

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

May 2, 2022  
Sojitz Corporation

## Results Highlights

◆ In the year ended March 31, 2022, the first year of Medium-Term Management Plan 2023, increasingly strong downward pressure was placed on the global economy by factors including Russia's military invasion of Ukraine and the economic sanctions placed on Russia in response to this act. At the same time, there was an ongoing need to monitor the potential market impacts of various factors. Such factors included the possibility of resumed increases in COVID-19 cases, soaring resource prices, supply restrictions and inflation that resulted from supply chain disruptions, and rapid interest rate increases and yen depreciation triggered by the monetary tightening measures of the central banks of several countries.

The Company's revenue for the year ended March 31, 2022 was up year on year due to higher revenue in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal and precious metals; in the Chemicals Division, a result of growth in plastic resin transactions and higher methanol prices; and in the Automotive Division, a result of increased sales volumes in overseas automotive businesses.

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

(Figures in parentheses are YoY changes)

Revenue 2,100.8 bn yen (+498.3 bn yen / +31.1%)

- Increase in the Metals, Mineral Resources & Recycling Div. due to higher coal prices and precious metals
- Increase in the Chemicals Div. due to higher transaction volumes of plastic resin and a price increase in methanol
- Increase in the Automotive Div. due to higher sales volumes in overseas automotive operations

Gross profit 271.3 bn yen (+83.2 bn yen / +44.2%)

- Increase in the Metals, Mineral Resources & Recycling Div. due to increase in coal prices
- Increase in the Chemicals Div. due to the higher price of methanol and higher transaction volumes of plastic resin
- Increase in the Automotive Div. due to higher sales volumes in overseas automotive operations

Profit for the year (attributable to owners of the Company) 82.3 bn yen (+55.3 bn yen / +204.9%)

- Increase in gross profit
- Increase in share of profit of investments accounted for using the equity method

### Cash dividends per share for the year ended March 31, 2022

Year-end : 61.00 yen per share (Full year : 106.00 yen per share)

The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The interim dividend reflecting this share consolidation was 45.00 yen.

### Earnings forecast for the year ending March 31, 2023

Profit for the year (attributable to owners of the Company) 85.0 bn yen

(Initial Assumptions)  
Exchange rate (annual average: ¥/US\$) : 115

### Cash dividends per share for the year ending March 31, 2023 (forecast)

Interim : 56.00 yen per share  
Year-end : 56.00 yen per share  
(Full year: 112.00 yen per share)

## Consolidated Statements of Profit or Loss

	(BN JPY)			Factors Affecting Circled Figures	FY2021 Full-year Forecast c	Percentage Achieved a/c
	FY2021 Results a	FY2020 Results b	Difference a-b			
<b>Revenue</b>	2,100.8	1,602.5	498.3	Revenue: segment changes		
				Metals, Mineral Resources & Recycling	+204.3	
				Chemicals	+131.5	
				Automotive	+63.2	
<b>Gross profit</b>	271.3	188.1	83.2	Gross profit: segment changes		
				Metals, Mineral Resources & Recycling	+47.6	
				Chemicals	+13.4	260.0
				Automotive	+13.1	104%
<b>SG&amp;A expenses</b>						
Personnel expenses	(101.6)	(93.5)	(8.1)			
Non-personnel expenses	(58.7)	(50.1)	(8.6)			
Depreciation	(19.0)	(17.5)	(1.5)			
Provision of allowance for doubtful accounts	(1.0)	0.0	(1.0)			
<b>(Total SG&amp;A expenses)</b>	<b>(180.3)</b>	<b>(161.1)</b>	<b>(19.2)</b>		<b>(180.0)</b>	
<b>Other income/expenses</b>						
Gain/loss on sale and disposal of fixed assets, net	6.7	2.9	3.8	Sale of overseas office building		
Impairment loss on fixed assets	(2.6)	(5.5)	2.9			
Gain on reorganization of subsidiaries/associates	6.1	3.9	2.2	Industrial machinery-related company		
Loss on reorganization of subsidiaries/associates	(18.2)	(2.1)	(16.1)	Thermal coal-related company		
Other operating income/expenses	(5.8)	(0.3)	(5.5)			
<b>(Total other income/expenses)</b>	<b>(13.8)</b>	<b>(1.1)</b>	<b>(12.7)</b>		<b>(7.0)</b>	
<b>Financial income/costs</b>						
Interest earned	7.4	5.4	2.0			
Interest expenses	(11.2)	(11.8)	0.6			
<b>(Interest expenses, net)</b>	<b>(3.8)</b>	<b>(6.4)</b>	<b>2.6</b>			
Dividends received	5.1	3.0	2.1			
Other financial income/costs	0.8	0.1	0.7			
<b>(Financial income/costs, net)</b>	<b>2.1</b>	<b>(3.3)</b>	<b>5.4</b>		<b>1.0</b>	
<b>Share of profit (loss) of investments accounted for using the equity method</b>	<b>38.0</b>	<b>14.8</b>	<b>23.2</b>	Increase in profit from steel operating company	34.0	
<b>Profit before tax</b>	<b>117.3</b>	<b>37.4</b>	<b>79.9</b>		<b>108.0</b>	<b>109%</b>
<b>Income tax expenses</b>	<b>(31.8)</b>	<b>(8.0)</b>	<b>(23.8)</b>		<b>(25.0)</b>	
<b>Profit for the year</b>	<b>85.5</b>	<b>29.4</b>	<b>56.1</b>		<b>83.0</b>	<b>103%</b>
<b>(Profit attributable to)</b>						
<b>Owners of the Company</b>	<b>82.3</b>	<b>27.0</b>	<b>55.3</b>		<b>80.0</b>	<b>103%</b>
Non-controlling interests	3.2	2.4	0.8		3.0	
<b>Core earnings*1</b>	<b>131.3</b>	<b>38.4</b>	<b>92.9</b>		<b>115.0</b>	

## Consolidated Statements of Financial Position

	(BN JPY)			Factors Affecting Circled Figures
	Mar. 31, 2022 d	Mar. 31, 2021 e	Difference d-e	
<b>Current assets</b>	<b>1,394.2</b>	<b>1,195.4</b>	<b>198.8</b>	
Cash and cash equivalents	271.7	287.6	(15.9)	
Time deposits	10.8	10.1	0.7	
Trade and other receivables	791.5	636.2	155.3	Increase in chemicals, building materials, and tobacco
Inventories	232.8	187.9	44.9	Increase in chemicals and building materials
Other current assets	87.4	73.6	13.8	
<b>Non-current assets</b>	<b>1,267.5</b>	<b>1,104.7</b>	<b>162.8</b>	
Property, plant and equipment	201.5	191.3	10.2	
Lease assets (Right-of-use assets)	69.7	72.8	(3.1)	
Goodwill	82.5	67.2	15.3	
Intangible assets	85.0	61.5	23.5	
Investment property	13.3	11.6	1.7	
Investments accounted for using the equity method	673.6	590.8	82.8	Increase due to new acquisition and accumulation of share of profit of investments accounted for using the equity method
Other non-current assets	141.9	109.5	32.4	Increase due to aircraft-related businesses
<b>Total assets</b>	<b>2,661.7</b>	<b>2,300.1</b>	<b>361.6</b>	
<b>Current liabilities</b>	<b>897.6</b>	<b>734.8</b>	<b>162.8</b>	
Trade and other payables	546.0	476.0	70.0	Increase in chemicals, building materials, and tobacco
Lease liabilities	17.4	16.8	0.6	
Bonds and borrowings	231.2	158.6	72.6	Increase due to new borrowings
Other current liabilities	103.0	83.4	19.6	
<b>Non-current liabilities</b>	<b>1,000.2</b>	<b>910.8</b>	<b>89.4</b>	
Lease liabilities	57.8	60.5	(2.7)	
Bonds and borrowings	821.5	749.7	71.8	Increase due to new borrowings
Retirement benefit liabilities	23.9	21.9	2.0	
Other non-current liabilities	97.0	78.7	18.3	
<b>Total liabilities</b>	<b>1,897.8</b>	<b>1,645.6</b>	<b>252.2</b>	
Share capital	160.3	160.3	-	
Capital surplus	147.0	146.8	0.2	
Treasury stock	(31.0)	(15.9)	(15.1)	Purchase of treasury stock
Other components of equity	136.8	77.8	59.0	Increase due to changes in foreign exchange rates and stock prices
Retained earnings	314.9	250.0	64.9	Profit for the year +82.3 Dividends paid (16.4)
<b>Total equity attributable to owners of the Company</b>	<b>728.0</b>	<b>619.0</b>	<b>109.0</b>	
Non-controlling interests	35.9	35.5	0.4	
<b>Total equity</b>	<b>763.9</b>	<b>654.5</b>	<b>109.4</b>	
<b>Total liabilities and equity</b>	<b>2,661.7</b>	<b>2,300.1</b>	<b>361.6</b>	
Gross interest-bearing debt*4	1,052.7	908.3	+144.4	*4 Lease liabilities (under current liabilities and non-current liabilities) have been excluded from calculations of gross interest-bearing debt and net interest-bearing debt.
Net interest-bearing debt*4	770.2	610.6	+159.6	
Net debt/equity ratio (times)*5	1.06	0.99	+0.07	
Equity ratio*5	27.4%	26.9%	+0.5%	*5 "Total equity attributable to owners of the Company" is recognized as "Total equity" and is also used as the denominator of "Net debt/equity ratio" and the numerator when calculating "Equity ratio."
Current ratio	155.3%	162.7%	(7.4%)	
Long-term debt ratio	78.0%	82.5%	(4.5%)	

\*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

\*2 Core operating cash flow = Net cash provided by (used in) operating activities - Changes in working capital

\*3 Core cash flow = Core operating cash flow + Post-adjustment, net cash provided by (used in) investing activities - Dividends paid - Purchase of treasury stock (Post-adjustment, net cash provided by (used in) investing activities is net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

### 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.

## Comprehensive Income

	(BN JPY)		
	FY2021 Results a	FY2020 Results b	Difference a-b
<b>Profit for the year</b>	85.5	29.4	56.1
<b>Other comprehensive income</b>	63.1	33.6	29.5
<b>Total comprehensive income for the period</b>	<b>148.6</b>	<b>63.0</b>	<b>85.6</b>
<b>Comprehensive income attributable to:</b>			
<b>Owners of the Company</b>	<b>142.4</b>	<b>59.1</b>	<b>83.3</b>
Non-controlling interests	6.2	3.9	2.3

## Cash Flows

	(BN JPY)			Factors Affecting Circled Figures
	FY2021 Results a	FY2020 Results b	Difference a-b	
<b>Cash flows from operating activities</b>	<b>65.1</b>	85.0	(19.9)	Inflows from business earnings and dividend income
<b>Cash flows from investing activities</b>	<b>(138.8)</b>	(35.7)	(103.1)	Outflows due to investments and aircraft-related businesses
<b>FCF</b>	<b>(73.7)</b>	49.3	(123.0)	
<b>Cash flows from financing activities</b>	<b>46.9</b>	(40.6)	87.5	Inflows from new borrowings and outflows due to dividends paid and purchase of treasury stock
<b>Core operating cash flow*2</b>	<b>128.7</b>	60.2	68.5	
<b>Core cash flow*3</b>	<b>10.5</b>	(8.0)	18.5	

# Highlights of Consolidated Financial Results for the Year Ended March 31, 2022 (IFRS) — Supplementary Materials (1)

May 2, 2022  
Sojitz Corporation

Operating Results						Segment Performance (Gross Profit)				Segment Performance (Profit for the Year Attributable to Owners of the Company)						
(BN JPY)										(BN JPY)						
	FY21	FY20	Difference	FY21 Forecast (Feb. 2, 2022)	Percentage Achieved (Against Forecast)		FY21	FY20	Difference		FY21	FY20	Difference	Main factors of differences	FY21 Forecast (Feb. 2, 2022)	Main factors of differences between results and revised forecast for FY2021
<b>Revenue</b>	<b>2,100.8</b>	<b>1,602.5</b>	+498.3	—	—											
<b>Gross profit</b>	<b>271.3</b>	<b>188.1</b>	+83.2	<b>260.0</b>	104%	<b>Automotive</b>	<b>45.6</b>	<b>32.5</b>	+13.1		<b>7.1</b>	<b>1.1</b>	+6.0	Increased due to higher sales volumes in overseas automotive operations	<b>6.5</b>	Performance generally as forecast
SG&A expenses	(180.3)	(161.1)	(19.2)	(180.0)		<b>Aerospace &amp; Transportation Project</b>	<b>16.2</b>	<b>12.5</b>	+3.7		<b>4.7</b>	<b>1.8</b>	+2.9	Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses	<b>4.0</b>	Performance generally as forecast
Other income/expenses	(13.8)	(1.1)	(12.7)	(7.0)		<b>Infrastructure &amp; Healthcare</b>	<b>19.0</b>	<b>19.4</b>	(0.4)		<b>6.6</b>	<b>8.2</b>	(1.6)	Decreased due to impairment loss on telecommunication infrastructure business in Myanmar despite steady profit from healthcare-related businesses and power generation businesses in Japan and overseas	<b>6.5</b>	Performance generally as forecast, despite recorded impairment loss on telecommunication infrastructure business in Myanmar
Financial income/costs	2.1	(3.3)	+5.4	1.0		<b>Metals, Mineral Resources &amp; Recycling</b>	<b>60.0</b>	<b>12.4</b>	+47.6		<b>34.1</b>	<b>(1.8)</b>	+35.9	Increased due to higher profits from a rise in coal market conditions and higher profits from steel operating company thanks to recovery of steel demand, despite provision recorded for thermal coal interests based on decarbonization target	<b>44.0</b>	Provision recorded for thermal coal assets to address potential future stranded asset risks as part of decarbonization initiatives
Share of profit (loss) of investments accounted for using the equity method	38.0	14.8	+23.2	34.0		<b>Chemicals</b>	<b>50.7</b>	<b>37.3</b>	+13.4		<b>12.6</b>	<b>5.8</b>	+6.8	Increased due to recovery of methanol prices and higher transaction volumes of plastic resin	<b>12.0</b>	Performance generally as forecast
<b>Profit before tax</b>	<b>117.3</b>	<b>37.4</b>	+79.9	<b>108.0</b>	109%	<b>Consumer Industry &amp; Agriculture Business</b>	<b>31.3</b>	<b>27.4</b>	+3.9		<b>6.4</b>	<b>4.6</b>	+1.8	Increased due to a rise in market conditions of imported plywood despite higher production costs due to increase in raw material prices in fertilizer businesses	<b>5.0</b>	Performance exceeded annual forecast due to steady profits from lumber-related businesses
<b>Profit for the year</b> (Profit attributable to)	<b>85.5</b>	<b>29.4</b>	+56.1	<b>83.0</b>	103%	<b>Retail &amp; Consumer Service</b>	<b>31.3</b>	<b>27.6</b>	+3.7		<b>5.0</b>	<b>4.9</b>	+0.1	Relatively unchanged year on year due to absence of gains from sale of shopping mall recorded in the previous year despite higher sales volumes of food-related company	<b>4.0</b>	Performance exceeded annual forecast due to earnings from food-related company
<b>Owners of the Company</b>	<b>82.3</b>	<b>27.0</b>	+55.3	<b>80.0</b>	103%	<b>Others</b>	<b>17.2</b>	<b>19.0</b>	(1.8)		<b>5.8</b>	<b>2.4</b>	+3.4	Increased due to sales of assets	<b>(2.0)</b>	Performance exceeded due to recording of structural reform expenses in the business segments above
Non-controlling interests	3.2	2.4	+0.8	3.0		<b>Total</b>	<b>271.3</b>	<b>188.1</b>	+83.2		<b>82.3</b>	<b>27.0</b>	+55.3			
Core earnings*1	131.3	38.4	+92.9	115.0												
Comprehensive income attributable to owners of the Company	142.4	59.1	+83.3	-												

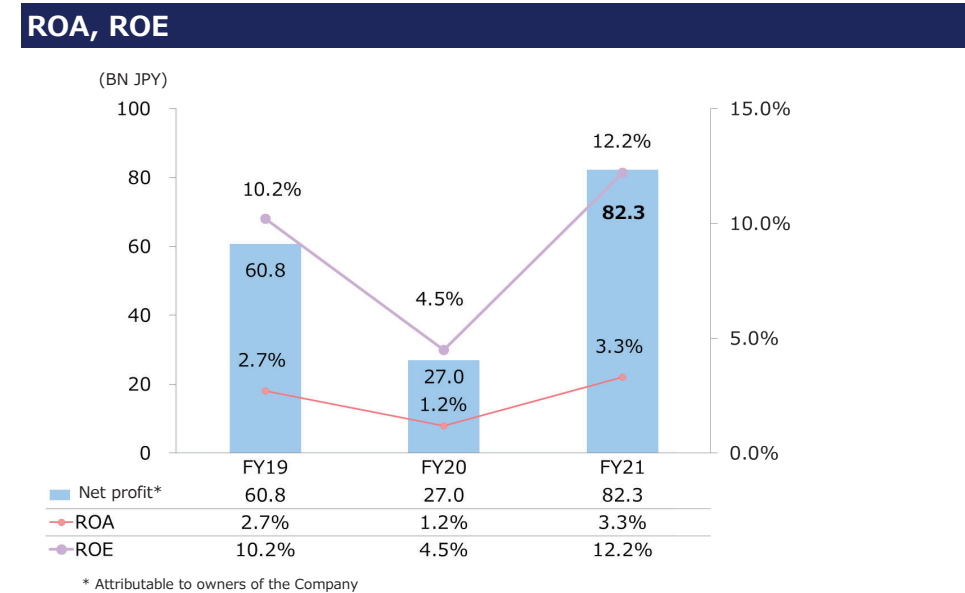
\*1 Core earnings = Gross profit + SG&A expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividends received + Share of profit (loss) of investments accounted for using the equity method

Financial Position				Commodity Prices and Exchange Rates					ROA, ROE			
(BN JPY)												
	Mar. 31, 2022	Mar. 31, 2021	Difference		FY20 Results (Annual Avg.)	FY21 Initial Assumption (Annual Avg.)	FY21 Results (Annual Avg.)	FY21 Results (Jan.-Mar. Avg.)				
<b>Total assets</b>	<b>2,661.7</b>	<b>2,300.1</b>	+361.6	<b>Coking coal**1</b>	US\$117.9/t	US\$127.5/t	US\$317.5/t	US\$490.7/t	<b>Net profit*</b>	60.8	27.0	82.3
<b>Total equity*2</b>	<b>728.0</b>	<b>619.0</b>	+109.0	<b>Thermal coal**1</b>	US\$65.6/t	US\$80.0/t	US\$181.7/t	US\$263.4/t	<b>ROA</b>	2.7%	1.2%	3.3%
<b>Equity ratio</b>	<b>27.4%</b>	<b>26.9%</b>	+0.5%	<b>Crude oil (Brent)</b>	US\$45.8/bbl	US\$50.0/bbl	US\$80.0/bbl	US\$97.9/bbl	<b>ROE</b>	10.2%	4.5%	12.2%
<b>Net interest-bearing debt*3</b>	<b>770.2</b>	<b>610.6</b>	+159.6	<b>Exchange rate**2</b>	¥105.9/US\$	¥108.0/US\$	¥113.04/US\$	¥117.8/US\$				
<b>Net D/E ratio (times)</b>	<b>1.06</b>	<b>0.99</b>	+0.07									
<b>Risk assets</b>	<b>450.0</b>	<b>390.0</b>	+60.0									
<b>Ratio of risk assets to equity (times)</b>	<b>0.6</b>	<b>0.6</b>	0.0									

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

\*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.



