

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

May 2, 2023

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 20, 2023

Scheduled filing date of financial report: June 20, 2023

Scheduled date of delivery of dividends: June 21, 2023

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, 2023 (April 1, 2022 - March 31, 2023)

(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, 2023	2,479,840	18.0	155,036	32.2	115,824	35.5	111,247	35.1	145,803	(1.9)
March 31, 2022	2,100,752	31.1	117,295	213.5	85,471	190.5	82,332	204.9	148,588	136.0

	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, 2023	481.94	-	14.2	5.8
March 31, 2022	352.65	352.65	12.2	4.7

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

March 31, 2023 : 27,282 millions of yen March 31, 2022 : 37,968 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, 2023	2,660,843	876,576	837,713	31.5	3,629.34
March 31, 2022	2,661,680	763,878	728,012	27.4	3,153.90

Note : 1 The Company conducted a five-for-one share consolidation of shares of common stock effective October 1, 2021. Total equity per share attributable to owners of the Company has been calculated based on the assumption that the share consolidation had been conducted on April 1, 2021.

(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, 2023	171,639	29,157	(230,367)	247,286
March 31, 2022	65,084	(138,819)	46,898	271,651

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			
For the year ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2022	-	9.00	-	61.00	-	24,546	30.1	3.7
March 31, 2023	-	65.00	-	65.00	130.00	30,131	27.0	3.8
March 31, 2024 (forecast)	-	65.00	-	65.00	130.00		30.6	

Note : 1. Changes in cash dividends forecast : No

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 and annual dividend would be ¥106.00.

3. At the meeting of the Board of Directors held on March 31, 2023, plans to acquire and cancel shares of treasury stock were approved. The forecast for the consolidated payout ratio for the year ending March 31, 2024, has been calculated with consideration for the approved plans to acquire and cancel shares of treasury stock.

3. Consolidated Earnings Forecast for the Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

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, 2024			
Full-year	95,000	(14.6)	425.21

Note : 1 Basic earnings per share is calculated based on profit attributable to owners of the Company.

2 At the meeting of the Board of Directors held on March 31, 2023, plans to acquire and cancel shares of treasury stock were approved.

The forecast for basic earnings per share for the year ending March 31, 2024, has been calculated with consideration for the approved plans to acquire and cancel shares of treasury stock.

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, 2023: 250,299,900 As of March 31, 2022: 250,299,900
2. Number of treasury stock at the end of the periods:
As of March 31, 2023 : 19,482,980 As of March 31, 2022 : 19,470,556
3. Average number of issued shares during the periods:
For the year ended March 31, 2023 : 230,830,451
For the year ended March 31, 2022 : 233,464,995

Notes:

- 1 The Company conducted a five-for-one share consolidation of shares of common stock effective October 1, 2021. Number of issued shares at the end of the periods (including treasury stock), treasury stock at the end of the periods and average number of issued shares during the period have been calculated based on the assumption that the share consolidation had been conducted on April 1, 2021.
- 2 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; 953,699 stocks in the financial year ended March 2023 and 1,003,203 stocks in the financial year ended March 2022.

(Reference) Non-consolidated Financial Results

Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(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, 2023	763,373	12.5	(10,547)	-	91,799	65.3	81,927	62.6
March 31, 2022	678,262	-	(11,244)	-	55,543	57.1	50,389	27.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
For the year ended March 31, 2023	354.92	-
March 31, 2022	215.83	-

(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, 2023	1,588,873	481,583	30.3	2,086.43
March 31, 2022	1,683,267	460,636	27.4	1,995.57

(Reference) Total equity: As of March 31, 2023: 481,583 million yen As of March 31, 2022: 460,636 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, 2021.

* 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, 2023 for analysts and institutional investors on May 2, 2023. Contents (materials and a video) of the meeting and condensed transcript of Q&A session will be posted on our the company's site immediately after the meeting.

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1. Analysis of Business Results

(1) Overview of Fiscal Year 2022 (April 1, 2022 — March 31, 2023)

Economic Environment

In the year ended March 31, 2023, since the start of Russia's ongoing military invasion of Ukraine, and the global economy felt strong downward pressure from the monetary tightening measures implemented to combat inflation. Meanwhile, financial agencies took swift action to prevent rises in credit uncertainty in response to the collapse of a notable U.S. bank and concern regarding the management of banks in Europe.

In the United States, the Federal Reserve Board has implemented multiple interest rate hikes since March 2022, but high rates of inflation have persisted nonetheless. Given the consistent commodity prices and employment levels, it can be expected that measures for combating inflation in this country will continue. However, there is a need to carefully monitor the potential economic impacts of the increased burden of interest payments in both the public and private sectors.

In Europe, the European Central Bank continues to raise interest rates with the stabilization of commodity prices as its top priority. At the same time, unreliability in energy supplies persists and the pace of economic recovery is expected to remain slow as a result.

In China, the December 2022 reversal of the zero-COVID policy accelerated the economic recovery of this country, which is now expected to see real GDP growth of around 5% in 2023. Meanwhile, at the meeting of the National People's Congress held in March 2023, Xi Jinping was elected to serve his third term as president, an event that is expected to continue to draw attention to China's directives for economic development and international relations.

Japan saw a rise in economic activity following the alleviation of certain restrictions related to the COVID-19 pandemic. However, the recovery of the production and exports of major industrial products was sluggish due to stagnant demand stemming from high commodity prices and economic slowdown overseas. Accordingly, caution is warranted with regard to risks of downturns in external demand. At the Bank of Japan's monetary policy meeting held in March 2023, it was decided that existing monetary easing policies would be continued. Japan thus maintains its monetary easing approach with Kazuo Ueda acting as Governor of the Bank of Japan, a position he took up in April 2023. This approach is contributing to a widening gap in interest rates between Japan and the United States, creating a need for caution with regard to future monetary policies and foreign exchange rates.

Meanwhile, the economies of other Asian countries recovered from the impacts of the COVID-19 pandemic, and real GDP growth of around 5% is thus expected to be seen in Asia in 2023. Growth in internal demand was witnessed in India and in ASEAN and other emerging countries as economic activity returned to normal. Regardless, these countries face risks of economic downturn from currency devaluation, rising international debt, and growing deficits amid high inflation, challenging financing conditions created by monetary tightening, and ongoing interest rate hikes in the United States.

Financial Performance

Sojitz Corporation's consolidated business results for the year ended March 31, 2023 are presented below.

