

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2021 (IFRS) — Supplementary Materials

February 2, 2022
Sojitz Corporation

(BN JPY)					(BN JPY)				(BN JPY)								
Operating Results					Segment Performance [Gross Profit]				Segment Performance [Profit for the Period (Attributable to Owners of the Company)]								
	FY21 9-month	FY20 9-month	Difference	FY21 Revised Forecast (Feb. 2, 2022)	Percentage Achieved (Against Revised Forecast)		FY21 9-month	FY20 9-month	Difference	FY21 Revised Forecast (Feb. 2, 2022)	FY21 9-month	FY20 9-month	Difference	Main Factors Behind Difference	FY21 Revised Forecast (Feb. 2, 2022)	Progress Overview	(Reference) FY21 Revised Forecast (Nov. 2, 2021)
Revenue	1,548.6	1,159.7	+388.9	-	-												
Gross profit	190.7	132.5	+58.2	260.0	73%	Automotive	33.1	23.2	+9.9	43.5	5.9	(0.4)	+6.3	Increased due to higher sales volumes in overseas automotive operations	6.5	Upward revision based on steady progress seen in overseas automotive businesses leading up to Q3	5.5
SG&A expenses	(130.1)	(119.5)	(10.6)	(180.0)	-	Aerospace & Transportation Project	10.7	7.4	+3.3	16.5	2.3	(0.1)	+2.4	Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses	4.0	Accumulation of profits anticipated from aircraft- and marine vessel-related businesses	4.0
Other income/expenses	(2.6)	6.0	(8.6)	(7.0)	-	Infrastructure & Healthcare	12.7	12.1	+0.6	20.0	2.8	3.5	(0.7)	Decreased due to absence of gains from asset replacement in power generation businesses recorded in the previous equivalent period	6.5	Earnings contributions anticipated from LNG-related businesses	6.5
Financial income/costs	1.6	(2.8)	+4.4	1.0	-	Metals, Mineral Resources & Recycling	35.1	6.9	+28.2	57.0	28.3	(2.5)	+30.8	Increased due to higher profits from rise in coal market conditions as well as higher profits from steel operating company thanks to recovery of steel demand	44.0	Upward revision in reflection of current coal market conditions	31.0
Share of profit (loss) of investments accounted for using the equity method	25.4	7.9	+17.5	34.0	-	Chemicals	38.8	26.8	+12.0	48.0	11.2	3.7	+7.5	Increased due to recovery of methanol prices and higher transaction volumes of plastic resin	12.0	Performance generally as forecast	12.0
Profit before tax	85.0	24.1	+60.9	108.0	79%	Consumer Industry & Agriculture Business	25.3	21.1	+4.2	29.0	6.8	3.7	+3.1	Increased due to rise in market conditions of imported plywood	5.0	Upward revision, despite impacts of high resource prices in fertilizer businesses and struggling Southeast Asian businesses, based on progress seen in lumber businesses	4.0
Profit for the period (Profit attributable to)	65.1	18.7	+46.4	83.0	78%	Retail & Consumer Service	22.5	20.9	+1.6	30.0	3.1	4.6	(1.5)	Decreased, despite higher sales volumes of food-related company, due to absence of gains from sale of shopping mall recorded in the previous equivalent period	4.0	Performance generally as forecast	4.0
Owners of the Company	62.0	16.7	+45.3	80.0	78%	Others	12.5	14.1	(1.6)	16.0	1.6	4.2	(2.6)		(2.0)	Structural reform expenses included	3.0
Non-controlling interests	3.1	2.0	+1.1	3.0	-												
Core earnings*1	87.9	18.2	+69.7	115.0	-												
Comprehensive income attributable to owners of the Company	89.0	20.7	+68.3														
						Total	190.7	132.5	+58.2	260.0	62.0	16.7	+45.3		80.0		70.0

*1 Core earnings = Gross profit + SG&A expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividends received + Share of profit (loss) of investments accounted for using the equity method

(BN JPY)				
Financial Position				
	Dec. 31, 2021	Mar. 31, 2021	Difference	Mar. 31, 2022 Revised Forecast (Feb. 2, 2022)
Total assets	2,509.2	2,300.1	+209.1	2,550.0
Total equity*2	674.7	619.0	+55.7	690.0
Equity ratio	26.9%	26.9%	0.0 ppt	27.1%
Net interest-bearing debt*3	725.4	610.6	+114.8	760.0
Net D/E ratio (Times)	1.08	0.99	+0.09	1.1
Risk assets	410.0	390.0	+20.0	-
Ratio of risk assets to equity (Times)	0.6	0.6	0.0	-

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

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

(BN JPY)				
Cash Flows				
	MTP* 2020 3-year Results (Aggregate)	FY21 9-month Results	FY21 Revised Forecast (Feb. 2, 2022)	MTP 2023 3-Year Target (Aggregate)
Core operating cash flow	219.0	81.3	90.0-95.0	Approx. 240.0-250.0
Core cash flow	56.0	(8.9)	(20.0)-(30.0)	Positive over the six-year period of MTP 2020 and MTP 2023
FCF	108.0	(62.0)	(70.0)	-

* Medium-Term Management Plan (MTP)

Note: As of the end of December 31, 2021, in addition to cash in bank of ¥233.6 bn, Sojitz maintains a ¥120.0 bn long-term commitment line (which remains unused) and a US\$1.8 bn long-term commitment line (of which US\$1.31 bn has been used).

Commodity Prices and Exchange Rates				
	FY20 Results (Apr.-Dec. '20 Avg.)	FY21 Assumption (Annual Avg.)	FY21 Results (Apr.-Dec. '21 Avg.)	Latest Data (As of Jan. 27, 2022)
Coking coal**1	US\$113.3/t	US\$127.5/t	US\$278.0/t	US\$445.5/t
Thermal coal**1	US\$60.1/t	US\$80.0/t	US\$163.9/t	US\$262.6/t
Crude oil (Brent)	US\$41.3/bbl	US\$50.0/bbl	US\$74.0/bbl	US\$89.3/bbl
Exchange rate**2	¥105.5/US\$	¥108.0/US\$	¥111.5/US\$	¥114.6/US\$

**1 Coal prices are based on standard market prices and therefore differ from the Company's selling prices.

**2 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.5 bn annually, profit for the year (attributable to owners of the Company) by approx. ¥0.25 bn annually, and total equity by approx. ¥1.5 bn annually.

Financial Results for the Third Quarter Ended December 31, 2021 (Reference)

**February 2, 2022
Sojitz Corporation**

Caution regarding Forward-looking Statements and Original Language

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

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

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

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

Notes

- **"Profit for the period / year attributable to owners of the Company"** is described as **"Profit for the period / year."**
- **"9-month period (from April 1st to December 31st)"** is referred to as **"Q3."**
- **"Total equity attributable to owners of the Company"** is recognized as **"Total equity"** and is also used in the denominator of the **"Net DER"** and the numerator of the **"Equity ratio"**.
- **"Selling, general and administrative expenses"** is referred to as **"SG&A expenses."**
- **"Medium-term Management Plan 2023."** is referred to as **"MTP2023"**. The same applies to "MTP2020" and "MTP2017".
- **"Core operating cash flow"** = Cash flow after deducting changes in working capital from operating cash flows calculated for accounting purposes
- **"Core cash flow"** = Core operating cash flow + Post-adjustment, net cash provided by (used in) investing activities – Dividends paid – Purchase of treasury stock
(Post-adjustment, net cash provided by (used in) investing activities are net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

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[Supplemental Data]

I. Segment Information

II. Summary of Financial Results

**1. Financial Results for the Third Quarter and
Full Year Forecast of
Fiscal Year Ending March 31, 2022**

FY2021 Q3 Summary

- Upward revision to full-year forecast of profit for the year to **¥80.0** based on strong progress of automotive, material-related businesses such as steel, and strong coal prices
- Strong core operating CF, generating profit with cash
- **Upward revision of year-end dividend** of ¥58 and annual dividend of **¥103***
*Reflecting share consolidation
- Consolidated payment ratio of about 30%

※Reference

(BN JPY)	FY20 Q3	FY21 Q3	Difference	FY21 Revised Forecast (Feb.2, 2022)	Achieved (vs. Revised Forecast)	FY21 Revised Forecast (Nov.2, 2021)
Profit for the period / year	16.7	62.0	<u>+ 45.3</u>	80.0 ↑	78%	70.0
Core operating CF	39.2	81.3	<u>+ 42.1</u>	90.0-95.0		85.0~90.0
NET DER (Times)	1.00	1.08	<u>+ 0.08</u>	1.1		1.2
	FY21 Initial Forecast	FY21 Revised Forecast (Feb.2, 2022)				
ROE	8.4%	12.2 %				
ROA	2.2%	3.3 %				
Dividends *	Interim : ¥35 Year-end : ¥35	Interim : ¥45 Year-end : ¥58				

★Annual dividend of ¥103 (Forecast)

*The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The interim dividend and year-end dividend forecast for the year ending March 31, 2022 reflect this share consolidation.