# Highlights of Consolidated Financial Results for the Year Ended March 31, 2022 (IFRS) — Supplementary Materials (2)

May 2, 2022

Sojitz Corporation

## Operating Results

	FY21	FY22 Forecast	Difference
<b>Revenue</b>	<b>2,100.8</b>	—	—
<b>Gross profit</b>	<b>271.3</b>	<b>300.0</b>	+28.7
SG&A expenses	(180.3)	(210.0)	(29.7)
Other income/expenses			
Other income/expenses	(13.8)	0.0	+13.8
Financial income/costs			
Financial income/costs	2.1	(5.0)	(7.1)
Share of profit (loss) of investments accounted for using the equity method	38.0	35.0	(3.0)
<b>Profit before tax</b>	<b>117.3</b>	<b>120.0</b>	+2.7
<b>Profit for the year</b>	<b>85.5</b>	<b>88.0</b>	+2.5
(Profit attributable to)			
<b>Owners of the Company</b>	<b>82.3</b>	<b>85.0</b>	+2.7
Non-controlling interests	3.2	3.0	(0.2)
<b>Core earnings*1</b>	<b>131.3</b>	<b>120.0</b>	(11.3)

\*1 Core earnings = Gross profit + Selling, general and administrative 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

## Financial Position

	Mar. 31, 2022	Mar. 31, 2023 forecast	Difference
<b>Total assets</b>	<b>2,661.7</b>	<b>2,700.0</b>	+38.3
<b>Total equity*1</b>	<b>728.0</b>	<b>760.0</b>	+32.0
<b>Equity ratio</b>	<b>27.4%</b>	<b>28.1%</b>	+0.7%
<b>Net interest-bearing debt*2</b>	<b>770.2</b>	<b>800.0</b>	+29.8
<b>Net D/E ratio (times)</b>	<b>1.06</b>	<b>1.1</b>	—
<b>Risk assets</b>	<b>450.0</b>	—	—
<b>Ratio of risk assets to equity (times)</b>	<b>0.6</b>	—	—

\*1 "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."

\*2 Lease liabilities (under current liabilities and non-current liabilities) have been excluded from calculations of net interest-bearing debt.

## Segment Performance (Profit for the Year\*)

	FY21	FY22 Forecast
<b>Automotive</b>	7.1	6.0
<b>Aerospace &amp; Transportation Project</b>	4.7	4.5
<b>Infrastructure &amp; Healthcare</b>	6.6	9.0
<b>Metals, Mineral Resources &amp; Recycling</b>	34.1	51.0
<b>Chemicals</b>	12.6	12.5
<b>Consumer Industry &amp; Agriculture Business</b>	6.4	3.0
<b>Retail &amp; Consumer Service</b>	5.0	5.0
<b>Others</b>	5.8	(6.0)
<b>Total</b>	<b>82.3</b>	<b>85.0</b>

\*Attributable to owners of the Company

Note: Based on organizational reforms effective as of April 1, 2022, figures for Consumer Industry & Agriculture Business segment and Retail & Consumer Service segment have been arrived at through a simple conversion of figures for the previous organizational structure to reflect the new organizational structure. Accordingly, it is possible that these figures may differ from those disclosed later.

(Announcement on Feb. 10, 2022: [https://www.sojitz.com/jp/news/docs/220210\\_02e.pdf](https://www.sojitz.com/jp/news/docs/220210_02e.pdf))

## Cash Flows

	MTP* 2020 Three-year Results (Aggregate)	MTP* 2023 Three-year Target (Aggregate)	FY21 Results	FY22 Forecast
<b>Core operating cash flow</b>	219.0	Approx. 240.0-250.0	128.7	113
<b>Core cash flow</b>	56.0	Positive over the six-year period of MTP 2020 and MTP 2023	10.5	(30.0)
<b>FCF</b>	108.0	-	(73.7)	67.0

\* Medium-Term Management Plan (MTP)

Note: As of the end of March 31, 2022, in addition to cash in bank of ¥282.5 bn, Sojitz maintains a ¥100.0 bn long-term commitment line (which remains unused) and a US\$2.025 bn long-term commitment line (of which US\$1.42 bn has been used).

## Commodity Prices and Exchange Rates

	FY22 Assumption (Annual Avg.)	Latest Data (As of Apr. 25, 2022)
<b>Coking coal*1</b>	US\$280.0/t	US\$465.0/t
<b>Thermal coal*1</b>	US\$160.0/t	US\$372.5/t
<b>Crude oil (Brent)</b>	US\$90.0/bbl	US\$102.3/bbl
<b>Exchange rate*2</b>	¥115.0/US\$	¥128.8/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. ¥0.3 bn annually, and total equity by approx. ¥1.5 bn annually.

## FY2022 Outlook

<b>Automotive</b>	Earnings expected to decrease due to influence from Russia-related businesses, despite growing earnings from investments in emerging countries and steady profit from principal overseas businesses anticipated
<b>Aerospace &amp; Transportation Project</b>	Earnings contributions expected to remain around the same level considering an increase in aircraft-related transactions and a decrease in transaction volumes of marine vessel-related businesses compared with FY2021
<b>Infrastructure &amp; Healthcare</b>	Steady profit from healthcare-related businesses and power generation businesses in Japan and overseas, and accumulation of earnings from new investments
<b>Metals, Mineral Resources &amp; Recycling</b>	Earnings expected to increase following coal market conditions and absence of structural reform expenses recorded in the previous fiscal year
<b>Chemicals</b>	Steady profit expected from methanol businesses and plastic resin businesses
<b>Consumer Industry &amp; Agriculture Business</b>	Earnings expected to decrease due to higher production costs stemming from an increase in raw material prices in fertilizer businesses
<b>Retail &amp; Consumer Service</b>	Steady profit expected from food-related company
<b>Others</b>	Incorporation into forecasts of rebound from asset sales conducted in previous fiscal year and impacts of rising cost, inflation due to higher USD interest rates, and other causes of opaqueness

## Impacts of the Russia-Ukraine Conflict on Sojitz's Business

■ Exposure in both countries is as follows (As of March 31, 2022):

Russia ¥ 22.8 billion

Ukraine ¥ 0.1 billion

\*Exposure above then sets net exposure (gross exposure minus insurance coverage and/or other country-risk hedges)

■ Major businesses are automotive-related businesses and the thermal and coking coal trading.

■ FY2022 forecast reflects impact of ¥(6.0) billion.



# **Financial Results for the Year Ended March 31, 2022**

## **Progress of Medium-Term Management Plan 2023 – Start of the Next Decade –**

**May 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.”**
- **“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.)

# FY2021 Summary of Operating

★Accomplished highest profit for the year since Sojitz established

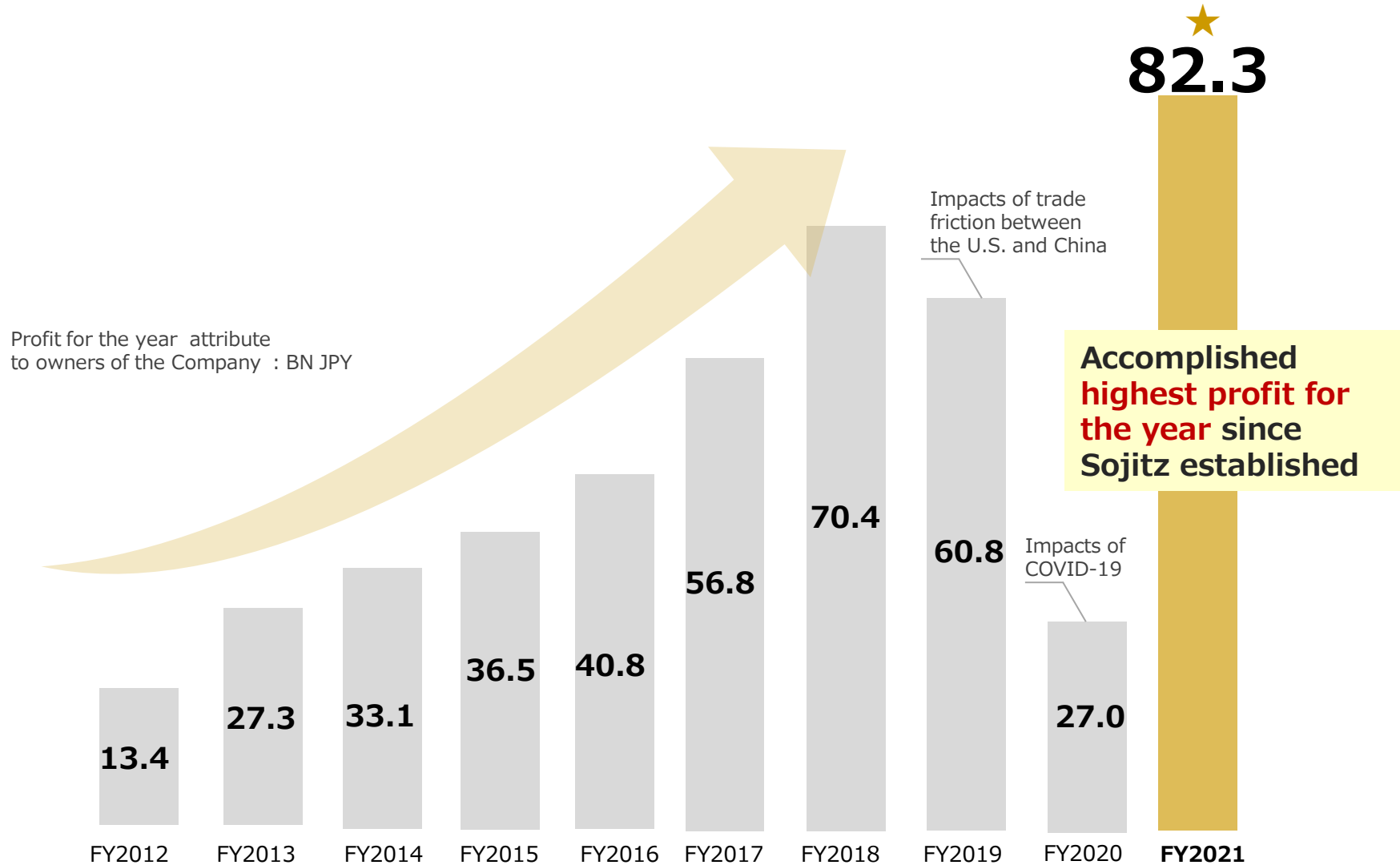
Profit for the year	¥82.3 bn	<ul style="list-style-type: none"> <li>Increased significantly to <b>¥82.3 bn</b> due to rise in coal prices and strong non-resource businesses</li> </ul>
Core operating CF	¥128.7 bn	<ul style="list-style-type: none"> <li>Recovery of automotive and chemicals from COVID-19 pandemic and contribution from steady market conditions</li> </ul>
NET DER (Times)	1.1 x	<ul style="list-style-type: none"> <li>Accelerating investment, while maintaining disciplined financial foundation</li> </ul>
Investment Results	¥150.0 bn	<ul style="list-style-type: none"> <li>Invested <b>¥150.0 bn</b> out of <b>¥330.0 bn</b> (MTP2023)</li> </ul>
ROE, ROA	ROE 12.2% ROA 3.3%	<ul style="list-style-type: none"> <li>Targeting <b>ROE of more than 10%</b> (avg.) through MTP2023 and <b>ROA of more than 3%</b> in the final year of MTP2023</li> </ul>
Share price	+29% UP	<ul style="list-style-type: none"> <li>FY21's high* <b>¥2,102</b> Closing price</li> <li>FY21's closing <b>¥2,017</b> As of the end of Mar. 2022</li> </ul>
PBR	0.64 x	<ul style="list-style-type: none"> <li>Targeting PBR of 1.0x or above through MTP2023 and improving our corporate value</li> </ul>
Shareholder Returns	Annual Dividend <b>¥106</b> Compared to previous year <b>¥56 UP</b>	<ul style="list-style-type: none"> <li><b>Consolidated payout ratio of 30.1%</b> <b>Interim dividend of ¥45, year-end dividend of ¥56</b></li> </ul> <p>* The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021.</p>

## FY2022 Forecast

Profit for the year	¥85.0 bn	ROE	11.4 %	Shareholder Returns
Core operating CF	¥113.0 bn	ROA	3.2 %	¥112 Annual dividend forecast
NET DER (Times)	1.1 x	Forecast of Investment amount	¥1,500 bn	

# Performance

- Accomplished **highest profit for the year** in FY21 since Sojitz established despite of external environment impacts



# FY2021 Summary

- Profit for the year increased significantly compared with previous year to **¥82.3 bn** in reflection of strong coal prices and steady progress seen in non-resource business  
★Record high
- Strong core operating CF, generating profit with cash
- Provision recorded for thermal coal assets to preemptively address potential future stranded asset risks as part of decarbonization initiatives

	FY20	FY21	Difference		(BN JPY)	FY20	FY21
Profit for the year	¥27.0bn	<b>¥82.3bn</b>	+¥55.3bn	Profit for the year		27.0	<b>82.3</b>
Core operating CF	60.2	<b>128.7</b>	+¥68.5bn	Automotive		1.1	<b>7.1</b>
ROE	4.5%	<b>12.2%</b>	+7.7%	Aerospace & Transportation Project		1.8	<b>4.7</b>
ROA	1.2%	<b>3.3%</b>	+2.1%	Infrastructure & Healthcare		8.2	<b>6.6</b>
Dividends	¥50	<b>¥106</b>	+¥56 UP	Metals, Mineral Resources & Recycling		(1.8)	<b>34.1</b>
Total equity	619.0	<b>728.0</b>	+¥109.0bn	Chemicals		5.8	<b>12.6</b>
NET DER	1.0x	<b>1.1x</b>	+0.1X	Consumer Industry & Agriculture Business		4.6	<b>6.4</b>
Investment	¥96.0bn	<b>¥150.0bn</b>	+¥54.0bn	Retail & Consumer Service		4.9	<b>5.0</b>
				Others		2.4	<b>5.8</b>



# Cash Flow Management

- Maintain positive six-year aggregate core cash flow during MTP2023

	MTP 2020 3-Year (Aggregate) (FY18–FY20)	FY21	MTP2023 3-Year Target (Aggregate) (FY21–FY23)
Core operating cash flow	¥219.0 bn	¥129.0 bn	Approx. ¥240.0 - ¥250.0 bn
Asset Replacement (Investment recovery)	¥170.0 bn	¥62.0 bn	Approx. ¥100.0 bn
New investments and others	¥(262.0) bn	¥(148.5) bn	Approx. ¥(330.0) bn
Shareholder Returns (*1)	¥(71.0) bn	¥(32.0) bn	Approx. ¥(70.0) bn
Core cash flow	¥56.0 bn	¥10.5 bn	Positive (MTP2020 and MTP2023 6-year period)
Free cash flow	¥108.0 bn	¥(74.0) bn	

\*1 Includes acquisitions of treasury stock

# Progress in the First Year and focus initiatives of MTP2023

FY2021

FY2022 -

**External Environment**

**Impacts of COVID-19**

**New Normal society in this age of coronavirus**  
**Geopolitical Risks (Russia-Ukraine situation)**

**To real growth**

- Competitiveness
- Pursuit of growth market

**Conducting and accelerate new investments**

**Drastic reforms in the earnings structure of existing business**

**Corporate and Employee Transformation / Sustainable Management**

**Growth of Existing Businesses, Steady Profit Generation, and Investment Acceleration**

## Steady Investment in Focus Creas

- Investment of ¥150.0 bn in focus areas (including non-financial investments)
- Essential infrastructure investments for addressing social needs
- Retail field investments based on market-oriented perspective
- Development and revision of portfolios to instill growth potential (including asset replacement targeting underperforming businesses)
- Establishment of division-specific CROIC targets
- Recording of provisions to address potential future stranded asset risks (fossil fuel interests, etc.)

- Concrete initiatives in healthcare and circular economy fields
- Acceleration and redoubling of initiatives in Southeast Asia and other growth markets
- Generation of earnings from investments conducted under MTP2023
- Compensation for delays in earnings contributions from prior investments (Saigon Paper, MSV, etc.)