Revenue	Revenue was up 18.0% year on year, to ¥2,479,840 million, mainly due to higher revenue in the Retail & Consumer Service Division, a result of acquisition of aquaculture food product manufacturing company; in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal; in the Chemicals Division, a result of rising market prices for various chemical products.
Gross profit	Gross profit was up ¥66,248 million year on year to ¥337,567 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 rising market prices for various chemical products; in the Retail & Consumer Service Division, a result of acquisition of aquaculture food product manufacturing company.
Profit before tax	Profit before tax was up ¥37,741 million year on year, to ¥155,036 million, mainly due to an increase in gross profit, despite increases in selling, general and administrative expenses associated with the acquisition of new consolidated subsidiaries and decreases in share of profit of investments accounted for using the equity method in offshore wind power generation business in Taiwan.
Profit for the year	After deducting income tax expenses of ¥39,211 million from profit before tax of ¥155,036 million, profit for the year amounted to ¥115,824 million, up ¥30,353 million year on year. Profit for the year (attributable to owners of the Company) increased ¥28,915 million year on year, to ¥111,247 million.
Comprehensive income for the year	Comprehensive income for the year of ¥145,803 million was recorded, down ¥2,785 million year on year, following an decrease 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 ¥138,434 million, an decrease of ¥3,995 million.

(In Millions of Yen)

	Fiscal Year 2022 Results(A)	Fiscal Year 2021 Results(B)	Difference (A)-(B)	Percentage change (%)
Revenue	2,479,840	2,100,752	379,088	18.0
Gross profit	337,567	271,319	66,248	24.4
Profit before tax	155,036	117,295	37,741	32.2
Profit for the year	115,824	85,471	30,353	35.5
Profit for the year attributable to owners of the Company	111,247	82,332	28,915	35.1
Comprehensive income for the year	145,803	148,588	(2,785)	(1.9)

Results for the year ended March 31, 2023, are summarized by segment below.

Effective April 1, 2022, the Company reorganized its Consumer Industry & Agriculture Business and Retail & Consumer Service segments and changed its reporting segment classification method.

Automotive

Revenue was up 22.9% year on year to ¥298,801 million, mainly due to improvement in foreign exchange rate and profitability in overseas automobile operations. Profit for the period (attributable to owners of the Company) decreased by ¥1,070 million year on year, to ¥6,013 million, as a result of an increase in selling, general and administrative expenses associated with foreign exchange rate, despite an increase in gross profit.

Aerospace & Transportation Project

Revenue was down 1.4% year on year to ¥69,025 million, mainly due to the lower revenue in aircraft-related transactions. Profit for the period (attributable to owners of the Company) increased ¥1,702 million year on year, to ¥6,389 million, as a result of an increase in gross profit, due to the steady growth in business jet charter and vessels.

Infrastructure & Healthcare

Revenue was up 66.1% year on year, to ¥102,632 million, mainly due to the acquisition of energy conservation business in the U.S. Profit for the period (attributable to owners of the Company) increased ¥894 million year on year, to ¥7,518 million, mainly due to an increase in gross profit, share of profit of investments accounted for using the equity method in LNG businesses and in other income (expenses) by a partial sale of domestic solar power generation business, despite a decrease in share of profit of investments accounted for using the equity method in offshore wind power generation business in Taiwan.

Metals, Mineral Resources & Recycling

Revenue was up 15.2% year on year, to ¥645,668 million, mainly due to higher prices for coal. Profit for the period (attributable to owners of the Company) increased ¥28,636 million year on year, to ¥62,704 million, as a result of an increase in gross profit.

Chemicals

Revenue was up 15.7% year on year, to ¥622,884 million, mainly due to growth in plastic resin transactions. Profit for the period (attributable to owners of the Company) increased ¥5,843 million year on year, to ¥18,473 million, as a result of rising market prices for various chemical products.

Consumer Industry & Agriculture Business

Revenue was up 19.0% year on year, to ¥340,089 million, mainly due to higher prices in fertilizer. Profit for the period (attributable to owners of the Company) increased ¥38 million year on year, to ¥6,398 million, as a result of an increase in share of profit of investments accounted for using the equity method, despite an decrease in lumber prices.

Retail & Consumer Service

Revenue was up 39.1% year on year, to ¥306,975 million, mainly due to the acquisition of aquaculture food product manufacturing company. Profit for the period (attributable to owners of the Company) increased ¥2,425 million year on year, to ¥7,435 million, due to an increase in gross profit and in other income (expenses) by a sale of a REIT asset management company.

(2) Financial Position

Consolidated Balance Sheet

Total assets on March 31, 2023, were ¥2,660,843 million, down ¥837 million from March 31, 2022, mainly due to the decrease in trade and other receivables under current assets associated with aircraft-related transactions, despite an increase in inventories of coal and automobile in addition to the impact of yen depreciation.

Total liabilities on March 31, 2023, amounted to ¥1,784,266 million, down ¥113,536 million from March 31, 2022, mainly due to the decrease in interest-bearing debt as a result of repayment of borrowings, despite an increase in trade and other payables under current liabilities associated with coal and tobacco in addition to the impact of yen depreciation.

Total equity attributable to owners of the Company was ¥837,713 million on March 31, 2023, up ¥109,701 million from March 31, 2022, mainly due to the accumulation of profit for the year (attributable to owners of the Company).

Consequently, on March 31, 2023, the current ratio was 162.0%, the long-term debt ratio was 81.0%, and the equity ratio was 31.5%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥629,426 million on March 31, 2023, down ¥140,865 million from March 31, 2022. This resulted in the Company's net debt equity ratio* equaling 0.75 times at March 31, 2023.

(*) 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 been endeavored to maintain a stable financial foundation by keeping the long-term debt ratio at a certain level and by holding sufficient liquidity as a buffer against changes in the economic or financial environment.

Even though Sojitz did not issue straight bonds, as one source of long-term funding, in the year period ended March 31, 2023, 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 ¥100.0billion long-term yen commitment line (which remains unused) and long-term commitment line totaling US\$2.575 billion (of which US\$0.774 billion has been used).

(3) Consolidated Cash Flows

In the year ended March 31, 2023, operating activities provided net cash flow of ¥171,639 million, investing activities provided net cash flow of ¥29,157 million, and financing activities used net cash flow of ¥230,367 million. Sojitz ended the period with cash and cash equivalents of ¥247,286 million, reflecting foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided in operating activities amounted to ¥171,639 million, an increase of ¥106,555 million year on year, mainly as a result of business earnings and dividends received.

(Cash flows from investing activities)

Net cash provided in investing activities amounted to ¥29,157 million, up ¥167,976 million year on year, despite cash out for recycling project of household appliances and electronic devices and office building development project in the Philippines, as a result of sale of cross-shareholding and partial sale of domestic solar power generation business.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥230,367 million, up ¥277,265 million year on year, mainly as a result of repayment of borrowings and dividends paid.

(4) Consolidated Earnings Forecast

Gross profit	¥ 320 billion
Profit before tax	¥ 125 billion
Profit for the year	¥ 100 billion
Profit for the year (attributable to owners of the Company)	¥ 95 billion

The above forecast assumes a yen/dollar rate of ¥125/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 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 2022-23 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, 2023, 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

¥65 per share of Sojitz common stock, ¥15,065 million in total

For the year ended March 31, 2023, Sojitz will issue annual dividend payments of ¥130 per share, when including the interim dividend of ¥65 per share made on December 1, 2022. This will make for total dividend payments of ¥30,131 million and a consolidated dividend payout ratio of 27.0% along with a market price-based dividend on equity of 5.7%, surpassing the defined minimum level of 4%.