Performance Forecast Revisions

Hassojitz

Upward revision to full-year forecast for profit for the year from ¥70.0 to **¥80.0** based on nine-month progress

■ **Automotive**

Upward revision based on steady progress seen in overseas automotive businesses leading up to Q3

■ **Metals, Mineral Resources & Recycling**

Upward revision in reflection of current coal market conditions

■ **Consumer Industry & Agriculture Business**

Upward revision, despite impacts of high resource prices in fertilizer businesses and struggling Southeast Asian businesses, based on progress seen in lumber businesses

■ **Others**

Forecast reflecting provisions for preventing thermal coal assets for becoming stranded as part of decarbonization initiatives and others structural reform expenses for preemptively addressing future risks

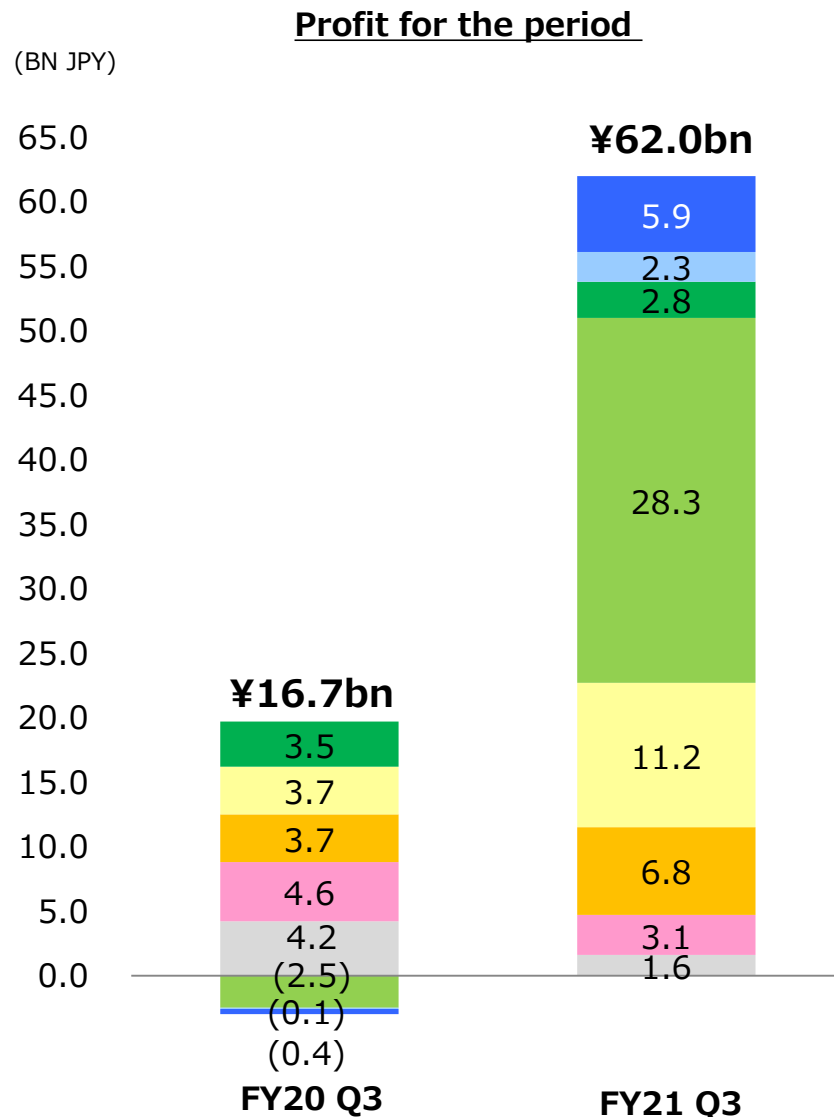
(BN JPY)	FY21 Q3	FY21 Revised Forecast (Nov.2, 2021)	FY21 Revised Forecast (Feb.2, 2022)	Achieved (vs. Revised Forecast)
Profit for the period / year	62.0	70.0	80.0	78%
■ Automotive	5.9	5.5	6.5	91%
■ Aerospace & Transportation Project	2.3	4.0	4.0	58%
■ Infrastructure & Healthcare	2.8	6.5	6.5	43%
■ Metals, Mineral Resources & Recycling	28.3	31.0	44.0	64%
■ Chemicals	11.2	12.0	12.0	93%
■ Consumer Industry & Agriculture Business	6.8	4.0	5.0	136%
■ Retail & Consumer Service	3.1	4.0	4.0	78%
■ Others	1.6	3.0	(2.0)	

Summary of Profit or Loss

(BN JPY)	FY20 Q3	FY21 Q3	Difference	FY21 Revised Forecast (Nov. 2, 2021)	FY21 Revised Forecast (Feb. 2, 2022)	Achieved Against Revised Forecast (vs. Feb. 2, 2022)
Revenue	1,159.7	1,548.6	+ 388.9	-	-	-
Gross profit	132.5	190.7	+ 58.2	240.0	260.0	73%
SG & A expenses	(119.5)	(130.1)	(10.6)	(178.0)	(180.0)	-
Share of profit (loss) of investments accounted for using the equity method	7.9	25.4	+ 17.5	31.0	34.0	75%
Profit before tax	24.1	85.0	+ 60.9	95.0	108.0	79%
Profit for the period / year	16.7	62.0	+ 45.3	70.0	80.0	78%
Core earnings	18.2	87.9	+ 69.7	91.0	115.0	-

Summary of Profit or Loss

Profit for the Period by Segment



Main Factors Behind Difference		(YoY change)
■ Automotive	Increased due to higher sales volumes in overseas automotive operations	¥5.9 bn (+¥6.3 bn)
■ Aerospace & Transportation Project	Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses	¥2.3 bn (+¥2.4 bn)
■ Infrastructure & Healthcare	Decreased due to absence of gains from asset replacement in power generation businesses recorded in the previous equivalent period	¥2.8 bn (-¥0.7 bn)
■ Metals, Mineral Resources & Recycling	Increased due to higher profits from rise in coal market conditions as well as higher profit from steel operating company thanks to recovery of steel demand	¥28.3 bn (+¥30.8 bn)
■ Chemicals	Increased due to recovery of methanol prices and higher transaction volumes of plastic resin	¥11.2 bn (+¥7.5 bn)
■ Consumer Industry & Agriculture Business	Increased due to rise in market conditions of imported plywood	¥6.8 bn (+¥3.1 bn)
■ Retail & Consumer Service	Decreased, despite higher sales volumes of food-related company, due to absence of gains from sale of shopping mall recorded in the previous equivalent period	¥3.1 bn (-¥1.5 bn)
■ Others		¥1.6 bn (-¥2.6 bn)

FY21 Forecast

Profit for the Year by Segment

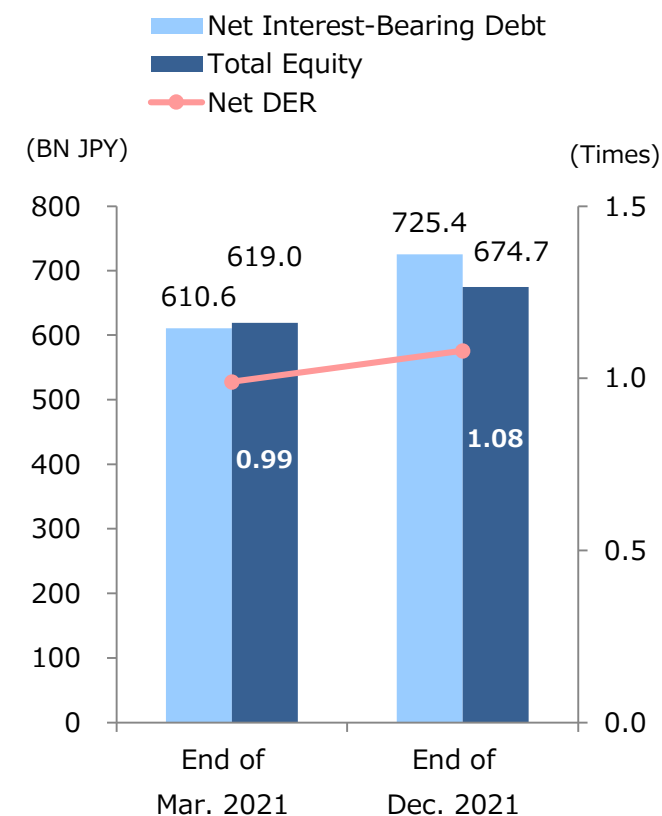
(BN JPY)	FY21 Q3	FY21 Revised Forecast (Nov.2, 2021)	FY21 Revised Forecast (Feb.2, 2022)	Progress Overview
■ Automotive	5.9	5.5	6.5	<ul style="list-style-type: none"> ■ Automotive Upward revision based on steady progress seen in overseas automotive businesses leading up to Q3
■ Aerospace & Transportation Project	2.3	4.0	4.0	<ul style="list-style-type: none"> ■ Aerospace & Transportation Project Accumulation of profits anticipated from aircraft- and marine vessel-related businesses
■ Infrastructure & Healthcare	2.8	6.5	6.5	<ul style="list-style-type: none"> ■ Infrastructure & Healthcare Earnings contributions anticipated from LNG-related businesses
■ Metals, Mineral Resources & Recycling	28.3	31.0	44.0	<ul style="list-style-type: none"> ■ Metals, Mineral Resources & Recycling Upward revision in reflection of current coal market conditions
■ Chemicals	11.2	12.0	12.0	<ul style="list-style-type: none"> ■ Chemicals Performance generally as forecast
■ Consumer Industry & Agriculture Business	6.8	4.0	5.0	<ul style="list-style-type: none"> ■ Consumer Industry & Agriculture Business Upward revision, despite impacts of high resource prices in fertilizer businesses and struggling Southeast Asian businesses, based on progress seen in lumber businesses
■ Retail & Consumer Service	3.1	4.0	4.0	<ul style="list-style-type: none"> ■ Retail & Consumer Service Performance generally as forecast
■ Others	1.6	3.0	(2.0)	<ul style="list-style-type: none"> ■ Others Structural reform expenses included
Total	62.0	70.0	80.0	

Summary of Balance Sheets

(BN JPY)	End of Mar. 2021	End of Dec. 2021	Difference	FY21 Revised Forecast (Nov. 2, 2021)	FY21 Revised Forecast (Feb. 2, 2022)
Total Assets	2,300.1	2,509.2	+209.1	2,500.0	2,550.0
Total Equity	619.0	674.7	+55.7	680.0	690.0
Equity Ratio	26.9%	26.9%	0.0%	27.2%	27.1%
Net Interest-Bearing Debt	610.6	725.4	+ 114.8	780.0	760.0
Net DER (Times)	0.99	1.08	+ 0.09	1.2	1.1
Risk Assets vs. Total Equity (Times)	390.0 (0.6)	410.0 (0.6)	+20.0 (-)		
Current Ratio	162.7%	161.6%	(1.1)%		
Long-term Debt Ratio	82.5%	85.7%	+3.2%		