**Improvement Of ROE**

**Enhancement of earnings power**

**Improvement in capital efficiency**

**Reduction of cost of capital**

**Non-financial efforts and disclosure**

## Foundations Supporting Value Creation Strategies and Sustainability Challenge-Related Initiatives

- Response to decarbonization trend and supply chain human rights issues
- Steady reduction of cross-shareholdings
- Implementation of human capital management practices and establishment of dynamic and flexible, data-driven KPI targets
- Construction of digital systems for driving future business transformation

**Dividends**

## Stable and Continuous Dividend Payments

- Annual dividends is ¥106 per share (Increase Compared to previous year ¥56 UP)

- Stable and continuous dividend payments targeting dividend payout ratio of approx. 30%

**Consolidated payout ratio of 30%**

**Lower limit for Dividend**

# Investment for Growth Strategy · Focus areas

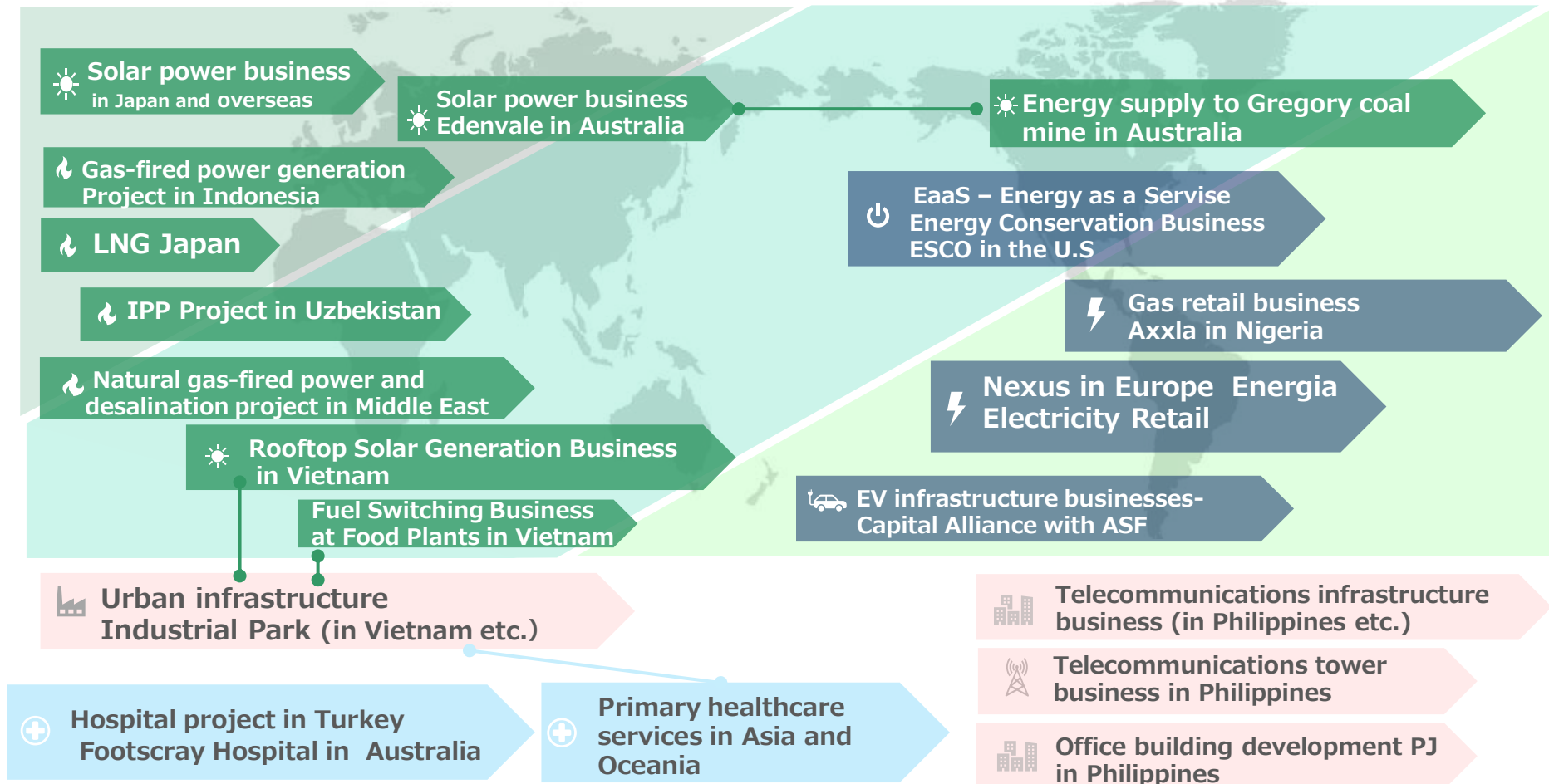
Focus area under MTP2023	Investment in FY2021	Major cases
<p>Current steady growth</p> <p><b>Infrastructure &amp; Healthcare</b></p> <p>Essential infrastructure development and service provision as a social issue</p>	<p><b>¥70.0bn</b></p>	<ul style="list-style-type: none"> <li>■ ESCOs in the U.S. (Energy Conservation Business)</li> <li>■ Natural gas-fired power and desalination project in Middle East</li> <li>■ Gas retail business in Nigeria, Africa</li> <li>■ Electricity retail in Spain, Europe</li> <li>■ Solar power business in Australia</li> <li>■ Hospital PJ in Australia</li> <li>■ Telecommunications tower business in Philippine</li> <li>■ Office building development PJ in Philippine</li> </ul>
<p>Capture growth from a growing market</p> <p><b>Growth market × Market-oriented initiative</b></p> <p>Strengthening efforts in retail areas in growth market such as ASEAN and India</p>	<p><b>¥62.0bn</b></p>	<ul style="list-style-type: none"> <li>■ Acquires full ownership of the Marine Foods *</li> <li>■ Collaborate with Vinamilk, a major company in Vietnam (Established a sales Company for Beef Products)</li> <li>■ Initiatives with Royal Holdings</li> <li>■ Tender offer for shares of JALUX</li> <li>■ Established new joint venture in rental residential value add business with Goldman Sachs</li> </ul> <p>* Marine Foods ... Aquaculture food product manufacturing, processing, and sales business operator Marine Foods</p>
<p>Reformation of conventional business model</p> <p><b>Materials &amp; Circular economy</b></p> <p>Deepening the 3R (Reduce, Reuse, Recycle) businesses</p>	<p>—</p>	<ul style="list-style-type: none"> <li>■ Agreement reached to establish joint venture with Braskem in Brazil for purpose of creating plastic materials entirely from biomass</li> <li>■ Development of competitive businesses matched to social needs in conjunction with chemical recycling initiatives in Japan</li> </ul>

※No investment in FY21

# Essential Infrastructure, Energy solution, and Healthcare

- Strengthening of upstream (project development) and midstream (business operation) operations and advancement of new downstream (expansion of revenue opportunities) initiatives through acceleration of project development and extensive market-oriented focus
- Enhancement of competitiveness through acquisition of platform businesses that facilitate ambitious undertakings and strengthening of functionality (bolt-on investments, integration) to boost competitiveness.
- Development of stable earnings foundations through PPP projects, building a foundation for growth in medical and healthcare solutions that respond to social issues and needs.

**Realize prosperous and sustainable local communities by providing advanced social infrastructure that balances economic growth and reduced environmental impact**



# Growth Market × Market-Oriented Initiatives

- Acquisition of new functions through multiple investments in domestic retail field to prepare for periods during and after COVID-19 pandemic
- Ongoing expansion of functions and broadening of businesses in ASEAN and other growing markets

Efforts to enrich and bring convenience to people’s lives in emerging countries

Response toward diversifying needs and consumption trends

Retail businesses developed based on their stage of development and market-oriented initiatives

- Food distribution business in Vietnam
- Ministop Vietnam (convenience store business)
- Collaborate with Vietnam’s Largest Dairy Manufacturer Vinamilk (Establish Sales Company for Beef Products)
- Retail business - Vietnam, India, Philippines, Thailand

Expansion function and improvement of efficiency by market-oriented approach

Business for increasing value of domestic shopping centers and real estate

- Establish New Joint Venture In Rental Residential Value Add Business With Goldman Sachs

**ROYAL HOLDINGS**  
Operation of restaurants · food businesses

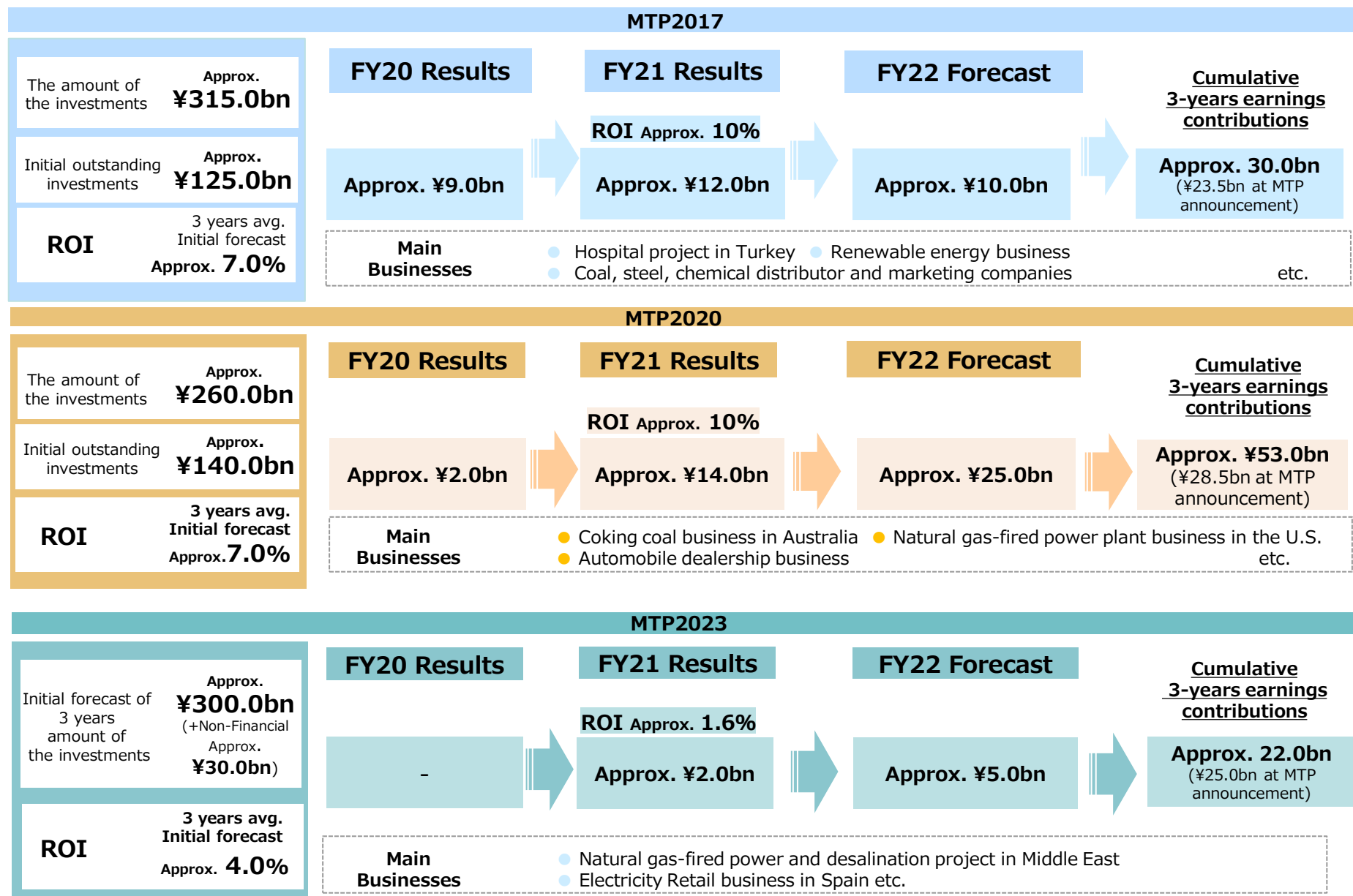
**Sojitz Tuna Farm Takashima**  
Tuna farming

**MarineFoods**  
Aquaculture food product manufacturing, processing, and sales business operator

**Global MeatOne**  
Meat processing, distribution, and marketing

**JALUX**  
Aviation service company  
E-commerce operations

# Investment Progress – MTP2017, MTP2020, and MTP2023



# FY2022 Policy for initiatives

## 1. Operating environment outlook - Resilience to uncertainty

- Rising uncertainty due to geopolitical risks (need to assess impacts of and responses to Russia–Ukraine situation)
- Prolongation and normalization of COVID-19 pandemic creating new normal for society
- Expectations to address social issues and practice ESG management to contribute to decarbonization and accomplishment of SDGs
- Faster and more widespread digitization trend
- Inflation due to monetary easing followed by responsive interest rate hikes

## 2. Steady implementation of growth strategies - Acceleration of corporate value improvements

- Improvement of earnings compacity and competitiveness of prior investments
- Funding of investments based on sophisticated strategies and needs in focus areas
- New initiatives in healthcare, material, circular economy, and other fields

**Forecast amount of the investments in FY2022 Approx. ¥150.0bn**

## 3. Organizational and human resource reforms

- Continuation of human capital management approach positioning diversity as a source of competitiveness
- Aggressive and preparative digitization initiatives and systematic development of digital-proficient human resources
- Transformation of organizations

# Sustainability Challenge (Decarbonization, Supply Chains Human Rights)

## Progress of Climate Change initiatives

- Focus on **measurement and tracking** of Scope 1 and 2 emissions while positioning the first year of medium-term management plan as phase for implementing sustainability measures
- Commencement of discussions for addressing **Scope 4 emissions (avoided emissions)** to capitalize on opportunities while developing understanding of and responding to carbon credits, Scope 3 emissions, and other new standards

<b>Reduction</b>	<b>Scope1,2</b>	<b>: Response to pressure to reduce Company CO<sub>2</sub> emissions and fulfilment of obligation for contributing to decarbonization</b>
<b>Risks</b>	<b>Scope 3</b>	<b>: Assessment of dependence on industries subject to high stress for reducing CO<sub>2</sub> emissions</b>
<b>Chance</b>	<b>Scope 4</b>	<b>: Avoided emissions</b>

## Progress of Greenhouse Gas Emissions Reduction Initiatives

Sojitz's business	Supply Chain									SCOPE4
	Category 1	2	3	4 and 9	10	11	12	15	5,6,7,8,13,14	
	Purchased Goods and Services	Capital Goods	Not included in Scope1+2	Upstream and Downstream Transportation	Processing of Sold Products	Use of Sold Products	End-of-life Treatment of Sold Products	Investments (Mainly equity)	Waste, Leased assets, Business travel, Commuting, and Franchises	Substitute article and Opportunity
Coal Generation of electricity	Coal Mining Thermal coal interests	Manufacture of heavy machinery for mining	Procurement of fuel for coal mine use	Transportation	-	Coal-fired power plants None	-	Coal interests Thermal coal interests	A few	Gas-fired power generation and renewable resource power generation projects
	Oil drilling	Manufacture of oil fields and power plants	Procurement of fuel for oil fields and power plants	Transportation	-	Oil and gas-fired power plants Power plants	-	Power plant interests Power plants	A few	Energy conservation service business and renewable resource power generation projects
	<b>&lt;Risks&gt;</b> Pressure to abolish and cut coal-fired power generation <b>&lt;Opportunities&gt;</b> Renewable energy business/ Gas-fired power generation and energy conservation service business which can be substitution during transition term									

## Supply Chains Human Rights

- Identification of issues** and **development of PDCA cycle** for **risk assessment** through risk management **discussions** with group companies in response to rising international pressure to address human rights issues