3) Effective date of dividends from surplus

June 21, 2023

• FY2023 Dividends

In the year ending March 31, 2024, Sojitz plans to pay an annual dividend of ¥130 per share (interim dividend of ¥65 plus year-end dividend of ¥65) based on its basic policy and earnings forecast. This amount will equate to a consolidated payout ratio of 30.6% of the forecast for profit for the year (attributable to owners of the Company)

(Note) On March 31, 2023, the board of directors of the Company resolved to repurchase and cancellation of treasury stock. The effect of this repurchase and cancellation of treasury stock is accounted for the calculation of consolidated payout ratio of the forecast for the year (attributable to owners of the Company)

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

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

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 422 consolidated subsidiaries and equity method associates, including 290 consolidated subsidiaries and 132 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 257 companies consisting of 175 consolidated subsidiaries and 82 equity method associates.)

Effective April 1, 2022, the Company reorganized its Consumer Industry & Agriculture Business and Retail & Consumer Service segments and changed its reporting segment classification method.

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

As of March 31, 2023

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries : 27 Number of equity method associates : 5	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. (coordination, sales and loading of in-flight meals, food sales, bonded warehousing; Subsidiary) - Japcon Inc. (jet sales, aircraft operation management, maintenance and air transportation; Subsidiary)
Infrastructure & Healthcare Number of consolidated subsidiaries : 47 Number of equity method associates : 37	Infrastructure & environment (renewable energy IPP infrastructure investment, renewable energy-related service project); Power Infrastructure-solution projects(WPP,energy management, power plant EPC business); Energy conservation business; Energy (Oil and gas, petroleum products, LNG and LNG-related business, next-generation energy); Nuclear power related business(nuclear fuels); ICT infrastructure projects (telecommunications tower, fiber etc.); Industrial and urban infrastructure (industrial park, housing, office, smart cities, data center); Healthcare project(hospital PPP, medical-related service, healthcare new technology); Sales and maintenance of communications and IT equipment; Systems integration, Software development and sales, Cloud services and managed services	- Sojitz Global Investment B.V. (investment in power generation projects; Subsidiary) - Blue Horizon Power International Ltd. (investment in power generation projects; Subsidiary) - McClure Company (energy conservation 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) - Sojitz Hospital PPP Investment B.V. (investment in hospital PPP business; Subsidiary) - Sojitz Healthcare Australia Ltd. (investment in hospital PPP business; Subsidiary) - Qualitas Medical Limited (clinic Chains; Equity method associate) - Nissho Electronics Corporation (IT systems, network services; Subsidiary)
Metals, Mineral Resources & Recycling Number of consolidated subsidiaries : 22 Number of equity method associates : 15	Coal; Iron ore; Ferroalloys (nickel, chromium, Niobium), Ores; Alumina; Aluminum; Copper; Zinc; 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-related products; Equity method associate) - Japan Alumina Associates (Australia) Pty. Ltd. (production of alumina; Equity method associate)
Chemicals Number of consolidated subsidiaries : 27 Number of equity method associates : 11	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, 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)

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
<p>Consumer Industry & Agriculture Business</p> <p>Number of consolidated subsidiaries : 26 Number of equity method associates : 11</p>	<p>Grains; Wheat flour; Oils and fats; Oil stuff; Feed materials; 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; Papermaking; Decarbonization(biomass, carbon credit); Agriculture; Regional revitalization</p>	<p>- Sojitz Building Materials Corporation (sale of construction materials, construction planning, research, design, supervision and contracting; Subsidiary) - Thai Central Chemical Public Co., Ltd (manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) - Saigon Paper Corporation (manufacture and sale of household and industrial paper and other paper products; Subsidiary) - 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 : 27 Number of equity method associates : 22</p>	<p>Food and consumer goods distribution businesses; Convenience store business; Food service business; Shopping center management; 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) - The Marine Foods Corporation (manufacture and sale of processed marine food products, import and sale of marine product raw materials; Subsidiary) - Sojitz Fashion Co., Ltd. (processing and sale of fabrics; Subsidiary) - DAIICHIHIBO Co., Ltd. (manufacture and sale of textiles, storage distribution; Subsidiary) - 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 services; Subsidiary) - Sojitz LifeOne Corporation (condominium and office building management, real estate agency services; Subsidiary) - Royal Holdings Corporation (restaurant, Hotels, Contract, Food manufacturing; Subsidiary) *1 - JALUX Inc. (logistics and services in the in-flight, airport retail, lifestyle-related, customer service; Equity method associate) - Fuji Nihon Seito Corporation (manufacture, refining, processing and sale of sugar; Equity method associate) *1</p>
<p>Other</p> <p>Number of consolidated subsidiaries : 23 Number of equity method associates : 11</p>	<p>Industrial Machinery; 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 marine equipments ; Subsidiary) - Sojitz Kyushu Corporation (domestic regional operating company; Subsidiary) - Sojitz Logistics Corporation (logistic services, land, sea and air cargo handling, international non vessel operating, common carrier (NVOCC) transportation; Subsidiary) - Sojitz Insurance Agency Corporation (insurance agency services; Subsidiary) - Sojitz Tourist Corporation (travel agency; Subsidiary) - Sojitz Shared Service Corporation (shared services and consulting regarding HR, accounting and finance, temporary staffing services; Subsidiary) *2 - Sojitz Research Institute (Research and consulting; Subsidiary)</p>
<p>Overseas branches</p> <p>Number of consolidated subsidiaries : 54 Number of equity method associates : 9</p>	<p>We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.</p> <p>In the segment information, the business segments are included based on the similarity of the products handled. The segment information includes the following business segments based on the similarity of products handled.</p>	<p>- Sojitz Corporation of America (Subsidiary) - Sojitz Europe plc (Subsidiary) - Sojitz Corporation of Europe B.V. (Subsidiary) - Sojitz Asia Pte. Ltd (Subsidiary) - Sojitz (Hong Kong) Ltd. (Subsidiary) - Sojitz (China) Co., Ltd. (Subsidiary)</p>

(*1) The following companies are listed in the Japanese stock market as of March 31, 2023:

- SAKURA Internet Inc. (TSE Prime market)
- Royal Holdings Co., Ltd.(TSE Prime market, Fukuoka stock exchange)
- Fuji Nihon Seito Corporation (TSE Standard market)

(*2) Effective July 1, 2022, a merger was conducted between Sojitz Shared Service Corporation and Sojitz Business Support Corporation, with the latter being the surviving company. The name of the surviving company was changed to Sojitz Shared Service Corporation.