Changes in Total Equity (End of Mar. 2021 vs. End of Dec. 2021, Breakdown)

- Profit for the period + ¥62.0bn
- Dividends paid ¥(16.4) bn
- Acquisitions of treasury stock ¥(15.0) bn



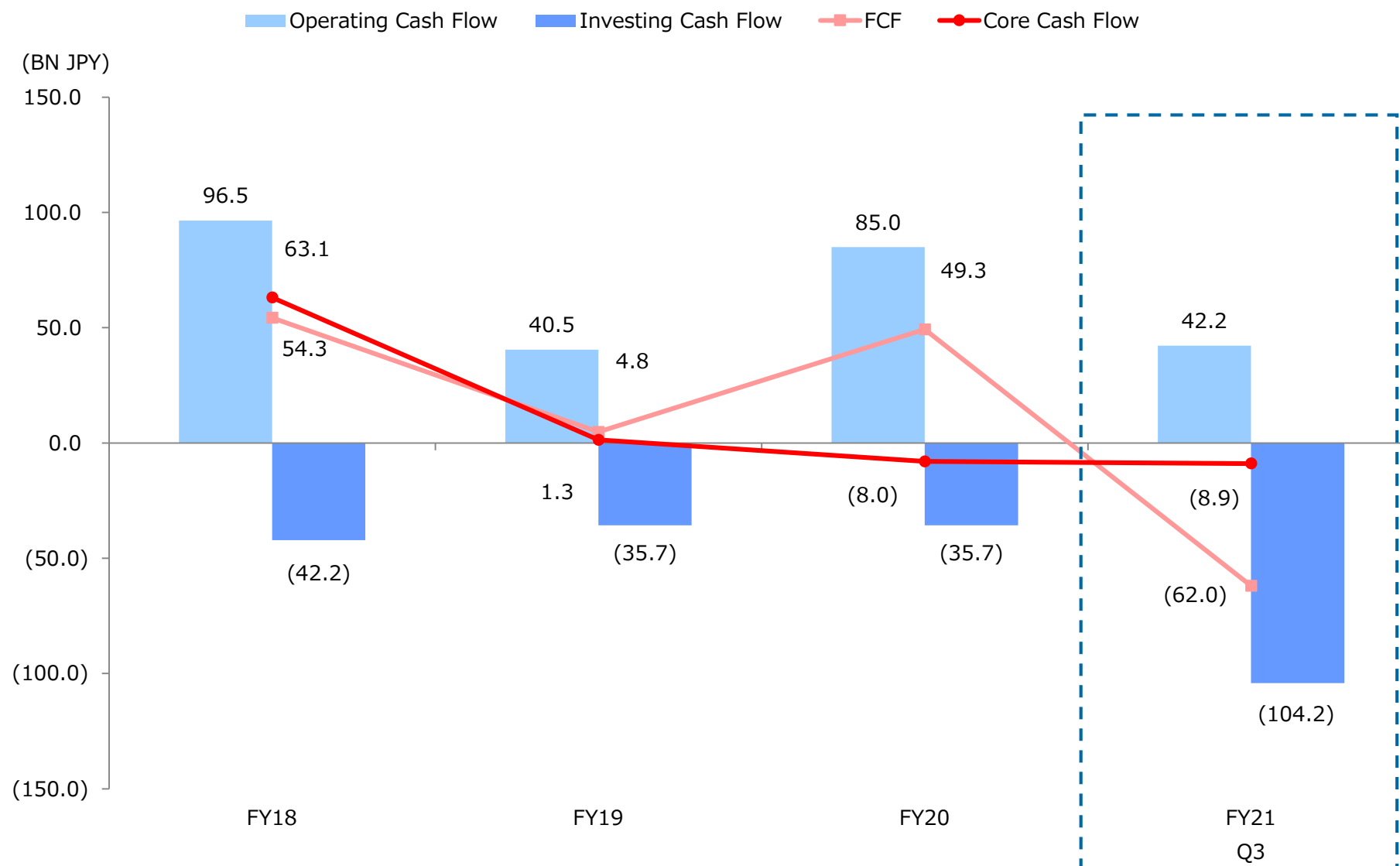
Cash Flow Management

Maintain positive six-year aggregate core cash flow during MTP2023

	MTP 2020 3-Year (Aggregate) (FY18–FY20)	FY21 Q3	MTP2023 3-Year Target (Aggregate) (FY21–FY23)
Core operating cash flow	¥219.0 bn	¥81.0 bn	Approx. ¥240.0 - ¥250.0 bn
Asset Replacement (Investment recovery)	¥170.0 bn	¥26.5 bn	Approx. ¥100.0 bn
New investments and others	¥(262.0) bn	¥(85.0) bn	Approx. ¥(330.0) bn
Shareholder Returns (*1)	¥(71.0) bn	¥(31.5) bn	Approx. ¥(70.0) bn
Core cash flow	¥56.0 bn	¥(9.0) bn	Positive (MTP2020 and MTP2023 6-year period)
Free cash flow	¥108.0 bn	¥(62.0) bn	

*1 Includes acquisitions of treasury stock

Summary of FCF




Investments and Asset Replacement FY2021 Q3

Total Investments	¥85.0bn	
Main Breakdown	<u>Infrastructure & Healthcare</u>	¥51.5bn <ul style="list-style-type: none"> ■ Energy conservation business in the U.S. ■ Gas-Fired Power Generation Project in Indonesia ■ IWPP and Desalination Project in Middle East ■ Renewable energy businesses in Australia ■ Electricity retail business in Spain etc.
	<u>Growth market × Market-oriented initiative</u>	¥21.0bn <ul style="list-style-type: none"> ■ Domestic shopping malls ■ Domestic real estate business ■ Retail business in Southeast Asia ■ Dealership business in the U.S. etc.
	<u>Materials & Circular economy</u>	¥0.0bn <p style="text-align: center;">-</p>
	<u>Other</u>	¥12.5bn <ul style="list-style-type: none"> ■ Non-financial investment ■ Innovation investment etc.
Total Asset Replacement	¥26.5bn	
Main Breakdown	Sale of cross-shareholdings, Surface-mounting machines related business, Domestic and overseas renewable energy business	

Major One-time Gain/Loss

	FY20 Q3		FY21 Q3	
Non-Resource	¥4.1 bn	<ul style="list-style-type: none"> Gain on sales of domestic shopping mall Gain on sales of domestic real estate etc.	¥0.0 bn	<ul style="list-style-type: none"> Gain on sales of surface-mounting machines related business Loss on sales of surface-mounting machines related business etc.
Resource	¥0.8 bn	<ul style="list-style-type: none"> Sales of oil interests etc.	¥(2.7) bn	<ul style="list-style-type: none"> Loss on restructuring of non-ferrous smelting and refining company etc.
Total (After income tax expenses)	¥4.9bn		¥(2.7)bn	

Breakdown of Resource and Non-Resource Profit

	(BN JPY)					
	FY20 Q3	FY21 Q3	Difference	FY18	FY19	FY20
A. Profit for the period / year	16.7	62.0	+45.3	70.4	60.8	27.0
B. (Total one-time income movements)	4.9	(2.7)	(7.6)	1.9	1.5	(0.2)
A.- B. Profit for the period / year (Excluding one-time income movements)	11.8	64.7	+52.9	68.5	59.3	27.2
 Resource	(3.1)	23.8	+26.9	25.3	10.4	(0.4)
Non-Resource	14.9	40.9	+26.0	43.2	48.9	27.6

Commodity Prices, Foreign Exchange, and Interest Rate

	FY20 (Apr.-Dec. Avg.)	FY21 Assumptions (Annual Avg.)	FY21 (Apr.-Dec. Avg.)	Latest Data (As of Jan. 27, 2022)
Coking Coal *1	US\$113.3/t	US\$127.5/t	US\$278.0/t	US\$445.5/t
Thermal Coal *1	US\$60.1/t	US\$80.0/t	US\$163.9/t	US\$262.6/t
Crude Oil (Brent)	US\$41.3/bbl	US\$50.0/bbl	US\$74.0/bbl	US\$89.3/bbl
Exchange Rate *2	¥105.5/US\$	¥108.0/US\$	¥111.5/US\$	¥114.6/US\$
Interest Rate (TIBOR)	0.10%	0.08%	0.06%	0.07%

*1 Coal prices are based on standard market prices and therefore differ from the Company's selling prices.

*2 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.5 billion annually, profit for the year by approx. ¥0.25 billion annually, and total equity by approx. ¥1.5 billion annually.