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





# Sustainability Challenge

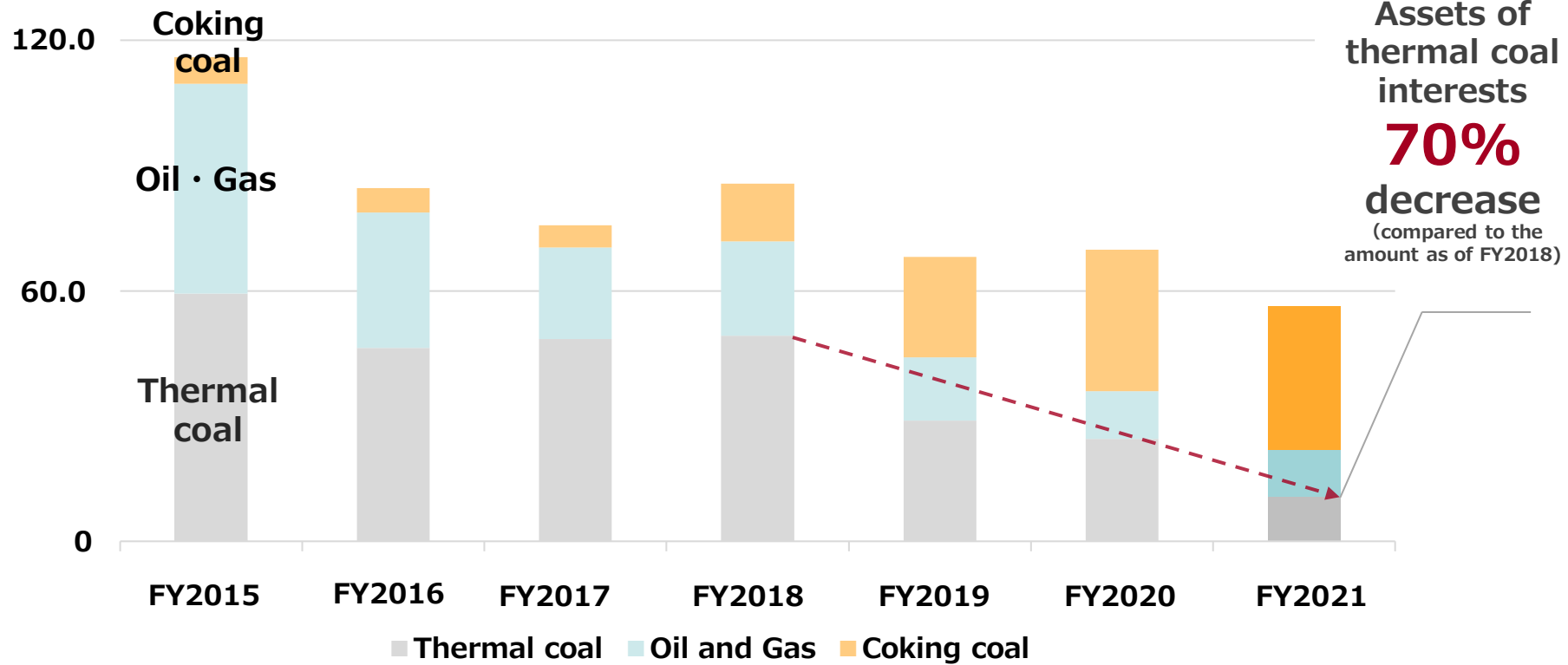
## Decarbonization initiatives

### Results in reductions of Coal, Oil, and Gas Assets - Interest assets

- Based on book value
- BN JPY

#### Decarbonization Target to achieve net-zero emissions

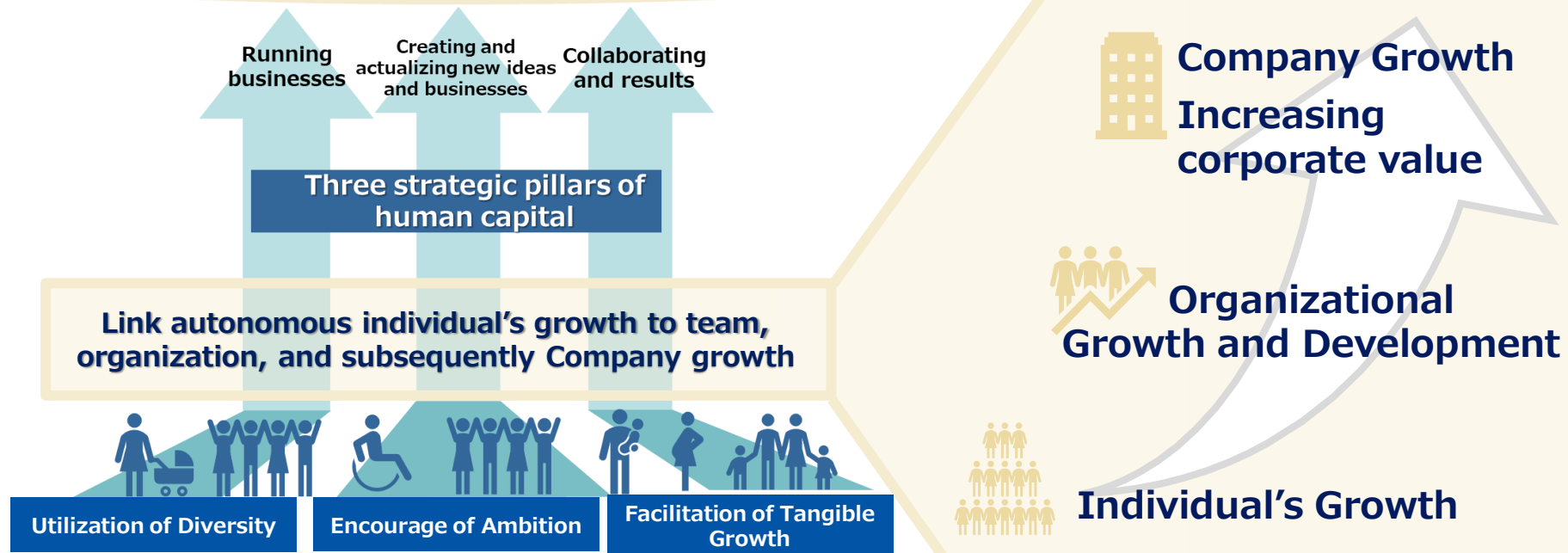
- Scope1** Reduce emissions 60% by 2030; achieve net-zero emissions by 2050
- Scope2** Net-zero emissions by 2030
- Scope3**
  - Thermal coal interests : Reduce interests to half or less by 2025, Zero interests by 2030
  - Oil interests : Zero interests by 2030
  - Coking coal interests : Zero interests by 2050



# Human Capital Management to Cultivate Human Capital That Can Generate Value

- Sojitz will assemble a team of diverse, autonomous individuals, make innovations, and create value, by strengthening Three Strategic Pillars of Human Capital and Three Capabilities of the Human Resource Strategies

**Our vision : Team of diverse, autonomous individuals**

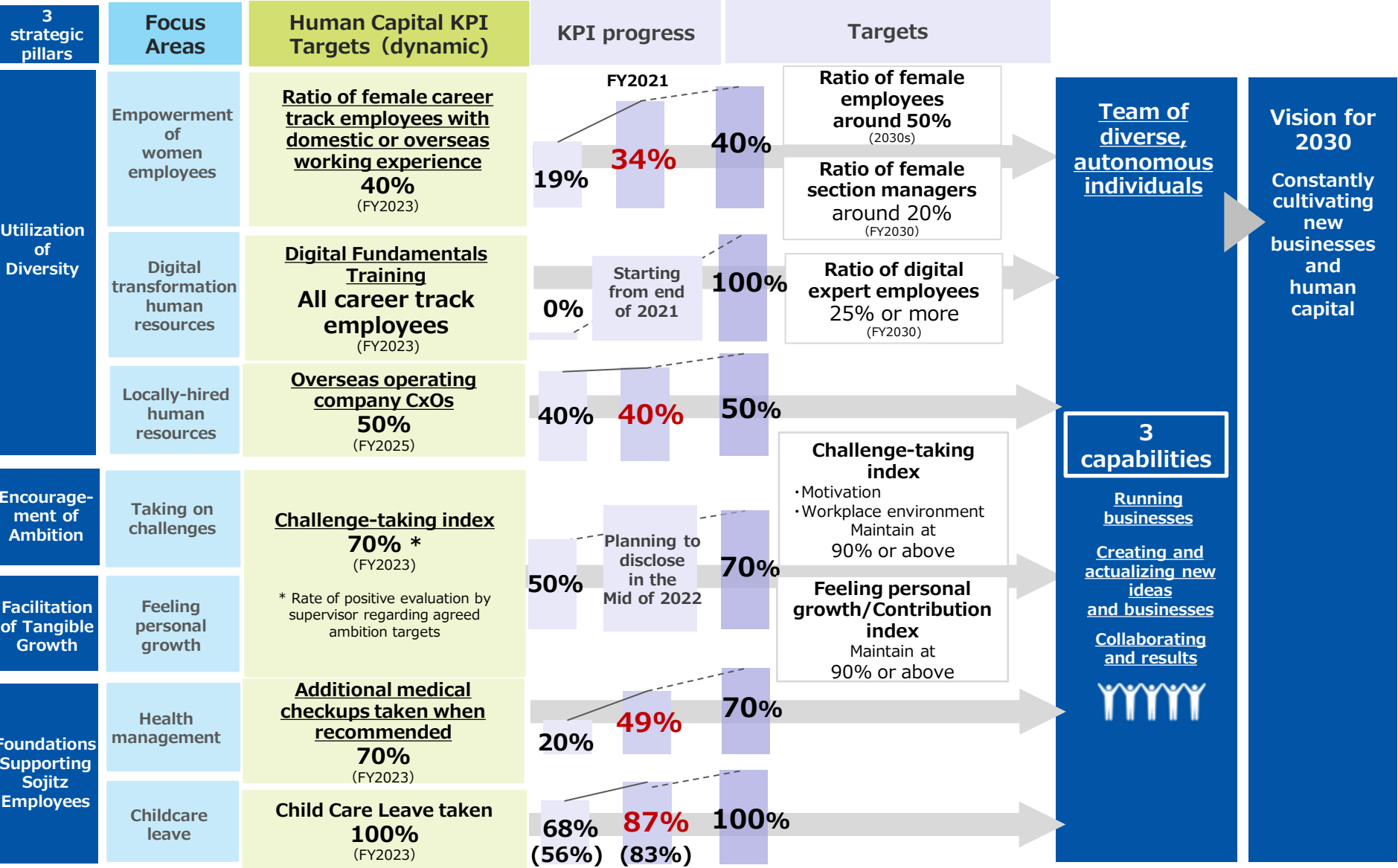


- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>■ Empowerment of women employees</li> <li>■ Mid-career hires</li> <li>■ Sojitz Alumni</li> <li>■ Overseas operating company CxO ...etc</li> </ul> | <ul style="list-style-type: none"> <li>■ Hassojitz Projects</li> <li>■ Sojitz Professional Share</li> <li>■ Support for entrepreneurs and independent businesses ...etc.</li> </ul> | <ul style="list-style-type: none"> <li>■ Promotion of job rotation</li> <li>■ Evaluation System (Feedback)</li> <li>■ Human Resources Data</li> </ul> |
|--|---|---|

**Foundations Supporting Sojitz Employees**  
 - Health Management, Taking Childcare leave, Surveys etc.

# Human Capital Management to Cultivate Human Capital That Can Generate Value

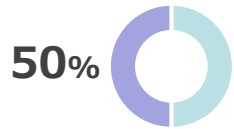
## -Human Capital KPI Targets (Dynamic)-



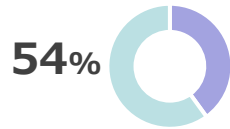
# Corporate Governance Supporting Value Creation Strategy

## Corporate governance with high transparency and effectiveness

**Ratio of Outside Officers**  
■ Board of Directors



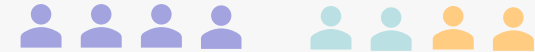
**Ratio of Outside Officers**  
■ Board of Directors and Audit & Supervisory Board



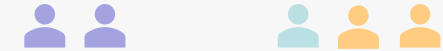
**Ratio of Female Officers**  
■ Board of Directors and Audit & Supervisory Board



**Board of Directors**  
(Chairperson: Outside director)



**Audit & Supervisory Board**  
(Chairperson: Outside director)



Internal Officer, Male    Outside Officers, Male and Female

## Reduction of cross-shareholdings

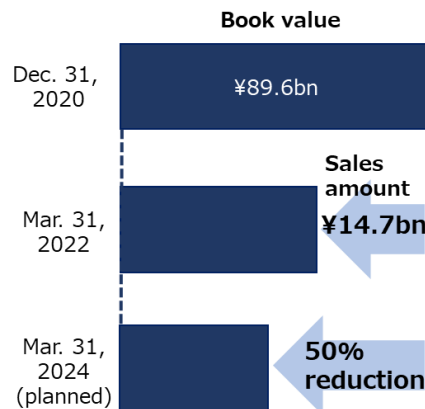
■ We aim to **halve** the amounts of listed shares held by the Company on a consolidated basis by March 31, 2024, based on the level as on December 31, 2020.

■ Out of **¥89.6bn** as on December 31, 2020, **¥14.7bn** has been sold by March 31, 2022.

■ The amounts of cross-shareholdings as on March 31, 2022, was **¥113.1bn**, which increased due to new listed companies, new acquisitions, and price fluctuation of listed shares held by the Company.

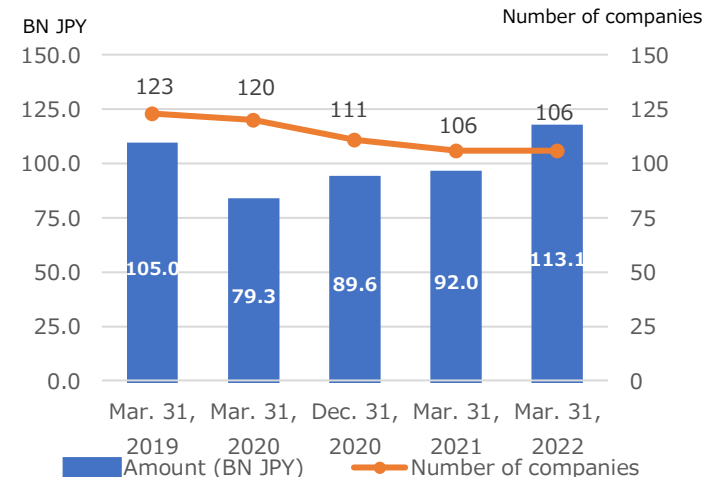
■ We will proceed the reduction of holding listed shares to **further raise capital efficiency**, by assessing each lot of shares held as cross-shareholdings and achieving a 50% reduction by March 31, 2024, as planned.

### Target for reduction of cross-shareholdings



Number of companies  
111  
106

### Cross-shareholdings (holdings of listed shares, consolidated basis)



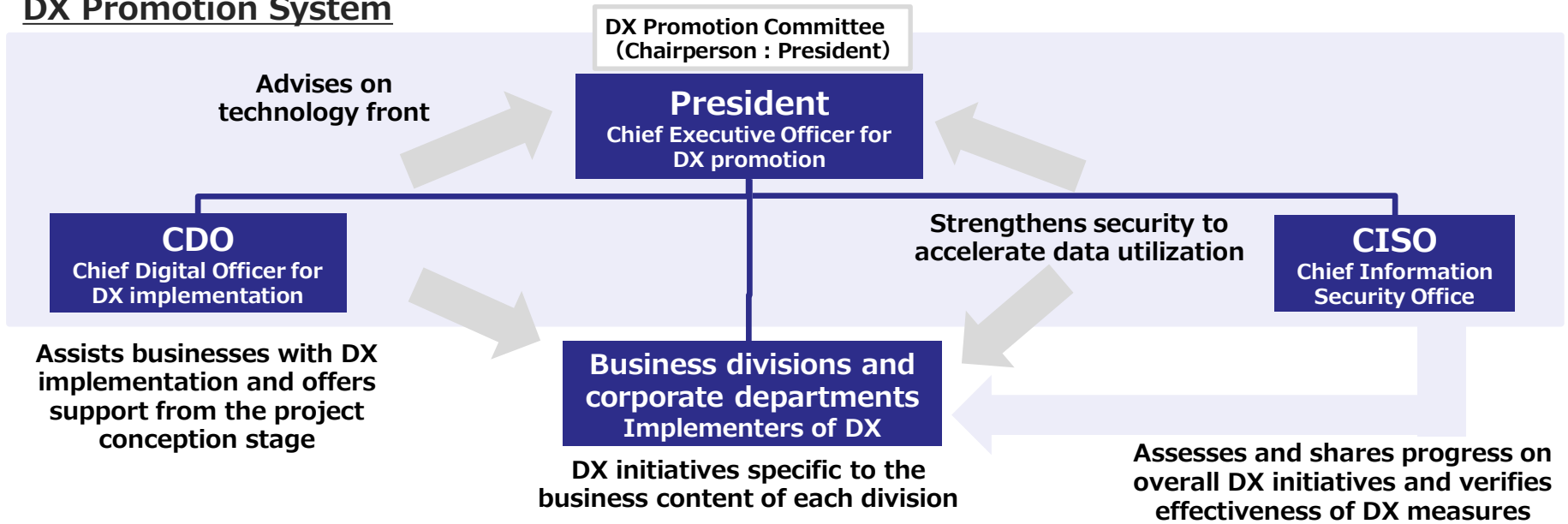
### Ratio and target of cross-shareholdings to total equity (Non-consolidated)

	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2024
cross-shareholdings book value (listed and non-listed) BN JPY	105.1	82.5	95.7	119.3	
Toal equity (consolidated)BN JPY	661.5	621.9	654.5	763.9	
Percentage of total equity (consolidated)	16%	13%	15%	16%	less than 10% (planned)

# DX Strategy Initiatives and Policy

- Improvement of corporate value through business model, human resource, and process reforms driven by digital technologies
- Transformation of existing business models and creation of new businesses to be grown into business pillars by implementing and utilizing digital technologies as part of business model reforms

## DX Promotion System



## Concrete, business-specific reform and development initiatives following establishment of digital transformation promotion system

Digital transformation: development of human resources	Basic level	<ul style="list-style-type: none"> <li>• Training program design and implementation (digital marketing, programing, IoT utilization, information security, etc.)</li> <li>• Training completion by all career-track employees to be completed during period of MTP2023</li> </ul>
	Advanced level	<ul style="list-style-type: none"> <li>• Revision of expected levels, conditions, durations, etc. of training programs based on market expectations</li> <li>• Completion of applied and applied basic programs by 300 employees during period of MTP2023</li> </ul>

# FY2022 Financial Targets

- Target of record-breaking earnings incorporating impacts of rising costs and inflation due to higher USD interest rates and other causes of opaqueness

## Business Performance

Gross Profit	¥300.0bn
SG&A Expenses	¥(210.0)bn
Share of profit (loss) of investments accounted for using the equity method	¥35.0bn
Profit before tax	¥120.0bn
Profit for the year attributable to owners of the Company	¥85.0bn
Consolidated Total Assets	¥2,700.0bn
Total Equity *1	¥760.0bn
ROE	11.4%
Net Debt/Equity Ratio	1.1x

## Business Divisions

(BN JPY)

■ Automotive	6.0
■ Aerospace & Transportation Project	4.5
■ Infrastructure & Healthcare	9.0
■ Metals, Mineral Resources & Recycling	51.0
■ Chemicals	12.5
■ Consumer Industry & Agriculture Business	3.0
■ Retail & Consumer Service	5.0
■ Others *2	(6.0)

\*1 "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."

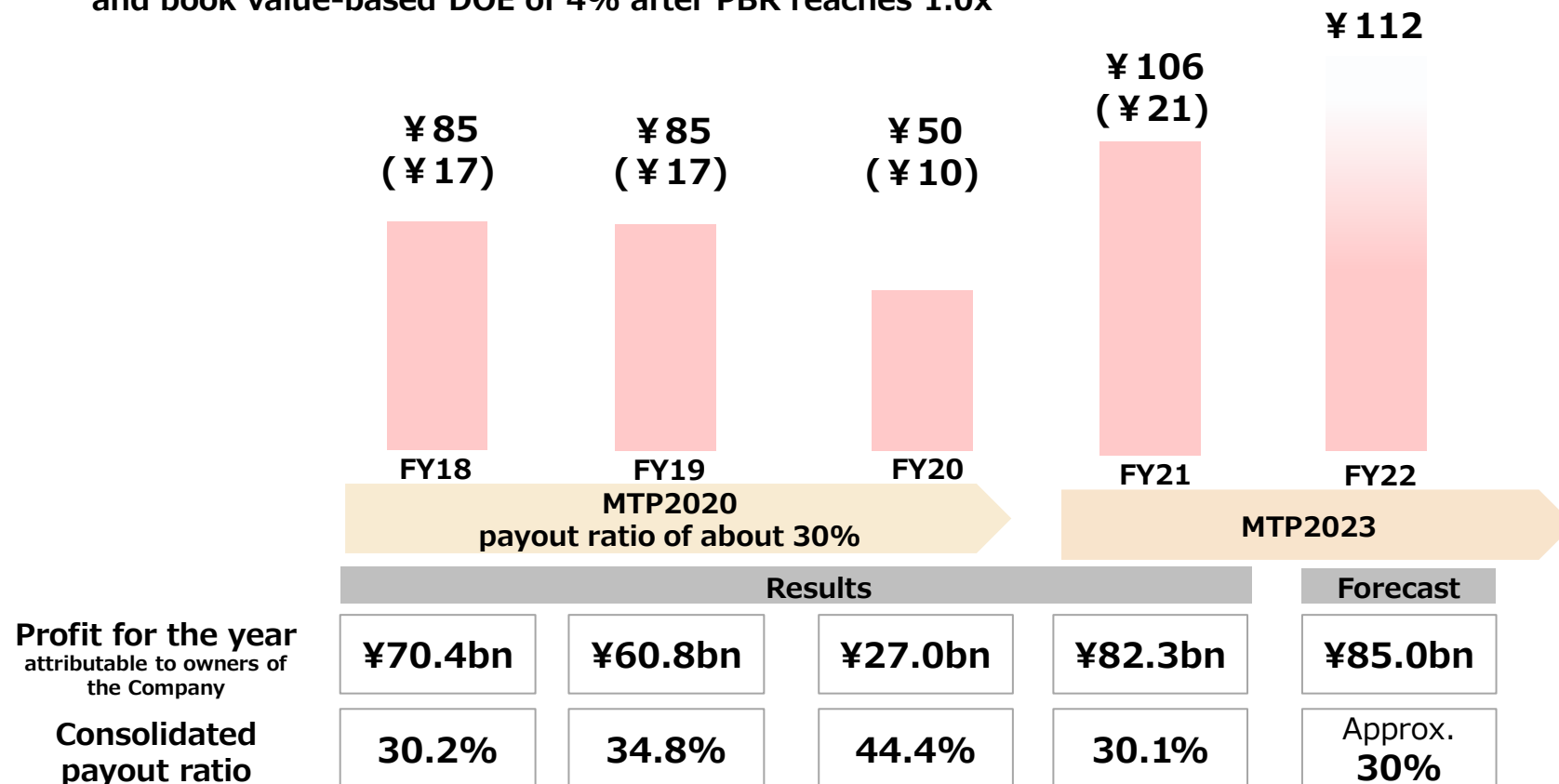
\*2 Including Portfolio Transformation Office (integrate subsidiaries of its machinery segment etc.)

