

## Summary of Consolidated Financial Results for the First Half Ended September 30, 2021 (IFRS)

November 2, 2021

### Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

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Scheduled date of delivery of dividends : December 1, 2021

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 First Half Ended September 30, 2021 (April 1, 2021 - September 30, 2021)

#### (1) Consolidated Operating Results

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

	Revenue		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Company		Total comprehensive income for the period	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the first quarter ended September 30, 2021	1,000,694	34.4	52,455	337.2	41,464	296.6	39,449	331.2	60,699	811.9
September 30, 2020	744,622	(16.7)	11,997	(66.0)	10,454	(67.0)	9,147	(69.0)	6,656	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first quarter ended September 30, 2021	167.12	167.12
September 30, 2020	38.10	38.10

Note :

- Basic earnings per share and diluted earnings per share are calculated based on Profit for the period attributable to owners of the Company.
- 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, 2020.

#### (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
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of September 30, 2021	2,450,036	691,111	657,631	26.8
March 31, 2021	2,300,115	654,639	619,111	26.9

### 2. Cash Dividends

	Cash dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
For the year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2021	-	5.00	-	5.00	10.00
March 31, 2022	-	9.00	-	-	-
March 31, 2022 (forecast)	-	-	-	45.00	-

Note :

- Changes in cash dividend forecast : Yes
- The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The year-end dividend forecast for the year ending March 31, 2022 reflects this share consolidation. No figure is displayed for the annual dividend forecast for the year ending 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 ending March 31, 2022, would be ¥45.00.

### 3. Consolidated Earnings Forecast for the Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

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

	Profit attributable to owners of the Company		Basic earnings per share
	Millions of Yen	%	Yen
For the Year Ending March 31, 2022			
Full-year	70,000	159.2	299.79

Note:

- Changes in full-year earnings forecast : Yes
- Basic earnings per share is calculated based on Profit attributable to owners of the Company.
- The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The forecast for basic earnings per share for the year ending March 31, 2022, reflects this share consolidation.

#### 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 outstanding shares at the end of the periods (Including treasury shares):

As of September 30, 2021: 250,299,900 As of March 31, 2021: 250,299,900

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

As of September 30, 2021 : 19,378,200 As of March 31, 2021 : 10,480,864

3. Average number of outstanding shares during the periods:

For the first half ended September 30, 2021 (accumulative): 236,057,609

For the first half ended September 30, 2020 (accumulative): 240,084,159

Note:

1. The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. Number of outstanding shares at the end of the periods (Including treasury shares), number of treasury shares at the end of the periods and average number of outstanding shares during the periods reflect this share consolidation.

2. The Company established the Executive Compensation Board Incentive Plan Trust. The trust account associated with this trust holds shares of the Company's stock, which are treated as treasury shares; 303,104 stocks in the first half ended September 30, 2021 and 309,595 stocks in the financial year ended March 2021.

\* This summary of consolidated financial results is not subject to quarterly reviews.

\* 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. Sojitz 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.

## 1. Analysis of Business Results

### (1) Overview of the Six-Month Period Ended September 30, 2021

#### Economic Environment

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

The United States is seeing ongoing recovery in the job market and the greater economy as the number of COVID-19 Delta variant infections cases appears to have peaked. If approved, the Biden administration's proposed spending bill, which includes infrastructure, childcare, healthcare, and climate change response provisions, is expected to support future economic recovery.

Meanwhile, the Federal Reserve Bank has indicated its intent to begin phasing out financial measures within 2021 in response to the rising inflation rate. At the same time, the soaring price and limited supply of crude oil has resulted in consistently high levels of inflation. If the high inflation gives rise to speculation of quick interest rate hikes, it could disrupt the financial market and cause economic slowdown. As such, caution is required with this regard.

In Europe, vaccine rollouts are driving recovery in consumer spending, and GDP levels are expected to climb to pre-COVID-19 pandemic levels within 2021. Conversely, there is concern for the prolongation of supply limitations stemming from shortages of semiconductors and other components and materials in the manufacturing industry. There is also a need to monitor the risk of accelerated inflation as a result of rising energy prices.

China is facing concern for rising commodity prices, limited capacity to supply semiconductors and other articles, potential disruption in the financial market as a result of defaults by major real estate companies, and the production repercussions of power shortages. Government economic stimulus measures are expected to support the economy, but there is still a need for vigilance regarding future trends.