3. Management Policies

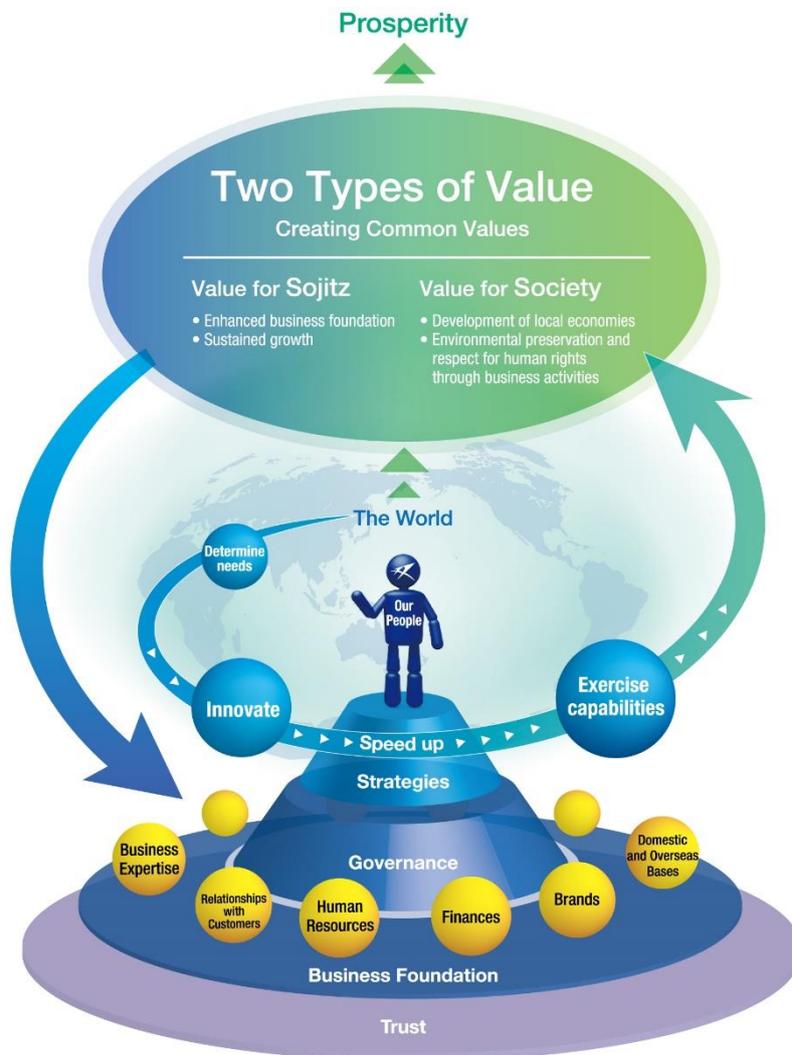
(1) Fundamental Policy

In accordance with the Sojitz Group Statement and the Sojitz Group Slogan, to create prosperity as in our corporate statement, the Sojitz Group is committed to maximizing two types of value – “value for Sojitz” and “value for society”. “Value for Sojitz” refers to enhancements to its business foundation contributions and to sustained growth. “Value for society” pertains to contributions to the development of local economies, respect for human rights, and environmental preservation.

(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)



In order to create a prosperity and two types of values, Sojitz considers human resources to be our most important management resource, which Sojitz describes as "human assets", and place them at the center of our value creation model. The source of Sojitz's value creation is to understand the needs of the world and to enhance our human resource capabilities to create value.

Based on highly effective strategies and robust corporate governance systems, always guided by new ideas, Sojitz exercises our capabilities through trading, investments in interests, and business investments as we quickly expand our business while managing risk based on the uncertainty seen in the operating environment.

Moreover, Sojitz's sustained growth is supported by the solid operating foundation, it has built over the years. This foundation is comprised of our global network of operating bases and partners and the trusting relationships with customers and strong brand image we have fostered over the years in the regions Sojitz serves.

As Sojitz creates "value for society", Sojitz earns the trust of our stakeholders. Meanwhile, the value we create enhances our business foundation through the development of human resources and the accumulation of business expertise as "Value for Sojitz", thereby bolstering our competitiveness and granting us access to a wider range of business opportunities. In this manner, our value creation cycle drives ongoing improvements to corporate value.

(2) Outlook and Medium- to Long-term Business Strategy

Medium-Term Management Plan (MTP) 2023 ~Start of the Next Decade~

Amid the current rising uncertainty in global trends, corporate activities are expected to feel the effects of recent megatrends to an increasingly strong degree. Examples of these megatrends include the accelerated pace of digitization; the growing awareness of environment, social, and governance (ESG) trends; and diversifying values and needs. Against this backdrop, Sojitz is keenly aware of the need to build solid earnings foundations while also transforming itself by perceiving this situation as an opportunity.

Under MTP 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, collaborate proactively, and strive for speed while transforming organizations and human resources as necessary.

Corporate Statement :

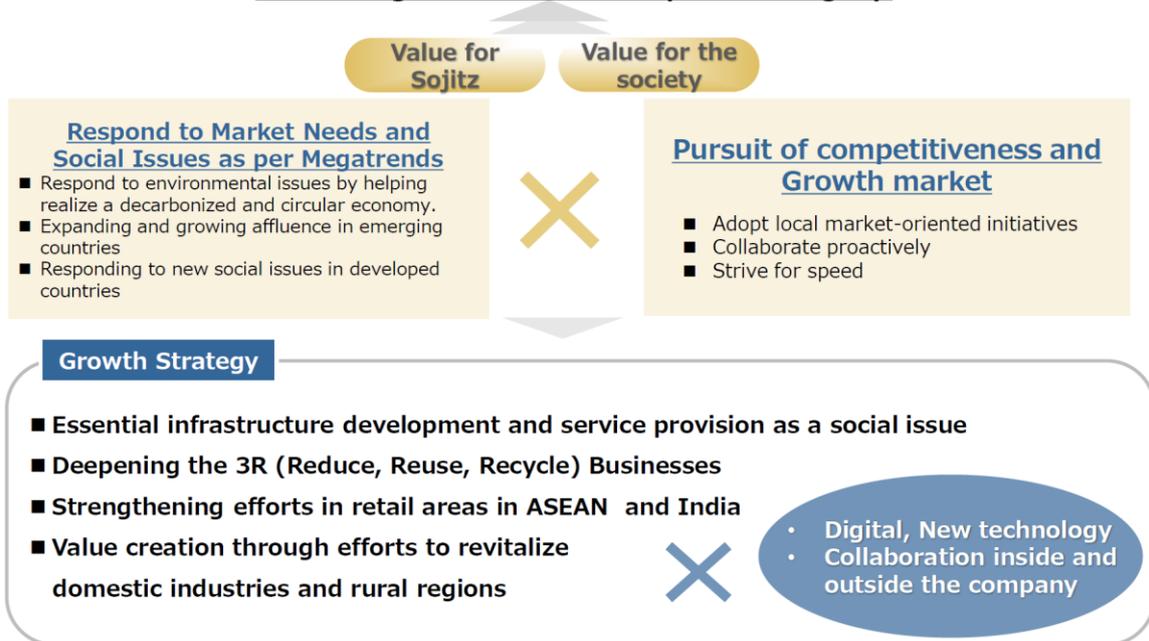
The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.



i. Growth Strategies and Focus Areas

MTP 2023 lays out a growth strategy of concentrating management resources in fields in which we can pursue competitiveness and growth markets based on sustainability. Specifically, we have defined four initiatives for this growth strategy - Develop essential infrastructure and services to alleviate social issues, Expand “3R” (reduce, reuse, recycle) businesses, Strengthen retail efforts in ASEAN and India, and Create value by revitalizing domestic industries and rural regions. Alongside these initiatives, we will utilize digital and new technologies and practice co-creation and sharing methodologies with partners inside and outside the Company to achieve our goals.