Initial assumption : exchange rate (annual average ¥/US\$) 115

# Dividends Policy

## Basic 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



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

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

Note2: Annual dividend payments of ¥106 per share, along with a market price-based dividend on equity of 6.1% surpassing the defined minimum level of 4%.

# Evaluation by Society

## Working environment where they can work much more actively

### <Empowering Women>

For **6** consecutive years



For **5** consecutive years

2021 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

For **11** consecutive years



Sojitz was awarded Platinum  
Kurumin certification in 2021

### <Building a positive working environment>



IKUMEN AWARD 2020



Telework Pioneer



## ESG Rating

For **3** consecutive years



Leadership level "A-"

Sustainability Award  
Silver Class 2021

S&P Global

For **4** consecutive years

Member of  
Dow Jones  
Sustainability Indices  
Powered by the S&P Global CSA



FTSE Blossom  
Japan



FTSE4Good

## External Evaluations of disclosure

For **6** consecutive years



No.1 overall in 2021

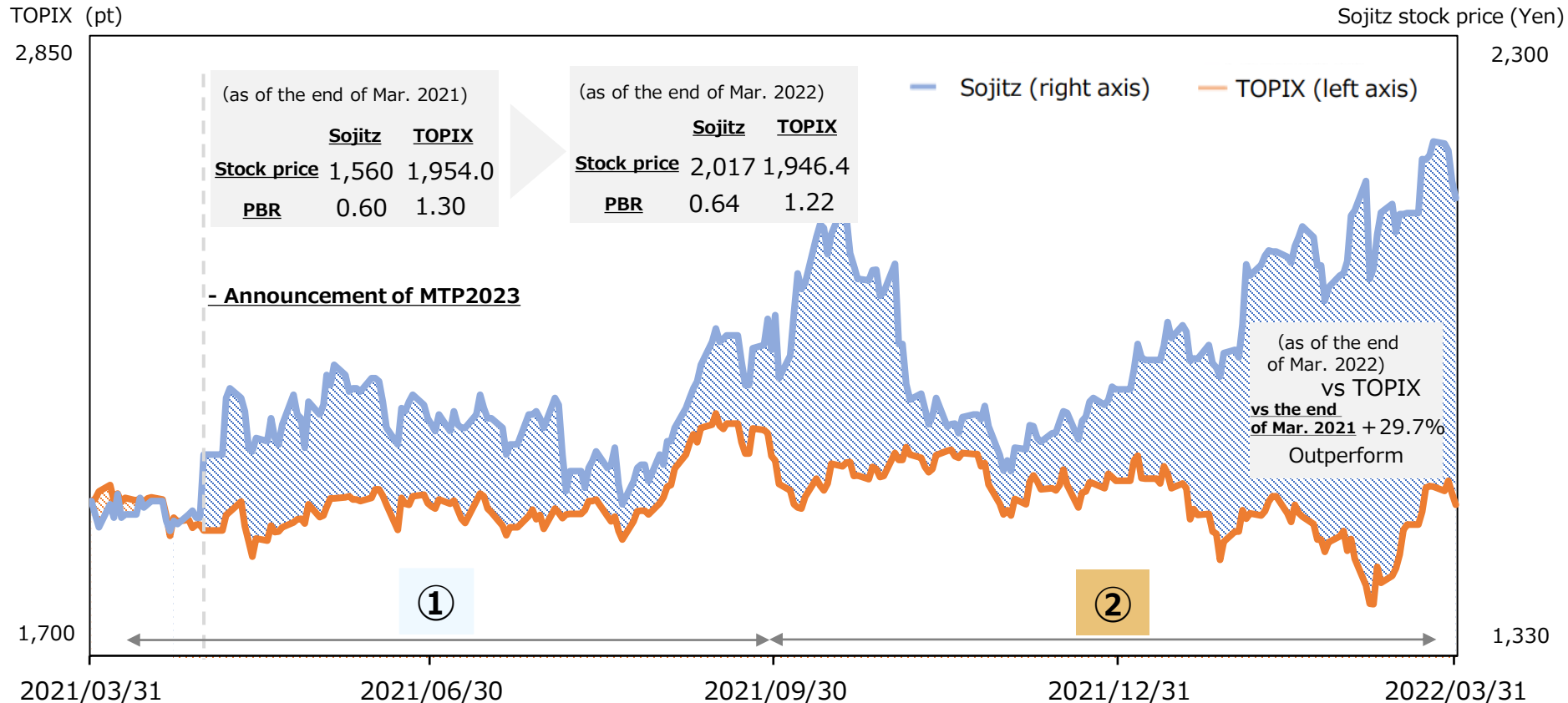


**New** **2021**  
Selected as  
"Excellent Integrated Reports"  
"Most-improved Integrated Reports"  
"Excellent Corporate Governance Reports"  
by GPIF's Domestic Equity Managers

**New Grand Prize**  
in NIKKEI Integrated  
Report Awards 2021  
NIKKEI 日経統合報告書アワード  
Integrated Report Award **2021**



# Stock Price & PBR Trend



2021/03/31      2021/06/30      2021/09/30      2021/12/31      2022/03/31

①FY21 1H

②FY21 2H

**Main News Releases**

- 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 Charter Operations of Cayman Island Registered Aircraft in its Business Jet Segment
- Sojitz Begins Construction on one of the Largest-scale Solar Farms by Japanese companies in Australia
- SKK Migas approved Plan of Development for Ubadari Field and Vorwata CCUS at Tangguh LNG Project
- Sojitz Enters the Electricity Retail Business in Europe's Leading Sustainability Markets
- Toshiba, Sojitz and CBMM Partner to Commercialize Next-Generation Lithium-ion Batteries

- SOL Energy Begins Rooftop Solar Generation Business in Vietnam
- Sojitz Enters the Rapidly Growing Telecommunications Tower Market in the Philippines
- 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
- Sojitz Enters the Distribution Business for Consumer Goods and Foods in India
- Sojitz to Begin "Pool Project Kawasaki," a Verification Test Project for Efficient Collection and Recycling of Plastic Container Waste from Condominiums in Kawasaki City
- Sojitz Acquires Full Ownership of The Marine Foods Corporation, a Subsidiary of Nippon Ham
- Sojitz Introduces New Parental Leave System
- Sojitz Selected as "Nadeshiko Brand" for Sixth Consecutive Year
- Sojitz, To Establish New Joint Venture In Rental Residential Value Add Business With Goldman Sachs

\*Click each link for the relevant news release.

# FY2022 Focus Point by Segment

## Automotive

- Expansion of distributorship (wholesale) and peripheral businesses, areas of strength for Sojitz, in growing Southeast Asian and Latin American markets
- Accelerated promotion of customer experience and competitiveness improvement through use of digital technologies in dealership (retail) businesses
- Promotion of new value in mobility service field

## Aerospace & Transportation Project

- Broadening of business jet functions
- Maximization of earnings through collaboration made possible by investments in JALUX and Royal Holdings
- Earnings maximization by capturing demand in North American railway business (freight car leasing, rolling stock MRO)

## Infrastructure & Healthcare

- Increasing of value through comprehensive initiatives and function reinforcement in newly started energy saving, downstream gas, and electricity retail businesses
- Evolution of healthcare initiatives in businesses focused on participation commenced in private clinic chains
- Ongoing power source development and renewable energy initiatives advanced by taking advantage of operating environment changes and acquiring necessary functions
- Incorporation of growth demand in emerging countries through steady capital investment in telecommunications and infrastructure field

## Metals, Mineral Resources & Recycling

- Withdraw from thermal coal interests scheduled to be completed by 2030; initiatives for accelerating timetable underway
- Revision of other interests as part of ongoing business portfolio reforms coupled with management resource shifts
- Enhancement of circular economy initiatives for contributing to the realization of a sustainable society
- Improvement of competitiveness through start of pit mining at Gregory Crinum coal mine in Australia

# FY2022 Focus Point by Segment

## Chemicals

- Expansion of operations in methanol and other areas of expertise
- Maximization of earnings created through trading of conventional chemical products and plastic resins
- Advancement of concrete, forward-looking initiatives in biochemical and other environmental and life science fields

## Consumer Industry & Agriculture Business

- Expansion of operations and earnings in Southeast Asian fertilizer businesses, despite difficult operating environment, by advancing sales promotions for maintaining sales volumes and market share, and capitalizing on wide-ranging fertilizer and agricultural demand
- Commencement of Vietnamese livestock business (Vinamilk), breakeven in paper manufacturer in Vietnam (Saigon Paper), and incorporation of Southeast Asian market growth
- Value creation in domestic primary industries through contributions to decarbonization and recycling focused on utilization of agricultural and regional resources

## Retail & Consumer Service

- Enhancement of existing businesses through reforms, advancement of new initiatives matched to customer needs, and acceleration of profit generation in Vietnam, India, and other growth markets
- Domestic retail field  
Augmentation of earnings power and competitiveness via mutual function use and coordination with aquaculture food product manufacturing, processing, and sales business operator Marine Foods as well as with Royal Holdings, JALUX, and other investees



**Hassojitz**

発想 × sojitz

発想を実現する双日。



# Financial Results for the Year Ended March 31, 2022 (Supplemental Data)

**May 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

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

## **【Supplemental Data】**

# **I . Financial Results for the Year Ended March 31, 2022 Forecast of Fiscal Year Ending March 31, 2023**

# Summary of Profit or Loss

(BN JPY)	FY20	FY21	Difference	FY21 forecast (Feb. 2, 2022)	Percentage achieved against revised forecast	FY22 forecast
Revenue	1,602.5	2,100.8	+ 498.3	-	-	-
Gross profit	188.1	271.3	+ 83.2	260.0	104%	300.0
SG & A expenses	(161.1)	(180.3)	(19.2)	(180.0)	-	(210.0)
Share of profit (loss) of investments accounted for using the equity method	14.8	38.0	+ 23.2	34.0	112%	35.0
Profit before tax	37.4	117.3	+ 79.9	108.0	109%	120.0
Profit for the period / year	27.0	82.3	+ 55.3	80.0	103%	85.0
Core earnings	38.4	131.3	+ 92.9	115.0	-	120.0

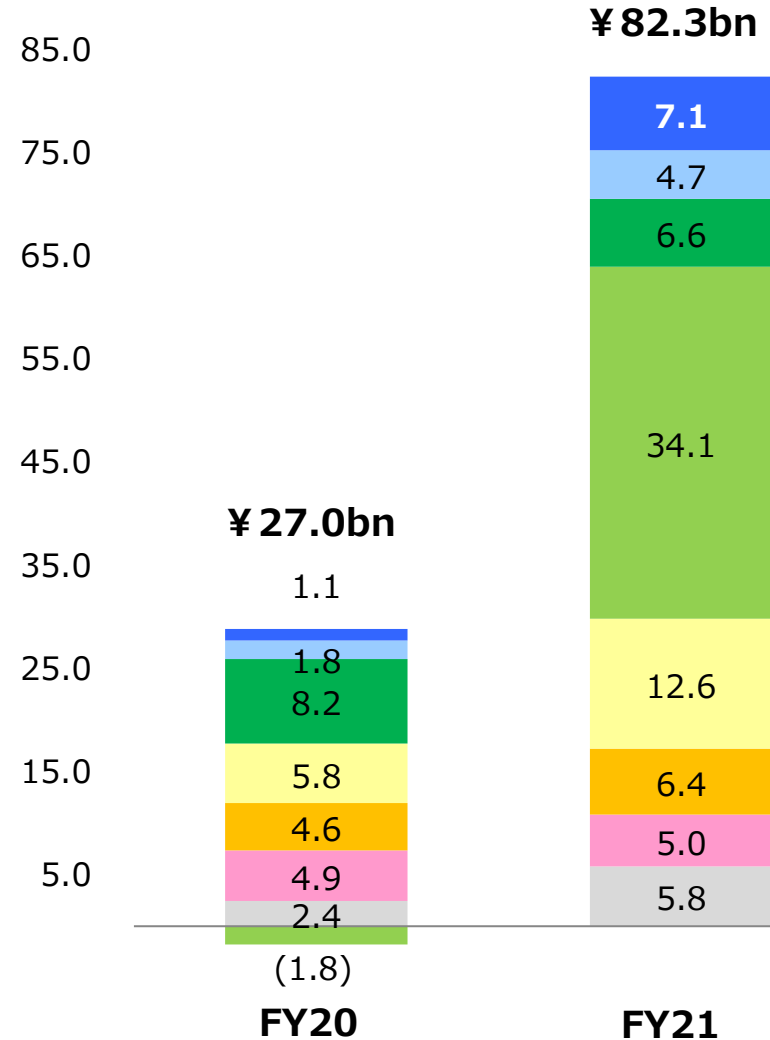


# Summary of Profit or Loss

## Profit for the Year by Segment

### Profit for the year

(BN JPY)



### Main factors behind difference

■ <b>Automotive</b>	<b>¥7.1 bn (+¥6.0 bn)</b>
Increased due to higher sales volumes in overseas automotive operations	
■ <b>Aerospace &amp; Transportation Project</b>	<b>¥4.7 bn (+¥2.9 bn)</b>
Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses	
■ <b>Infrastructure &amp; Healthcare</b>	<b>¥6.6 bn (-¥1.6 bn)</b>
Decreased due to impairment loss on telecommunication infrastructure business in Myanmar despite steady profit from healthcare-related businesses and power generation businesses in Japan and overseas	
■ <b>Metals, Mineral Resources &amp; Recycling</b>	<b>¥34.1 bn (+¥35.9 bn)</b>
Increased due to higher profits from a rise in coal market conditions and higher profits from steel operating company thanks to recovery of steel demand, despite provision recorded for thermal coal interests based on decarbonization target	
■ <b>Chemicals</b>	<b>¥12.6 bn (+¥6.8 bn)</b>
Increased due to recovery of methanol prices and higher transaction volumes of plastic resin	
■ <b>Consumer Industry &amp; Agriculture Business</b>	<b>¥6.4 bn (+¥1.8 bn)</b>
Increased due to a rise in market conditions of imported plywood despite higher production costs due to increase in raw material prices in fertilizer businesses	
■ <b>Retail &amp; Consumer Service</b>	<b>¥5.0 bn (+¥0.1 bn)</b>
Relatively unchanged year on year due to absence of gains from sale of shopping mall recorded in the previous year despite higher sales volumes of food-related company	
■ <b>Others</b>	<b>¥5.8 bn (+¥3.4 bn)</b>
Increased due to sales of assets	

# FY22 Forecast

## Profit for the Year by Segment

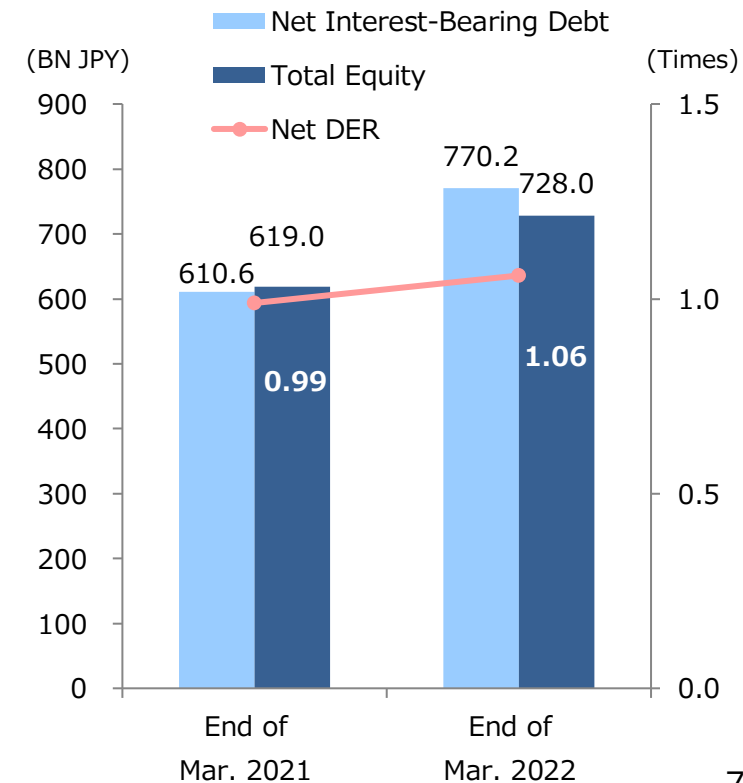
(BN JPY)	FY21 results	FY22 forecast	FY22 overview
■ Automotive	7.1	6.0	<p>■ <b>Automotive</b> Earnings expected to decrease due to influence from Russia-related businesses, despite growing earnings from investments in emerging countries and steady profit from principal overseas businesses anticipated</p>
■ Aerospace & Transportation Project	4.7	4.5	<p>■ <b>Aerospace &amp; Transportation Project</b> Earnings contributions expected to remain around the same level considering an increase in aircraft-related transactions and a decrease in transaction volumes of marine vessel-related businesses compared with FY2021</p>
■ Infrastructure & Healthcare	6.6	9.0	<p>■ <b>Infrastructure &amp; Healthcare</b> Steady profit from healthcare-related businesses and power generation businesses in Japan and overseas, and accumulation of earnings from new investments</p>
■ Metals, Mineral Resources & Recycling	34.1	51.0	<p>■ <b>Metals, Mineral Resources &amp; Recycling</b> Earnings expected to increase following coal market conditions and absence of structural reform expenses recorded in the previous fiscal year</p>
■ Chemicals	12.6	12.5	<p>■ <b>Chemicals</b> Steady profit expected from methanol businesses and plastic resin businesses</p>
■ Consumer Industry & Agriculture Business	6.4	3.0	<p>■ <b>Consumer Industry &amp; Agriculture Business</b> Earnings expected to decrease due to higher production costs stemming from an increase in raw material prices in fertilizer businesses</p>
■ Retail & Consumer Service	5.0	5.0	<p>■ <b>Retail &amp; Consumer Service</b> Steady profit expected from food-related company</p>
■ Others	5.8	(6.0)	<p>■ <b>Others</b> Incorporation into forecasts of rebound from asset sales conducted in previous fiscal year and impacts of rising cost, inflation due to higher USD interest rates, and other causes of opaqueness</p>
<b>Total</b>	<b>82.3</b>	<b>85.0</b>	

