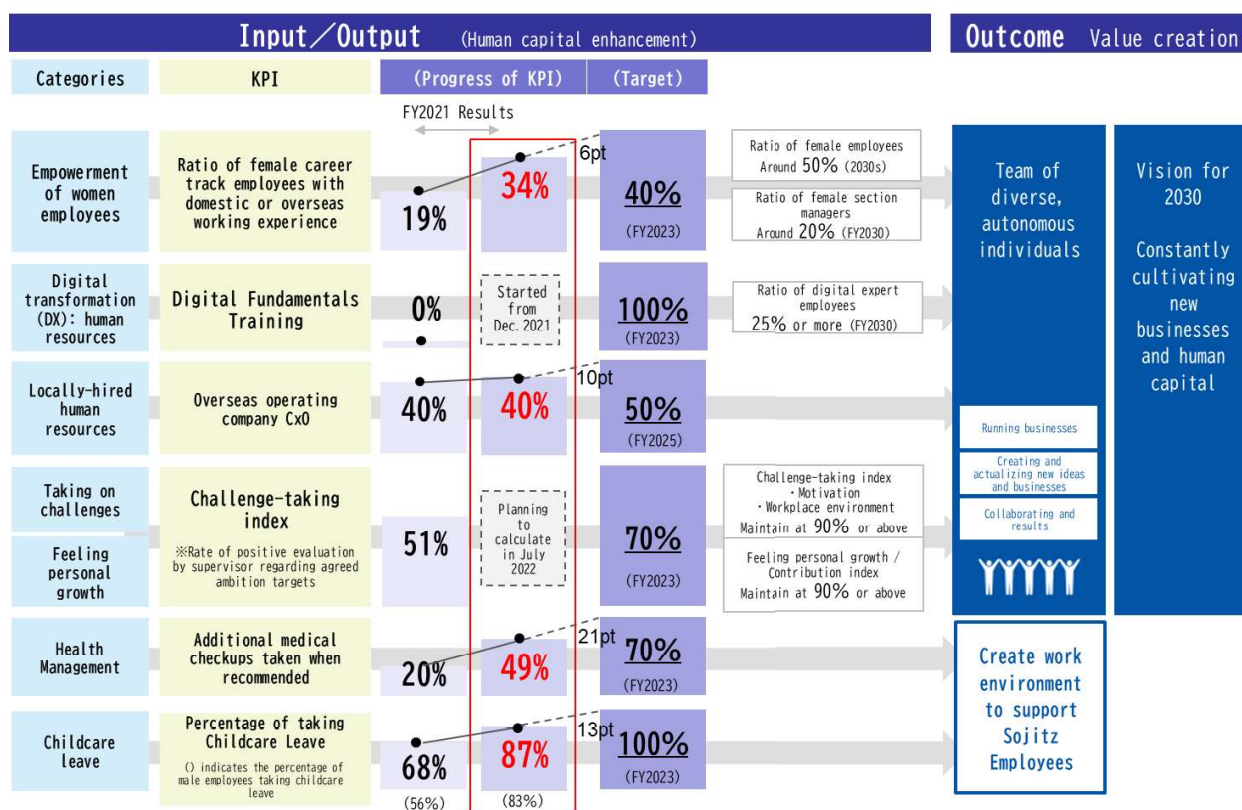
③ Facilitation of Tangible Growth

Sojitz has fostered an open culture in which employees feel safe to fail. With this culture, we are creating a virtuous cycle through which we encourage employees to tackle ambitious challenges and thereby facilitate tangible growth in order to foster diversity within our employee base. Through following initiatives, we are developing an environment in which employees and the Company choose each other and spur their own mutual growth.

- Peer mentor system and senior mentor system (For new employees)
- Overseas training program
- Training for every career stage
- Job rotation system

In addition to promoting the three pillars of the human resource strategies, we are building work environment to support Sojitz employees by enhancing health management systems and expanding parental leave system.