Economic recovery in Asia will be dependent on progress in vaccine rollouts and the ability to contain the COVID-19 pandemic. However, semiconductor shortages and other restrictions on production activities may hamper economic recovery. As the United States prepares to phase out financial measures, it will be important to track trends such as currency devaluation as a result of capital outfluxes and the potentially ensuing increase in the burden of U.S. dollar-denominated debt.

Japan cancelled its nationwide state of emergency declaration on September 30, 2021, and the government has announced its policy of gradually lifting activity restrictions while monitoring trends in COVID-19 infections. The development of oral treatments for COVID-19 and other signs of hope for the end of the pandemic are anticipated to contribute to improved consumer confidence and subsequently economic recovery. At the same time, there is a need to continue monitoring the impact on the manufacturing industry of supply chain disruptions in other regions as well as overseas risk factors such as resource price increases and economic uncertainty in China.

## Financial Performance

Sojitz Corporation's consolidated business results for the six-month period ended September 30, 2021 are presented below.

Revenue	Revenue was up 34.4% year on year, to ¥1,000,694 million, due to higher revenue in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal and precious metals as well as growth in precious metal transactions; 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 ¥33,264 million year on year, to ¥117,716 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 ¥40,458 million year on year, to ¥52,455 million, as a result of increases in gross profit and share of profit of investments accounted for using the equity method.
Profit for the period	After deducting income tax expenses of ¥52,455 million from profit before tax of ¥10,990 million, profit for the period amounted to ¥41,464 million, up ¥31,010 million year on year. Profit for the period (attributable to owners of the Company) increased ¥30,302 million year on year, to ¥39,449 million.
Comprehensive income for the period	Comprehensive income for the period of ¥60,699 million was recorded, up ¥54,043 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 period (attributable to owners of the Company) was ¥58,347 million, an increase of ¥52,687 million.

Results for the six-month period ended September 30, 2021, 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 70.8% year on year, to ¥119,057 million, due to higher sales volumes in overseas automobile transactions. Profit for the period (attributable to owners of the Company) rose ¥4,941 million, to ¥3,431 million, as a result of an increase in gross profit.

### Aerospace & Transportation Project

Revenue was up 233.7% year on year, to ¥31,449 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 ¥1,673 million, to ¥1,384 million, as a result of an increase in gross profit.

### Infrastructure & Healthcare

Revenue was up 1.1% year on year, to ¥28,105 million, due to higher earnings at IT system subsidiaries. Profit for the period (attributable to owners of the Company) decreased ¥1,380 million, to ¥1,237 million, despite an increase in gross profit, as other income was down due to the absence of a gain on a partial sale of a natural gas-fired power project company recorded in the previous equivalent period.

### Metals, Mineral Resources & Recycling

Revenue was up 51.2% year on year, to ¥258,752 million, due to higher prices for coal and precious metals as well as growth in precious metal transactions. Profit for the period (attributable to owners of the Company) increased ¥18,222 million, to ¥16,214 million, as a result of an increase in gross profit as well as 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 42.1% year on year, to ¥260,643 million, due to higher methanol prices and growth in plastic resin transactions. Profit for the period (attributable to owners of the Company) increased ¥5,433 million, to ¥6,757 million, as a result of an increase in gross profit.

### Consumer Industry & Agriculture Business

Revenue was up 19.0% year on year, to ¥144,686 million, due to higher prices in lumber transactions and higher sales volumes in overseas fertilizer businesses. Profit for the period (attributable to owners of the Company) increased ¥773 million, to ¥4,779 million, as a result of an increase in gross profit.

### Retail & Consumer Service

Revenue was up 1.4% year on year, to ¥99,974 million, due to higher sales volumes in meat transaction. Profit for the period (attributable to owners of the Company) decreased ¥858 million, to ¥1,863 million, despite an increase in gross profit, as other income was down due to the rebound in sales of shopping mall.

## **(2) Financial Position**

### Consolidated Balance Sheet

Total assets on September 30, 2021, were ¥ 2,450,036 million, up ¥149,921 million from March 31, 2021, following the increase in trade and other receivables under current assets associated

with tobacco and wheat, and the increase in inventories associated with aircraft and real estate for sale.

Total liabilities on September 30, 2021, amounted to ¥1,758,925 million, up ¥113,449 million from March 31, 2021, as results of the increase in trade and other payables under current liabilities associated with tobacco and wheat and the increase in interest-bearing debt attributable to new borrowings.