# Summary of Balance Sheets

(BN JPY)	End of Mar. 2021	End of Mar. 2022	Difference
Total Assets	2,300.1	2,661.7	+361.6
Total Equity	619.0	728.0	+109.0
Equity Ratio	26.9%	27.4%	+ 0.5%
Net Interest-Bearing Debt	610.6	770.2	+ 159.6
Net DER (Times)	0.99	1.06	+ 0.07
Risk Assets vs. Total Equity (Times)	390.0 (0.6)	450.0 (0.6)	+60.0 (-)
Current Ratio	162.7%	155.3%	(7.4)%
Long-term Debt Ratio	82.5%	78.0%	(4.5)%

**Changes in total equity (end of Mar. 2021 vs. end of Mar. 2022, breakdown)**

- Profit for the year attributable to owners of the Company ¥+82.3bn
- Change in foreign exchange rates and stock price ¥+59.0bn
- Dividends paid ¥(16.4)bn
- Acquisitions of treasury stock ¥(15.1)bn



\* "Total equity attributable to owners of the Company" is recognized as "Total equity" above and is also used in the denominator of the "Net DER" and the numerator of the "Equity ratio."

# Assets Breakdown

## ■ Resource businesses

Decreased mainly thermal coal-related assets due to recording of provisions to address potential future stranded asset risks as part of decarbonization initiatives

## ■ Non-Resource businesses

Accumulation of assets such as energy conservation business in the U.S. and aquaculture food product manufacturing, processing, and sales business through growth investments conducted in the first year of MTP2023

End of Mar.2022

Total assets

Approx. ¥2,660.0bn



The trade receivables and other credits (Approx.¥790.0bn)  
Inventory (Approx.¥230.0bn)  
Cash equivalent and others (Approx.¥370.0bn)

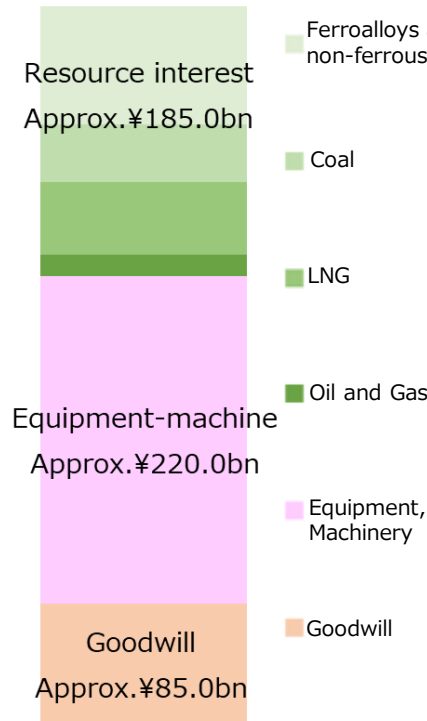
Approx. ¥490.0bn  
(Resource interest /Fixed assets /Goodwill)

Approx. ¥780.0bn  
(interest investment※ lease assets etc.)

※Except resource interest

Main breakdown

Total assets  
Approx. ¥490.0bn



## Fixed assets/Goodwill balance

End of Mar. 2021 Approx. ¥450.0bn	▶	End of Mar. 2022 Approx. ¥490.0bn
---	---	---

Ferrous alloys and non-ferrous metals	(¥80.0bn)	→	(¥80.0bn)
Coal	(¥40.0bn)	→	(¥40.0bn)
LNG	(¥55.0bn)	→	(¥50.0bn)
Oil and Gas	(¥15.0bn)	→	(¥15.0bn)
Equipment, Machinery	(¥190.0bn)	→	(¥220.0bn)
Goodwill	(¥70.0bn)	→	(¥85.0bn)

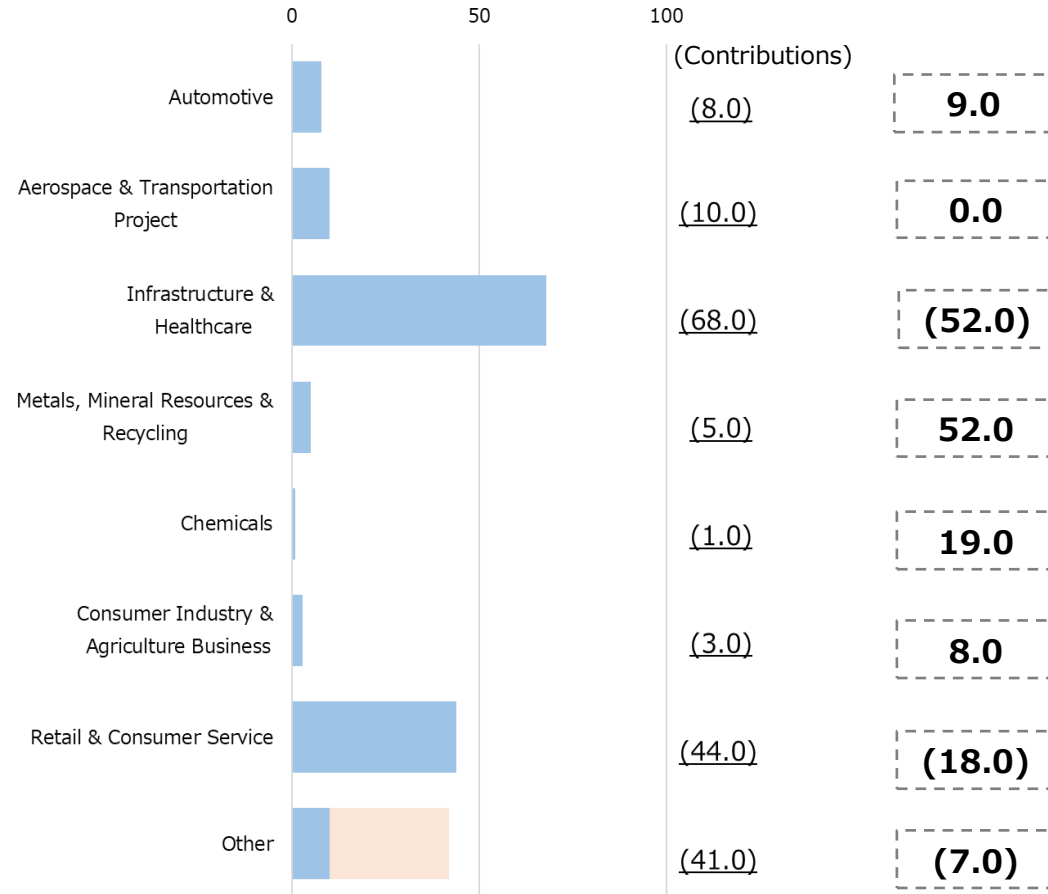
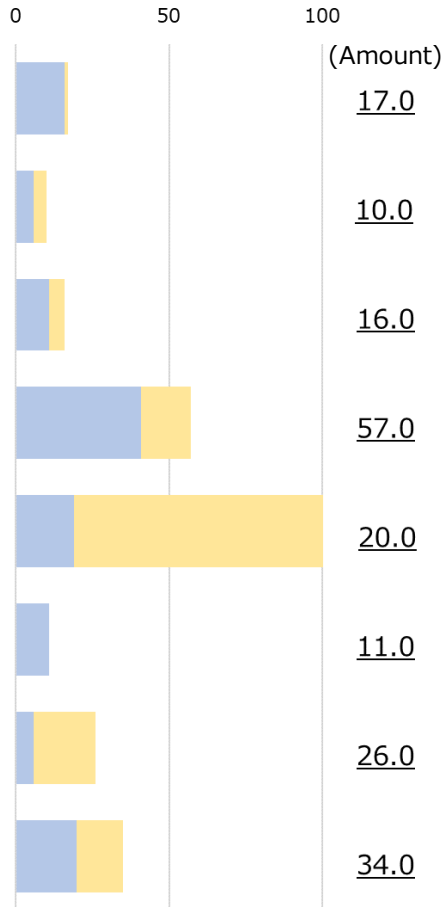
# Balance Sheet and Cash Flow Management

(BN JPY)

## Cash in

## Cash out

## Core CF



■ Core operating cash flow ■ Asset replacement

■ New investments ■ Shareholder return

**191.0**

**(180.0)**

**11.0**

\*MTP2023: FY21 results


# Investments and Asset Replacement

<b>Total Investments</b>	<b>¥150.0bn</b>	
<b>Breakdown</b>	<b>Infrastructure &amp; Healthcare</b>	<b>¥70.0bn</b> <ul style="list-style-type: none"> <li>■ Energy conservation business in the U.S.</li> <li>■ Gas-Fired Power Generation Project in Indonesia</li> <li>■ Gas distributor business in Nigeria</li> <li>■ IWPP and Desalination Project in Middle East</li> <li>■ Renewable energy businesses in Australia</li> <li>■ Electricity retail business in Spain etc.</li> </ul>
	<b>Growth market × Market-oriented initiative</b>	<b>¥62.0bn</b> <ul style="list-style-type: none"> <li>■ Aquaculture food product manufacturing, processing, and sales business</li> <li>■ Domestic retail business</li> <li>■ Domestic shopping malls</li> <li>■ Domestic real estate business</li> <li>■ Dealership business in the U.S.</li> <li>■ Retail business in Southeast Asia</li> </ul>
	<b>Materials &amp; Circular economy</b>	<b>¥0.0bn</b> <p style="text-align: center;">—</p>
	<b>Other</b>	<b>¥18.0bn</b> <ul style="list-style-type: none"> <li>■ Non-financial investment</li> <li>■ Innovation investment etc.</li> </ul>
<b>Total Asset Replacement</b>	<b>¥62.0bn</b>	
<b>Breakdown</b>	<b>Domestic real estate business, Sale of cross-shareholdings, Non-ferrous smelting and refining company, Thermal coal interest, Surface-mounting machines related business, and Overseas office building</b>	

# Major One-time Gain/Loss

	FY20		FY21	
Non-Resource	¥3.6 bn	<ul style="list-style-type: none"> <li>Gain on sales of domestic shopping mall</li> <li>Gain on sales of domestic real estate</li> <li>Impairment loss in industrial machinery related business</li> </ul> <p>etc.</p>	¥2.5 bn	<ul style="list-style-type: none"> <li>Gain on sales of overseas office building</li> <li>Impairment loss on telecommunication infrastructure business</li> </ul> <p>etc.</p>
Resource	¥(3.8) bn	<ul style="list-style-type: none"> <li>Impairment loss on thermal coal</li> <li>Sales of oil and gas interests</li> <li>Impairment loss on oil and gas interests</li> </ul> <p>etc.</p>	¥(15.6) bn	<ul style="list-style-type: none"> <li>Impairment loss on thermal coal interests</li> <li>Loss on withdrawal from metallic raw material interests</li> </ul> <p>etc.</p>
Total (After income tax expenses)	¥(0.2)bn		¥(13.1)bn	

# Breakdown of Resource and Non-Resource Profit

		FY19	FY20	FY21	Difference
(BN JPY)					
<b>A. Profit for the year</b> (attributable to owners of the Company)		60.8	27.0	<b>82.3</b>	55.3
<b>(B. Total one-time income movements)</b>		1.5	(0.2)	<b>(13.1)</b>	(12.9)
<b>A. – B. Profit for the year</b> [(attributable to owners of the Company)] (Excluding one-time income movements)		59.3	27.2	<b>95.4</b>	68.2
	<b>Resource</b>	10.4	(0.4)	<b>42.3</b>	42.7
	<b>Non-Resource</b>	48.9	27.6	<b>53.1</b>	25.5



# Commodity Prices, Foreign Exchange, and Interest Rate

	FY20 (annual Avg.)	FY21 (annual avg.)	FY22 assumption (annual avg.)	Latest data (as of Apr. 25, 2022)
Coking coal *1	US\$117.9/t	US\$317.5/t	US\$280.0/t	US\$465.0/t
Thermal coal *1	US\$65.6/t	US\$181.7/t	US\$160.0/t	US\$372.5/t
Crude oil (Brent)	US\$45.8/bbl	US\$80.0/bbl	US\$90.0/bbl	US\$102.3/bbl
Exchange rate *2	¥105.9/US\$	¥113.04/US\$	¥115.0/US\$	¥128.8/US\$
Interest Rate (TIBOR)	0.07%	0.06%	0.06%	0.07%

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

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

\*3 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. ¥0.3 bn annually, and total equity by approx. ¥1.5 bn annually.

# **【Supplemental Data】**

## **II. Segment Information**

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

# Automotive

## FY21 Summary

(BN JPY)

	FY20	FY21	Difference
Gross profit	32.5	45.6	13.1
SG&A expenses	(27.4)	(33.0)	(5.6)
Share of profit (loss) of investments accounted for using the equity method	(0.9)	0.8	1.7
Profit for the period	1.1	7.1	6.0
Total Asset	151.4	191.8	40.4
Core operating cash flow	6.0	15.5	9.5
ROA	0.7%	4.1%	3.4%

### Main Factors Behind Difference

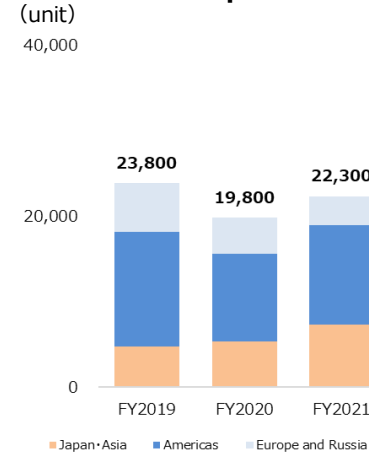
**(Profit for the year)**  
Increased due to higher sales volumes in overseas automotive operations

CROIC FY21 Value creation guideline figures

9.7% 7.0%

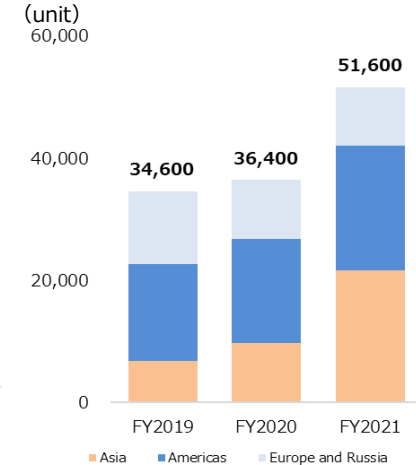
## Vehicle Sales

### Dealership Business



(Includes the unit sales that company-owned dealerships handle)

### Distributor Business



(Includes the unit sales that the equity-method affiliates handle)

## Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20	FY21	Difference	Business Description
Sojitz Automotive Group, Inc	100%	1.1	1.7	0.6	Automobile dealership
Sojitz de Puerto Rico Corporation	100%	1.0	2.1	1.1	Import and sales of automobiles
Subaru Motor LLC	66%	0.1	0.5	0.4	Import and sales of automobiles
Sojitz Quality, Inc	100%	0.0	0.2	0.2	Investment in Automotive parts quality inspection services
Total		2.2	4.5	2.3	

\*1 The equity ownership is as of the end of March 2022.

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

## Digital transformation in the car distribution industry

### Scanning



### Generating a digital twin of the vehicle and AI identifies of damages & Tagging



- Sojitz has acquired stake in Twinner GmbH ("Twiner"), a German car autoscanner developer which developed a scanner system, "Twiner Space," which generates a digital twin of the vehicle within five minutes utilizing AI cloud technology to provide a 360-degree panoramic scan of the vehicle's interior and exterior. With this agreement, Sojitz has obtained distribution rights for Twinner in Japan.
- Development of data service business utilizing digital twin system to target automobile distributors in Japan
- Contribution to digital transformation of secondhand automobile distribution as part of efforts to increase traceability of vehicle data and develop online automobile distribution platform

# Aerospace & Transportation Project

## FY21 Summary

(BN JPY)

	FY20	FY21	Difference
Gross profit	12.5	16.2	3.7
SG&A expenses	(9.4)	(11.9)	(2.5)
Share of profit (loss) of investments accounted for using the equity method	(0.2)	(0.4)	(0.2)
Profit for the period	1.8	4.7	2.9
Total Asset	153.0	218.0	65.0
Core operating cash flow	3.5	6.3	2.8
ROA	1.2%	2.5%	1.3%

### Main Factors Behind Difference

#### 【 Profit for the year】

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

CROIC  
FY21

4.6%

Value creation  
guideline figures

5.0%

## Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20	FY21	Difference	Business Description
Sojitz Aerospace Corporation	100%	0.8	0.8	0.0	Import/export and sales of aerospace and defense-related equipment, components and materials
Sojitz Aviation and Marine B.V.	100%	0.0	0.0	0.0	Aircraft part-out business and marine vessel-related business
SJ Aviation Capital Pte. Ltd.	100%	0.2	0.1	(0.1)	Aircraft leasing business
Sojitz Transit & Railway Canada Inc.	74.9%	0.6	(0.2)	(0.8)	General repair and remanufacturing of railway rolling stocks
Southwest Rail Industries Inc.	100.0%	-	0.5	0.5	Railcar leasing business
Total		1.6	1.2	(0.4)	

\*1 The equity ownership is as of the end of March 2022.