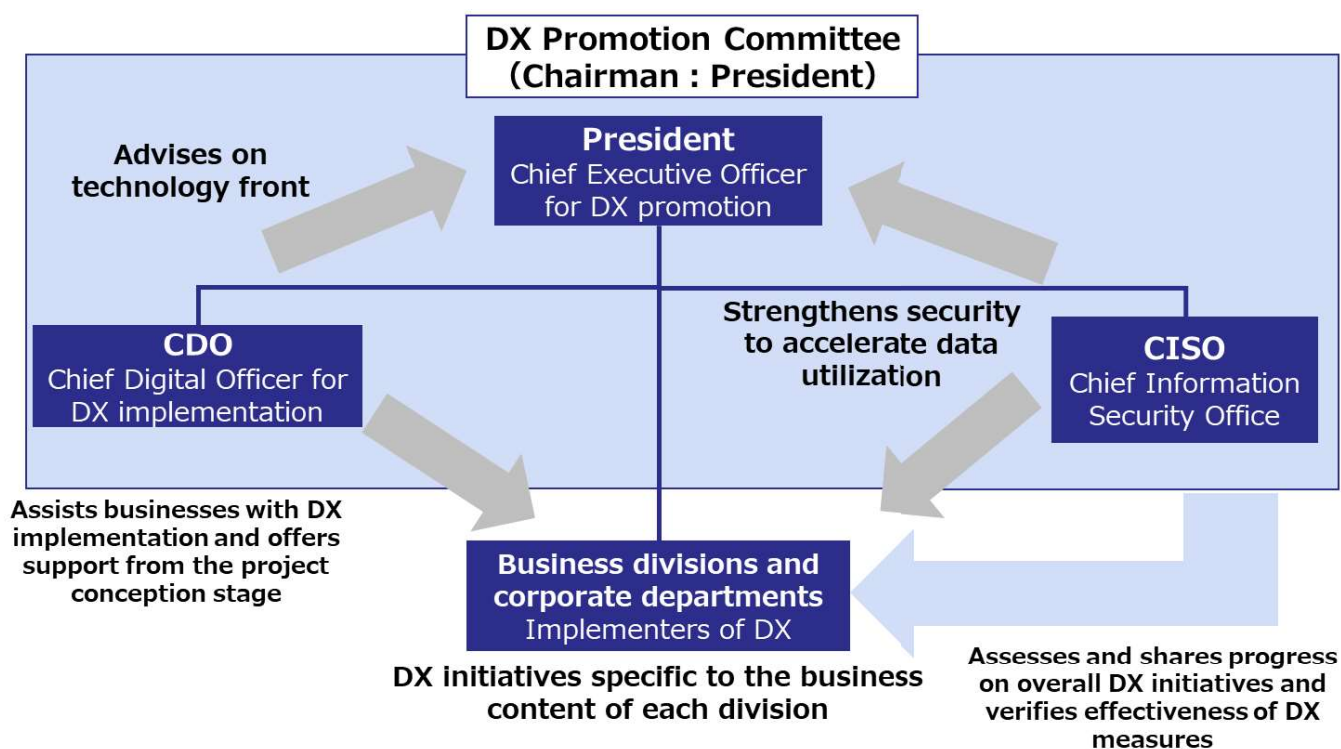
Sojitz has established human capital KPIs to guide the implementation of human resource strategies that are integrated into businesses based on these three strategic pillars. With dynamic and flexible KPIs that can be revised based on the operating environment trends and the degree of dissemination of human resource measures, we are implementing monitoring systems while adjusting measures as necessary.



3) Digital Transformation Initiative Policies

Digital technologies are indispensable for tying the needs of customers and society to the creation of value. For this reason, Sojitz has positioned digital technologies as a lingua franca in which all employees should be proficient. Based on Sojitz's vision for 2030 of becoming a general trading company that constantly cultivates new businesses and human capital, digital technologies will be utilized to further the Company's evolution in terms of business models and processes and human resources in order to fuel value creation under Medium-Term Management Plan 2023. In evolving business models, digital technologies will be implemented and utilized to transform existing business models while creating new businesses to be grown into business pillars. General trading companies develop businesses that encompass a plethora of diverse industries. As such, it is not always feasible to advance digital transformation based on a single, uniform approach. We are therefore promoting digital transformation on an individual business-basis while cultivating human resources capable of supporting such transformation in each business in order to evolve Sojitz into a truly digital company.

To promote digital transformation, Sojitz established the DX Promotion Committee, which is chaired by the president, in April 2021 and also recruited an external individual to serve as CDO (chief digital officer), the highest authority for advancing digital transformation, and appointed a CISO (chief information security officer) to oversee information security efforts. With this framework in place, digital transformation initiatives will be accelerated alongside efforts to reinforce information security in order to facilitate greater data utilization. We thereby aim to advance the digitization of both new and existing business.



4. Basic Policy Regarding Selection of Accounting Standards

Sojitz Corporation has adopted International Financial Reporting Standards (IFRS) to improve the convenience and international comparability of its financial information and to standardize accounting treatments within the Group.

5. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(In millions of Yen)

	FY 2020 (As of March 31, 2021)	FY 2021 (As of March 31, 2022)
Assets		
Current assets		
Cash and cash equivalent	287,597	271,651
Time deposits	10,059	10,782
Trade and other receivables	636,186	791,466
Derivatives	4,734	10,743
Inventories	187,891	232,788
Income tax receivables	3,116	1,051
Other current assets	64,924	68,382
Subtotal	1,194,511	1,386,867
Assets as held for sale	892	7,352
Total current assets	1,195,403	1,394,220
Non-current assets		
Property, plant and equipment	191,292	201,516
Right of use assets	72,821	69,661
Goodwill	67,201	82,522
Intangible assets	61,498	85,031
Investment property	11,603	13,261
Investments accounted for using the equity method	433,029	490,320
Trade and other receivables	89,747	118,273
Other investments	157,817	183,310
Derivatives	3	1,943
Other non-current assets	11,804	13,012
Deferred tax assets	7,890	8,607
Total non-current assets	1,104,711	1,267,460
Total assets	2,300,115	2,661,680
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	475,978	545,963
Lease liabilities	16,778	17,427
Bonds and borrowings	158,595	231,216
Derivatives	6,193	8,614
Income tax payables	5,851	19,007
Provisions	3,226	4,137
Other current liabilities	68,130	71,259
Subtotal	734,754	897,627
Liabilities directly related to assets held for sale	—	—
Total current liabilities	734,754	897,627
Non-current liabilities		
Lease liabilities	60,460	57,836
Bonds and borrowings	749,739	821,508
Trade and other payables	6,136	8,203
Derivatives	656	117
Retirement benefits liabilities	21,896	23,930
Provisions	41,725	47,951
Other non-current liabilities	9,636	8,891
Deferred tax liabilities	20,470	31,734
Total non-current liabilities	910,722	1,000,174
Total liabilities	1,645,476	1,897,802
Equity		
Share capital	160,339	160,339
Capital surplus	146,814	147,027
Treasury stock	(15,854)	(31,015)
Other components of equity	77,772	136,747
Retained earnings	250,039	314,913
Total equity attributable to owners of the Company	619,111	728,012
Non-controlling interests	35,527	35,866
Total equity	654,639	763,878
Total liabilities and equity	2,300,115	2,661,680

(2) Consolidated Statement of Profit or Loss

(In millions of Yen)

	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
Revenue		
Sale of goods	1,512,727	1,998,218
Sales of service and others	89,758	102,534
Total revenue	1,602,485	2,100,752
Cost of sales	(1,414,365)	(1,829,433)
Gross profit	188,120	271,319
Selling, general and administrative expenses	(161,080)	(180,314)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	2,860	6,702
Impairment loss on fixed assets	(5,470)	(2,637)
Gain on reorganization of subsidiaries/associates	3,923	6,060
Loss on reorganization of subsidiaries/associates	(2,128)	(18,215)
Other operating income	8,005	7,357
Other operating expenses	(8,327)	(13,052)
Total other income/expenses	(1,137)	(13,784)
Financial income		
Interests earned	5,418	7,425
Dividends received	3,034	5,063
Other financial income	53	828
Total financial income	8,506	13,317
Financial costs		
Interest expenses	(11,774)	(11,210)
Total financial cost	(11,774)	(11,210)
Share of profit(loss) of investments accounted for using the equity method	14,786	37,968
Profit before tax	37,420	117,295
Income tax expenses	(8,002)	(31,824)
Profit for the year	29,417	85,471
Profit attributable to:		
Owners of the Company	27,001	82,332
Non-controlling interests	2,416	3,138
Total	29,417	85,471

(3) Consolidated Statement of Profit or Loss and other Comprehensive Income

(In millions of Yen)

	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
Profit for the year	29,417	85,471
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	13,460	18,533
Remeasurements of defined benefit pension plans	442	(258)
Share of other comprehensive income of investments accounted for using the equity method	1,982	(10,743)
Total items that will not be reclassified to profit or loss	15,885	7,530
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	17,590	34,797
Cash flow hedges	4,815	1,677
Share of other comprehensive income of investments accounted for using the equity method	(4,741)	19,111
Total items that may be reclassified subsequently to profit or loss	17,664	55,587
Other comprehensive income for the year, net of tax	33,549	63,117
Total comprehensive income for the year	62,967	148,588
Total comprehensive income attributable to:		
Owners of the Company	59,111	142,429
Non-controlling interests	3,856	6,159
Total	62,967	148,588

