

Highlights of Consolidated Financial Results for the First Half of the Year Ended September 30, 2022 (IFRS)

November 1, 2022
Sojitz Corporation

Results Highlights

◆ In the six-month period ended September 30, 2022, increasingly strong downward pressure was placed on the global economy by factors including Russia's military invasion of Ukraine, the economic sanctions placed on Russia in response to this act, high inflation, and the opaque outlook for the Chinese economy. Despite the dissipation of the impacts of the COVID-19 pandemic, there is a need to carefully monitor factors with the potential to trigger future economic recession, such as high inflation and possible reductions to demand due to the monetary tightening measures of central banks around the world.

Revenue in the six-month period ended September 30, 2022, was up year on year following increases in revenue in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal; in the Chemicals Division, a result of growth in plastic resin transactions and higher methanol prices; and in the Consumer Industry & Agriculture Business Division, a result of higher lumber and fertilizer prices. Profit for the period (attributable to owners of the Company) was up year on year, despite a rise in SG&A expenses associated with the acquisition of new consolidated subsidiaries, following higher gross profit.

(Figures in parentheses are YoY changes)

Revenue 1,273.3 bn yen (+272.6 bn yen / +27.2%)

- Increase in the Metals, Mineral Resources & Recycling Div. due to higher coal prices
- Increase in the Chemicals Div. due to higher transaction volumes of plastic resin and a price increase in methanol
- Increase in the Consumer Industry & Agriculture Business Div. due to higher lumber and fertilizer prices

Gross profit 182.2 bn yen (+64.5 bn yen / +54.8%)

- Increase in the Metals, Mineral Resources & Recycling Div. due to the 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 improvement in foreign exchange rates and profitability improvement in overseas automobile operations

Profit for the period (attributable to owners of the Company)

78.9 bn yen (+39.5 bn yen / +99.9%)

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

◆ Earnings forecast for the year ending March 31, 2023

Full-year earnings forecasts were revised as follows.

	Initial Forecast	Revised Forecast (Nov. 1, 2022)
Gross profit	300.0 bn yen	⇒ 340.0 bn yen
Profit before tax	120.0 bn yen	⇒ 150.0 bn yen
Profit for the year (attributable to owners of the Company)	85.0 bn yen	⇒ 110.0 bn yen

Revised Assumptions (Nov. 1, 2022)

Exchange rate (H2) (¥/US\$) : 140

◆ Cash dividends per share for the year ending March 31, 2023

Cash dividends forecast per share were revised as follows.

	Initial Forecast	Revised Forecast (Nov. 1, 2022)
Interim (result)	56.00 yen per share	⇒ 65.00 yen per share
Year-end (forecast)	56.00 yen per share	⇒ 65.00 yen per share
Full year (forecast)	112.00 yen per share	⇒ 130.00 yen per share

*1 Core earnings = Gross profit + SG&A expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividend income + 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. Sojitz makes no assurances as to the actual results and/or outcomes, which may differ materially based on various factors, including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

Consolidated Statements of Profit or Loss

	FY2022 H1		FY2021 H1		Factors Affecting Circled Figures	FY2022 (Revised)			
	Results	Q1	Q2	Results		Difference	Full-year Forecast		Percentage Achieved
	a			b		a-b	c		a/c
Revenue	1,273.3	618.5	654.8	1,000.7	272.6				
Gross profit	182.2	96.9	85.3	117.7	64.5	340.0	54%		
SG&A expenses									
Personnel expenses	(57.6)	(28.5)	(29.1)	(47.7)	(9.9)				
Non-personnel expenses	(36.1)	(17.4)	(18.7)	(26.3)	(9.8)				
Depreciation	(11.4)	(5.6)	(5.8)	(9.1)	(2.3)				
Provision of allowance for doubtful accounts	(0.5)	0.0	(0.5)	(0.7)	0.2				
(Total SG&A expenses)	(105.6)	(51.5)	(54.1)	(83.8)	(21.8)				
Other income/expenses									
Gain/loss on sale and disposal of fixed assets, net	0.3	0.1	0.2	0.1	0.2				
Impairment loss on fixed assets	(0.2)	(0.2)	0.0	(0.2)	0.0				
Gain on reorganization of subsidiaries/associates	4.8	4.6	0.2	2.3	2.5			Overseas telecommunications tower operating company	
Loss on reorganization of subsidiaries/associates	(0.7)	0.0	(0.7)	(0.7)	0.0				
Other operating income/expenses	(0.4)	(1.2)	0.8	0.4	(0.8)				
(Total other income/expenses)	3.8	3.3	0.5	1.9	1.9				
Financial income/costs									
Interest earned	5.9	2.6	3.3	3.2	2.7				
Interest expenses	(7.9)	(3.6)	(4.3)	(5.5)	(2.4)				
(Interest expenses, net)	(2.0)	(1.0)	(1.0)	(2.3)	0.3				
Dividends received	2.3	1.6	0.7	1.9	0.4				
Other financial income/costs	0.9	0.6	0.3	0.2	0.7				
(Financial income/costs, net)	1.2	1.2	0.0	(0.2)	1.4			(5.0)	
Share of profit (loss) of investments accounted for using the equity method	24.9	10.6	14.3	16.9	8.0			43.0	
Profit before tax	106.5	60.5	46.0	52.5	54.0			150.0	
Income tax expenses	(24.9)	(14.5)	(10.4)	(11.0)	(13.9)			(35.0)	
Profit for the period	81.6	46.0	35.6	41.5	40.1			115.0	
(Profit attributable to)								71%	
Owners of the Company	78.9	45.2	33.7	39.4	39.5			110.0	
Non-controlling interests	2.7	0.8	1.9	2.1	0.6			5.0	
Core earnings *1	102.3	56.6	45.7	51.1	51.2			148.0	

Comprehensive Income

	FY2022 H1		FY2021 H1		Difference
	Results	Q1	Q2	Results	
	a			b	
Profit for the period	81.6	46.0	35.6	41.5	40.1
Other comprehensive income	75.1	46.7	28.4	19.2	55.9
Total comprehensive income for the period	156.7	92.7	64.0	60.7	96.0
Comprehensive income attributable to:					
Owners of the Company	148.6	87.6	61.0	58.3	90.3
Non-controlling interests	8.1	5.1	3.0	2.4	5.7

Consolidated Statements of Financial Position

	Sep. 30, 2022		Mar. 31, 2022		Difference	Factors Affecting Circled Figures
	2022	2022	2022	2022		
	d	e	d-e			
Current assets	1,581.8	1,394.2	187.6			
Cash and cash equivalents	269.3	271.7	(2.4)			
Time deposits	4.7	10.8	(6.1)			
Trade and other receivables	892.7	791.5	101.2			Increase in aircraft-related, coal, and building materials
Inventories	318.5	232.8	85.7			Increase in aircraft, coal, and fertilizer
Other current assets	96.6	87.4	9.2			
Non-current assets	1,351.6	1,267.5	84.1			
Property, plant and equipment	219.7	201.5	18.2			
Lease assets (usage rights assets)	68.0	69.7	(1.7)			
Goodwill	90.7	82.5	8.2			
Intangible assets	94.8	85.0	9.8			
Investment property	13.5	13.3	0.2			
Investments accounted for using the equity method	744.7	673.6	71.1			Increase due to new acquisition and accumulation of share of profit of investments accounted for using the equity method
Other non-current assets	120.2	141.9	(21.7)			
Total assets	2,933.4	2,661.7	271.7			
Current liabilities	941.4	897.6	43.8			
Trade and other payables	622.0	546.0	76.0			Increase in coal, tobacco, and building materials
Lease liabilities	17.3	17.4	(0.1)			
Bonds and borrowings	192.2	231.2	(39.0)			
Other current liabilities	109.9	103.0	6.9			
Non-current liabilities	1,086.7	1,000.2	86.5			
Lease liabilities	56.2	57.8	(1.6)			
Bonds and borrowings	901.1	821.5	79.6			Increase due to new borrowings and change in foreign exchange rates
Retirement benefit liabilities	25.0	23.9	1.1			
Other non-current liabilities	104.4	97.0	7.4			
Total liabilities	2,028.1	1,897.8	130.3			
Share capital	160.3	160.3	-			
Capital surplus	147.0	147.0	0.0			
Treasury stock	(31.0)	(31.0)	0.0			
Other components of equity	203.4	136.8	66.6			Increase due to changes in foreign exchange rates
Retained earnings	382.6	314.9	67.7			Profit for the period +78.9
Total equity attributable to owners of the Company	862.3	728.0	134.3			Dividends paid (14.1)
Non-controlling interests	43.0	35.9	7.1			
Total equity	905.3	763.9	141.4			
Total liabilities and equity	2,933.4	2,661.7	271.7			
Gross interest-bearing debt*	1,093.3	1,052.7	+40.6			* Lease liabilities (under current liabilities and non-current liabilities) have been excluded from the calculations of gross interest-bearing debt and net interest-bearing debt.
Net interest-bearing debt*	819.3	770.2	+49.1			
Net debt/equity ratio (times)**	0.95	1.06	(0.11)			** "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."
Equity ratio**	29.4%	27.4%	+2.0%			
Current ratio	168.0%	155.3%	+12.7%			
Long-term debt ratio	82.4%	78.0%	+4.4%			

Cash Flows

	FY2022 H1		FY2021 H1		Factors Affecting Circled Figures
	Results	Q1	Q2	Results	
	a			b	
Cash flows from operating activities	82.2		29.6	52.6	Inflows from business earnings and dividend income
Cash flows from investing activities	(44.2)		(67.1)	22.9	Outflows due to aircraft-related businesses and investments
FCF	38.0		(37.5)	75.5	
Cash flows from financing activities	(51.3)		5.2	(56.5)	Outflows for repayment of borrowings and dividends paid
Core operating cash flow*2	90.3		49.3	41.0	
Core cash flow*3	58.2		(2.6)	60.8	

Highlights of Consolidated Financial Results for the First Half of the Year Ended September 30, 2022 (IFRS) — Supplementary Materials