Total equity attributable to owners of the Company was ¥657,631 million on September 30, 2021, up ¥38,520 million from March 31, 2021. This increase was due to the accumulation of profit for the period (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 September 30, 2021, the current ratio was 157.7%, the long-term debt ratio was 83.8%, and the equity ratio\* was 26.8%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥684,520 million on September 30, 2021, ¥ 73,843million increase from March 31, 2021. This resulted in the Company's net debt equity ratio\* equaling 1.04 times at September 30, 2021.

(\*) 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 ¥120 billion long-term commitment line (which remains unused) and a long-term commitment line totaling US\$1.8 billion (of which US\$1.08 billion has been used).

### Consolidated Cash Flows

In the six-month period ended September 30, 2021, operating activities provided net cash flow of ¥29,587 million, investing activities provided net cash flow of ¥67,061 million, and financing activities provided net cash flow of ¥5,194 million. Sojitz ended the period with cash and cash equivalents of ¥254,210 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥29,587 million, a decrease of ¥67,306 million year on year. Major factors increasing cash included business earnings, dividends received.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥67,061 million, up ¥62,797 million year on year,

mainly as a result of aircraft transactions and investment for natural gas-fired power and desalination project.

(Cash flows from financing activities)

Net cash provided by financing activities totaled ¥5,194 million, up ¥55,737 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.

### **(3) Consolidated Earnings Forecast**

Consolidated financial results forecasts for the fiscal year ending March 31, 2022, have been revised as follows in reflection higher-than-anticipated performance of coal and other resource prices.

Profit for the year (Attributable to owners of the Company)      ¥70.0 billion (¥17.0 billion (32.1%) higher than initial forecast)

#### **\*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.

### **(4) Interim Dividend**

At a meeting of the Board of Directors held on November 2, 2021, it was decided to raise the interim dividend for the year ending March 31, 2022, from the previously announced forecast of ¥7 per share to ¥9 per share in conjunction with the upward revision to the full-year forecast for profit for the year (attributable to the owners of the Company). The record date for the interim dividend is September 30, 2021, and the interim dividend will be issued for shares of common issued held as of this date. A total of ¥10,405 million will be used to pay interim dividends (effectivity date of December 1, 2021).

## **2. Summary information (other)**

### **(1) Changes in major subsidiaries during the period**

None

### 3. 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 420 consolidated subsidiaries and equity method associates, including 289 consolidated subsidiaries and 131 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 259 companies consisting of 177 consolidated subsidiaries and 82 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 September 30, 2021

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 : 38 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 : 48 Number of equity method associates: 38	Infrastructure & Environment (Renewable energy IPP infrastructure investment, Renewable energy-related service project); power infrastructure projects (WPP, 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; smart cities project, 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); urban infrastructure (Industrial park, housing, office, etc.)	- 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. Puradelta 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 : 28 Number of equity method associates: 17	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	- Sojitz Ject Corporation (Coke, carbon products, trading in 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) - Coral Bay Nickel Corporation (Production and sale of nickel and cobalt mixed sulfide; 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	- Sojitz Pla-Net Corporation (Trading and sale of plastics raw materials and products; Subsidiary) - Pla Mats 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)
Consumer Industry & Agriculture Business Number of consolidated subsidiaries : 24 Number of equity method associates: 12	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	- Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary, construction planning, research, design, supervision and contracting) - 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)
Retail & Consumer Service Number of consolidated subsidiaries : 20 Number of equity method associates: 14	Cotton and synthetic fabrics; knitted fabrics and products; clothing; medical material; imported tobacco; livestock and aquaculture products; processed livestock and aquaculture products; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; sugar; other foodstuffs and raw ingredients; administration of shopping centers; bedclothes and home fashion-related products; general commodities; processing and production of prepared food; wholesale food; convenience store business; foodservice business; real estate development, consignment sales, rent, administration and management businesses (housing, office, etc.)	- Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary) - Daiichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution; Subsidiary) - Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) - Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary) - 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) - Sojitz LifeOne Corporation (Condominium and office building management, real estate agency services; Subsidiary) - Royal Holdings Corporation (Restaurant, Food manufacturing, Hotels, Contract and Services, In-flight Catering; Subsidiary)*1 - JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Equity method associate) *1 - Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) *1 - Tri-Stage inc. (Direct marketing support operations; Equity method associate) *1
Other Number of consolidated subsidiaries : 28 Number of equity method associates: 12	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	- Sojitz Machinery Corporation (General industrial machinery; automobile and motorcycle components; sale and purchase of ships; 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) - Sojitz Research Institute (Research and consulting; Subsidiary) - First Technology China Ltd. (Sales and service of surface-mounting machines and semiconductor-related equipment; Subsidiary)
Overseas branches Number of consolidated subsidiaries : 60 Number of equity method associates: 10	We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.	- Sojitz Corporation of America (Subsidiary) - Sojitz Europe plc (Subsidiary) - Sojitz Asia Pte. Ltd (Subsidiary) - Sojitz (Hong Kong) Ltd. (Subsidiary) - Sojitz (China) Co., Ltd. (Subsidiary)