(4) Consolidated Statements of Changes in Equity

(In Millions of Yen)

	Attributable to owners of the Company					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Foreign currency translation differences for foreign operations	Financial assets at fair value through other comprehensive income	Cash flow hedges
Balance as of April 1, 2020	160,339	146,756	(10,901)	(29,975)	86,513	(6,760)
Profit for the period						
Other comprehensive income				13,800	15,081	2,630
Total comprehensive income for the period	—	—	—	13,800	15,081	2,630
Purchase of treasury stock		(1)	(5,000)			
Disposition of treasury stock		(47)	47			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				156	534	(0)
Reclassification from other components of equity to retained earnings					(4,208)	
Share remuneration payment transaction		108				
Other changes						
Total contributions by and distributions to owners of the Company	—	58	(4,953)	156	(3,674)	(0)
Balance as of March 31, 2021	160,339	146,814	(15,854)	(16,018)	97,920	(4,129)

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company		
	Remeasurements of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2020	—	49,777	233,151	579,123	42,774	621,898
Profit for the period			27,001	27,001	2,416	29,417
Other comprehensive income	597	32,109		32,109	1,439	33,549
Total comprehensive income for the period	597	32,109	27,001	59,111	3,856	62,967
Purchase of treasury stock				(5,002)		(5,002)
Disposal of treasury stock				—		—
Dividends			(16,381)	(16,381)	(3,249)	(19,630)
Change in ownership interests in subsidiaries without loss/acquisition of control		690	1,457	2,147	(5,684)	(3,536)
Reclassification from other components of equity to retained earnings	(597)	(4,805)	4,805	—		—
Share remuneration payment transaction				108		108
Other changes			4	4	(2,170)	(2,165)
Total contributions by and distributions to owners of the Company	(597)	(4,115)	(10,113)	(19,123)	(11,103)	(30,227)
Balance as of March 31, 2021	—	77,772	250,039	619,111	35,527	654,639

(In Millions of Yen)

	Attributable to owners of the Company					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Foreign currency translation differences for foreign operations	Financial assets at fair value through other comprehensive income	Cash flow hedges
Balance as of April 1, 2021	160,339	146,814	(15,854)	(16,018)	97,920	(4,129)
Profit for the period						
Other comprehensive income				48,046	7,364	4,829
Total comprehensive income for the period	—	—	—	48,046	7,364	4,829
Purchase of treasury stock		(9)	(15,173)			
Disposition of treasury stock		(12)	12			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				(712)		
Put options granted to non-controlling interests						
Reclassification from other components of equity to retained earnings					(552)	
Share remuneration payment transaction		235				
Other changes						
Total contributions by and distributions to owners of the Company	—	212	(15,160)	(712)	(552)	—
Balance as of March 31, 2022	160,339	147,027	(31,015)	31,314	104,732	699

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company		
	Remeasurements of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2021	—	77,772	250,039	619,111	35,527	654,639
Profit for the period			82,332	82,332	3,138	85,471
Other comprehensive income	(143)	60,096		60,096	3,021	63,117
Total comprehensive income for the period	(143)	60,096	82,332	142,429	6,159	148,588
Purchase of treasury stock				(15,183)		(15,183)
Disposal of treasury stock				—		—
Dividends			(16,408)	(16,408)	(4,577)	(20,986)
Change in ownership interests in subsidiaries without loss/acquisition of control		(712)	1,979	1,266	(2,468)	(1,201)
Put options granted to non-controlling interests			(3,571)	(3,571)		(3,571)
Reclassification from other components of equity to retained earnings	143	(409)	409	—		—
Share remuneration payment transaction				235		235
Other changes			133	133	1,225	1,358
Total contributions by and distributions to owners of the Company	143	(1,121)	(17,458)	(33,528)	(5,820)	(39,349)
Balance as of March 31, 2022	—	136,747	314,913	728,012	35,866	763,878

(5) Consolidated Statement of Cash Flows

(In millions of Yen)