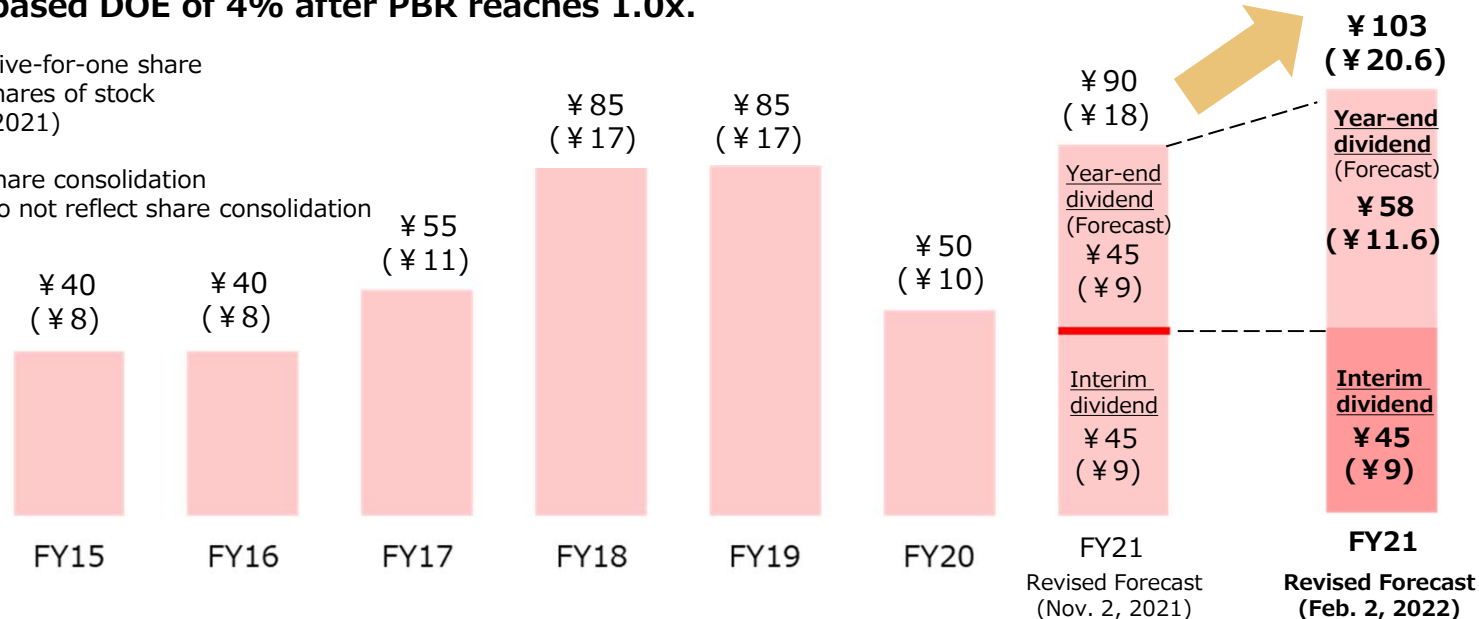
2. Dividends

Dividends Policy

- Sojitz recognizes that paying stable and continuous dividends is a management priority, together with enhancing shareholder value through the accumulation and effective use of retained earnings.
- Our basic policy is to target a consolidated payout ratio of about 30%.
- Lower limit for dividends set as representing market price-based DOE of 4% until PBR reaches 1.0x and book value-based DOE of 4% after PBR reaches 1.0x.

* The Company conducted a five-for-one share consolidation of common shares of stock (Effective date: October 1, 2021)

Figures restated to reflect share consolidation
Figures in parentheses () do not reflect share consolidation



Profit for the year	¥36.5bn	¥40.8bn	¥56.8bn	¥70.4bn	¥60.8bn	¥27.0bn	¥70.0bn	¥80.0bn
Consolidated payout ratio	27.4%	24.6%	24.2%	30.2%	34.8%	44.4%	Approx.30%	30.1%

MTP 2017
payout ratio of about 25%

MTP 2020
payout ratio of about 30%

MTP2023

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

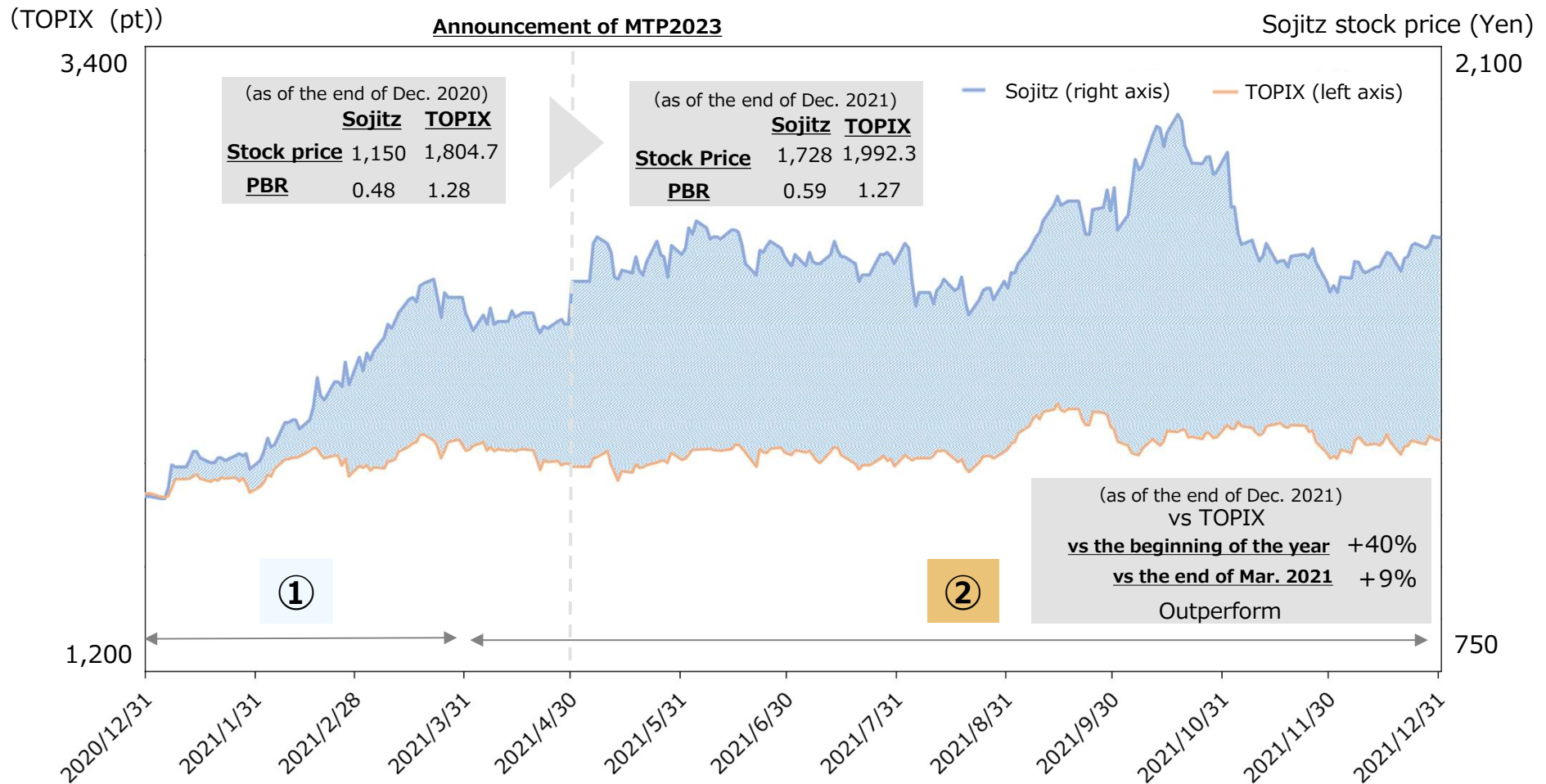
The year-end dividend figures for FY15 to FY20 and the interim dividend figures for FY21 have been restated to reflect the share consolidation. Figures in parentheses () are provided for reference and do not reflect the share consolidation.

Note 2: Market price-based DOE = Total dividends paid / (Average annual closing share price * Total shares issued at fiscal year-end)

Book value-based DOE = Total dividends paid / Total equity at fiscal year-end (book value)

The decision of whether to use market price-based DOE or book value-based DOE will be made based on the PBR at the end of Mar. 2022.

Stock Price & PBR Trend



Main News Releases

① FY20 Q4

- [Sojitz Acquires Stake in Royal Holdings Co., Ltd. with Capital and Business Tie-up](#)
- [Sojitz Group Policies for Realizing a Decarbonized Society](#)
- [Sojitz Announces Shareholding Policy Calling for Reduction of Cross-Shareholdings](#)
- [Sojitz Announces New Initiatives to Support Diverse Career Paths and Working Styles \(Support for Entrepreneurs and Independent Businesses\)](#)
- [Sojitz Joins Hospital Project in Australia](#)

② FY21 Q3

- [Notice Regarding Share Repurchase of Treasury Stock \(Up to 50,000,000 shares & ¥ 15bn\)](#)
- [Notice Regarding Share Consolidation \(5 shares⇒1share, Effective date: Oct. 1st, 2021\)](#)
- [Sojitz Enters Natural Gas-fired Power and Desalination Project in the UAE](#)
- [Sojitz Begins Construction on one of the Largest-scale Solar Farms by Japanese companies in Australia](#)
- [Toshiba, Sojitz and CBMM Partner to Commercialize Next-Generation Lithium-ion Batteries](#)
- [SKK Migas approved Plan of Development for Ubadari Field and Vorwata CCUS at Tangguh LNG Project](#)
- [SOL Energy Begins Rooftop Solar Generation Business in Vietnam](#)
- [Notice Regarding the Planned Commencement of Tender Offer for Shares of JALUX Inc. \(TOKYO: 2729\)](#)
- [Sojitz Enters Energy Conservation Business in the U.S.](#)
- [Sojitz Makes Additional Investment in VLP Therapeutics, Inc., a U.S. Developer of Next-Generation Vaccines](#)



*Click each link for the relevant news release.