November 1, 2022
Sojitz Corporation

Operating Results					Segment Performance [Gross Profit]				Segment Performance [Profit for the Period (Attributable to Owners of the Company)]								
	FY2022 H1	FY2021 H1	Difference	FY2022 Revised Forecast (Nov. 1, 2022)	Percentage Achieved (against revised forecast)		FY2022 H1	FY2021 H1	Difference	FY2022 Revised Forecast (Nov. 1, 2022)	FY2022 H1	FY2021 H1	Difference	Main Factors Behind Difference	FY2022 Revised Forecast (Nov. 1, 2022)	Progress Overview	FY2022 Initial Forecast
Revenue	1,273.3	1,000.7	+272.6	-	-												
Gross profit	182.2	117.7	+64.5	340.0	54%	Automotive	28.3	21.6	+6.7	50.0	4.5	3.4	+1.1	Increased due to yen depreciation in overseas automobile businesses	6.0	Performance generally as forecast	6.0
SG&A expenses	(105.6)	(83.8)	(21.8)	(230.0)	-	Aerospace & Transportation Project	9.0	6.7	+2.3	20.0	2.0	1.4	+0.6	Increased due to earnings from aircraft-related businesses	5.0	Performance generally as forecast	4.5
Other income/expenses	3.8	1.9	+1.9	2.0	-	Infrastructure & Healthcare	11.3	8.3	+3.0	25.0	9.0	1.2	+7.8	Increased due to gain on partial sale of equity in overseas telecommunications tower operating business as well as earnings from domestic and overseas power generation and LNG businesses	12.0	Upward revision to forecast to reflect one-time factor seen in six-month period and strong performance in domestic and overseas power generation businesses	9.0
Financial income/costs	1.2	(0.2)	+1.4	(5.0)	-	Metals, Mineral Resources & Recycling	54.6	15.3	+39.3	90.0	41.8	16.2	+25.6	Increased due to higher selling prices in coal businesses	65.0	Upward revision to forecast to account for strong six-month performance and solid conditions seen in coal market and at a steel trading company	51.0
Share of profit (loss) of investments accounted for using the equity method	24.9	16.9	+8.0	43.0	-	Chemicals	32.7	25.4	+7.3	60.0	11.3	6.8	+4.5	Increased due to higher prices of various chemical products and improved profitability	17.0	Upward revision to forecast based on strong conditions for chemical businesses	12.5
Profit before tax	106.5	52.5	+54.0	150.0	71%	Consumer Industry & Agriculture Business	18.3	16.5	+1.8	30.0	5.9	4.7	+1.2	Increased due to improved profitability in fertilizer businesses and higher selling prices in lumber-related businesses	6.0	Upward revision to forecast to account for steady six-month performance for fertilizer businesses	3.0
Profit for the period (Profit attributable to)	81.6	41.5	+40.1	115.0	71%	Retail & Consumer Service	21.4	15.3	+6.1	50.0	1.4	1.9	(0.5)	Decreased due to reduced profitability for imported food products as a result of yen depreciation	7.0	Upward revision to forecast due to gain from asset replacement activities scheduled for second half of fiscal year	5.0
Owners of the Company	78.9	39.4	+39.5	110.0	72%	Others	6.6	8.6	(2.0)	15.0	3.0	3.8	(0.8)		(8.0)		(6.0)
Non-controlling interests	2.7	2.1	+0.6	5.0	-	Total	182.2	117.7	+64.5	340.0	78.9	39.4	+39.5		110.0		85.0
Core earnings*1	102.3	51.1	+51.2	148.0	-												
Comprehensive income attributable to owners of the Company	148.6	58.3	+90.3														

*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

Note: Effective April 1, 2022, Sojitz Group reorganized the Consumer Industry & Agriculture Business and the Retail & Consumer Service segments and changed its reporting figures for FY2021 Q1.

Financial Position				
	Sep. 30, 2022	Mar. 31, 2022	Difference	Mar. 31, 2023 Revised Forecast (Nov. 1, 2022)
Total assets	2,933.4	2,661.7	+271.7	3,000.0
Total equity*2	862.3	728.0	+134.3	870.0
Equity ratio	29.4%	27.4%	+2.0%	29.0%
Net interest-bearing debt*3	819.3	770.2	+49.1	870.0
Net D/E ratio (Times)	0.95	1.06	(0.11)	1.0
Risk assets	540.0	450.0	+90.0	-
Ratio of risk assets to equity (Times)	0.6	0.6	0.0	-

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

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

Cash Flows				
	MTP* 2020 3-year Results (Aggregate)	FY21 Results	FY22 H1 Results	MTP 2023 3-year Initial Target (Aggregate)
Core operating cash flow	219.0	128.7	90.3	Approx. 240.0-250.0
Core cash flow	56.0	10.5	58.2	Positive over the six-year period of MTP 2020 and MTP 2023
FCF	108.0	(73.7)	38.0	-

* Medium-Term Management Plan

Note: As of the end of September 30, 2022, in addition to cash in bank of ¥274.0 bn, Sojitz maintains a ¥100.0 bn long-term commitment line (which remains unused) and a US\$2.125 bn long-term commitment line (of which US\$1.36 bn has been used).

Commodity Prices and Exchange Rates				
	FY21 Results (Apr.-Sep. '21 Avg.)	FY22 Initial Assumption ⇒ FY22 H2 Assumption (Nov. 1)	FY22 Results (Apr.-Sep. '22 Avg.)	Latest Data (As of Oct. 26, 2022)
Coking coal**1	US\$199.5/t	US\$280.0/t [H1 : US\$340.0/t] [H2 : US\$220.0/t]	US\$345.3/t	US\$306.8/t
Thermal coal**1	US\$138.3/t	US\$160.0/t ⇒US\$330.0/t (H2)	US\$401.3/t	US\$379.3/t
Crude oil (Brent)	US\$71.2/bbl	US\$90.0/bbl	US\$104.8/bbl	US\$95.7/bbl
Exchange rate**2	¥110.1/US\$	¥115.0/US\$ ⇒¥140.0/US\$ (H2)	¥135.3/US\$	¥148.2/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. ¥0.75 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.



Financial Results for the First Half Ended September 30, 2022

Progress of MTP2023– Start of the Next Decade –

**November 1, 2022
Sojitz Corporation**

FY2022 H1 Summary

- Significant YoY increase in profit due to higher product and coal prices, and stable growth of non-resource businesses
- Generation of profits accompanied by cash with solid core operating cash flow
- Upward revision to FY2022 forecast for profit for the year, to ¥110.0 bn, and increase of annual dividend payments, to ¥130 per share, in reflection of strong performance

	FY21 H1	FY22 H1	Difference	FY22 Initial Forecast	FY22 Revised Forecast	Achieved *vs Revised Forecast
Profit for the period/year	39.4	78.9	+39.5	85.0	110.0	72%
Core operating CF	49.3	90.3	+41.0	113.0	140.0	
NET DER (times)	1.04	0.95	(0.09)	1.1	1.0	
■ FY22 Commodity Prices and Exchange Rates (Revised forecast for H2 announced on Nov. 1, 2022)				ROE	11.4%	13.8%
Coking Coal Full Year US\$280.0/t (FY22 H1:US\$340.0/t, FY22 H2:US\$220.0/t)				ROA	3.2%	3.9%
Thermal Coal US\$160.0/t ⇒US\$330.0/t (FY22 H2)				Dividends	¥112	¥130
Crude Oil (Brent) US\$90.0/bbl						
USD/JPY ¥115.0/US\$ ⇒ ¥140.0/US\$ (FY22 H2)						Difference YoY ¥24 up
(Interim ¥65/Year-end ¥65)						

Summary of Profit or Loss and Forecast for Profit for the Year

- Automotive
- Aerospace & Transportation Project
- Infrastructure & Healthcare
- Metals, Mineral Resources & Recycling
- Chemicals
- Consumer Industry & Agriculture Business
- Retail & Consumer Service

Performance generally as forecast

Performance generally as forecast

Upward revision to forecast to reflect one-time factors seen in six-month period and strong performance in domestic and overseas power generation businesses

Upward revision to forecast to account for strong six-month performance and solid conditions seen in coal market and at a steel trading company

Upward revision to forecast based on strong conditions for chemical businesses

Upward revision to forecast in reflection of six-month performance for fertilizer businesses

Upward revision to forecast due to gain from asset replacement activities scheduled for 2nd half of FY

(BN JPY)	FY22 H1	FY22 Initial Forecast	Achieved (Against initial forecast)	FY22 Revised Forecast	Revised Amount	Achieved (Against revised forecast)
Profit for the period/year	78.9	85.0	<u>93%</u>	110.0	+25.0	<u>72%</u>
■ Automotive	4.5	6.0	75%	6.0	-	75%
■ Aerospace & Transportation Project	2.0	4.5	44%	5.0	+0.5	40%
■ Infrastructure & Healthcare	9.0	9.0	100%	12.0	+3.0	75%
■ Metals, Mineral Resources & Recycling	41.8	51.0	82%	65.0	+14.0	64%
■ Chemicals	11.3	12.5	90%	17.0	+4.5	66%
■ Consumer Industry & Agriculture Business	5.9	3.0	197%	6.0	+3.0	98%
■ Retail & Consumer Service	1.4	5.0	28%	7.0	+2.0	20%
■ Others	3.0	(0.6)	-	(8.0)	(2.0)	-

Cash Flow Management

- Actively share buybacks to be conducted in final year of MTP2023 while being mindful of cash allocation
- Maintain positive six-year aggregate core cash flow during MTP2023

	FY21	FY22 H1	FY21 + FY22 H1	MTP2023 Initial 3-Year Target (Aggregate) (FY21-FY23)
Core operating cash flow	¥129.0 bn	¥90.0 bn	¥219.0 bn	¥240.0 - ¥250.0 bn
Asset Replacement (Investment recovery)	¥62.0 bn	¥19.0 bn	¥81.0 bn	¥100.0 bn
New investments and others	¥(148.5) bn	¥(37.0) bn	¥(185.5) bn	¥(330.0) bn
Shareholder Returns *1	¥(32.0) bn	¥(14.0) bn	¥(46.0) bn	¥(70.0) bn
Core cash flow	¥10.5 bn	¥58.0 bn	¥68.5 bn	Positive MTP2020 and MTP2023 6-year period
Free cash flow	¥(74.0) bn	¥38.0 bn	¥(36.0) bn	

*1 Includes acquisitions of treasury stock

Shareholder Returns Policy

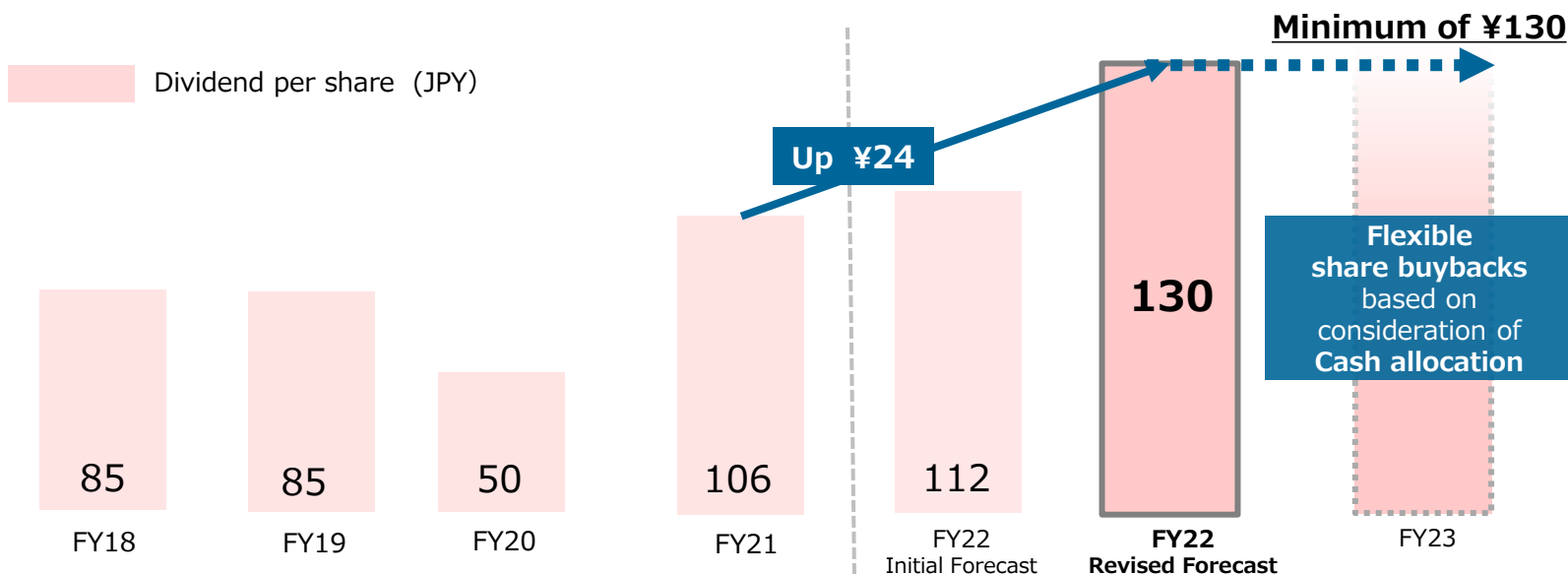
- Sojitz recognizes that paying stable and continuous dividends while enhancing shareholder value through the accumulation and effective use of retained earnings
- Our basic policy is to target a consolidated payout ratio of about 30%