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



Creating value for shareholders will require us to proactively invest in projects that boast substantial profitability and scale. Based on this recognition, Sojitz is pursuing growth through new investments of substantive scale backed by strategies in focus areas (see table below) under MTP 2023. We will thus pursue 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 conducted while practicing continued discipline in cash flow management.

Investment allocations ¥300.0bn	Infrastructure & Healthcare	#Growth in emerging countries #Environmental issues #population growth, population aging Essential Infrastructure & Healthcare ¥120.0~150.0bn
	Growth market × Market-oriented initiative	#Growth in emerging countries #Environmental and food shortage issues #Digitization Retail business in ASEAN and Indian market Fertilizer (Including agriculture) ¥100.0~120.0bn
	Materials & Circular economy	#Environmental issues #Resource recycling #Technology including digitals Recycle and new material ¥30.0~50.0bn
Reformation of conventional business model		

ii. Sustainability Management

Under MTP 2023, sustainability initiatives are placed among the top priorities for corporate management. In accordance with its philosophy of creating two types of value - value for Sojitz and value for society - Sojitz has formulated the Sustainability Challenge, its long-term vision for 2050, based on its Key Sustainability Issues (Materiality). In addition, MTP 2023 is guiding the implementation of measures based on the overarching themes of helping achieve a decarbonized society and promoting respect for human rights.

In its human resource strategies, Sojitz emphasizes developing a team of diverse, autonomous individuals and linking the growth of autonomous individual to the growth of their team, their organization, and subsequently the Company. Accordingly, we practice management emphasizing human capital with the goal of fostering human resources who excel at creating value. Furthermore, as part of our DX strategy, we position digital as a prerequisite for linking customer and social needs to value creation, as a common language that all employees should have and as a means to transform our business and strengthen our competitiveness, and we will contribute to value creation by promoting reform of business models, human resources, and business processes.

iii. Management Targets and Progress Toward Targets

MTP 2023 puts forth quantitative targets from the two perspectives of “creation of shareholder value” and “growth and financial discipline”. To accomplish these targets, we will seek to create value for shareholders by pursuing growth in scale and improvements in profitability by steadily generating earnings from new investments and implementing drastic earnings structure reforms in existing businesses.

	Target	FY2021 Results	FY2022 Results	FY2023 Forecast
Increased Shareholder Value (Three-year average)				
Return on equity	10% or above	12.2%	14.2%	11.1%
Profit for the year (attributable to owners of the Company)	Approx. ¥65.0 bn	¥82.3 bn	¥111.2 bn	¥95.0 bn
Core operating cash flow*1	Approx. ¥80.0 bn	¥128.7 bn	¥145.2 bn	¥115.0 bn
Consolidated payout ratio	Approx. 30%	30.1%	27.0%	30.6%
Growth and Financial Discipline				
Investments	¥330.0 bn (including ¥30.0 bn in non-financial investments)	¥150.0 bn	¥93.0 bn	-
Core cash flow*2	Positive (Aggregate total over period encompassing MTP 2020 and MTP 2023)	¥10.5 bn	¥136.0 bn	¥(75.0) bn
Net debt equity ratio	Approx. 1.0 times	1.06 times	0.75 times	0.75 times
Return on assets	3% or above (final year of MTP 2023)	3.3%	4.2%	3.5%
Price-to-book ratio	1.0 times or above	0.64 times	0.76 times	-

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

*2 Core cash flow = Core operating cash flow (excluding changes in working capital) + 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, etc.)

Under MTP 2023, Sojitz has set a target of three-year average return on equity (ROE) of 10% or above based on consideration of the level of approximately 8% for shareholders' equity costs. In addition, we have introduced cash return on invested capital (CROIC) as a new internal management indicator. CROIC indicates core operating cash flow as a ratio of return on invested capital. Each division has set targets for the minimum level of CROIC as value creation guideline figures for the period of MTP 2023. In the year ended March 31, 2023, ROE came to 14.2%. In addition, profit for the year (attributable to owners of the Company) amounted to ¥111.2 billion, compared with the target of ¥65.0 billion for the three-year average over the period of the MTP. Factors behind this increase included rises in product selling prices, improved coal market conditions, and stable growth in non-resource businesses. In this manner, Sojitz posted a new record high for profit for the year (attributable to owners of the Company) for the second consecutive year, underscoring the improvements to the Company's earning power resulting from consistent success in value creation activities and ongoing investment. Resource businesses have been generating earnings, and steady progress has been made in investments in non-resource fields. These successes will form the foundation for Sojitz's transition to a new earnings stage under the next MTP.