【Supplemental Data】

I . Segment Information

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

FY21 Q3 Summary

(BN JPY)

	FY20 Q3	FY21 Q3	Difference
Gross profit	23.2	33.1	9.9
SG&A expenses	(20.2)	(23.2)	(3.0)
Share of profit (loss) of investments accounted for using the equity method	(0.7)	0.5	1.2
Profit for the period	(0.4)	5.9	6.3

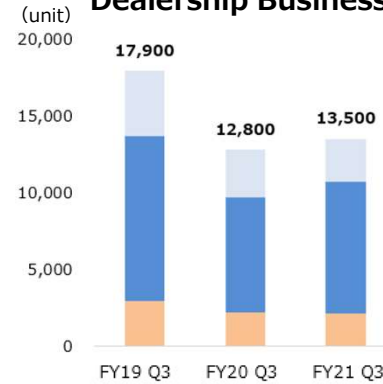
	FY20	FY21 Q3	Difference
Total Asset	151.4	178.6	27.2

Main Factors Behind Difference

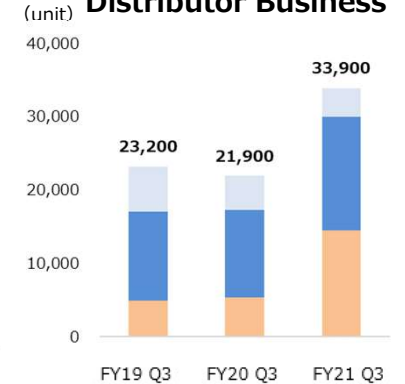
【 Profit for the period 】
Increased due to higher sales volumes in overseas automotive operations

Vehicle Sales

Dealership Business



Distributor Business



Legend: Japan/Asia (orange), Americas (blue), Europe and Russia (light blue), Asia (orange), Americas (blue), Europe and Russia (light blue)

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 Q3	FY21 Q3	Difference	Business Description
Sojitz Automotive Group, Inc	100%	0.5	1.1	0.6	Automobile dealership
Sojitz de Puerto Rico Corporation	100%	0.5	1.6	1.1	Import and sales of automobiles
Subaru Motor LLC	66%	0.3	0.5	0.2	Import and sales of automobiles
Sojitz Quality, Inc	100%	(0.1)	0.2	0.3	Investment in Automotive parts quality inspection services
Total		1.2	3.4	2.2	

*1 The equity ownership is as of the end of December 2021.

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

Expansion of Automotive Retail Business in San Francisco Bay Area

Contributing to the community through expansion of regional sales and service offerings



- Sojitz has acquired franchise rights and assets for Marin Subaru, an authorized dealership for Subaru brand vehicles in San Francisco bay area and has now begun sales operations.
- Sojitz has opened six authorized to date (including BMW dealerships, Mini dealership etc.) and Marin Subaru will be Sojitz's seventh dealership in the area.
- Sojitz will continue to strengthen its car dealership businesses in this area thanks to Subaru's establishment of a unique brand image in the U.S.

Aerospace & Transportation Project

FY21 Q3 Summary

(BN JPY)

	FY20 Q3	FY21 Q3	Difference
Gross profit	7.4	10.7	3.3
SG&A expenses	(6.9)	(8.3)	(1.4)
Share of profit (loss) of investments accounted for using the equity method	(0.3)	(0.1)	0.2
Profit for the period	(0.1)	2.3	2.4

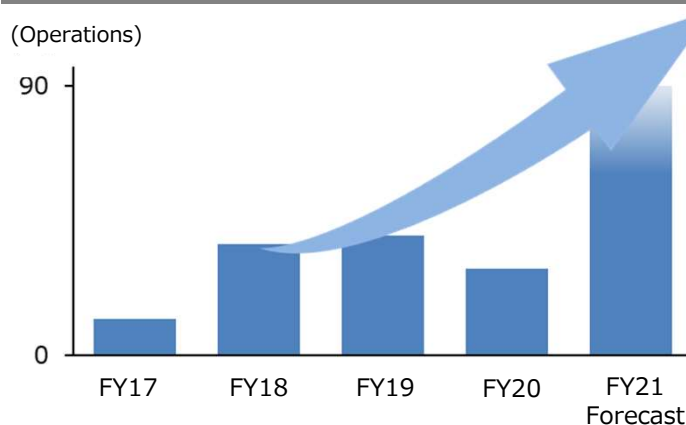
	FY20	FY21 Q3	Difference
Total Asset	153.0	196.7	43.7

Main Factors Behind Difference

【 Profit for the period 】
Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses

Business Jet Charter Sales

(Operations)



- Sojitz invested in Phenix Jet Group in 2017 and since then it has expanded their earnings.
- Business jet demand has remained strong, even amid COVID-19 pandemic.

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 Q3	FY21 Q3	Difference	Business Description
Sojitz Aerospace Corporation	100%	0.6	0.6	0.0	Import/export and sales of aerospace and defense-related equipment, components and materials
Sojitz Aviation and Marine B.V.	100%	0.0	0.1	0.1	Aircraft part-out business and marine vessel-related business
SJ Aviation Capital Pte. Ltd.	100%	0.1	0.1	0.0	Aircraft leasing business
Sojitz Transit & Railway Canada Inc.	74.9%	0.5	(0.1)	(0.6)	General repair and remanufacturing of railway rolling stocks
Total		1.2	0.7	(0.5)	

*1 The equity ownership is as of the end of December 2021.

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

*3 Sojitz Aircraft Leasing B.V. changed the name of the company to Sojitz Aviation and Marine B.V. effective from August 16, 2021.



Infrastructure & Healthcare

FY21 Q3 Summary

(BN JPY)

	FY20 Q3	FY21 Q3	Difference
Gross profit	12.1	12.7	0.6
SG&A expenses	(16.1)	(16.8)	(0.7)
Share of profit (loss) of investments accounted for using the equity method	5.6	6.8	1.2
Profit for the period	3.5	2.8	(0.7)

	FY20	FY21 Q3	Difference
Total Asset	337.2	393.3	56.1

Main Factors Behind Difference

【 Profit for the period 】
Decreased due to absence of gains from asset replacement in power generation businesses recorded in the previous equivalent period

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 Q3	FY21 Q3	Difference	Business Description
Nissho Electronics Corporation	100%	0.2	0.5	0.3	Providing leading-edge IT solutions and network services
Tokyo Yuso Corporation	100%	0.3	0.3	0.0	Tank storage operations for petroleum and chemical products
Renewable Energy Businesses	-	1.7	0.8	(0.9)	Renewable energy business in Japan and overseas
LNG Japan Corporation	50%	0.6	0.7	0.1	LNG business and related investments
Sojitz Hospital PPP Investment B.V.	100%	2.8	2.3	(0.5)	Investment in hospital project
Total		5.6	4.6	(1.0)	

*1 The equity ownership is as of the end of December 2021.

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

*3 For information on the following companies, please refer to their respective corporate websites.
SAKURA Internet Inc. (equity-method associate) <https://www.sakura.ad.jp/>
PT. Puradelta Lestari Tbk (equity-method associate) <https://www.kota-deltamas.com/>

Initiatives

Energy Conservation Business in the U.S.

Improvement of global energy efficiency from market-oriented perspective

- Sojitz, through Sojitz Corporation of America, has acquired a majority stake in McClure Company (“McClure”), one of the largest mechanical, contracting, and energy services firms in Pennsylvania.
- Contribution to reduced CO₂ emissions through provision of energy conservation services for reducing and streamlining customer utility and maintenance bills in energy service company business.
- Expansion of energy conservation service business and development of solar power generation operations by combining business operation capabilities of McClure with power generation business development and operation insight of Sojitz.



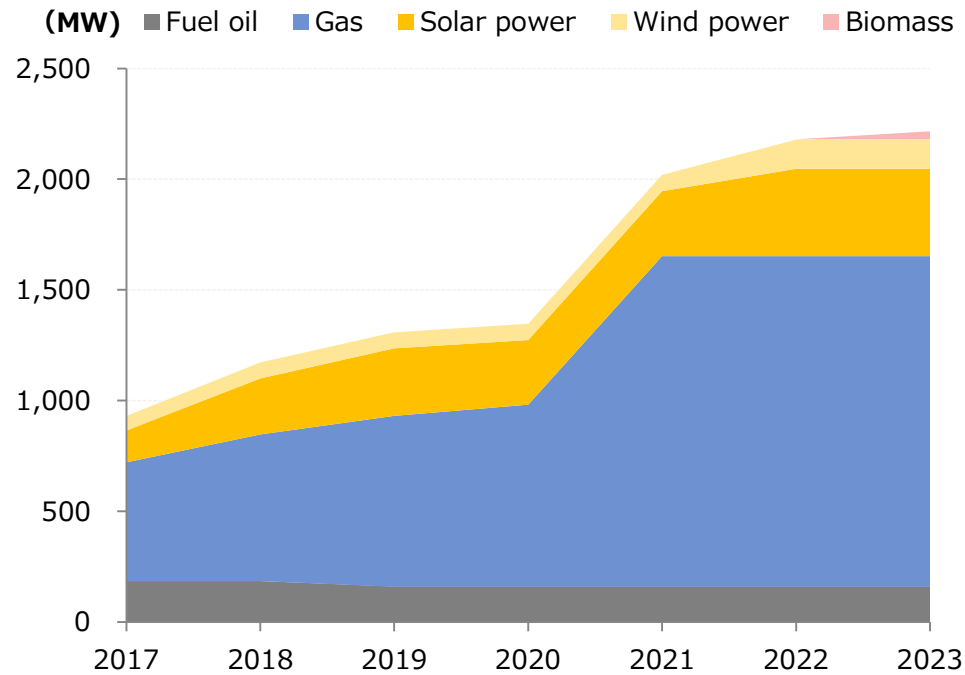
Participation in Philippine Telecommunications Tower Market

Contribution to improved infrastructure through telecommunications infrastructure installation and business expansion



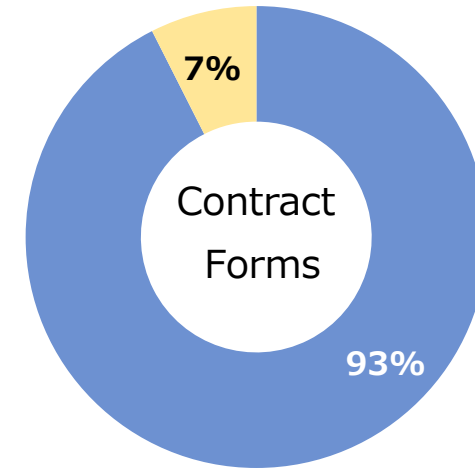
- Acquisition of controlling interest in LBS Digital Infrastructure Corp., telecommunications tower company spun off from leading Philippine telecommunications infrastructure construction company, through share underwriting to participate in Asia’s most promising telecommunications tower market.
- Issues such as maintenance and deterioration of towers can be resolved through installation of IsoTruss towers which are lightweight and resistant to corrosion.