FY2022 Dividend Forecast

Annual dividend per share increased by ¥24 from FY2021 to **¥130 per share**

FY2023 Returns Plan

- **Minimum of ¥130 per share for annual dividend payments**
- **Execution of share buybacks in FY2023**



MTP2020 -Commitment to Growth- Consolidated payout ratio of about 30%

MTP2023 -Start of the Next Decade- Consolidated payout ratio of about 30%

	MTP2020			MTP2023		
	-Commitment to Growth-			-Start of the Next Decade-		
	Consolidated payout ratio of about 30%			Consolidated payout ratio of about 30%		
					May. 2, 2022	Nov. 1, 2022
Profit for the year	¥70.4bn	¥60.8bn	¥27.0bn	¥82.3bn	¥85.0bn	¥110.0bn
Consolidated payout ratio	30.2%	34.8%	44.4%	30.1%		27.3%

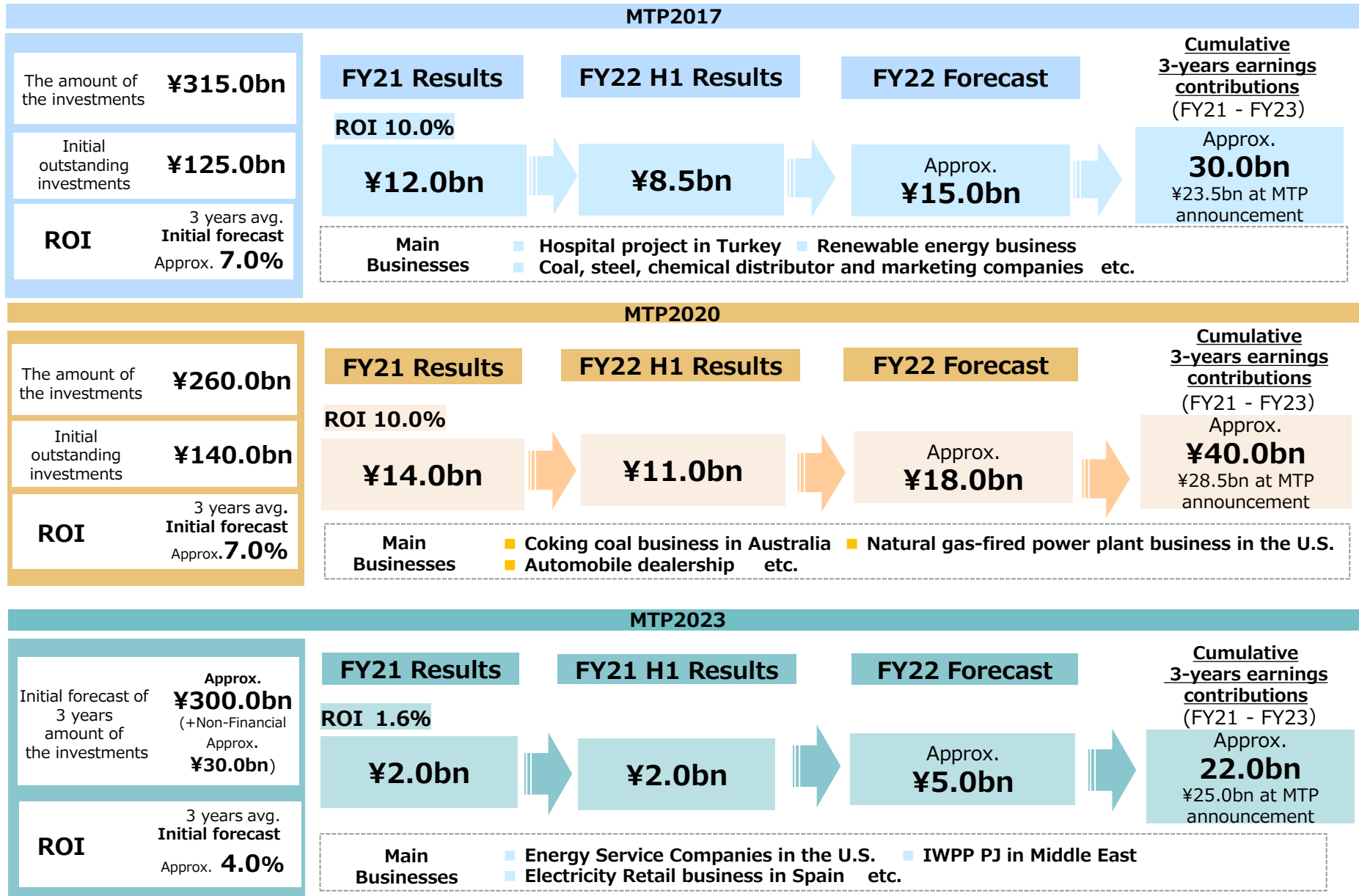
Note: The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The dividend figures for FY18 to FY21 have been restated to reflect the share consolidation.

Investment for Growth Strategy and Focus areas

Focus area under MTP2023	Investment in FY21-22 H1	Major cases
<p>Current steady growth</p> <p>Infrastructure & Healthcare</p> <p>Essential infrastructure development and service provision as a social issue</p>	<p>FY21 ¥70.0bn</p> <p>FY22 H1 ¥17.0bn</p>	<ul style="list-style-type: none"> ■ Energy Saving services Co. in the U.S. ■ IWPP project in Middle East ■ Gas retail business in Nigeria, Africa ■ Electricity retail in Spain, Europe ■ Solar power business in Australia ■ Hospital PJ in Australia ■ Overseas telecommunications tower operating business ■ Office building development PJ in Philippine ■ Biomass power generation business in Japan ■ Primary healthcare business in Asia
<p>Capture growth from a growing market</p> <p>Growth market × Market-oriented initiative</p> <p>Strengthening efforts in retail areas in growth market such as ASEAN and India</p>	<p>FY21 ¥62.0bn</p> <p>FY22 H1 ¥8.0bn</p>	<ul style="list-style-type: none"> ■ Acquires full ownership of the Marine Foods Co. ■ Collaborate with Vinamilk , a major Co. in Vietnam (Established a sales Company for Beef Products) ■ Initiatives with Royal Holdings ■ Tender offer for shares of JALUX ■ Established new JV in rental residential value add business with Goldman Sachs
<p>Reformation of conventional business model</p> <p>Materials & Circular economy</p> <p>Deepening the 3R (Reduce, Reuse, Recycle) businesses</p>	<p>FY22 H1 ¥1.0bn</p>	<ul style="list-style-type: none"> ■ Established JV with Braskem in Brazil for purpose of creating plastic materials entirely from biomass ■ Development of competitive businesses matched to social needs in conjunction with chemical recycling initiatives in Japan

*No investment in FY21

Investment Progress – MTP2017, MTP2020, and MTP2023



Establish Strong Business Base and Transformation

- Advancement of sophisticated strategies in focus areas based on growth strategies, improvement of earnings capacity and competitiveness of executed investments
- Drastic transformation of earnings structure through exhaustive emphasis on market-oriented initiatives in existing businesses

Continuously make New investments

- Exploration of new business fields

- Value raising through co-creation with partners

JALUX

Royal Holdings

Marine Foods Co.

- Broadening of U.S. energy service company business (McClure) to include energy solutions and expansion of functions
- Expansion of private-sector healthcare business in Asia-Pacific region

Growth Strategy × Focus Areas

Infrastructure & Healthcare

Growth market × Market-oriented initiative

Materials & Circular economy

Sale of Shares in Sojitz REIT Advisors K.K.

Energy solution & Retail

Establish new joint venture in rental residential value add business with Goldman Sachs

- Transformation of business portfolio and asset replacement

Transformation of Business portfolio

- Capital efficiency and value improvement cycle

Enhancement of earnings power and Strong earnings foundations

- Expansion of existing businesses by building on strengths

- Expansion of functionality and improvement of margins by reviewing existing transactions
- Enhancement of earnings capacity by bolstering and broadening operations in areas of global strength

Automotive

Chemical Trading

Vietnamese retail operations

food processing and wholesale, distribution, retail

New way, New value

Pursue Competitiveness and Growth market

Local market-oriented initiatives
Collaboration
Strive for Speed

Improvement of profitability of operating companies

Achievement of profitability at underperforming companies

Improvements seen at **23** of 60 companies applicable as of March 31, 2021

Tuna Farm Takashima ×DX

Agriculture ×DX

Fertilizer businesses in Southeast Asia

- Identification of customer needs through thoroughly market-oriented approach

Creation of New Value to raise overall value

Organization and Human Resources Transformation

DX

DX Strategy for Accelerating Value Creation

- Driving the “Business model Transformation” and “DX HR Development” based on DX Strategy

Business model Transformation

- ✓ Resolution of issues based on understanding of customer needs from market-oriented initiatives in Sojitz’s wide-ranging business field
- ✓ Acceleration of data and technology utilization in existing businesses
- ✓ Creation of new businesses and improvement of business value prefaced on digital technology utilization

DX of secondhand vehicle sales (digital twins)



Tuna farming using IoT and AI (feeding optimization)



For Farmer - RicultF



For Enterprise/M/IL - RicultX



Digital farming platform using digital technology

DX HR Development

Data Analysis

- ✓ Guiding hypothesis verification with data analysis
- ✓ Planning and proposals for resolving businesses issues