	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit for the year	29,417	85,471
Depreciation and amortization	31,850	34,279
Impairment loss on fixed assets	5,470	2,637
Finance (income) costs	3,268	(2,106)
Share of (profit)loss of investments accounted for using the equity method	(14,786)	(37,968)
(Gain) loss on sale of fixed assets, net	(2,860)	(6,702)
Income tax expenses	8,002	31,824
(Increase) decrease in trade and other receivables	1,162	(96,092)
(Increase) decrease in inventories	29,878	(26,026)
Increase (decrease) in trade and other payables	(14,948)	52,031
Changes in other assets and liabilities	8,696	6,950
Increase (decrease) in retirement benefits liabilities	(17)	(495)
Others	(122)	14,486
Subtotal	85,013	58,288
Interests earned	3,365	12,142
Dividends received	18,198	17,799
Interests paid	(12,199)	(11,961)
Income taxes paid	(9,405)	(11,184)
Net cash provided (used) by/in operating activities	84,972	65,084
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,889)	(18,370)
Proceeds from sale of property, plant and equipment	12,084	10,287
Purchase of intangible assets	(6,774)	(8,700)
(Increase) decrease in short-term loans receivable	278	1,430
Payment for long-term loans receivable	(4)	(10,360)
Collection of long-term loans receivable	1,162	6,219
Proceeds from (payments for) acquisition of subsidiaries	(4,349)	(35,749)
Proceeds from (payments for) sale of subsidiaries	5,990	7,485
Purchase of investments	(31,364)	(58,097)
Proceeds from sale of investments	9,484	24,381
Others	1,704	(57,346)
Net cash provided (used) by/in investing activities	(35,676)	(138,819)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(22,969)	54,245
Proceeds from long-term borrowings	172,645	270,356
Repayment of long-term borrowings	(149,769)	(214,740)
Proceeds from issuance of bonds	9,940	9,940
Redemption of bonds	(10,011)	(20,003)
Repayment of lease liabilities	(14,235)	(15,085)
Payment for acquisition of subsidiary's interests from non-controlling interest holders	(3,172)	(1,875)
Proceeds from non-controlling interest holders	1,186	418
Sales of treasury stock	8	3
Purchase of treasury stock	(5,000)	(15,173)
Dividends paid	(16,381)	(16,408)
Dividends paid to non-controlling interest holders	(2,878)	(4,710)
Others	15	(66)
Net cash provided (used) by/in financing activities	(40,621)	46,898
Net increase (decrease) in cash and cash equivalents	8,674	(26,835)
Cash and cash equivalents at the beginning of the year	272,651	287,597
Effect of exchange rate changes on cash and cash equivalents	6,271	10,890
Cash and cash equivalents at the end of the year	287,597	271,651

(6) Assumption for Going Concern

: None

(7) Segment information

Information regarding reportable segments

Main products and services of reportable segments are in 2.Group Business Operations.

The accounting method for the reported business segments are basically consistent with those used in the Consolidated Financial Statements, except with respect to the calculation of income tax expenses.

Prices for intersegment transactions are determined in the same way as general transactions and with reference to market prices.

For the year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(In millions of Yen)

	Reportable segments					
	Automotive	Aerospace & Transportation Project	Infrastructure & Healthcare	Metals, Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Revenue						
External revenue	179,922	25,398	62,369	356,211	406,765	235,882
Inter-segment revenue	–	–	2,867	–	1	13
Total revenue	179,922	25,398	65,237	356,211	406,766	235,896
Gross profit	32,531	12,455	19,384	124,431	37,312	27,353
Share of profit (loss) of investments accounted for using the equity method	(868)	(216)	9,647	4,714	666	613
Profit attributable to owners of the Company	1,094	1,840	8,220	(1,761)	5,769	4,603
Segment assets	151,428	152,979	337,230	476,175	272,299	210,319
Others:						
Investment accounted for using the equity method	4,671	13,056	121,252	236,876	11,207	14,399
Capital expenditure	7,239	1,442	6,439	4,972	2,936	1,417

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer service	Total			
Revenue					
External revenue	198,694	1,465,244	137,241	–	1,602,485
Inter-segment revenue	418	3,300	138	(3,439)	–
Total revenue	199,112	1,468,545	137,379	(3,439)	1,602,485
Gross profit	27,649	169,119	20,974	(1,973)	188,120
Share of profit (loss) of investments accounted for using the equity method	(149)	14,408	378	(0)	14,786
Profit attributable to owners of the Company	4,909	24,676	1,395	929	27,001
Segment assets	337,026	1,937,460	319,081	43,573	2,300,115
Others:					
Investment accounted for using the equity method	21,310	422,773	10,260	(4)	433,029
Capital expenditure	2,014	26,472	18,275	–	44,747

Reconciliation of segment profit of 929 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to 529 million yen, and unallocated dividend income and others of 399 million yen.