Charge in Net Power-Generation Capacity *Hassojitz*

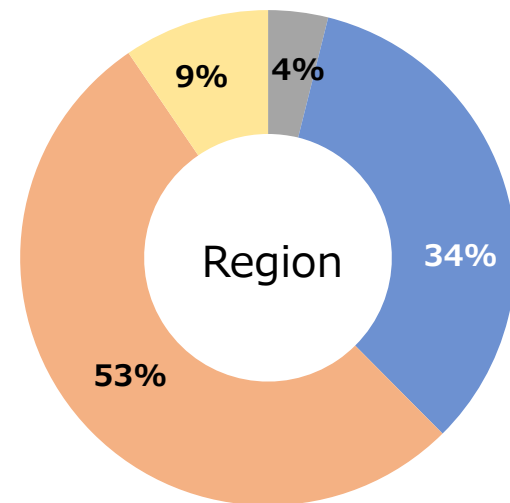


Results and Forecast of Net Power-Generation Capacity (MW)

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



■ Long-term contract ■ Spot contract
*As of December 31, 2021



■ Europe ■ Americas ■ Asia ■ Japan
*As of December 31, 2021

Metals, Mineral Resources & Recycling

FY21 Q3 Summary

(BN JPY)

	FY20 Q3	FY21 Q3	Difference
Gross profit	6.9	35.1	28.2
SG&A expenses	(9.4)	(10.3)	(0.9)
Share of profit (loss) of investments accounted for using the equity method	2.0	16.2	14.2
Profit for the period	(2.5)	28.3	30.8

	FY20	FY21 Q3	Difference
Total Asset	476.2	519.7	43.5

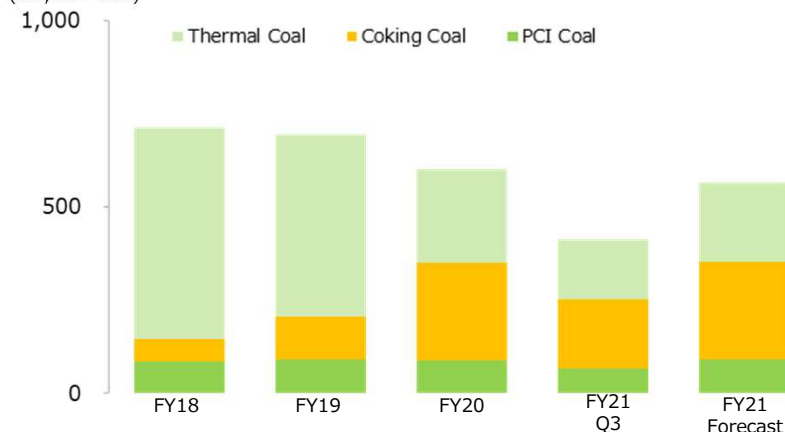
Main Factors Behind Difference

[Profit for the period]

Increased due to higher profits from rise in coal market conditions as well as higher profits from steel operating company thanks to recovery of steel demand

Change in Coal Sales Volume

(10,000 ton)



Major Subsidiaries and Associates

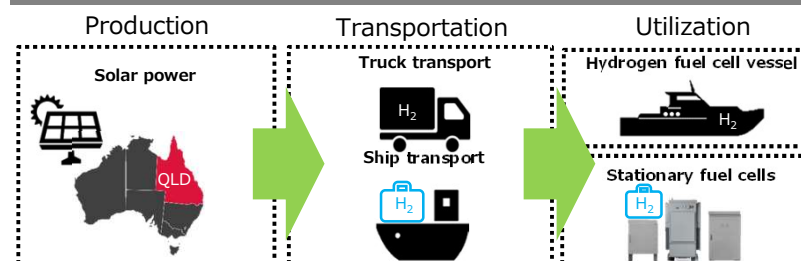
(BN JPY)

Company name	Equity ownership	FY20 Q3	FY21 Q3	Difference	Business Description
Sojitz Development Pty. Ltd.	100%	(2.9)	12.6	15.5	Investment in coal mines
Sojitz Resources (Australia) Pty. Ltd.	100%	0.0	0.6	0.6	Production of alumina
Japan Alumina Associates (Australia) Pty. Ltd.	50%	0.2	0.7	0.5	Investment in an alumina refinery
Metal One Corporation	40%	0.6	9.4	8.8	Import, export, and sale of, and domestic and foreign trading in, steel-related products
Total		(2.1)	23.3	25.4	

*1 The equity ownership is as of the end of December 2021.

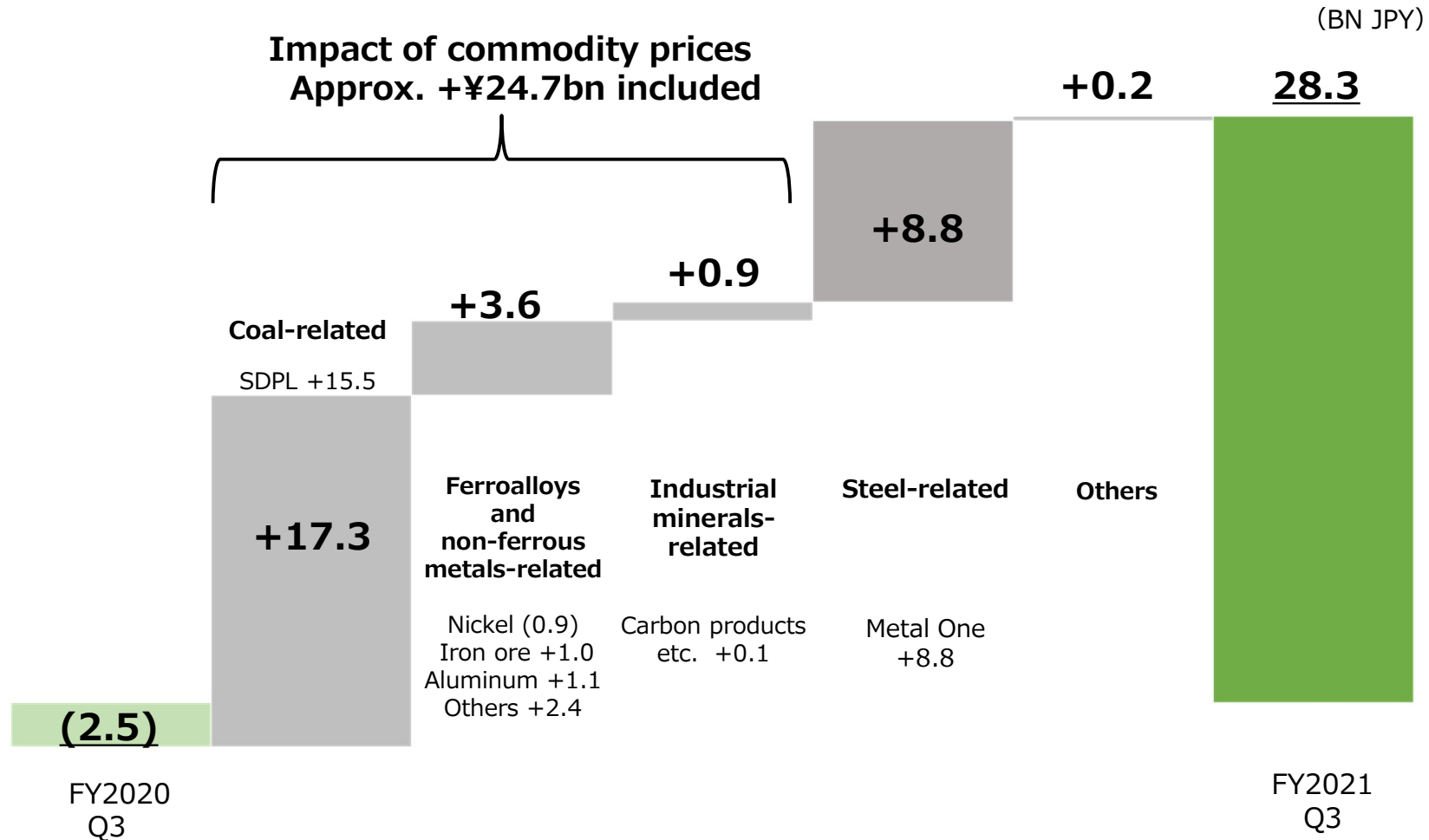
*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

Green Hydrogen Production in Australia to Pacific Island Countries (The Republic of Palau)



- Sojitz will begin a demonstration project (selected by the Ministry of the Environment of Japan) together with partners to transport renewable hydrogen produced in Australia to the Republic of Palau for utilization in fuel cells and hydrogen fuel cell vessels.
- Sojitz will serve as the representative for the project, and the company will provide overall management for the project, conduct a field study in Palau, and support the implementation of equipment.
- After the conclusion of the demonstration project, Sojitz and its partners seek to achieve early commercialization of an economically efficient hydrogen supply chain that will extend to include neighboring Pacific Island countries.