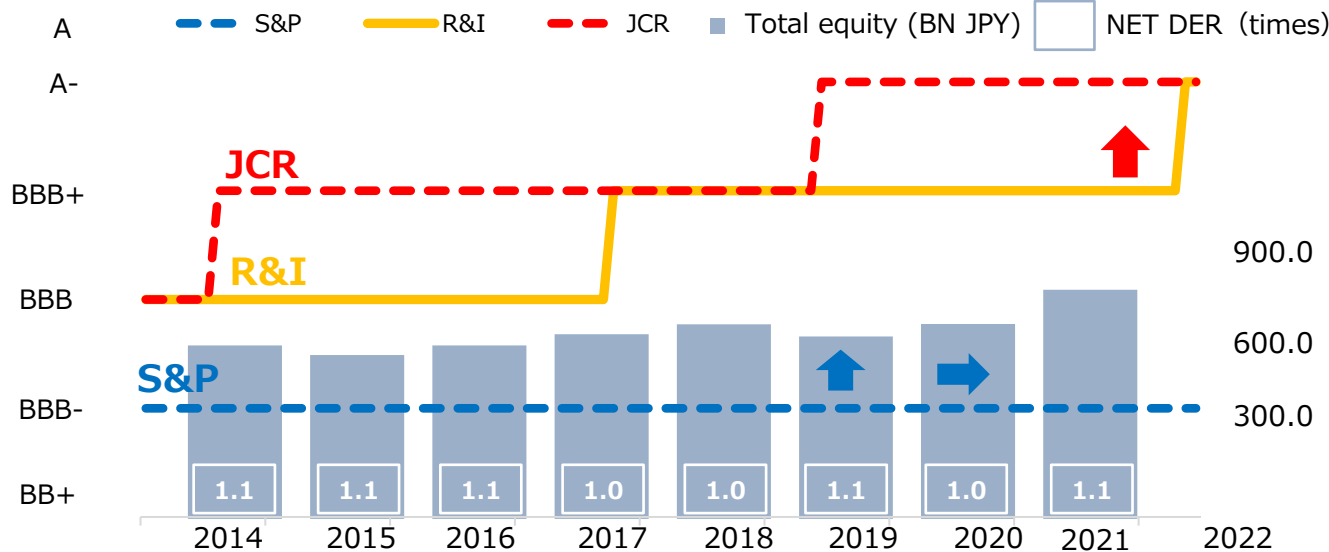
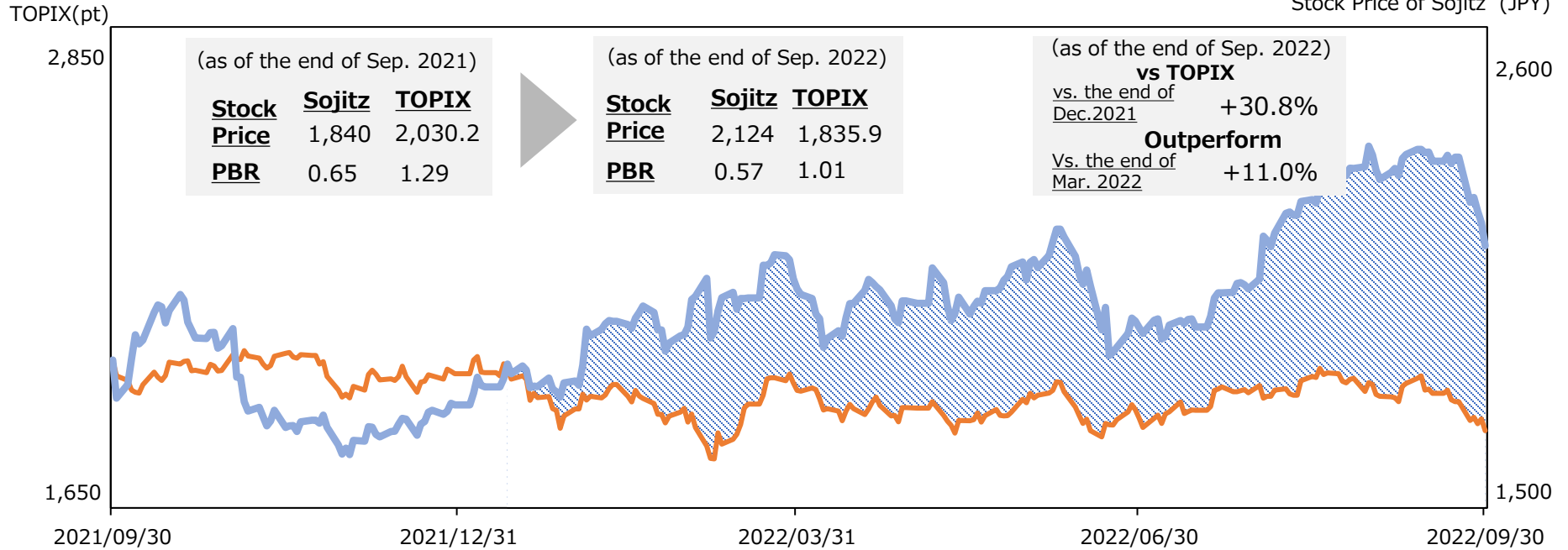
Business Design

- ✓ Creation of new businesses with digital technologies
- ✓ Improvement of value of existing businesses

Skill Level		Expected Role / Position
Practical Application	Level 5: Thought Leader	Guidance and oversight of experts and leadership in transforming organizations and businesses with data and digital technologies
	Level 4: Expert	Resolution of issues, creation of businesses, and improvement of value as leaders in the use of data and digital technologies
	Level 3: Experienced	Support for analyzing data and developing applications under the guidance of experts
Level 2: Basic		Examination of application of IT to business activities using basic knowledge (IT literacy, digital marketing, data science, information security)
Level 1: Entry		Action based on the entry-level knowledge required of all employees that deal with IT (acquisition of national IT Passport certification)
Practical Application-Level Skill Areas	Data Analysis	Resolution of issues through data analysis
	Business Design	Improvement of value of existing businesses and creation of new businesses through use of digital technologies

Stock Price, PBR Trend, and Credit Ratings

Stock Price of Sojitz (JPY)



R&I
Aug. 2022
BBB+ → A- (Stable)
Upgrade

JCR
Aug. 2022
A- (Stable)
→ **A- (Positive)**

S&P
Aug. 2022
BBB- (Stable)
→ **BBB- (Stable)**

↑ ↓ → Potential direction over the intermediate term (Positive/Negative/Stable)

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 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.)



Appendix

Supplementary Information on Financial Results for the First Half Ended September 30, 2022

**November 1, 2022
Sojitz Corporation**

Caution regarding Forward-looking Statements and Original Language

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(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.)
- **"Shareholder Returns"** = include acquisitions of treasury stock.

【Supplemental Data】

I . Financial Results for the First Half Ended September 30, 2022 and Full Year Forecast of Fiscal Year Ending March 31, 2023

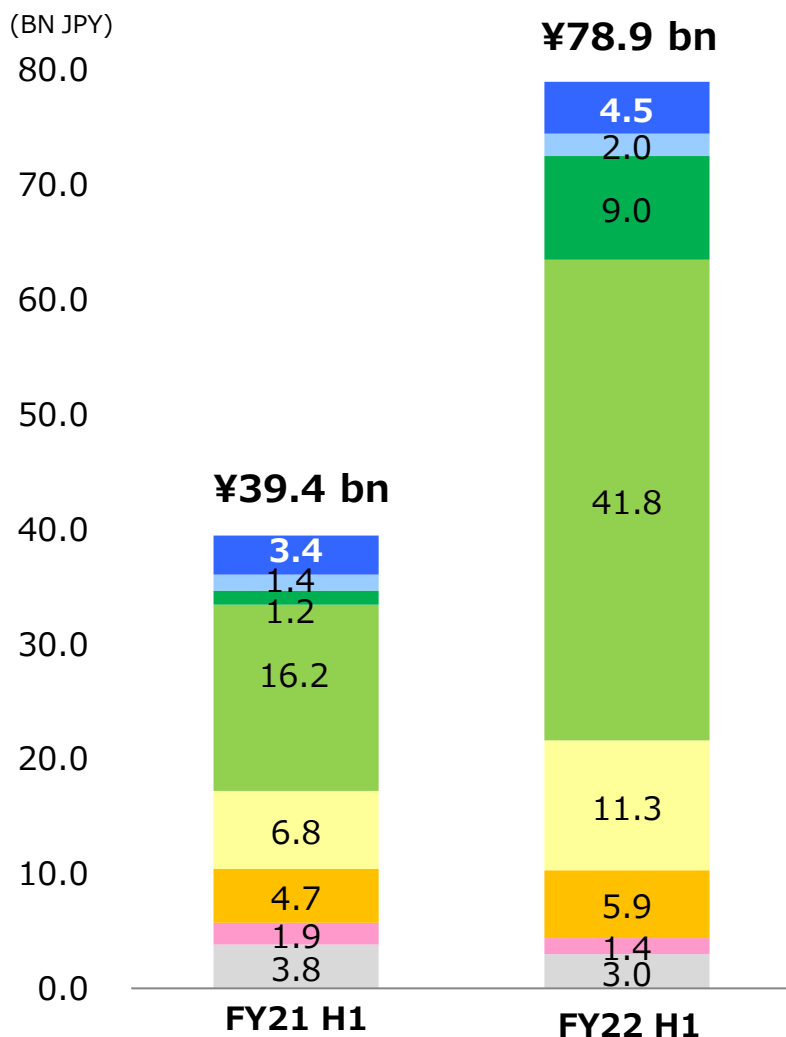
Summary of Profit or Loss

(BN JPY)	FY21 H1	FY22 H1	Difference	FY22 Initial Forecast	FY22 Revised Forecast (Nov. 1, 2022)	Achieved Against Revised Forecast
Revenue	1,000.7	1,273.3	+ 272.6	-	-	-
Gross profit	117.7	182.2	+ 64.5	300.0	340.0	54%
SG & A expenses	(83.8)	(105.6)	(21.8)	(210.0)	(230.0)	-
Share of profit (loss) of investments accounted for using the equity method	16.9	24.9	+ 8.0	35.0	43.0	58%
Profit before tax	52.5	106.5	+ 54.0	120.0	150.0	71%
Profit for the period / year	39.4	78.9	+ 39.5	85.0	110.0	72%
Core earnings	51.1	102.3	+ 51.2	120.0	148.0	-

Summary of Profit or Loss

Profit for the period by segment

Profit for the period



Main Factors Behind Difference

- **Automotive** ¥4.5 bn (+¥1.1 bn)
 Increased due to yen depreciation in overseas automobile businesses
- **Aerospace & Transportation Project** ¥2.0 bn (+¥0.6 bn)
 Increased due to earnings from aircraft-related businesses
- **Infrastructure & Healthcare** ¥9.0 bn (+¥7.8 bn)
 Increased due to gain on partial sale of equity in overseas telecommunications tower operating business as well as earnings from domestic and overseas power generation and LNG businesses
- **Metals, Mineral Resources & Recycling** ¥41.8 bn (+¥25.6 bn)
 Increased due to higher selling prices in coal businesses
- **Chemicals** ¥11.3 bn (+¥4.5 bn)
 Increased due to higher prices of various chemical products and and improved profitability
- **Consumer Industry & Agriculture Business** ¥5.9 bn (+¥1.2 bn)
 Increased due to improved profitability in fertilizer businesses and higher selling prices in lumber-related businesses
- **Retail & Consumer Service** ¥1.4 bn (-¥0.5 bn)
 Decreased due to reduced profitability for imported food products as a result of yen depreciation
- **Others** ¥3.0 bn (-¥0.8 bn)

(※) Effective April 1, 2022, Sojitz Group reorganized the Consumer Industry & Agriculture Business and the Retail & Consumer Service segments and changed its reporting figures for FY2021 H1.