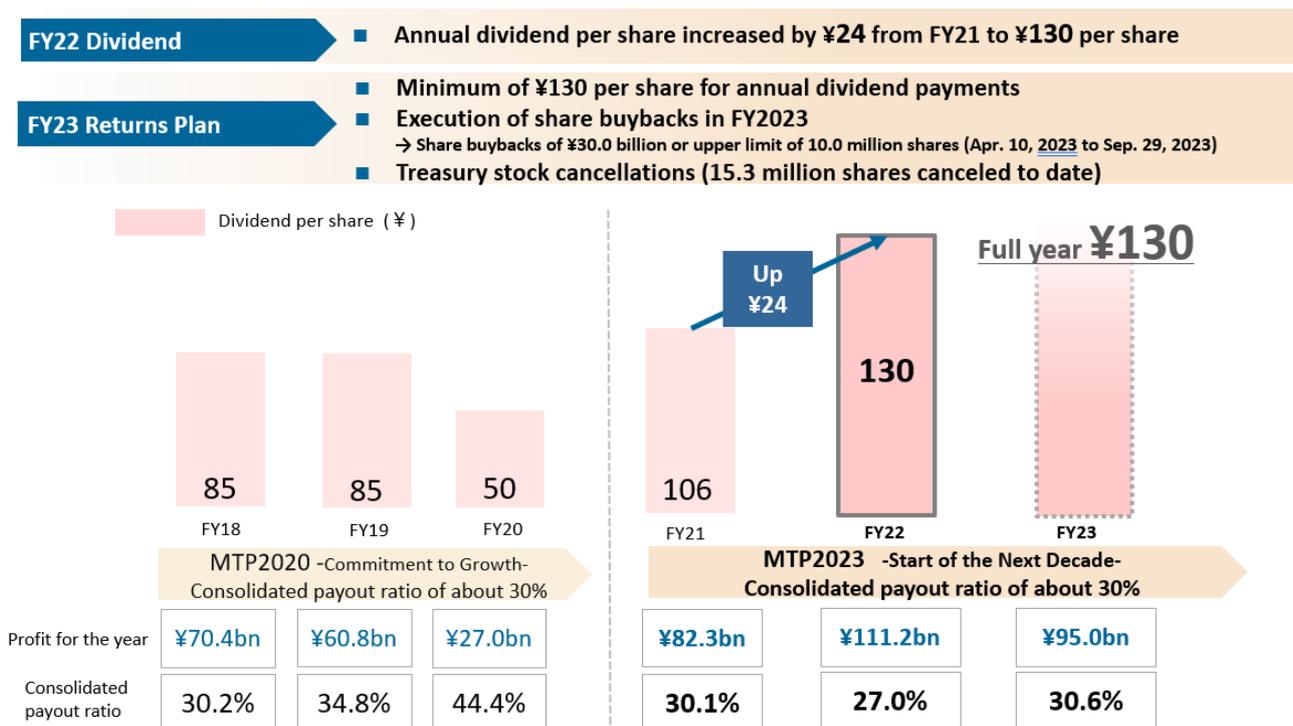
iv. Investment Progress

Sojitz invested ¥150.0 billion in the year ended March 31, 2022, and ¥93.0 billion in the year ended March 31, 2023, making for total investment of ¥243.0 billion during the period of the MTP thus far. These investments included energy conservation business companies in the United States, a solar power generation business in Australia, a telecommunications tower business in the Philippines, and other infrastructure and healthcare field investments as well as retail field investments in growth markets like Southeast Asia and India such as the acquisition of full ownership of aquaculture food product manufacturing company, The Marine Foods Corporation, and collaboration with the Vinamilk Group, a major Vietnamese dairy product manufacturer. In addition, we are strengthening our efforts in the materials and circular economy areas in Japan and overseas, such as the home appliance and electronics recycling business in Canada and the fluorine compound manufacturing business in Kitakyushu City, Fukuoka Prefecture, etc. In the year ending March 31, 2024, Sojitz will conduct new investments while practicing disciplined cash flow management to realized steady improvements in corporate value.

v. Shareholder Returns

It is Sojitz's basic policy to pay stable, continuous dividends while enhancing shareholder value through the accumulation and effective use of retained earnings. In accordance with this policy, we are targeting a consolidated payout ratio of approximately 30% under MTP 2023. The consolidated payout ratio was 27.0% in the year ended March 31, 2023.

A lower limit of ¥130 per share has been set for annual dividend payments in the year ending March 31, 2024.



Note: The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The dividend figures for FY18 to FY21 have been restated to reflect the share consolidation.

The positive core cash flow generated over the period of MTP 2020 and in the first two years of MTP 2023 was directed, in part, toward growth investments. In addition, the Company announced the cancellation of 15,299,900 shares of treasury stock (effective April 7, 2023) and share buybacks with an upper limit of 10 million shares, or ¥30.0 billion on April 10, 2023. These moves are meant to direct a portion of the aforementioned cash flow to shareholder returns and improve capital efficiency.

vi. Initiatives in Final Year of MTP 2023

The operating environment is expected remain volatile in the final year of MTP 2023. Factors behind this volatility will include the impacts of geopolitical risks, such as Russia's invasion of Ukraine, which continues from the year ended March 31, 2022, as well as monetary tighten measures affecting major currencies and the resulting fluctuations in the value of the currencies of emerging countries. Amid this volatility, Sojitz will endeavor to effectively manage the risks arising from diverse changes while also framing the challenging environment as an opportunity to evolve as it aspires to create new value. At the same time, we will seek to bolster our competitiveness and grow our business by advancing initiatives for achieving our vision for 2030 and by adopting local market-oriented initiatives, collaborating proactively, and striving for speed. Another focus will be ongoing efforts to transform the organization as necessary and raise the value of our human resources. This is the approach Sojitz will take toward growing and continuously creating value.

Furthermore, as a general trading company that constantly cultivates new businesses and human capital, Sojitz will promote human capital management, and as a DX strategy, will work to make digital technologies a common skill in which all employees are proficient and to utilize these technologies to drive business portfolio reforms. In this manner, digital transformation and the cultivation of DX-Expert employees will be positioned as a cornerstone of corporate value improvement measures. By bolstering internal and external communication and disclosure pertaining to these initiatives, we hope to foster anticipation for Sojitz's future growth and achieve a price-to-book ratio (PBR) of 1.0 times or above.

For more information on MTP 2023, please refer to Sojitz's corporate website (<https://www.sojitz.com/en/>).

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 2021 (As of March 31, 2022)	FY 2022 (As of March 31, 2023)
Assets		
Current assets		
Cash and cash equivalent	271,651	247,286
Time deposits	10,782	6,991
Trade and other receivables	791,466	794,898
Derivatives	10,743	4,642
Inventories	232,788	280,982
Income tax receivables	1,051	11,002
Other current assets	68,382	59,991
Subtotal	1,386,867	1,405,796
Assets as held for sale	7,352	38,743
Total current assets	1,394,220	1,444,540
Non-current assets		
Property, plant and equipment	201,516	195,414
Right of use assets	69,661	65,603
Goodwill	82,522	85,731
Intangible assets	85,031	70,834
Investment property	13,261	8,116
Investments accounted for using the equity method	490,320	559,939
Trade and other receivables	118,273	86,293
Other investments	183,310	129,781
Derivatives	1,943	1,328
Other non-current assets	13,012	6,650
Deferred tax assets	8,607	6,609
Total non-current assets	1,267,460	1,216,303
Total assets	2,661,680	2,660,843
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	545,963	579,252
Lease liabilities	17,427	17,305
Bonds and borrowings	231,216	167,775
Derivatives	8,614	5,480
Income tax payables	19,007	20,633
Provisions	4,137	2,437
Other current liabilities	71,259	79,676
Subtotal	897,627	872,560
Liabilities directly related to assets held for sale	—	19,260
Total current liabilities	897,627	891,821
Non-current liabilities		
Lease liabilities	57,836	54,104
Bonds and borrowings	821,508	715,929
Trade and other payables	8,203	9,234
Derivatives	117	38
Retirement benefits liabilities	23,930	22,713
Provisions	47,951	48,962
Other non-current liabilities	8,891	15,421
Deferred tax liabilities	31,734	26,042
Total non-current liabilities	1,000,174	892,445
Total liabilities	1,897,802	1,784,266
Equity		
Share capital	160,339	160,339
Capital surplus	147,027	147,601
Treasury stock	(31,015)	(31,058)
Other components of equity	136,747	138,638
Retained earnings	314,913	422,193
Total equity attributable to owners of the Company	728,012	837,713
Non-controlling interests	35,866	38,863
Total equity	763,878	876,576
Total liabilities and equity	2,661,680	2,660,843