Metals & Mineral Resources Year on Year Main Factors Behind Difference



Chemicals

FY21 Q3 Summary

(BN JPY)

	FY20 Q3	FY21 Q3	Difference
Gross profit	26.8	38.8	12.0
SG&A expenses	(20.9)	(22.5)	(1.6)
Share of profit (loss) of investments accounted for using the equity method	0.6	0.6	0.0
Profit for the period	3.7	11.2	7.5

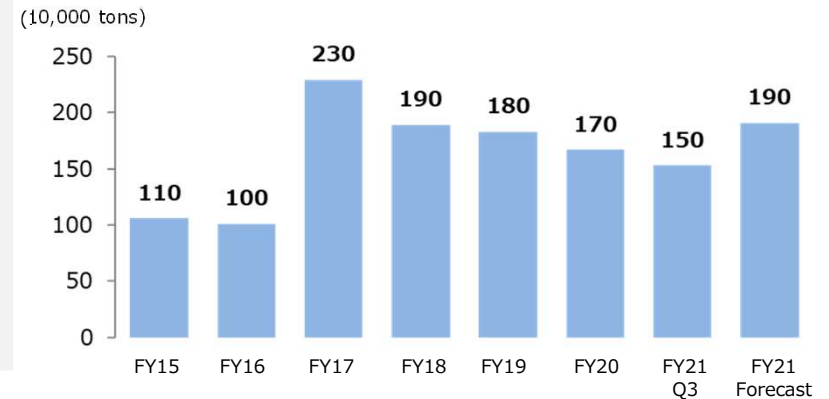
	FY20	FY21 Q3	Difference
Total Asset	272.3	303.9	31.6

Main Factors Behind Difference

【 Profit for the period 】
Increased due to recovery of methanol prices and higher transaction volumes of plastic resin

Sales Volume for Methanol

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



Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 Q3	FY21 Q3	Difference	Business Description
Sojitz Pla-Net Corporation	100%	0.8	1.7	0.9	Trading and sale of plastics and related products
PT. Kaltim Methanol Industri	85%	0.1	4.2	4.1	Manufacture and sale of methanol
solvadis deutschland gmbh	100%	0.6	0.8	0.2	Trading and sale of chemical products
Total		1.5	6.7	5.2	

*1 The equity ownership is as of the end of December 2021

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



Consumer Industry & Agriculture Business *Hassojitz*

FY21 Q3 Summary

(BN JPY)

	FY20 Q3	FY21 Q3	Difference
Gross profit	21.1	25.3	4.2
SG&A expenses	(15.3)	(15.4)	(0.1)
Share of profit (loss) of investments accounted for using the equity method	0.6	0.7	0.1
Profit for the period	3.7	6.8	3.1

Main Factors Behind Difference

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

	FY20	FY21 Q3	Difference
Total Asset	210.3	236.5	26.2

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 Q3	FY21 Q3	Difference	Business Description
Thai Central Chemical Public Company(TCCC)	81%	3.8	*3	*3	Manufacture and sales of fertilizers
Atlas Fertilizer Corporation	100%	1.4	2.0	0.6	Manufacture and sales of fertilizers, sales of imported fertilizer products
Japan Vietnam Fertilizer Company	75%	0.2	0.2	0.0	Manufacture and sales of fertilizers
Saigon Paper	96%	(0.6)	(0.4)	0.2	Papermaking business (Vietnam)
Sojitz Building Materials Corporation	100%	0.3	2.1	1.8	Trading company specializing in sales of construction materials
Total		5.1	*3	*3	

*1 The equity ownership is as of the end of December 2021

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

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

Profit of Overseas Fertilizers Business

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



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

Initiative of Regional Revitalization Business

Taking on the Challenge of Regional Revitalization in Anticipation of a Decarbonized Society



“Hakoyanagi” (Japanese aspen trees) trial plantation (1 year after planting)

- Sojitz and Tokyo University's venture company have established Sojitz Morinomirai Corporation which will produce fast-growing tree saplings that can reach maturity for logging five years after planting.
- Hakoyanagi produced by Sojitz Morinomirai will be utilized for power generation and mixed burning with coal as biomass fuel.
- This initiative presents the potential of creating a sustainable business model in terms of pursuing carbon neutrality and of utilizing dilapidated farmland.

Retail & Consumer Service

FY21 Q3 Summary

(BN JPY)

	FY20 Q3	FY21 Q3	Difference
Gross profit	20.9	22.5	1.6
SG&A expenses	(15.4)	(15.8)	(0.4)
Share of profit (loss) of investments accounted for using the equity method	(0.2)	0.0	0.2
Profit for the period	4.6	3.1	(1.5)

	FY20	FY21 Q3	Difference
Total Asset	337.0	364.7	27.7

Main Factors Behind Difference

[Profit for the period]

Decreased, despite higher sales volumes of food-related company, due to absence of gains from sale of shopping mall recorded in the previous equivalent period

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 Q3	FY21 Q3	Difference	Business Description
Sojitz Foods Corporation	100%	1.8	2.7	0.9	Sale of farmed and marine products, sugar, saccharified products, dairy products, processed foods, and other foodstuffs
Sojitz Fashion Co., Ltd.	100%	0.5	0.5	0.0	Printing of cotton and synthetic textiles, processing and wholesale of non-patterned and dyed fabrics
Sojitz New Urban Development Corporation	100%	0.0	(0.1)	(0.1)	Development and sale of condominiums, real estate brokerage, development and possession of rental apartment and sale of housing equipment
Sojitz REIT Advisors K.K.	67%	0.4	0.3	(0.1)	Management of real estate asset
Total		2.7	3.4	0.7	

*1 The equity ownership is as of the end of December 2021

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

*3 For information on the following companies, please refer to their respective corporate websites.

- JALUX Inc. (equity-method associate) <https://www.jalux.com/>
- Tri-Stage Inc. (equity-method associate) <https://www.tri-stage.jp/>
- Fuji Nihon Seito Corporation (equity-method associate) <https://www.fnsugar.co.jp/>
- Royal Holdings (equity-method associate) <https://www.royal-holdings.co.jp/>

Tender Offer for Shares of JALUX Inc.

Conducted a joint tender offer bid with Japan Airlines Co., Ltd. (JAL) and delist JALUX Inc. (announced on Nov. 2, 2021)



- Global business network
- Business investment expertise
- Procurement and product development as a general aviation service company
- Sales networks
- Customer base
- Brand

➔ Maximizing corporate value by pooling and leveraging the strengths of each of the three companies

Synergies

■ Enhancing retail business field

Promoting e-commerce business by leveraging the power of the branding, customer base, and mileage economic zone of JAL and Sojitz

■ Aviation field

Expanding business collaboration, and strengthening of earnings foundation through reorganization of aviation-related operations at group companies

Others

Major Subsidiaries and Associates

(BN JPY)

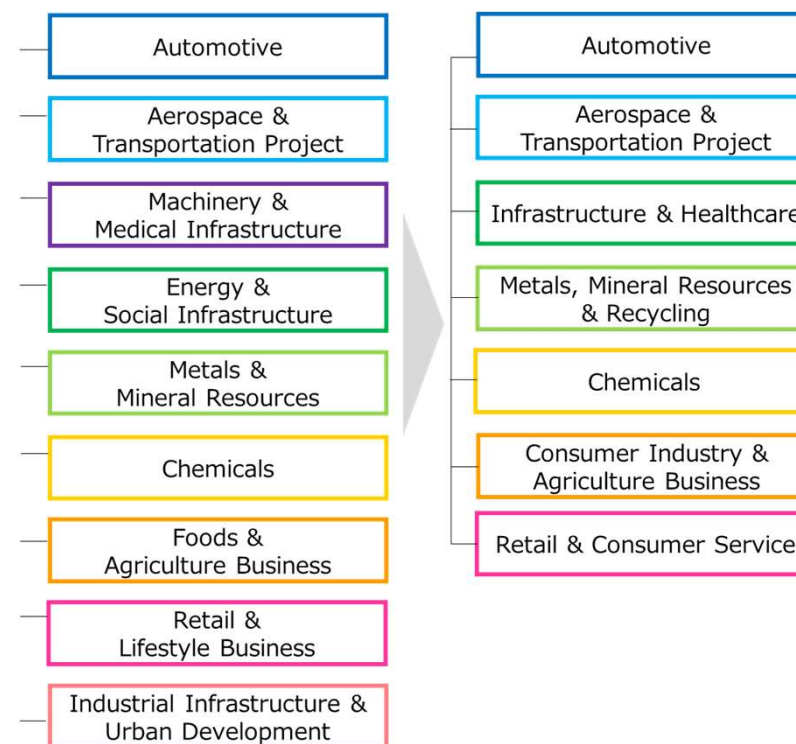
Company name	Equity ownership	FY20 Q3	FY21 Q3	Difference	Business Description
Sojitz Machinery Corporation	100%	1.1	1.3	0.2	Import/export and sales of general industrial machinery
Total		1.1	1.3	0.2	

*1 The equity ownership is as of the end of December 2021.

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

Organizational Reforms (effective as of April 1, 2021)

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



【Supplemental Data】

II. Summary of Financial Results

Summary of Profit or Loss

(BN JPY)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 Q3
Net sales (JGAAP)	4,014.6	4,321.7	3,934.5	4,046.6	4,105.3	4,006.6	3,745.5	4,209.1	–	–	–	–
Revenue	–	2,006.6	1,747.8	1,803.1	1,809.7	1,658.1	1,555.3	1,816.5	1,856.2	1,754.8	1,602.5	1,548.6
Gross profit	192.7	217.1	187.2	198.2	197.7	180.7	200.7	232.4	241.0	220.5	188.1	190.7
Operating profit	37.5	57.5	25.5	23.7	33.6	29.2	51.6	59.8	–	–	–	–
Share of profit (loss) of investments accounted for using the equity method	19.3	16.3	15.8	31.0	28.6	23.2	12.7	25.1	27.8	24.9	14.8	25.4
Profit before tax	39.3	58.5	28.1	44.0	52.6	44.3	58.0	80.3	94.9	75.5	37.4	85.0
Profit for the period/year	16.0	(1.0)	13.4	27.3	33.1	36.5	40.8	56.8	70.4	60.8	27.0	62.0
Core earnings	41.9	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	68.4	38.4	87.9
ROA	0.7%	(0.0%)	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	3.0%	2.7%	1.2%	–
ROE	4.7%	(0.3%)	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	11.7%	10.2%	4.5%	–