FY22 Forecast Profit for the Year by Segment

(BN JPY)

FY22 H1	FY22 Initial Forecast	FY22 Revised Forecast (Nov.1, 2022)
---------	-----------------------	-------------------------------------

Progress Overview

	FY22 H1	FY22 Initial Forecast	FY22 Revised Forecast (Nov.1, 2022)	
■ Automotive	4.5	6.0	6.0	■ Automotive Performance generally as forecast
■ Aerospace & Transportation Project	2.0	4.5	5.0	■ Aerospace & Transportation Project Performance generally as forecast
■ Infrastructure & Healthcare	9.0	9.0	12.0	■ Infrastructure & Healthcare Upward revision to forecast to reflect one-time factor seen in six-month period and strong performance in domestic and overseas power generation businesses
■ Metals, Mineral Resources & Recycling	41.8	51.0	65.0	■ Metals, Mineral Resources & Recycling Upward revision to forecast to account for strong six-month performance and solid conditions seen in coal market and at a steel trading company
■ Chemicals	11.3	12.5	17.0	■ Chemicals Upward revision to forecast based on steady conditions for chemical businesses
■ Consumer Industry & Agriculture Business	5.9	3.0	6.0	■ Consumer Industry & Agriculture Business Upward revision to forecast to account for strong six-month performance for fertilizer businesses
■ Retail & Consumer Service	1.4	5.0	7.0	■ Retail & Consumer Service Upward revision to forecast due to gain from asset replacement activities scheduled for second half of fiscal year
■ Others	3.0	(6.0)	(8.0)	
Total	78.9	85.0	110.0	

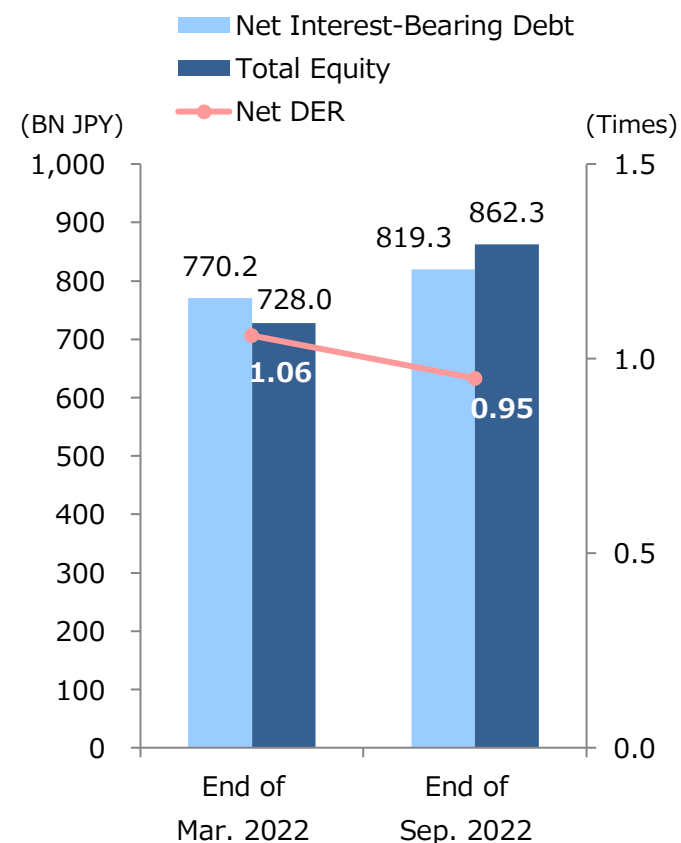
Summary of Balance Sheets

(BN JPY)

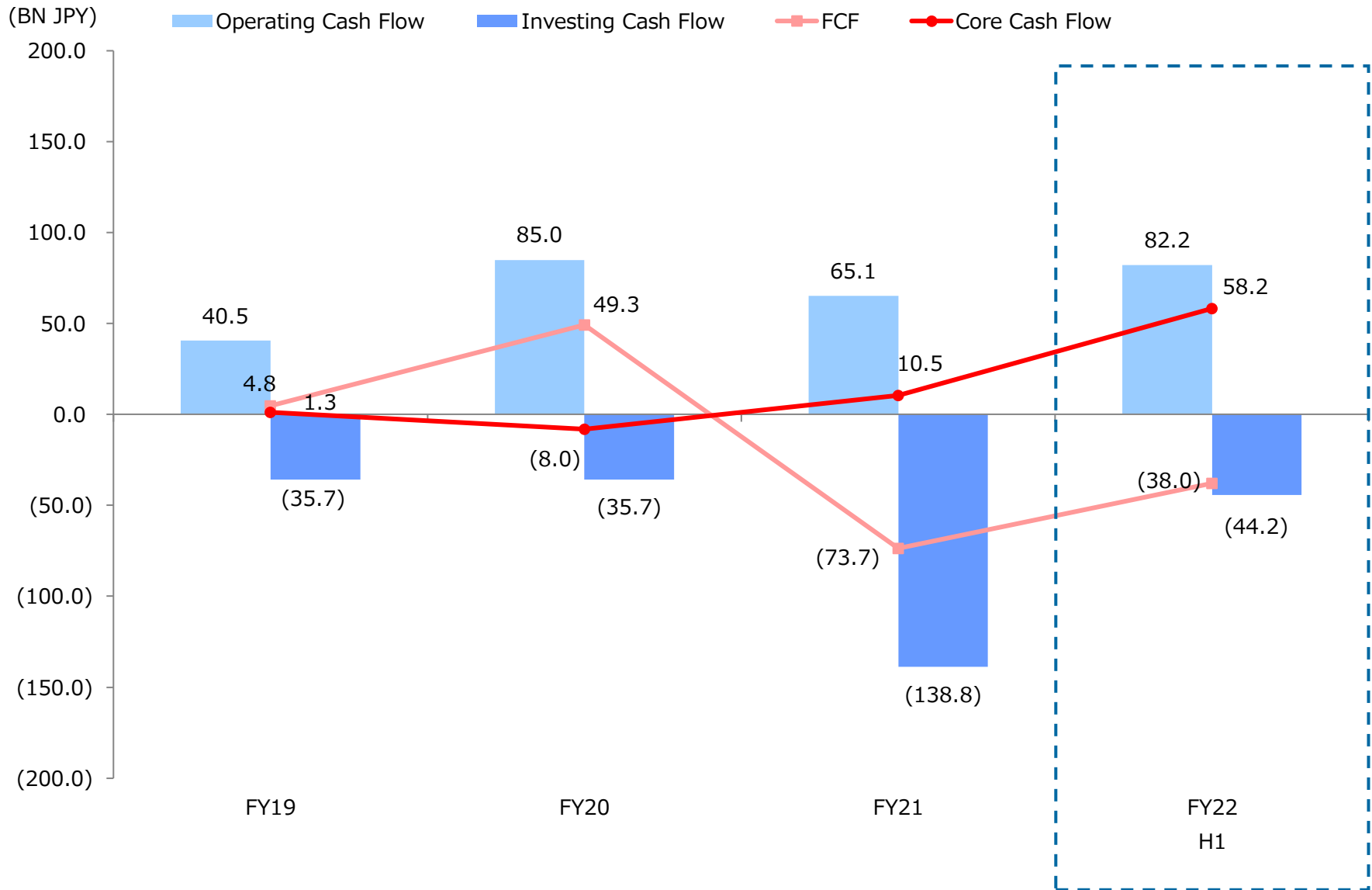
	End of Mar. 2022	End of Sep. 2022	Difference	FY22 Initial Forecast	FY22 Revised Forecast (Nov. 1, 2022)
Total Assets	2,661.7	2,933.4	+271.7	2,700.0	3,000.0
Total Equity	728.0	862.3	+134.3	760.0	870.0
Equity Ratio	27.4%	29.4%	+2.0%	28.1%	29.0%
Net Interest-Bearing Debt	770.2	819.3	+49.1	800.0	870.0
Net DER (Times)	1.06	0.95	(0.11)	1.1	1.0
Risk Assets vs. Total Equity (Times)	450.0 (0.6)	540.0 (0.6)	+90.0 (0.0)		
Current Ratio	155.3%	168.0%	+12.7%		
Long-term Debt Ratio	78.0%	82.4%	+4.4%		

Changes in Total Equity (End of Mar. 2022 vs. End of Sep. 2022, Breakdown)

- Increase due to Yen depreciation ¥ +60.6bn
- Profit for the period ¥ +78.9 bn
- Dividends paid ¥ (14.1) bn



Summary of FCF




Investments and Asset Replacement

<p>Total Investments</p>	<p>¥37.0bn</p>	
<p>Main Breakdown</p>	<p><u>Infrastructure & Healthcare</u></p>	<p>¥17.0bn</p> <ul style="list-style-type: none"> ■ Office Building Development Project in the Philippines ■ Off-shore wind power businesses in Taiwan ■ Primary healthcare businesses in Asia ■ Biomass power generation business in Japan ■ Railcar Leasing business in U.S. ■ Overseas power generation project
	<p><u>Growth market × Market-oriented initiative</u></p>	<p>¥8.0bn</p> <ul style="list-style-type: none"> ■ Domestic real estate etc. ■ Royal Holdings ■ Domestic business jet operation and Maintenance etc.
	<p><u>Materials & Circular economy</u></p>	<p>¥1.0bn</p> <ul style="list-style-type: none"> ■ Biochemical-related business etc.
	<p><u>Other</u></p>	<p>¥11.0bn</p> <ul style="list-style-type: none"> ■ Non-financial investment ■ Innovation investment ■ Others
<p>Total Asset Replacement</p>	<p>¥19.0bn</p>	
<p>Main Breakdown</p>	<p>Sale of cross-shareholdings, Domestic real estate, Domestic shopping mall, Renewable energy businesses in Domestic and overseas, Overseas power generation project etc.</p>	

Major One-time Gain/Loss

	FY21 H1		FY22 H1	
Non-Resource	¥0.5bn	<ul style="list-style-type: none"> • Sale of surface-mounting machines related business <p style="text-align: right;">etc.</p>	¥4.8bn	<ul style="list-style-type: none"> • Sale of an overseas telecommunications tower operating business <p style="text-align: right;">etc.</p>
Resource	¥0.1bn	—	¥0.2bn	—
Total (After income tax expenses)	¥0.6 bn		¥5.0bn	

Breakdown of Resource and Non-Resource Profit

(BN JPY)		FY21 H1	FY22 H1	Difference	FY19	FY20	FY21
		A. Profit for the period / year	39.4	78.9	+39.5	60.8	27.0
(B. Total one-time Gain and loss)	0.6	5.0	+4.4	1.5	(0.2)	(13.1)	
A. – B. B. Profit for the period / year (Excluding one-time gain / loss)	38.8	73.9	+35.1	59.3	27.2	95.4	
 Resource	9.2	35.6	+26.4	10.4	(0.4)	42.3	
Non-Resource	29.6	38.3	+8.7	48.9	27.6	53.1	

Commodity Prices, Foreign Exchange, *Hassojitz* and Interest Rate

	FY21 (Apr.-Sep. avg.)	FY22 Initial Assumption ⇒FY22 H2 Assumption (Nov 1. 2022)	FY22 Results (Apr.-Sep.avg.)	Latest data (as of Oct 26, 2022)
Coking coal *1	US\$199.5/t	US\$280.0/t [H1:US\$340.0/t H2:US\$220.0/t]	US\$345.3/t	US\$306.8/t
Thermal coal *1	US\$138.3/t	US\$160.0/t ⇒US\$330.0/t (H2)	US\$401.3/t	US\$379.3/t
Crude oil (Brent)	US\$71.2/bbl	US\$90.0/bbl	US\$104.8/bbl	US\$95.7/bbl
Exchange rate *2	¥110.1/US\$	¥115.0/US\$ ⇒¥140.0/US\$ (H2)	¥135.3/US\$	¥148.2/US\$
Interest Rate (TIBOR)	0.06%	0.06%	0.07%	0.05%

*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. ¥0.75 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.3 billion annually, and total equity by approx. ¥1.5 billion annually.

【Supplemental Data】

Ⅱ. Segment Information

※ Effective April 1, 2022, Sojitz Group reorganized the Consumer Industry & Agriculture Business and the Retail & Consumer Service segments and changed its reporting figures for FY21 H1.