(2) Consolidated Statement of Profit or Loss

(In Millions of Yen)

	FY 2021 (From April 1, 2021 to March 31, 2022)	FY 2022 (From April 1, 2022 to March 31, 2023)
Revenue		
Sale of goods	1,998,218	2,368,500
Sales of service and others	102,534	111,339
Total revenue	2,100,752	2,479,840
Cost of sales	(1,829,433)	(2,142,272)
Gross profit	271,319	337,567
Selling, general and administrative expenses	(180,314)	(222,771)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	6,702	2,197
Impairment loss on fixed assets	(2,637)	(14,338)
Gain on reorganization of subsidiaries/associates	6,060	30,776
Loss on reorganization of subsidiaries/associates	(18,215)	(8,604)
Other operating income	7,357	11,040
Other operating expenses	(13,052)	(8,301)
Total other income/expenses	(13,784)	12,770
Financial income		
Interests earned	7,425	12,802
Dividends received	5,063	6,732
Other financial income	828	—
Total financial income	13,317	19,534
Financial costs		
Interest expenses	(11,210)	(18,537)
Other financial costs	-	(808)
Total financial cost	(11,210)	(19,345)
Share of profit(loss) of investments accounted for using the equity method	37,968	27,282
Profit before tax	117,295	155,036
Income tax expenses	(31,824)	(39,211)
Profit for the year	85,471	115,824
Profit attributable to:		
Owners of the Company	82,332	111,247
Non-controlling interests	3,138	4,577
Total	85,471	115,824

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

(In Millions of Yen)

	FY 2021 (From April 1, 2021 to March 31, 2022)	FY 2022 (From April 1, 2022 to March 31, 2023)
Profit for the year	85,471	115,824
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	18,533	(11,064)
Remeasurements of defined benefit pension plans	(258)	1,138
Share of other comprehensive income of investments accounted for using the equity method	(10,743)	1,328
Total items that will not be reclassified to profit or loss	7,530	(8,597)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	34,797	18,745
Cash flow hedges	1,677	(3,178)
Share of other comprehensive income of investments accounted for using the equity method	19,111	23,009
Total items that may be reclassified subsequently to profit or loss	55,587	38,575
Other comprehensive income for the year, net of tax	63,117	29,978
Total comprehensive income for the year	148,588	145,803
Total comprehensive income attributable to:		
Owners of the Company	142,429	138,434
Non-controlling interests	6,159	7,369
Total	148,588	145,803

(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, 2021	160,339	146,814	(15,854)	(16,018)	97,920	(4,129)
Profit for the period				48,046	7,364	4,829
Other comprehensive income						
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

(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, 2022	160,339	147,027	(31,015)	31,314	104,732	699
Profit for the period						
Other comprehensive income				23,244	(9,438)	12,439
Total comprehensive income for the period	—	—	—	23,244	(9,438)	12,439
Purchase of treasury stock		(2)	(139)			
Disposition of treasury stock		(96)	96			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control						
Put options granted to non-controlling interests						
Reclassification from other components of equity to retained earnings					(24,354)	
Share remuneration payment transaction		672				
Other changes						
Total contributions by and distributions to owners of the Company		573	(43)		(24,354)	
Balance as of March 31, 2023	160,339	147,601	(31,058)	54,559	70,939	13,139

	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, 2022		136,747	314,913	728,012	35,866	763,878
Profit for the period			111,247	111,247	4,577	115,824
Other comprehensive income	941	27,186		27,186	2,791	29,978
Total comprehensive income for the period	941	27,186	111,247	138,434	7,369	145,803
Purchase of treasury stock				(142)		(142)
Disposal of treasury stock				—		—
Dividends			(29,208)	(29,208)	(4,415)	(33,624)
Change in ownership interests in subsidiaries without loss/acquisition of control				—	(722)	(722)
Put options granted to non-controlling interests			(28)	(28)		(28)
Reclassification from other components of equity to retained earnings	(941)	(25,296)	25,296	—		—
Share remuneration payment transaction				672		672
Other changes			(26)	(26)	765	739
Total contributions by and distributions to owners of the Company	(941)	(25,296)	(3,967)	(28,733)	(4,372)	(33,105)
Balance as of March 31, 2023	—	138,638	422,193	837,713	38,863	876,576

(5) Consolidated Statement of Cash Flows

(In Millions of Yen)

	FY 2021 (From April 1, 2021 to March 31, 2022)	FY 2022 (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit for the year	85,471	115,824
Depreciation and amortization	34,279	39,907
Impairment loss on fixed assets	2,637	14,338
Finance (income) costs	(2,106)	(188)
Share of (profit)loss of investments accounted for using the equity method	(37,968)	(27,282)
(Gain) loss on sale of fixed assets, net	(6,702)	(2,197)
Income tax expenses	31,824	39,211
(Increase) decrease in trade and other receivables	(96,092)	22,129
(Increase) decrease in inventories	(26,026)	(41,710)
Increase (decrease) in trade and other payables	52,031	26,246
Changes in other assets and liabilities	6,950	21,684
Increase (decrease) in retirement benefits liabilities	(495)	(515)
Others	14,486	(20,343)
Subtotal	58,288	187,105
Interests earned	12,142	13,142
Dividends received	17,799	37,965
Interests paid	(11,961)	(18,495)
Income taxes paid	(11,184)	(48,078)
Net cash provided (used) by/in operating activities	65,084	171,639
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,370)	(25,684)
Proceeds from sale of property, plant and equipment	10,287	6,785
Purchase of intangible assets	(8,700)	(12,579)
(Increase) decrease in short-term loans receivable	1,430	146
Payment for long-term loans receivable	(10,360)	(688)
Collection of long-term loans receivable	6,219	1,635
Proceeds from (payments for) acquisition of subsidiaries	(35,749)	(1,991)
Proceeds from (payments for) sale of subsidiaries	7,485	12,207
Purchase of investments	(58,097)	(47,139)
Proceeds from sale of investments	24,381	76,849
Others	(57,346)	19,616
Net cash provided (used) by/in investing activities	(138,819)	29,157
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	54,245	(64,360)
Proceeds from long-term borrowings	270,356	166,826
Repayment of long-term borrowings	(214,740)	(271,685)
Proceeds from issuance of bonds	9,940	—
Redemption of bonds	(20,003)	(10,000)
Repayment of lease liabilities	(15,085)	(16,929)
Payment for acquisition of subsidiary's interests from non-controlling interest holders	(1,875)	(3)
Proceeds from non-controlling interest holders	418	1,564
Sales of treasury stock	3	29
Purchase of treasury stock	(15,173)	(139)
Dividends paid	(16,408)	(29,208)
Dividends paid to non-controlling interest holders	(4,710)	(5,047)
Others	(66)	(1,411)
Net cash provided (used) by/in financing activities	46,898	(230,367)
Net increase (decrease) in cash and cash equivalents	(26,835)	(29,570)
Cash and cash equivalents at the beginning of the year	287,597	271,651
Effect of exchange rate changes on cash and cash equivalents	10,890	5,260
Decrease in cash and cash equivalents resulting from changing in the scope of consolidation	—	(54)
Cash and cash equivalents at the end of the year	271,651	247,286