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

Summary of Balance Sheets

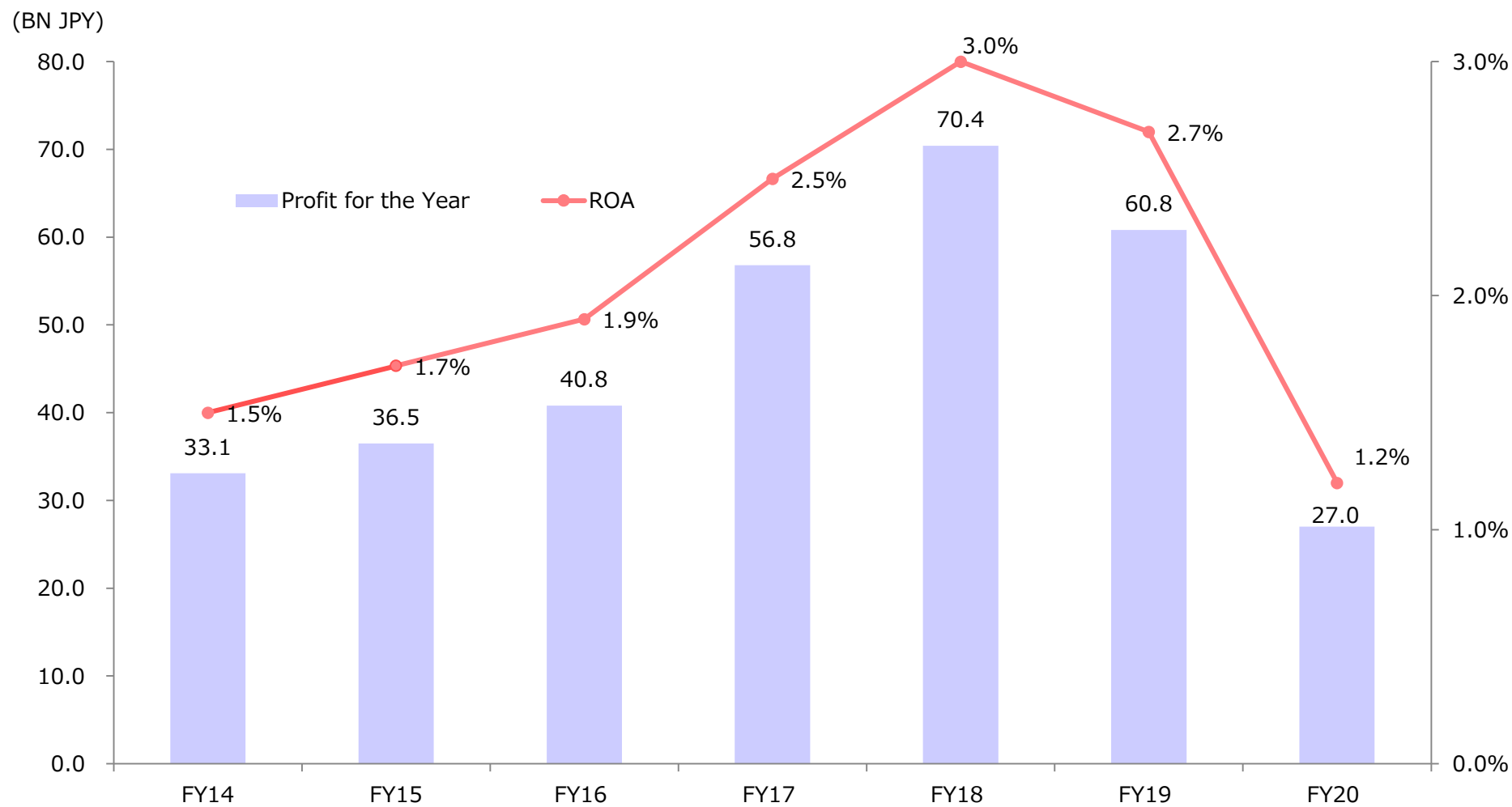
(BN JPY)	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2020	End of Mar. 2021	End of Dec. 2021
Total assets	2,117.0	2,190.7	2,150.1	2,220.2	2,297.4	2,056.7	2,138.5	2,350.4	2,297.1	2,230.3	2,300.1	2,509.2
Total equity	330.0	330.0	382.6	459.9	550.9	520.3	550.5	586.4	618.2	579.1	619.0	674.7
Equity ratio	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	26.9%	26.0%	26.9%	26.9%
Net interest-bearing debt	700.6	676.4	643.3	640.2	629.6	571.6	611.1	603.5	584.7	613.2	610.6	725.4
Net DER (Times)	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.0	1.0	1.1	0.99	1.08
Risk assets (vs. Total equity, times)	310.0 0.9	330.0 1.0	340.0 0.9	350.0 0.8	320.0 0.6	330.0 0.6	320.0 0.6	350.0 0.6	360.0 0.6	380.0 0.7	390.0 0.6	410.0 0.6
Current ratio	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	157.1%	161.4%	162.7%	161.6%
Long-term debt ratio	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	82.9%	79.1%	82.5%	85.7%

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

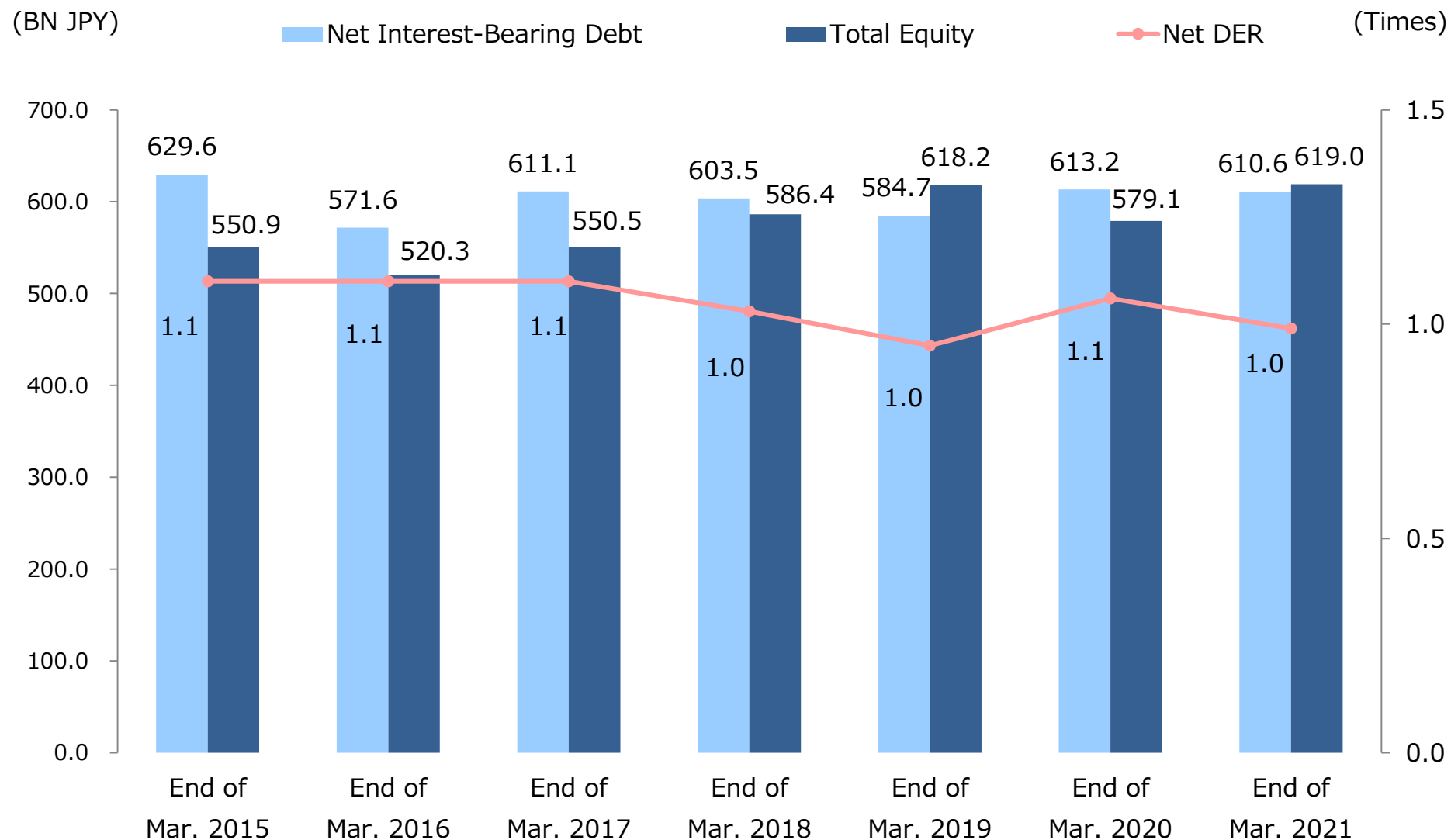
Summary of Cash Flow

(BN JPY)	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2020	End of Mar. 2021	End of Dec. 2021
Core cash flow	–	–	–	–	–	18.3	5.5	(56.7)	63.1	1.3	(8.0)	(8.9)
Free cash flow	48.0	46.4	43.4	22.5	25.3	66.0	(31.3)	12.4	54.3	4.8	49.3	(62.0)
Core operating cash flow	–	–	–	–	–	60.0	59.4	82.9	79.1	80.2	60.2	81.3
Cash flow from operating activities	67.9	88.7	55.1	47.0	39.1	99.9	0.9	98.8	96.5	40.5	85.0	42.2
Cash flow from investment activities	(19.9)	(42.3)	(11.7)	(24.5)	(13.8)	(33.9)	(32.2)	(86.4)	(42.2)	(35.7)	(35.7)	(104.2)
Cash flow from financing activities	(72.1)	(29.5)	(56.2)	(30.9)	(42.6)	(114.7)	(4.0)	(13.1)	(74.9)	(12.2)	(40.6)	6.3
Investments	73.0	53.0	44.0	54.0	57.0	71.0	86.0	158.0	91.0	81.0	96.0	85.0

Summary of Profit or Loss



Summary of Balance Sheets



Summary of Cash Flow