Automotive

FY22 H1 Summary

(BN JPY)

Main Factors Behind Difference

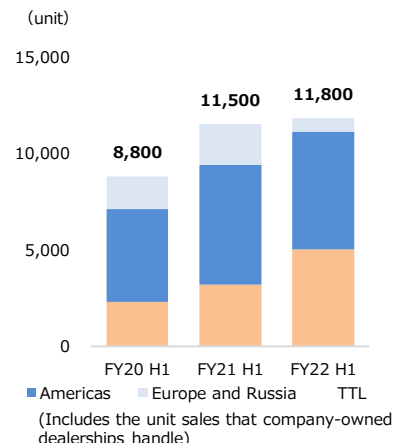
【 Profit for the period 】
Increased due to yen depreciation in overseas automobile businesses

	FY21 H1	FY22 H1	Difference
Gross profit	21.6	28.3	6.7
SG&A expenses	(15.4)	(20.0)	(4.6)
Share of profit (loss) of investments accounted for using the equity method	0.1	0.6	0.5
Profit for the period	3.4	4.5	1.1

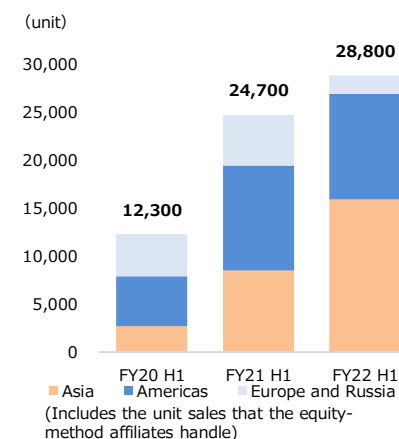
	FY21	FY22 H1	Difference
Total Asset	191.8	189.3	(2.5)

Vehicle Sales

Dealership Business



Distributor Business



Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY21 H1	FY22 H1	Difference	Business Description
Sojitz Automotive Group, Inc	100%	0.6	1.0	0.4	Automobile dealership
Sojitz de Puerto Rico Corporation	100%	1.1	1.1	0.0	Import and sales of automobiles
Subaru Motor LLC	66%	0.4	0.4	0.0	Import and sales of automobiles
Sojitz Quality, Inc	100%	0.1	0.1	0.0	Investment in Automotive parts quality inspection services
Total		2.2	2.6	0.4	

Entry into Camper Manufacturing and Sales Business

- Sojitz has acquired full ownership of K Access Corporation, a company engaged in the manufacture and sale of campers.
- Robust demand for campers and vehicles that can function as remote offices expected grow going forward
- Expansion of new product development, supply, and sales systems in response to market needs
- Contribution to regional community vitalization through use of vehicles for disaster preparedness purposes and at roadside rest stops



*1 The equity ownership is as of the end of September 2022
*2 The above figures are profit for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

Aerospace & Transportation Project

FY22 H1 Summary

(BN JPY)

	FY21 H1	FY22 H1	Difference
Gross profit	6.7	9.0	2.3
SG&A expenses	(5.2)	(6.7)	(1.5)
Share of profit (loss) of investments accounted for using the equity method	0.0	0.1	0.1
Profit for the period	1.4	2.0	0.6

	FY21	FY22 H1	Difference
Total Asset	218.0	275.7	57.7

Main Factors Behind Difference

【 Profit for the period 】
Increased due to earnings from aircraft-related businesses

Acquisition of All Shares of Business Jet Operation and Maintenance Companies Japcon and Okayama Air Service



- Conversion of domestic business jet operation and maintenance companies Japcon and Okayama Air Service into wholly owned subsidiaries in July 2022
- Acquisition of functions for providing comprehensive business jet services in Japan and overseas through conversion of Japcon into a subsidiary
- Contributions to development of Japan's business jet industry with expertise acquired through prior involvement in international business jet services and broadening of business scope made possible through acquisition

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY21 H1	FY22 H1	Difference	Business Description
Sojitz Aerospace Corporation	100%	0.3	0.4	0.1	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%	0.1	0.0	(0.1)	Aircraft leasing business
Sojitz Transit & Railway Canada Inc.	74.9%	(0.1)	0.0	0.1	General repair and remanufacturing of railway rolling stocks
Southwest Rail Industries Inc.	100%	-	0.3	0.3	Railcar leasing business
Total		0.3	0.7	0.4	

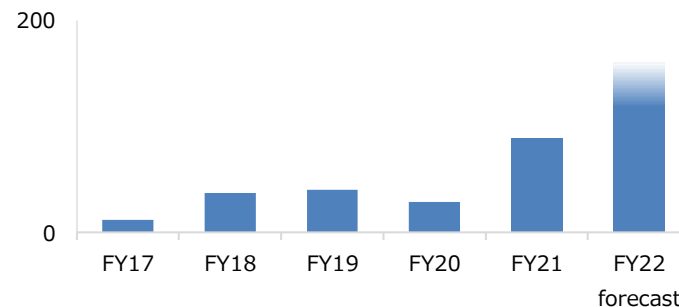
*1 The equity ownership is as of the end of September 2022.

*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.

(Supplemental Data) Business Jet charter sales

(Operations)



Infrastructure & Healthcare

FY22 H1 Summary

(BN JPY)

	FY21 H1	FY22 H1	Difference
Gross profit	8.3	11.3	3.0
SG&A expenses	(10.9)	(14.8)	(3.9)
Share of profit (loss) of investments accounted for using the equity method	3.9	10.4	6.5
Profit for the period	1.2	9.0	7.8

	FY21	FY22 H1	Difference
Total Asset	421.1	520.0	98.9

Main Factors Behind Difference

【 Profit for the period 】

Increased due to gain on partial sale of equity in overseas telecommunications tower operating business as well as earnings from domestic and overseas power generation and LNG businesses

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY21 H1	FY22 H1	Difference	Business Description
Nissho Electronics Corporation	100%	0.3	0.5	0.2	Providing leading-edge IT solutions and network services
Tokyo Yuso Corporation	100%	0.2	0.3	0.1	Tank storage operations for petroleum and chemical products
Renewable Energy Businesses*4	-	0.7	2.0	1.3	Renewable energy business in Japan and overseas
LNG Japan Corporation	50%	0.2	1.6	1.4	LNG business and related investments
Sojitz Hospital PPP Investment B.V.	100%	1.5	1.3	(0.2)	Investment in hospital project
Total		2.9	5.7	2.8	

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

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

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

・SAKURA Internet Inc. (equity-method associate) <https://www.sakura.ad.jp/>

・PT. Puradelta Lestari Tbk (equity-method associate) <https://www.kota-deltamas.com/>

*4 These figures are obtained by calculating profit of the major renewable energy related subsidiaries and associates.

Infrastructure-related initiative

Expansion of Solar Power Business with McClure of United States

- Sojitz, through Sojitz Corporation of America, has acquired a majority stake in McClure Company (“McClure”), one of the largest mechanical, contracting, and energy services firms in Pennsylvania.
- Expansion of solar power generation business positioned as a measure for improving value
- Utilization of strong customer base of McClure centered on schools in response to growth in solar power generation market anticipated in conjunction with accelerated environmental measures following passage of U.S. Inflation Reduction Act calling for investment of U.S.\$369.0 billion
- Ongoing business growth to be pursued by combining McClure’s business operation capabilities with Sojitz’s power generation business development and operation insight



Conclusion of New Energy and Infrastructure Memorandum with Sembcorp Based on Theme of Decarbonization

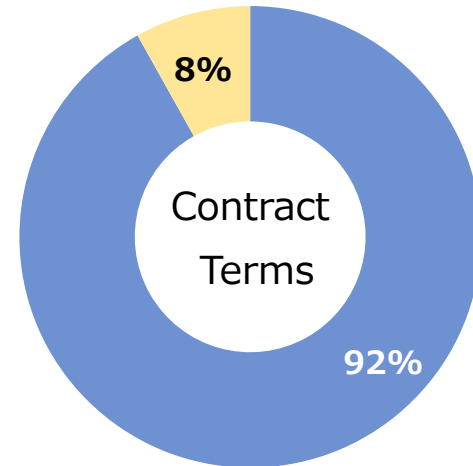
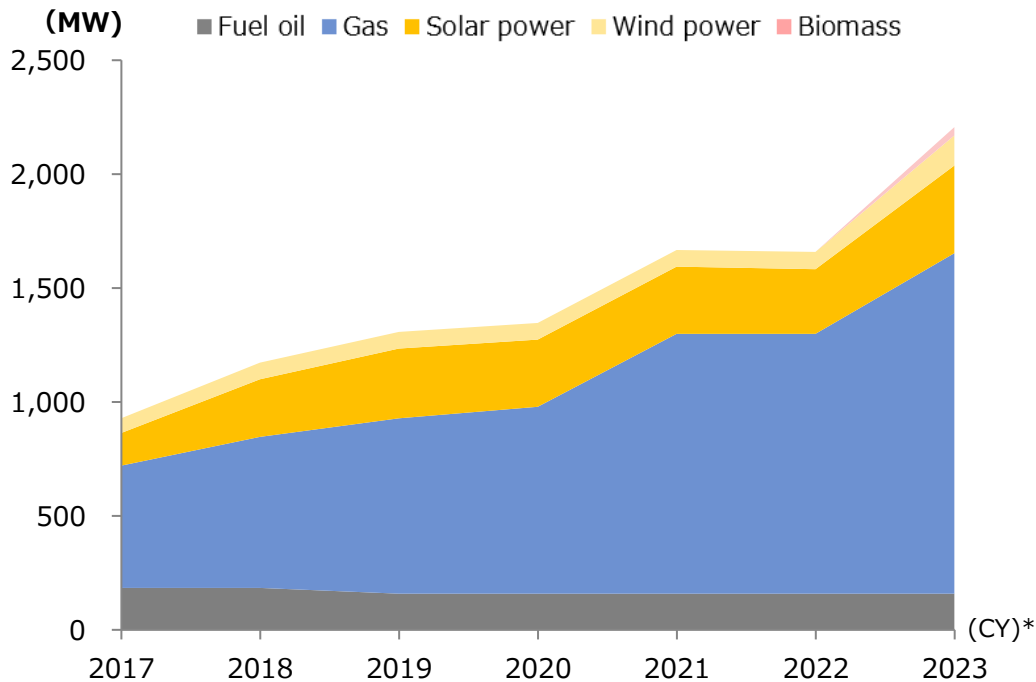


MOU Signing Ceremony held in October 2022

(Left)
Kim Yin Wong, Sembcorp Group President & CEO
(Right)
Masayoshi Fujimoto, Sojitz President & CEO

- Conclusion of memorandum with Singapore’s Sembcorp in October 2022 regarding strategic alliance in wide ranging new energy and infrastructure fields based on theme of decarbonization
- Position of Sembcorp as leading company in Singapore advancing power and water supply and industrial park and urban development businesses in Asia-Pacific region and other areas of the world
- Joint advancement of decarbonization projects and renewable energy, energy storage system, green hydrogen, and industrial park development initiatives in Asia-Pacific region based on memorandum