(\*1) The following five companies are listed in the Japanese stock market as of September 30, 2021: 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).



#### 4. Consolidated Financial Statements

##### (1) Consolidated Statements of Financial Position

(In Millions of Yen)

	FY 2020 (As of March 31, 2021)	FY 2021 (As of September 30, 2021)
<b>Assets</b>		
Current assets		
Cash and cash equivalent	287,597	254,210
Time deposits	10,059	12,692
Trade and other receivables	636,186	698,836
Derivatives	4,734	5,870
Inventories	187,891	224,791
Income tax receivables	3,116	3,044
Other current assets	64,924	51,717
Subtotal	1,194,511	1,251,162
Assets as held for sale	892	8,501
Total current assets	1,195,403	1,259,664
Non-current assets		
Property, plant and equipment	191,292	190,894
Usage rights assets	72,821	66,639
Goodwill	67,201	64,851
Intangible assets	61,498	62,437
Investment property	11,603	11,521
Investments accounted for using the equity method	433,029	460,788
Trade and other receivables	89,747	135,265
Other investments	157,817	178,617
Derivatives	3	0
Other non-current assets	11,804	11,302
Deferred tax assets	7,890	8,054
Total non-current assets	1,104,711	1,190,372
Total assets	2,300,115	2,450,036
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	475,978	539,706
Lease liabilities	16,778	15,438
Bonds and borrowings	158,595	154,003
Derivatives	6,193	6,566
Income tax payables	5,851	5,527
Provisions	3,226	3,857
Other current liabilities	68,130	68,610
Subtotal	734,754	793,709
Liabilities directly related to assets as held for sale	—	5,279
Total current liabilities	734,754	798,988
Non-current liabilities		
Lease liabilities	60,460	54,705
Bonds and borrowings	749,739	797,420
Trade and other payables	6,136	6,833
Derivatives	656	744
Retirement benefits liabilities	21,896	21,786
Provisions	41,725	40,060
Other non-current liabilities	9,636	11,979
Deferred tax liabilities	20,470	26,406
Total non-current liabilities	910,722	959,936
Total liabilities	1,645,476	1,758,925
Equity		
Share capital	160,339	160,339
Capital surplus	146,814	146,934
Treasury stock	(15,854)	(30,842)
Other components of equity	77,772	96,301
Retained earnings	250,039	284,897
Total equity attributable to owners of the Company	619,111	657,631
Non-controlling interests	35,527	33,480
Total equity	654,639	691,111
Total liabilities and equity	2,300,115	2,450,036

## (2) Consolidated Statements of Profit or Loss

(In Millions of Yen)

	For the 1st Half Ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	For the 1st Half Ended September 30, 2021 (From April 1, 2021 To September 30, 2021)
Revenue		
Sale of goods	704,572	952,381
Sales of service and others	40,049	48,312
Total revenue	744,622	1,000,694
Cost of sales	(660,170)	(882,977)
Gross profit	84,452	117,716
Selling, general and administrative expenses	78,950	(83,807)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	2,055	51
Impairment loss on fixed assets	-	(165)
Gain on reorganization of subsidiaries/associates	2,153	2,336
Loss on reorganization of subsidiaries/associates	(64)	(715)
Other operating income	3,144	3,326
Other operating expenses	(3,475)	(2,999)
Total other income/expenses	3,814	1,834
Financial income		
Interests earned	2,963	3,228
Dividends received	1,477	1,936
Other financial income	-	200
Total financial income	4,441	5,365
Financial costs		
Interest expenses	(6,228)	(5,538)
Other financial costs	(102)	-
Total financial cost	(6,330)	(5,538)
Share of profit(loss) of investments accounted for using the equity method	4,570	16,884
Profit before tax	11,997	52,455
Income tax expenses	(1,543)	(10,990)
Profit for the period	10,454	41,464
Profit attributable to:		
Owners of the Company	9,147	39,449
Non-controlling interests	1,306	2,015
Total	10,454	41,464