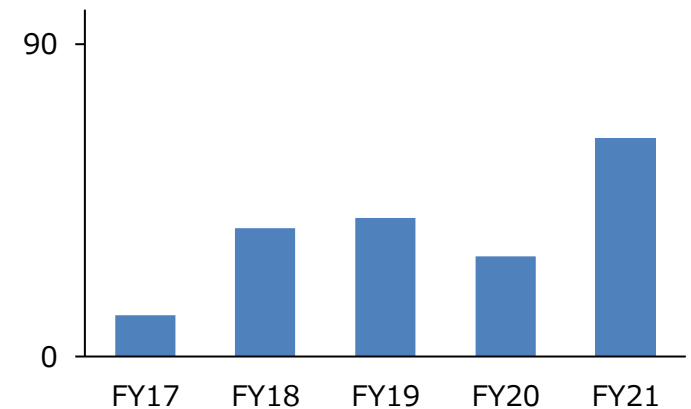
\*2 The above figures are profit (loss) for the year (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by companies.

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

## Business Jet charter sales

- 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.

(Operations)



# Infrastructure & Healthcare

## FY21 Summary

(BN JPY)

	FY20	FY21	Difference
Gross profit	19.4	19.0	(0.4)
SG&A expenses	(22.5)	(23.1)	(0.6)
Share of profit (loss) of investments accounted for using the equity method	9.6	13.8	4.2
Profit for the period	8.2	6.6	(1.6)
Total Asset	337.2	421.1	83.9
Core operating cash flow	5.9	11.1	5.2
ROA	2.7%	1.7%	(1.0)%

### Main Factors Behind Difference

#### (Profit for the year)

Decreased due to impairment loss on telecommunication infrastructure business in Myanmar despite steady profit from healthcare-related businesses and power generation businesses in Japan and overseas

CROIC  
FY21

Value creation  
guideline figures

2.9%

3.0%

## Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20	FY21	Difference	Business Description
Nissho Electronics Corporation	100%	1.6	1.9	0.3	Providing leading-edge IT solutions and network services
Tokyo Yuso Corporation	100%	0.4	0.4	(0.0)	Tank storage operations for petroleum and chemical products
Renewable Energy Businesses	-	3.2	1.8	(1.4)	Renewable energy business in Japan and overseas
LNG Japan Corporation	50%	1.7	3.4	1.7	LNG business and related investments
Sojitz Hospital PPP Investment B.V.	100%	4.8	3.6	(1.2)	Investment in hospital project
Total		11.7	11.1	(0.6)	

\*1 The equity ownership is as of the end of March 2022

\*2 The above figures are profit (loss) for the year (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/>

## Infrastructure-related initiative

### Gas distribution in Nigeria by investing in Axxela

Contribution to low and decarbonized society with market-oriented initiative

- Sojitz acquired a 25% interest in Axxela, the largest private sector gas distributor in Nigeria (insurance planned to be covered by NEXI).
- Dependence on fossil fuels remains high in Nigeria, which boasts the tenth largest deposit volume of natural gas, and in other West African countries due to low levels of gas use as a result of slow infrastructure development.
- Its operations support the utilization of gas resource across West Africa and achievement of target for CO2 emissions reduction, to drive industrial growth while also contributing to the environment.
- Sojitz will provide Axxela, possessing solid customer base of over 200 industrial customers in West Africa region, of low-carbon and decarbonization energy solutions, which enables to achieve a decarbonized society together with business partners and customers.



### IPP Project in Uzbekistan

First Japanese company investing in one of Uzbekistan's largest power generation project

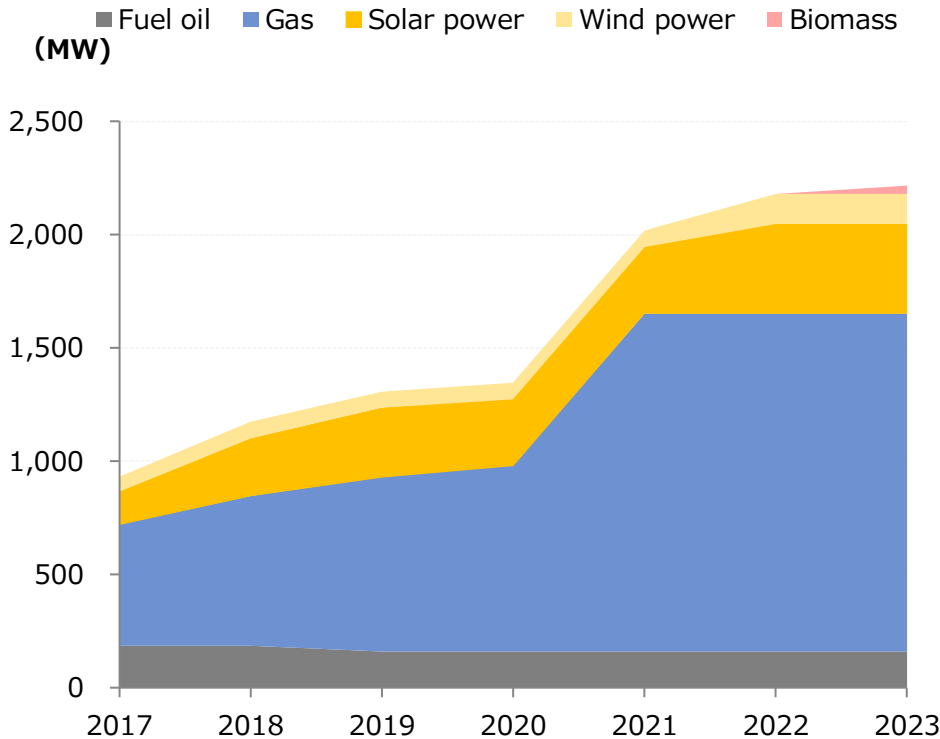
- Consortium with Sojitz, major French power company EDF (Électricité de France), Qatar power generation company Nebras Power Q.P.S.C., and Kyuden International Corporation, has participated in Syrdarya II IPP project.
- A 1,600 MW gas-fired combined cycle power plant with ultra-high efficiency will be constructed. Based on a 25-year long-term power purchase agreement between Sojitz and its partners and Uzbekistan's state-owned power transmission company, the Project will provide a stable supply of energy.



Syrdarya region in Uzbekistan

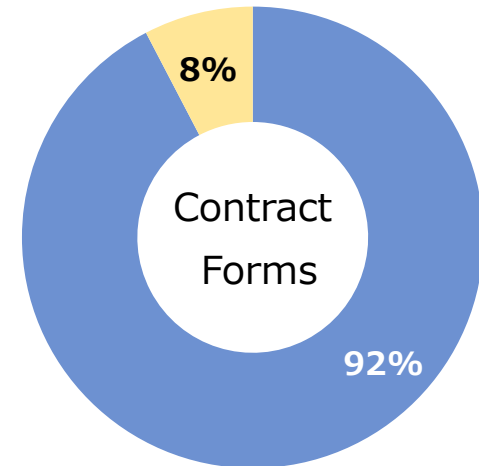
- Sojitz aims to contribute to the development of countries and regions in central and greater Asia by implementing projects which satisfy national and regional needs and continue to work towards building a sustainable society through its business activities.

# Change in Net Power-Generation Capacity



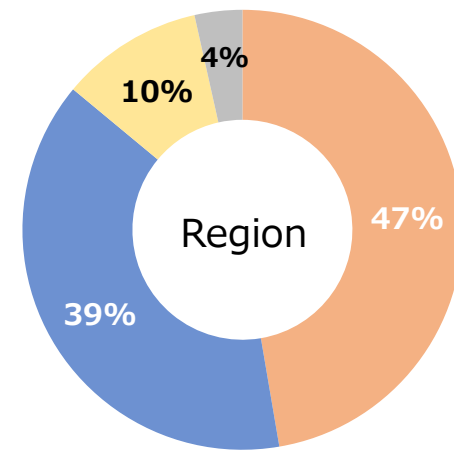
Results and Forecast of Net Power-Generation Capacity

	(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 March 31, 2022



■ Asia ■ Americas ■ Japan ■ Europe

※As of March 31, 2022

# Metals, Mineral Resources & Recycling

## FY21 Summary

(BN JPY)

	FY20	FY21	Difference
Gross profit	12.4	60.0	47.6
SG&A expenses	(12.6)	(13.8)	(1.2)
Share of profit (loss) of investments accounted for using the equity method	4.7	21.5	16.8
Profit for the period	(1.8)	34.1	35.9
Total Asset	476.2	511.5	35.3
Core operating cash flow	7.9	40.5	32.6
ROA	(0.4)%	6.9%	7.3%

### Main Factors Behind Difference

#### 【 Profit for the year】

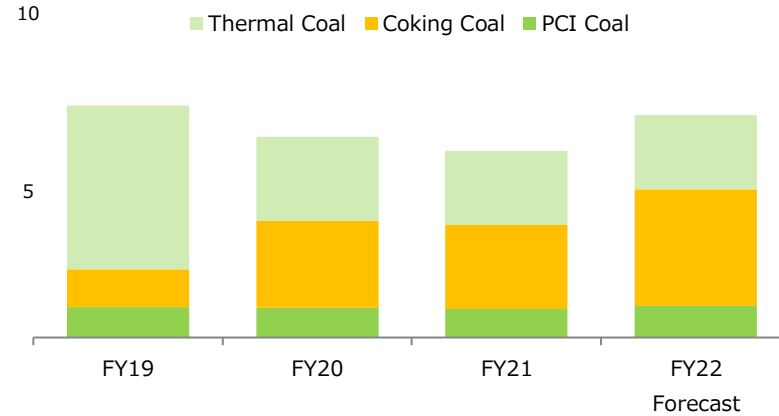
Increased due to higher profits from rise in coal market conditions and higher profits from steel operating company thanks to recovery of steel demand, despite provision recorded for thermal coal interests based on decarbonization target

### CROIC FY21 Value creation guideline figures

10.1% 5.0%

## Change in Coal Sales Volume

(million ton)



## Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20	FY21	Difference	Business Description
Sojitz Development Pty. Ltd.	100%	(5.2)	26.4	31.6	Investment in coal mines
Sojitz Resources (Australia) Pty. Ltd.	100%	0.4	0.7	0.3	Production of alumina
Japan Alumina Associates (Australia) Pty. Ltd.	50%	0.3	1.1	0.8	Investment in an alumina refinery
Metal One Corporation	40%	2.6	11.3	8.7	Import, export, and sale of, and domestic and foreign trading in, steel-related products
Total		(1.9)	39.5	41.4	

\*1 The equity ownership is as of the end of March 2022

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

## Memorandum with Kyushu University for Implementation of Membrane-based Air Capture Technology and Related Technology Solutions to Capture Carbon Dioxide



CO2 separation membrane as thin as 1/300 of human hair



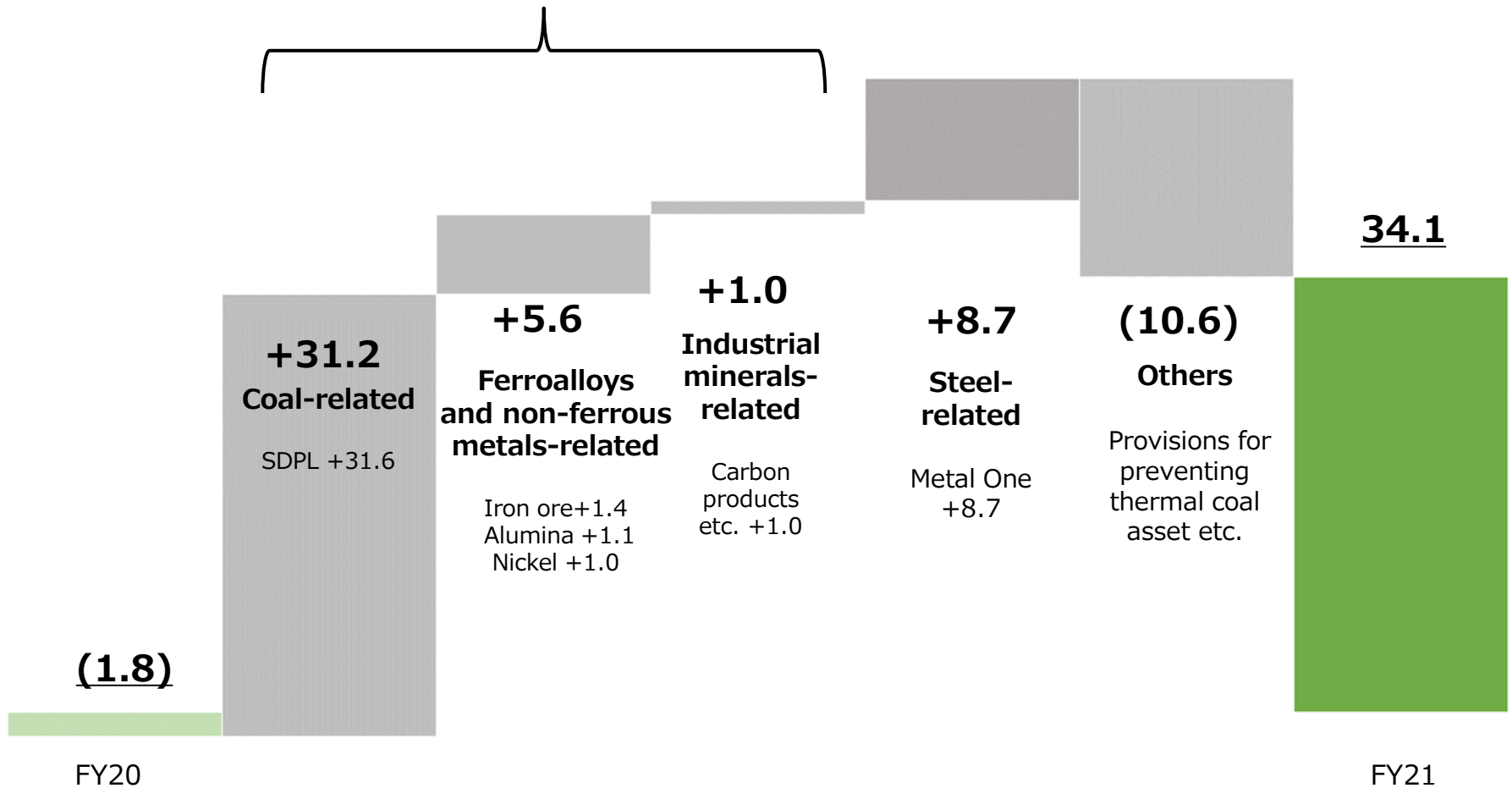
Image of DAC Utilization System

- Kyushu University and Sojitz have signed a memorandum for the purpose of promoting carbon neutral initiatives through the practical application of cutting-edge technologies towards the realization of a sustainable society
- The International Institute for Carbon-Neutral Energy Research at Kyushu University (“I<sup>2</sup>CNER”) has engaged in R&D of the world’s first membrane-based direct air capture (“DAC”) technology, which makes it possible to capture CO<sub>2</sub> from the atmosphere through a membrane separation system
- Based on I<sup>2</sup>CNER’s world-leading knowledge and conversion for achieving carbon neutrality and carbon negativity, as well as Sojitz’s experience from its decarbonization initiatives, Sojitz and Kyushu University will pursue possible collaboration and cooperation for core technology to be implemented for realizing carbon neutrality and carbon negativity

# Metals & Mineral Resources YoY Main Factors Behind Difference

(BN JPY)

Impact of commodity prices  
approx. ¥+35.0bn included





# Chemicals

## FY21 Summary

(BN JPY)

	FY20	FY21	Difference
Gross profit	37.3	50.7	13.4
SG&A expenses	(28.2)	(30.5)	(2.3)
Share of profit (loss) of investments accounted for using the equity method	0.7	0.7	0.0
Profit for the period	5.8	12.6	6.8
Total Asset	272.3	320.5	48.2
Core operating cash flow	8.7	18.7	10.0
ROA	2.1%	4.3%	2.2%

### Main Factors Behind Difference

#### (Profit for the year)

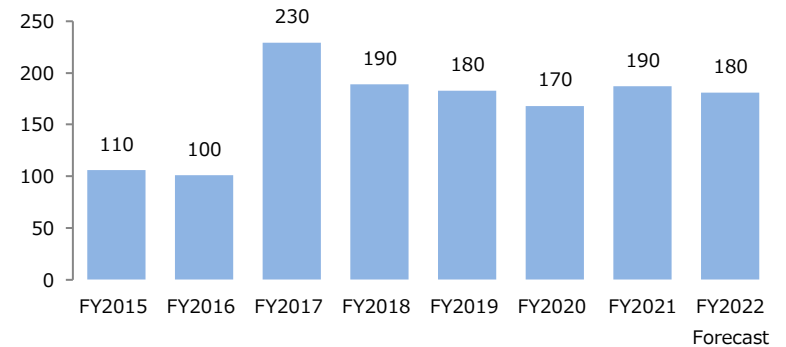
Increased due to recovery of methanol prices and higher transaction volumes of plastic resin

CROIC FY21	Value creation guideline figures
9.1%	7.5%

## 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

(10,000 ton)



## Major Subsidiaries and Associates

(BN JPY)

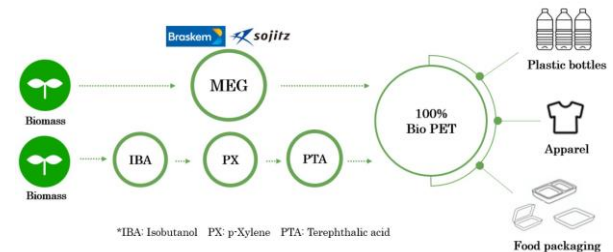
Company name	Equity ownership	FY20	FY21	Difference	Business Description
Sojitz Pla-Net Corporation	100%	1.1	2.0	0.9	Trading and sale of plastics and related products
PT. Kaltim Methanol Industri	85%	0.1	4.1	4.0	Manufacture and sale of methanol
solvadis deutschland gmbh	100%	0.9	1.2	0.3	Trading and sale of chemical products
Total		2.1	7.3	5.2	

\*1 The equity ownership is as of the end of March 2022.