(6) Assumption for Going Concern

: None

(7) Note to Consolidated Financial Statements

(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, 2022 (April 1, 2021 – March 31, 2022)

(In Millions of Yen)

	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	285,753
Inter-segment revenue	—	10	3,220	—	4	19
Total revenue	243,051	70,030	65,015	560,460	538,304	285,772
Gross profit	45,635	16,157	18,999	60,035	50,725	30,122
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	6,360
Segment assets	191,809	218,035	421,050	511,464	320,476	238,934
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	2,494

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer service	Total			
Revenue					
External revenue	220,652	1,980,032	120,720	—	2,100,752
Inter-segment revenue	364	3,619	223	(3,842)	—
Total revenue	221,016	1,983,651	120,943	(3,842)	2,100,752
Gross profit	32,466	254,144	19,317	(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	5,010	76,463	843	5,025	82,332
Segment assets	427,141	2,328,912	335,629	(2,860)	2,661,680
Others:					
Investment accounted for using the equity method	29,845	479,300	11,025	(5)	490,320
Capital expenditure	2,222	21,252	21,910	—	43,163

Reconciliation of segment profit of 5,025 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 843 million yen.

The reconciliation amount of segment assets of (2,860) million yen includes elimination of inter-segment transactions or the like amounting to (172,681) 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.

	Reportable segments					
	Automotive	Aerospace & Transportation Project	Infrastructure & Healthcare	Metals, Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Revenue						
External revenue	298,801	69,025	102,632	645,668	622,884	340,089
Inter-segment revenue	0	11	4,122	—	4	1
Total revenue	298,802	69,036	106,755	645,668	622,889	340,091
Gross profit	55,430	20,344	27,240	83,350	62,166	29,747
Share of profit (loss) of investments accounted for using the equity method	1,468	1,006	(20)	22,671	45	1,017
Profit attributable to owners of the Company	6,013	6,389	7,518	62,704	18,473	6,398
Segment assets	183,686	213,673	455,815	531,874	318,765	242,330
Others:						
Investment accounted for using the equity method	8,272	21,287	213,388	238,801	13,198	17,123
Capital expenditure	4,663	9,745	2,219	10,302	1,772	3,602

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer service	Total			
Revenue					
External revenue	306,975	2,386,077	93,762	—	2,479,840
Inter-segment revenue	368	4,509	185	(4,695)	—
Total revenue	307,343	2,390,586	93,948	(4,695)	2,479,840
Gross profit	43,707	321,987	17,611	(2,030)	337,567
Share of profit (loss) of investments accounted for using the equity method	257	26,446	838	(2)	27,282
Profit attributable to owners of the Company	7,435	114,934	1,658	(5,345)	111,247
Segment assets	407,597	2,353,744	363,682	(56,583)	2,660,843
Others:					
Investment accounted for using the equity method	36,549	548,622	11,325	(8)	559,939
Capital expenditure	3,329	35,635	10,772	—	46,407

Reconciliation of segment loss of (5,345) 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 (3,682) million yen, and unallocated financial costs and others of (1,663) million yen.

The reconciliation amount of segment assets of (56,583) million yen includes elimination of inter-segment transactions or the like amounting to (204,851) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to 148,268 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)

Effective April 1, 2022, the Company reorganized its Consumer Industry & Agriculture Business and Retail & Consumer Service segments and changed its reporting segment classification method.

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 2021 (From April 1, 2021 to March 31, 2022)	FY 2022 (From April 1, 2022 to March 31, 2023)
Basic earnings per share (yen)	352.65	481.94
Diluted earnings per share (yen)	352.65	—

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

	FY 2021 (From April 1, 2021 to March 31, 2022)	FY 2022 (From April 1, 2022 to March 31, 2023)
Profit used to calculate basic and diluted earnings per share		
Profit for the year, attributable to owners of the Company (In millions of yen)	82,332	111,247
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)	82,332	111,247
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)	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)	233,464	230,830
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)	233,464	—

Note1: 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.

Note2: Diluted earnings per share is not displayed for the year ended March 31, 2023, as there were no potential shares with dilutive effect.

(Important Subsequent Event)

(1) Share Repurchase of Treasury Stock

At a meeting of its Board of Directors held on March 31, 2023, it has authorized the repurchase of shares of its common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Companies Act and Sojitz has repurchased its own stock since April 10, 2023.

1. Purpose of the Share Repurchase:

Sojitz Corporation will repurchase its own shares with the aim of improving capital efficiency and allocating a portion of the surplus core cash flow generated over the course of Medium-term Management Plan 2020 and the first and second fiscal year of the Medium-term Management Plan 2023 to shareholders in tandem with investment for growth.

2. Details of the Share Repurchase:

- | | |
|--|--|
| (1). Class of shares to be repurchased | Common stocks |
| (2). Total number of shares to be repurchased | Up to 10,000,000 shares (Represents approximately 4.3% of the total number of outstanding shares (excluding treasury stock)) |
| (3). Total purchase price for repurchase of shares | Up to 30 billion yen |
| (4). Period of repurchase | April 10, 2023 to September 29, 2023 |
| (5). Method of repurchase | Purchase at the Tokyo Stock Exchange |

(2) Cancellation of Treasury Stock

At a meeting of its Board of Directors held on March 31, 2023, it has resolved to cancel treasury stocks pursuant to Article 178 of the Companies Act and Sojitz cancelled its treasury stocks on April 7, 2023.

1. Purpose of Cancellation of Treasury Stocks:

Sojitz Corporation cancelled its treasury stocks with the aims of eliminating concerns about the potential dilution of future stock value.

2. Details of Cancellation of Treasury Stocks:

- | | |
|---|---|
| (1). Class of shares to be repurchased | Common stocks |
| (2). Total number of shares to be cancelled | 15,299,900 shares(Represents approximately 6.1% of total outstanding shares before cancellation (excluding treasury stock)) |
| (3). Number of total issued shares after cancellation | 235,000,000 shares |
| (4). Planned date of cancellation | April 7, 2023 |