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

(In Millions of Yen)

	For the 1st Half Ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the 1st Half Ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Profit for the period	10,454	41,464
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets at fair value through other comprehensive income	2,315	15,898
Remeasurements of defined benefit pension plans	113	(15)
Share of other comprehensive income of investments accounted for using the equity method	(369)	(4,383)
Total items that will not be reclassified to profit or loss	2,059	11,500
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	181	4,505
Cash flow hedges	2,780	(2,046)
Share of other comprehensive income of investments accounted for using the equity method	(8,820)	5,275
Total items that may be reclassified subsequently to profit or loss	(5,857)	7,734
Other comprehensive income for the year, net of tax	(3,798)	19,234
Total comprehensive income for the period	6,656	60,699
Total comprehensive income attributable to:		
Owners of the Company	5,660	58,347
Non-controlling interests	995	2,351
Total	6,656	60,699

## (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				(3,203)	1,835	(2,247)
Total comprehensive income for the period	—	—	—	(3,203)	1,835	(2,247)
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						
Reclassification from other components of equity to retained earnings					(699)	
Share remuneration payment transaction		58				
Other changes						
Total contributions by and distributions to owners of the Company	—	9	(4,952)	—	(699)	—
Balance as of September 30, 2020	160,339	146,765	(15,853)	(33,178)	87,648	(9,007)

	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			9,147	9,147	1,306	10,454
Other comprehensive income	128	(3,487)		(3,487)	(310)	(3,798)
Total comprehensive income for the period	128	(3,487)	9,147	5,660	995	6,656
Purchase of treasury stock				(5,001)		(5,001)
Disposal of treasury stock				—		—
Dividends			(10,378)	(10,378)	(2,190)	(12,568)
Change in ownership interests in subsidiaries without loss/acquisition of control				—	96	96
Reclassification from other components of equity to retained earnings	(128)	(827)	827	—		—
Share remuneration payment transaction				58		58
Other changes			31	31	(3,748)	(3,717)
Total contributions by and distributions to owners of the Company	(128)	(827)	(9,518)	(15,289)	(5,842)	(21,132)
Balance as of September 30, 2020	—	45,462	232,780	569,494	37,928	607,422

(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				8,762	11,133	(945)
Total comprehensive income for the period	—	—	—	8,762	11,133	(945)
Purchase of treasury stock		(4)	(15,000)			
Disposition of treasury stock		(12)	12			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				(454)		
Reclassification from other components of equity to retained earnings					33	
Share remuneration payment transaction		136				
Other changes						
Total contributions by and distributions to owners of the Company	—	119	(14,987)	(454)	33	—
Balance as of September 30, 2021	160,339	146,934	(30,842)	(7,710)	109,087	(5,075)

	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			39,449	39,449	2,015	41,464
Other comprehensive income	(51)	18,898		18,898	335	19,234
Total comprehensive income for the period	(51)	18,898	39,449	58,347	2,351	60,699
Purchase of treasury stock				(15,005)		(15,005)
Disposal of treasury stock				—		—
Dividends			(6,003)	(6,003)	(2,910)	(8,913)
Change in ownership interests in subsidiaries without loss/acquisition of control		(454)	1,401	947	(1,440)	(493)
Reclassification from other components of equity to retained earnings	51	85	(85)	—		—
Share remuneration payment transaction				136		136
Other changes			95	95	(47)	48
Total contributions by and distributions to owners of the Company	51	(369)	(4,590)	(19,828)	(4,398)	(24,226)
Balance as of September 30, 2021	—	96,301	284,897	657,631	33,480	691,111

## (5) Consolidated Statements of Cash Flows

(In Millions of Yen)