Charge in Net Power-Generation Capacity

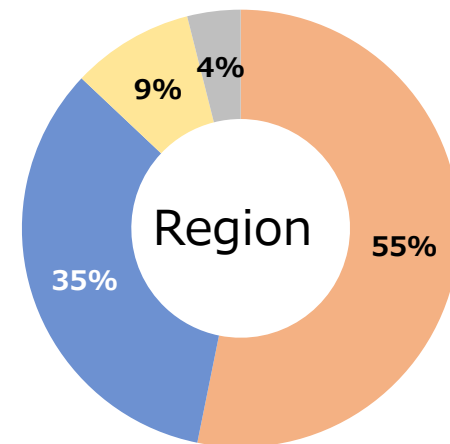


■ Long-term contract ■ Spot contract
 ※As of Sep. 30, 2022

Results and Forecast of Net Power-Generation Capacity

	CY2017	CY2020	CY2023
Solar power	140	290	390
Wind power	70	70	130
Gas	540	820	1,490
Oil	180	160	160
Biomass	—	—	40
TTL	930	1,340	2,210

(MW)



■ Asia ■ Americas ■ Japan ■ Europe
 ※As of Sep. 30, 2022

*CY: January - December

Metals, Mineral Resources & Recycling

FY22 H1 Summary

(BN JPY)

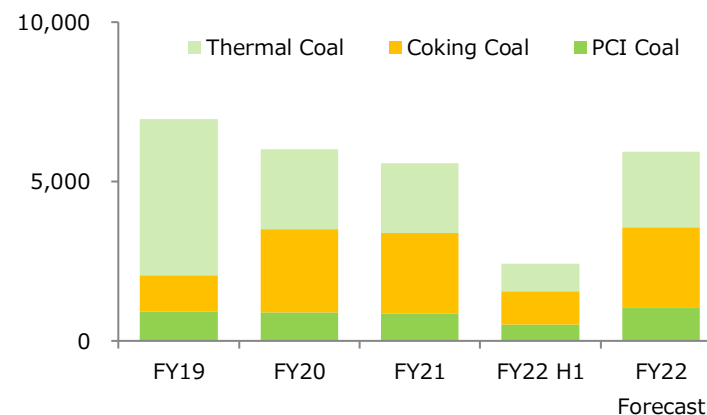
	FY21 H1	FY22 H1	Difference
Gross profit	15.3	54.6	39.3
SG&A expenses	(6.6)	(8.2)	(1.6)
Share of profit (loss) of investments accounted for using the equity method	11.5	12.4	0.9
Profit for the period	16.2	41.8	25.6
	FY21	FY22 H1	Difference
Total Asset	511.5	572.1	60.6

Main Factors Behind Difference

【 Profit for the period 】
Increased due to higher selling prices in coal businesses

Change in Coal Sales Volume

(1,000 ton)



Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY21 H1	FY22 H1	Difference	Business Description
Sojitz Development Pty. Ltd.	100%	3.8	29.0	25.2	Investment in coal mines
Sojitz Resources (Australia) Pty. Ltd.	100%	0.2	0.3	0.1	Production of alumina
Japan Alumina Associates(Australia) Pty. Ltd.	50%	0.8	0.4	(0.4)	Investment in an alumina refinery
Metal One Corporation	40%	7.8	9.0	1.2	Import, export, and sale of, and domestic and foreign trading in, steel-related products
Total		12.6	38.7	26.1	

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

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

Conclusion of Exclusive Domestic Distributor Agreement for Household Electricity Storage Systems

Entry into Domestic Household Electricity Storage System Market

Contribution to stable supplies of electricity to households

- Conclusion of exclusive domestic distributor agreement for household electricity storage systems with Formosa Bio and Energy Corp Japan sales scheduled to commence in fall 2022
- Agreement reached to examine joint initiatives for selling industrial electricity storage systems in Japan and for collecting, reusing, and recycling used lithium-ion batteries



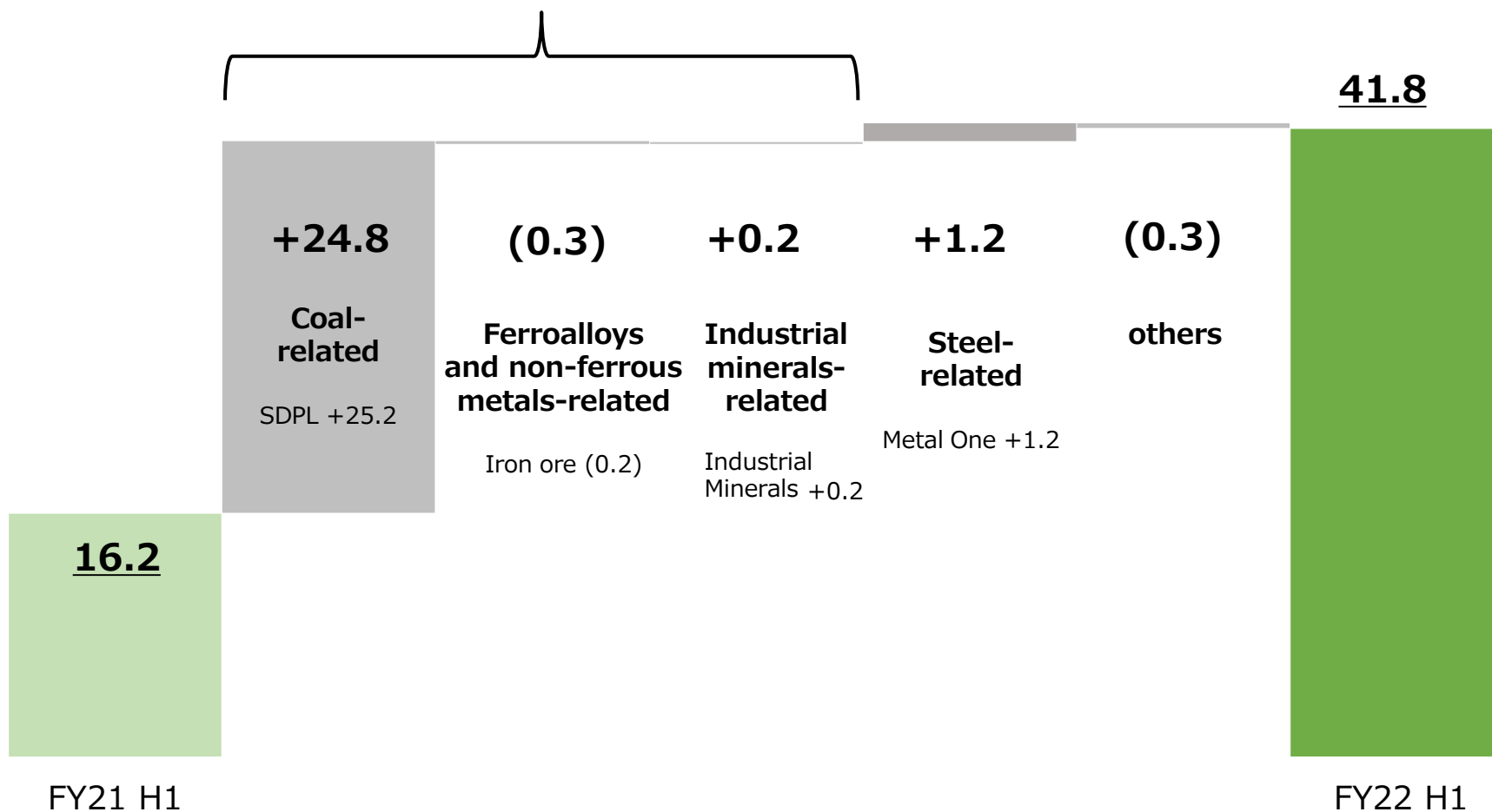
Full-load hybrid electricity storage system

Control of both solar power system and electricity storage system with a single power conditioner

Metals & Mineral Resources YoY Main Factors Behind Difference

Impact of commodity prices
approx. +27.3 included

(BN JPY)



FY22 H1 Summary

(BN JPY)

	FY21 H1	FY22 H1	Difference
Gross profit	25.4	32.7	7.3
SG&A expenses	(14.8)	(16.5)	(1.7)
Share of profit (loss) of investments accounted for using the equity method	0.5	0.1	(0.4)
Profit for the period	6.8	11.3	4.5

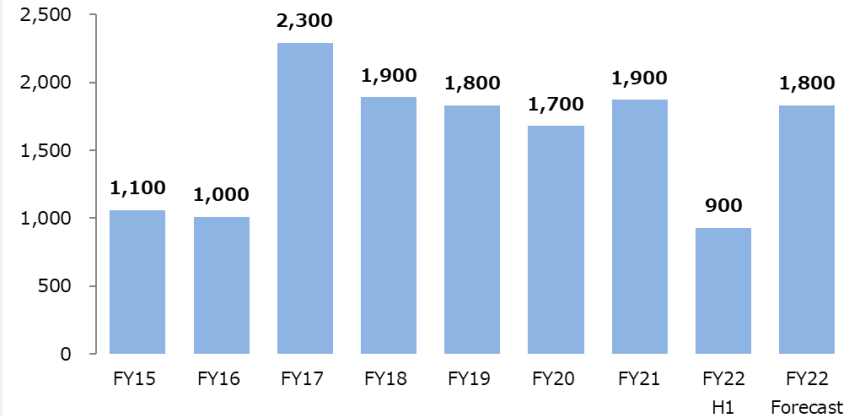
	FY21	FY22 H1	Difference
Total Asset	320.5	342.2	21.7

Main Factors Behind Difference

[Profit for the period]
Increased due to higher prices of various chemical products and improved profitability

Sales Volume for Methanol

(1,000 ton)



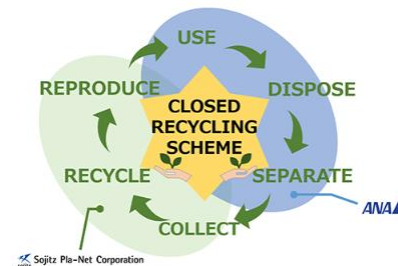
Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY21 H1	FY22 H1	Difference	Business Description
Sojitz Pla-Net Corporation	100%	1.2	0.9	(0.3)	Trading and sale of plastics and related products
PT. Kaltim Methanol Industri	85%	2.2	3.7	1.5	Manufacture and sale of methanol
solvadis deutschland gmbh	100%	0.6	1.2	0.6	Trading and sale of chemical products
Total		4.0	5.8	1.8	

Development of Resource Recycling Scheme for Recycling Plastic Film Coverings for Cargo

- Joint development of resource recycling scheme by ANA HOLDINGS and Group plastics trading company Sojitz Pla-Net to prevent the production of plastic waste by collecting plastic film coverings for cargo used by ANA HOLDINGS to be recycled as plastic products for use by ANA
- Contribution to reduction of environmental impacts by developing domestic scheme for recycling used plastic in airline and non-airline industries in response to April 2022 revision to plastic recycling law



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

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

FY22 H1 Summary

(BN JPY)

	FY21 H1	FY22 H1	Difference
Gross profit	16.5	18.3	1.8
SG&A expenses	(9.6)	(11.1)	(1.5)
Share of profit (loss) of investments accounted for using the equity method	0.5	0.7	0.2
Profit for the period	4.7	5.9	1.2

	FY21	FY22 H1	Difference
Total Asset	238.4	267.0	28.6

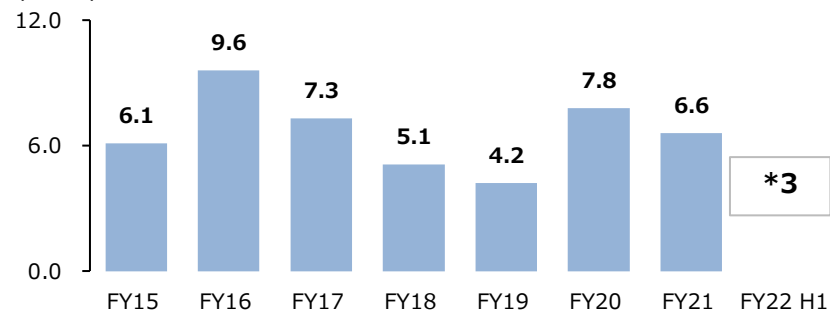
Main Factors Behind Difference

[Profit for the period]
Increased due to improved profitability in fertilizer businesses and higher selling prices in lumber-related businesses

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 aggregated net profit of three companies mentioned above on stand alone basis

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY21 H1	FY22 H1	Difference	Business Description
Thai Central Chemical Public Company(TCCC)	81%	3.2		*3	Manufacture and sales of fertilizers
Atlas Fertilizer Corporation	100%	1.0	1.8	0.8	Manufacture and sales of fertilizers, sales of imported fertilizer products
Japan Vietnam Fertilizer Company	75%	0.1	0.1	0.0	Manufacture and sales of fertilizers
Saigon Paper	96%	(0.1)	(0.1)	0.0	Papermaking business (Vietnam)
Sojitz Building Materials Corporation	100%	1.3	1.6	0.3	Trading company specializing in sales of construction materials
Total		5.5		*3	

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

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

*3 TCCC which is listed company in Thailand, has not announced the financial results yet. Sojitz will update the information after TCCC discloses the latest financial results.