The reconciliation amount of segment assets of 43,573 million yen includes elimination of inter-segment transactions or the like amounting to (164,014) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to (207,588) million yen, which mainly consists of the Company's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

Capital expenditure includes amount related to usage rights assets.

	Reportable segments					
	Automotive	Aerospace & Transportation Project	Infrastructure & Healthcare	Metals, Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Revenue						
External revenue	243,051	70,020	61,794	560,460	538,299	291,755
Inter-segment revenue	-	10	3,220	-	4	19
Total revenue	243,051	70,030	65,015	560,460	538,304	291,774
Gross profit	45,635	16,157	18,999	60,035	50,725	31,264
Share of profit (loss) of investments accounted for using the equity method	762	(395)	13,806	21,489	706	875
Profit attributable to owners of the Company	7,083	4,687	6,624	34,068	12,630	6,385
Segment assets	191,809	218,035	421,050	511,464	320,476	245,047
Others:						
Investment accounted for using the equity method	5,573	20,089	170,002	226,621	12,321	14,845
Capital expenditure	5,776	1,418	4,047	4,069	1,223	2,221

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer service	Total			
Revenue					
External revenue	214,586	1,979,967	120,785	-	2,100,752
Inter-segment revenue	364	3,619	223	(3,842)	-
Total revenue	214,950	1,983,586	121,008	(3,842)	2,100,752
Gross profit	31,296	254,115	19,346	(2,142)	271,319
Share of profit (loss) of investments accounted for using the equity method	(19)	37,223	745	(1)	37,968
Profit attributable to owners of the Company	5,040	76,520	844	4,967	82,332
Segment assets	420,527	2,328,411	336,199	(2,929)	2,661,680
Others:					
Investment accounted for using the equity method	29,845	479,300	11,025	(5)	490,320
Capital expenditure	2,017	20,774	22,388	-	43,163

Reconciliation of segment profit of 4,967 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to 4,182 million yen, and unallocated dividend income and others of 785 million yen.

The reconciliation amount of segment assets of (2,929) million yen includes elimination of inter-segment transactions or the like amounting to (172,750) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to 169,820 million yen, which mainly consists of the Company's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

Capital expenditure includes amount related to usage rights assets.

(Changes in Reportable Segments)

Due to the reorganization effective April 1, 2021, the Machinery & Medical Infrastructure Division, the Energy & Social Infrastructure Division, and the Industrial Infrastructure & Urban Development were reorganized to the Infrastructure & Healthcare Division. The Foods & Agriculture Business Division, and the Retail & Lifestyle Business Division were reorganized to the Consumer Industry & Agriculture Business Division, and the Retail & Consumer Service Division. The Metals & Mineral Resources Division was renamed the Metals, Mineral Resources & Recycling Division. In addition, the car and motorcycle parts, ship equipment, industrial machinery, forefront industry business, bearing, and nuclear power-related equipment businesses previously included in the Automotive Division, the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division, and the Energy & Social Infrastructure Division were transferred to the Others segment.

Segment information for the year ended March 31, 2022, has been restated to reflect the change in reportable segments.

(Earnings per share)

(1) Basic earnings per share and diluted earnings per share

	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
Basic earnings per share (yen)	112.53	352.65
Diluted earnings per share (yen)	112.53	352.65

(2) Bases for calculation of basic earnings per share and diluted earnings per share

	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
Profit used to calculate basic and diluted earnings per share		
Profit for the year, attributable to owners of the Company (In millions of yen)	27,001	82,332
Amount not attributable to the ordinary shareholders of the Company (In millions of yen)	—	—
Profit used to calculate basic earnings per share (In millions of yen)	27,001	82,332
Profit adjustment amount		
Adjustment amount concerning share options to be issued by associates (In millions of yen)	—	—
Profit used to calculate diluted earnings per share (In millions of yen)	27,001	82,332
Weighted average number of ordinary shares to be used to calculate basic and diluted earnings per share		
Weighted average number of ordinary shares to be used to calculate basic earnings per share (In thousands of shares)	239,952	233,464
Effects of dilutive latent ordinary shares (In thousands of shares)	—	—
Weighted average number of ordinary shares used to calculate diluted earnings per share (In thousands of shares)	239,952	233,464

Note: The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. Basic earnings per share and diluted earnings per share have been calculated based on the assumption that the share consolidation had been conducted on April 1, 2021.

(Important Subsequent Event)

: None.