	For the 1st Half Ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the 1st Half Ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Cash flows from operating activities		
Profit for the period	10,454	41,464
Depreciation and amortization	15,674	16,536
Impairment loss of fixed assets	-	165
Finance (income) costs	1,889	172
Share of (profit)loss of investments accounted for using the equity method	(4,570)	(16,884)
(Gain) loss on sale of fixed assets, net	(2,055)	(51)
Income tax expenses	1,543	10,990
(Increase) decrease in trade and other receivables	73,039	(66,573)
(Increase) decrease in inventories	29,716	(37,405)
Increase (decrease) in trade and other payables	(34,397)	71,211
Changes in other assets and liabilities	7,591	13,059
Increase (decrease) in retirement benefits liabilities	105	(70)
Others	(4,225)	(1,314)
Subtotal	94,764	31,300
Interests earned	2,027	4,930
Dividends received	10,435	8,108
Interests paid	(6,251)	(5,576)
Income taxes paid	(4,082)	(9,175)
Net cash provided (used) by/in operating activities	96,893	29,587
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,830)	(7,799)
Proceeds from sale of property, plant and equipment	2,497	337
Purchase of intangible assets	(5,013)	(4,375)
(Increase) decrease in short-term loans receivable	375	(290)
Payment for long-term loans receivable	-	(795)
Collection of long-term loans receivable	218	506
Proceeds from (payments for) acquisition of subsidiaries	(661)	(453)
Proceeds from (payments for) sale of subsidiaries	6,006	1,128
Purchase of investments	(3,316)	(14,276)
Proceeds from sale of investments	3,792	7,498
Others	666	(48,542)
Net cash provided (used) by/in investing activities	(4,264)	(67,061)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(55,421)	5,225
Proceeds from long-term borrowings	83,061	108,090
Repayment of long-term borrowings	(63,067)	(64,516)
Proceeds from issuance of bonds	9,940	9,940
Redemption of bonds	(7)	(20,003)
Repayment of lease liabilities	(7,165)	(7,725)
Payment for acquisition of subsidiary's interests from non-controlling interest holders	-	(1,070)
Proceeds from non-controlling interest holders	96	45
Sales of treasury stock	8	3
Purchase of treasury stock	(5,000)	(15,000)
Dividends paid	(10,378)	(6,003)
Dividends paid to non-controlling interest holders	(2,570)	(3,730)
Others	(40)	(61)
Net cash provided (used) by/in financing activities	(50,543)	5,194
Net increase (decrease) in cash and cash equivalents	42,084	(32,279)
Cash and cash equivalents at the beginning of the year	272,651	287,597
Effect of exchange rate changes on cash and cash equivalents	687	(1,107)
Cash and cash equivalents at the end of the period	315,423	254,210

## (6) Assumption for Going Concern

For the first half ended September 30, 2021 (April 1, 2021 – September 30, 2021)  
:None

## (7) Segment information

For the first half ended September 30, 2020 (April 1, 2020 – September 30, 2020)

(In Millions of Yen)

	Reportable segments					
	Automotive	Aerospace & Transportation Project	Infrastructure & Healthcare	Metals, Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Revenue						
External revenue	69,724	9,423	27,805	171,085	183,463	121,559
Inter-segment revenue	-	-	941	-	0	6
Total revenue	69,724	9,423	28,747	171,085	183,463	121,566
Segment profit (loss)	(1,510)	(289)	2,617	(2,008)	1,324	4,006

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer Business	Total			
Revenue					
External revenue	98,613	681,674	62,948	-	744,622
Inter-segment revenue	182	1,131	169	(1,301)	-
Total revenue	98,795	682,805	63,118	(1,301)	744,622
Segment profit (loss)	2,721	6,862	710	1,575	9,147

Reconciliation of segment profit of 1,575 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 1,384 million yen, and unallocated dividend income and others of 190 million yen.

For the first half ended September 30, 2021 (April 1, 2021 – September 30, 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	119,057	31,449	28,105	258,752	260,643	144,686
Inter-segment revenue	-	3	1,586	-	1	8
Total revenue	119,057	31,453	29,691	258,752	260,645	144,695
Segment profit (loss)	3,431	1,384	1,237	16,214	6,757	4,779

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer Business	Total			
Revenue					
External revenue	99,974	942,670	58,024	-	1,000,694
Inter-segment revenue	180	1,781	115	(1,897)	-
Total revenue	100,155	944,451	58,140	(1,897)	1,000,694
Segment profit (loss)	1,863	35,667	1,747	2,033	39,449

Reconciliation of segment profit of 2,033 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 1,759 million yen, and unallocated dividend income and others of 273 million yen.

## (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 first half ended September 30, 2021, has been restated to reflect the change in reportable segments.