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

## Sojitz promotes biomass-chemical business for circular economy

- Sojitz and Braskem have signed an agreement as of March 16th, 2022, to establish a joint venture company which will produce biomass-derived monoethylene glycol (bioMEG) and monopropylene glycol (bioMPG)
  - This project plans to construct a total of three commercial plants. We plan to start up the first commercial plant in 2025
  - Sojitz aims to manufacture 100% biomass-derived PET resin through production of bioMEG and biomass-derived purified terephthalic acid (PTA) and to manufacture bioMPG
- These activities will lead to achieving a decarbonized society and creating sustainable growth for both Sojitz and society



# Consumer Industry & Agriculture Business

## FY21 Summary

(BN JPY)

	FY20	FY21	Difference
Gross profit	27.4	31.3	3.9
SG&A expenses	(20.7)	(21.4)	(0.7)
Share of profit (loss) of investments accounted for using the equity method	0.6	0.9	0.3
Profit for the period	4.6	6.4	1.8
Total Asset	210.3	245.0	34.7
Core operating cash flow	8.1	11.1	3.0
ROA	2.7%	2.8%	0.1%

### Main Factors Behind Difference

#### 【 Profit for the year 】

Increased due to rise in market conditions of imported plywood despite higher production costs due to an increase in raw material prices in fertilizer businesses

CROIC  
FY21

9.5%

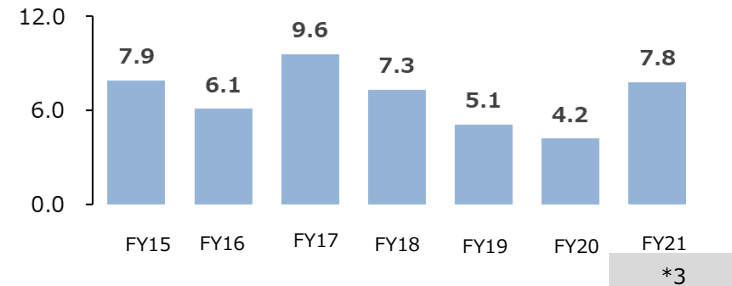
Value creation  
guideline figures

6.0%

## Profit of overseas fertilizers business

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

(BN JPY)



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

## Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20	FY21	Difference	Business Description
Thai Central Chemical Public Company(TCCC)	81%	4.7	*3		Manufacture and sales of fertilizers
Atlas Fertilizer Corporation	100%	1.8	2.1	0.3	Manufacture and sales of fertilizers, sales of imported fertilizer products
Japan Vietnam Fertilizer Company	75%	0.3	0.2	(0.1)	Manufacture and sales of fertilizers
Saigon Paper	96%	(0.9)	(0.7)	0.2	Papermaking business (Vietnam)
Sojitz Building Materials Corporation	100%	0.5	2.9	2.4	Trading company specializing in sales of construction materials
Total		6.4	*3		

\*1 The equity ownership is as of the end of March 2022

\*2 The above figures are profit (loss) for the year (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.

## Receipt of wood construction material business from Mitsubishi Shoji Construction Materials



### Wood large panel

(The panel assembled with pillar, beam, and others beforehand.)

- Acquisition of wood building material and large panel production and sales operations of Mitsubishi Shoji Construction Materials by Sojitz Building Materials in March 2022
- Reinforcement of lumber and building material operations through incorporation of diverse customer base, products, and human resource and business insight of Mitsubishi Shoji Construction Materials
- Alleviation carpenter shortages and reformation of construction worksites by industrializing and reducing labor requirements associated with wood structures through acquired large panel operations

# Retail & Consumer Service

## FY21 Summary

(BN JPY)

	FY20	FY21	Difference
Gross profit	27.6	31.3	3.7
SG&A expenses	(20.8)	(21.5)	(0.7)
Share of profit (loss) of investments accounted for using the equity method	(0.1)	0.0	0.1
Profit for the period	4.9	5.0	0.1
Total Asset	337.0	420.5	83.5
Core operating cash flow	3.5	5.9	2.4
ROA	1.4%	1.3%	(0.1)%

### Main Factors Behind Difference

#### (Profit for the year)

Relatively unchanged year on year due to absence of gains from sale of shopping mall recorded in the previous year, despite higher sales volumes of food-related company

CROIC  
FY21

Value creation  
guideline figures

2.8%

5.0%

## Sojitz Acquires Full Ownership of The Marine Foods Corporation

Sojitz announced that they acquires full ownership of the Marine Foods Corporation, a subsidiary of Nippon Ham on Feb.9,2022.



 **MarineFoods**

**Strong Customer Base,  
Product Development Capabilities,  
and Food Processing Functions**

×  
**Sojitz**

**Global Network, Resources,  
and New Business Development Capabilities**



- To strengthen and expand the food globally
- To build a new customer base through strengthened e-commerce and development of new products for consumers based on market needs
- To expand the tuna processing and wholesale business

## Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20	FY21	Difference	Business Description
Sojitz Foods Corporation	100%	2.3	3.2	0.9	Sale of farmed and marine products, sugar, saccharified products, dairy products, processed foods, and other foodstuffs
Sojitz Fashion Co., Ltd.	100%	0.7	0.6	(0.1)	Printing of cotton and synthetic textiles, processing and wholesale of non-patterned and dyed fabrics
Sojitz New Urban Development Corporation	100%	(0.1)	0.9	1.0	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%	0.5	0.4	(0.1)	Management of real estate asset
Total		3.4	5.1	1.7	

\*1 The equity ownership is as of the end of March 2022

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

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

• Tri-Stage Inc. (equity-method associate)

<https://www.tri-stage.jp/>

• JALUX Inc. (equity-method associate)

<https://www.jalux.com/>

• Fuji Nihon Seito Corporation (equity-method associate)

<https://www.fnsugar.co.jp/>

• Royal Holdings (equity-method associate)

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

## To Establish New Joint Venture With Goldman Sachs

Sojitz announced that they established new joint venture in rental residential value add business with Goldman Sachs on 28, 2022.

**Goldman Sachs'**

**Capability to Bring in Necessary Capital**

×  
**Sojitz's**

**Extensive Industry Networks,  
Deep Insight in Residential Market, Expertise in  
Improving Asset Value**



- Sojitz and Goldman Sachs aim to become key players in Japan's residential sector, and targets to provide consumers with premium living spaces and investors with a wide range of investment opportunities.
- Sojitz and Goldman Sachs target to acquire \$300 million of assets in FY2022, and then \$400-500 million annually thereafter.

# Others

## Major Subsidiaries and Associates

## Impacts of the Russia-Ukraine Conflict on Sojitz's Business

(BN JPY)

Company name	Equity ownership	FY20	FY21	Difference	Business Description
Sojitz Machinery Corporation	100%	2.3	2.5	0.2	Import/export and sales of general industrial machinery
Total		2.3	2.5	0.2	

- Exposure in both countries are as follows  
(As of March 31, 2022)

Russia                                  ¥ 22.8billion

Ukraine                                 ¥ 0.1billion

- \*Exposure above then sets net exposure (gross exposure minus insurance coverage and/or other country-risk hedges)

- Major businesses are automotive-related businesses and the thermal and coking coal trading
- FY2022 forecast reflects impact of ¥(6.0) bn

\*1 The equity ownership is as of the end of March 2022.

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

# **【Supplemental Data】**

## **Ⅲ. Summary of Financial Results**

# Summary of Profit or Loss

(BN JPY)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
<b>Net sales (JGAAP)</b>	4,014.6	4,321.7	3,934.5	4,046.6	4,105.3	4,006.6	3,745.5	4,209.1	–	–	–	–
<b>Revenue</b>	–	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	2,100.8
<b>Gross profit</b>	192.7	217.1	187.2	198.2	197.7	180.7	200.7	232.4	241.0	220.5	188.1	271.3
<b>Operating profit</b>	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	38.0
<b>Profit before tax</b>	39.3	58.5	28.1	44.0	52.6	44.3	58.0	80.3	94.9	75.5	37.4	117.3
<b>Profit for the year attributable to owners of the Company</b>	16.0	(1.0)	13.4	27.3	33.1	36.5	40.8	56.8	70.4	60.8	27.0	82.3
<b>Core earnings</b>	41.9	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	68.4	38.4	131.3
<b>ROA</b>	0.7%	(0.0%)	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	3.0%	2.7%	1.2%	3.3%
<b>ROE</b>	4.7%	(0.3%)	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	11.7%	10.2%	4.5%	12.2%

(\*) 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 Mar. 2022
<b>Total assets</b>	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	2,661.7
<b>Total equity</b>	330.0	330.0	382.6	459.9	550.9	520.3	550.5	586.4	618.2	579.1	619.0	728.0
<b>Equity ratio</b>	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	26.9%	26.0%	26.9%	27.4%
<b>Net interest-bearing debt</b>	700.6	676.4	643.3	640.2	629.6	571.6	611.1	603.5	584.7	613.2	610.6	770.2
<b>Net DER (Times)</b>	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.0	1.0	1.1	0.99	1.06
<b>Risk assets (vs. Total equity, times)</b>	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	450.0 0.6
<b>Current ratio</b>	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	157.1%	161.4%	162.7%	155.3%
<b>Long-term debt ratio</b>	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	82.9%	79.1%	82.5%	78.0%

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

# Summary of Cash Flows

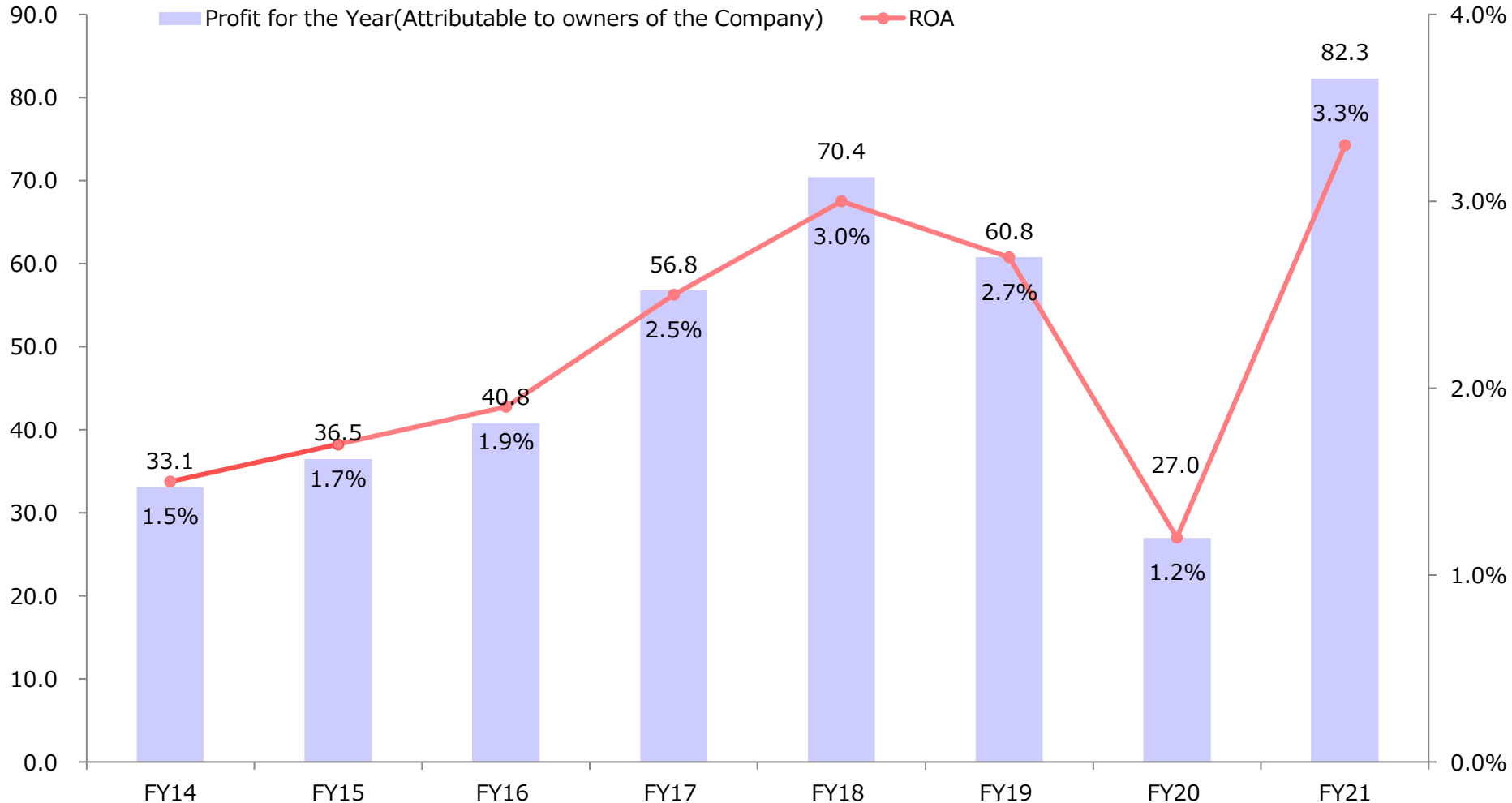
(BN JPY)	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2020	End of Mar. 2021	End of Mar. 2022
<b>Core cash flow</b>	–	–	–	–	–	18.3	5.5	(56.7)	63.1	1.3	(8.0)	10.5
<b>Free cash flow</b>	48.0	46.4	43.4	22.5	25.3	66.0	(31.3)	12.4	54.3	4.8	49.3	(73.7)
<b>Core operating cash flow</b>	–	–	–	–	–	60.0	59.4	82.9	79.1	80.2	60.2	128.7
<b>Cash flow from operating activities</b>	67.9	88.7	55.1	47.0	39.1	99.9	0.9	98.8	96.5	40.5	85.0	65.1
<b>Cash flow from investment activities</b>	(19.9)	(42.3)	(11.7)	(24.5)	(13.8)	(33.9)	(32.2)	(86.4)	(42.2)	(35.7)	(35.7)	(138.8)
<b>Cash flow from financing activities</b>	(72.1)	(29.5)	(56.2)	(30.9)	(42.6)	(114.7)	(4.0)	(13.1)	(74.9)	(12.2)	(40.6)	46.9
<b>Investments</b>	73.0	53.0	44.0	54.0	57.0	71.0	86.0	158.0	91.0	81.0	96.0	150.0

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

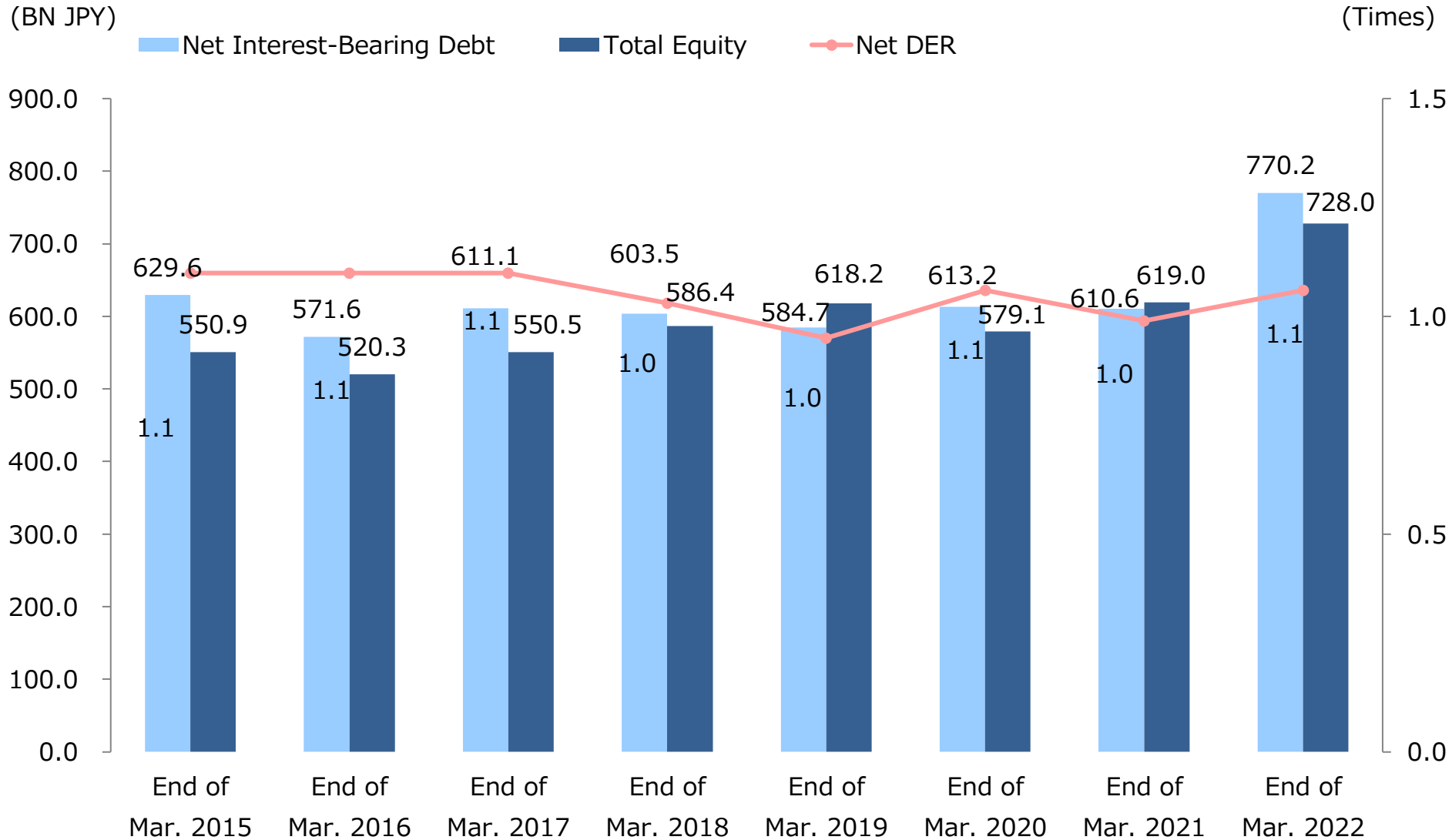


# Summary of Profit or Loss

(BN JPY)



# Summary of Balance Sheets



# Summary of Cash Flow