Regional Economic Invigoration

Establishment of R&D Platform for Promoting Onion

- Production in Tohoku Region Year-round supply of grown-in-Japan onions produced in Tohoku region-

- Local industry development and coordination with communities to create model cases for production, processing, and distribution systems for reliably high-volume production amid need for increased supply to meet demand for safe and secure grown-in-Japan vegetables
- Target of securing onion production area of 700 ha in Tohoku region to achieve production volume of 30,000 tons (FY2025)
- Augmentation of grown-in-Japan vegetable supply capabilities and contribution to sustainable agriculture management



※Online press conference held in August 2022
Establishment within Field for Knowledge Integration and Innovation operated by Ministry of Agriculture, Forestry and Fisheries to promote onion production in Tohoku Region [Field for Knowledge Integration and Innovation]

(Bottom left)
Kazuo Kyuma, President, NARO
(Upper right)
Masayoshi Fujimoto, President & CEO, Sojitz
(Bottom right)
Toru Wakui, CEO, Mirai Kyouso Farm Akita

Retail & Consumer Service

FY22 H1 Summary

(BN JPY)

	FY21 H1	FY22 H1	Difference
Gross profit	15.3	21.4	6.1
SG&A expenses	(10.9)	(18.2)	(7.3)
Share of profit (loss) of investments accounted for using the equity method	0.0	0.0	0.0
Profit for the period	1.9	1.4	(0.5)

	FY21	FY22 H1	Difference
Total Asset	427.1	422.5	(4.6)

Main Factors Behind Difference

【 Profit for the period 】

Decreased due to reduced profitability for imported food products as a result of yen depreciation

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY21 H1	FY22 H1	Difference	Business Description
Sojitz Foods Corporation	100%	1.9	1.4	(0.5)	Sale of farmed and marine products, sugar, saccharified products, dairy products, processed foods, and other foodstuffs
Sojitz Fashion Co., Ltd.	100%	0.3	0.4	0.1	Printing of cotton and synthetic textiles, processing and wholesale of non-patterned and dyed fabrics
Sojitz REIT Advisors K.K.	67%	0.2	0.2	0.0	Management of real estate asset
Total		2.4	2.0	(0.4)	

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

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

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

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

*4 Sojitz Announces Sale of Shares in Sojitz REIT Advisors K.K.
<https://www.sojitz.com/en/news/2022/10/20221011.php>

Opening of First TSUTAYA BOOKS Store in ASEAN Region (Malaysia)

- Opening for BUKIT JALIL TSUTAYA BOOKS on Thursday, July 7, 2022, first TSUTAYA BOOKS store in ASEAN region, through franchise agreement between local partner and TSUTAYA BOOKS Malaysia, a joint venture established by Culture Convenience Club and Sojitz
- Enhancement of Sojitz's commercial facility and retail businesses, which have been developed overseas for more than two decades, through collaboration with Culture Convenience Club, which specializes in creating appealing atmospheres



Others

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY21 Q2	FY22 Q2	Difference	Business Description
Sojitz Machinery Corporation	100%	1.0	1.1	0.1	Import/export and sales of general industrial machinery
Total		1.0	1.1	0.1	

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

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

Opening of Luxury Hotel “Retreat Goto ray” on Nagasaki’s Goto Islands

- Opening of “Retreat Goto ray”, a luxury hotel on Fukue Island in Goto City, Nagasaki Prefecture, on August 30, 2022, as part of local economic development initiatives. Development of business together with community through means such as sourcing locally produced ingredients and dishes from Goto City and other parts of Nagasaki Prefecture
- Production and sales of barley and potato shochu using local ingredients through Goto Retto Shuzo
- Contributions to comprehensive community invigoration through development of various content for communicating appeal of Goto City



【Supplemental Data】

Ⅲ. Summary of Financial Results

Summary of Profit or Loss (Results)

(BN JPY)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 H1
Net sales (JGAAP)	4,321.7	3,934.5	4,046.6	4,105.3	4,006.6	3,745.5	4,209.1	–	–	–	–	–
Revenue	–	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	1,273.3
Gross profit	217.1	187.2	198.2	197.7	180.7	200.7	232.4	241.0	220.5	188.1	271.3	182.2
Operating profit	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	16.3	15.8	31.0	28.6	23.2	12.7	25.1	27.8	24.9	14.8	38.0	24.9
Profit before tax	58.5	28.1	44.0	52.6	44.3	58.0	80.3	94.9	75.5	37.4	117.3	106.5
Profit for the year attributable to owners of the Company	(1.0)	13.4	27.3	33.1	36.5	40.8	56.8	70.4	60.8	27.0	82.3	78.9
Core earnings	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	68.4	38.4	131.3	102.3
ROA	(0.0%)	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	3.0%	2.7%	1.2%	3.3%	–
ROE	(0.3%)	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	11.7%	10.2%	4.5%	12.2%	–

Summary of Balance Sheets (Results)

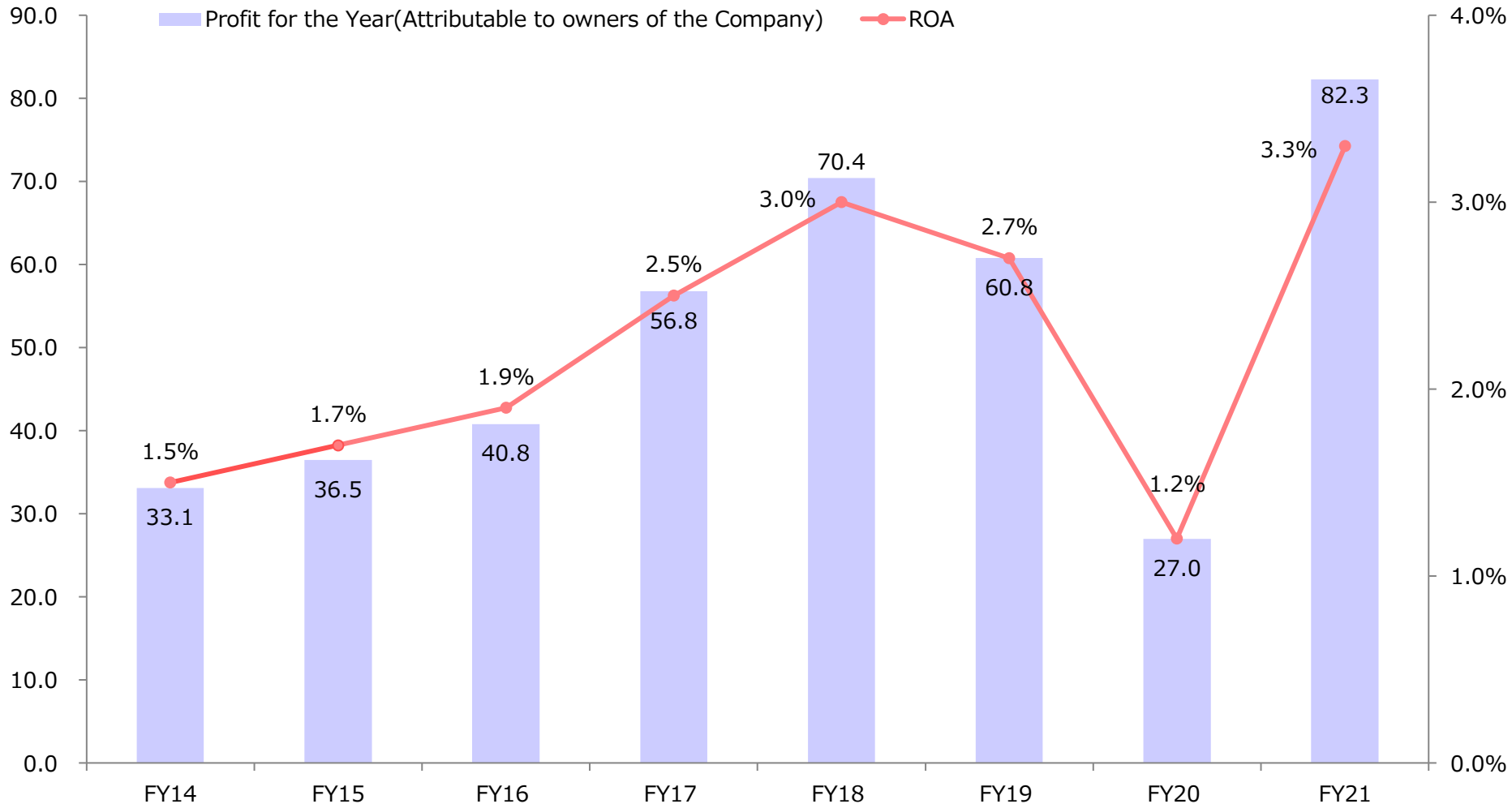
(BN JPY)	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2020	End of Mar. 2021	End of Mar. 2022	End of Sep. 2022
Total assets	2,190.7	2,150.1	2,220.2	2,297.4	2,056.7	2,138.5	2,350.4	2,297.1	2,230.3	2,300.1	2,661.7	2,933.4
Total equity	330.0	382.6	459.9	550.9	520.3	550.5	586.4	618.2	579.1	619.0	728.0	862.3
Equity ratio	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	26.9%	26.0%	26.9%	27.4%	29.4%
Net interest-bearing debt	676.4	643.3	640.2	629.6	571.6	611.1	603.5	584.7	613.2	610.6	770.2	819.3
Net DER (Times)	2.0	1.7	1.4	1.1	1.1	1.1	1.0	1.0	1.1	0.99	1.06	0.95
Risk assets (vs. Total equity, times)	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	540.0 0.6
Current ratio	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	157.1%	161.4%	162.7%	155.3%	168.0%
Long-term debt ratio	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	82.9%	79.1%	82.5%	78.0%	82.4%

Summary of Cash Flow (Results)

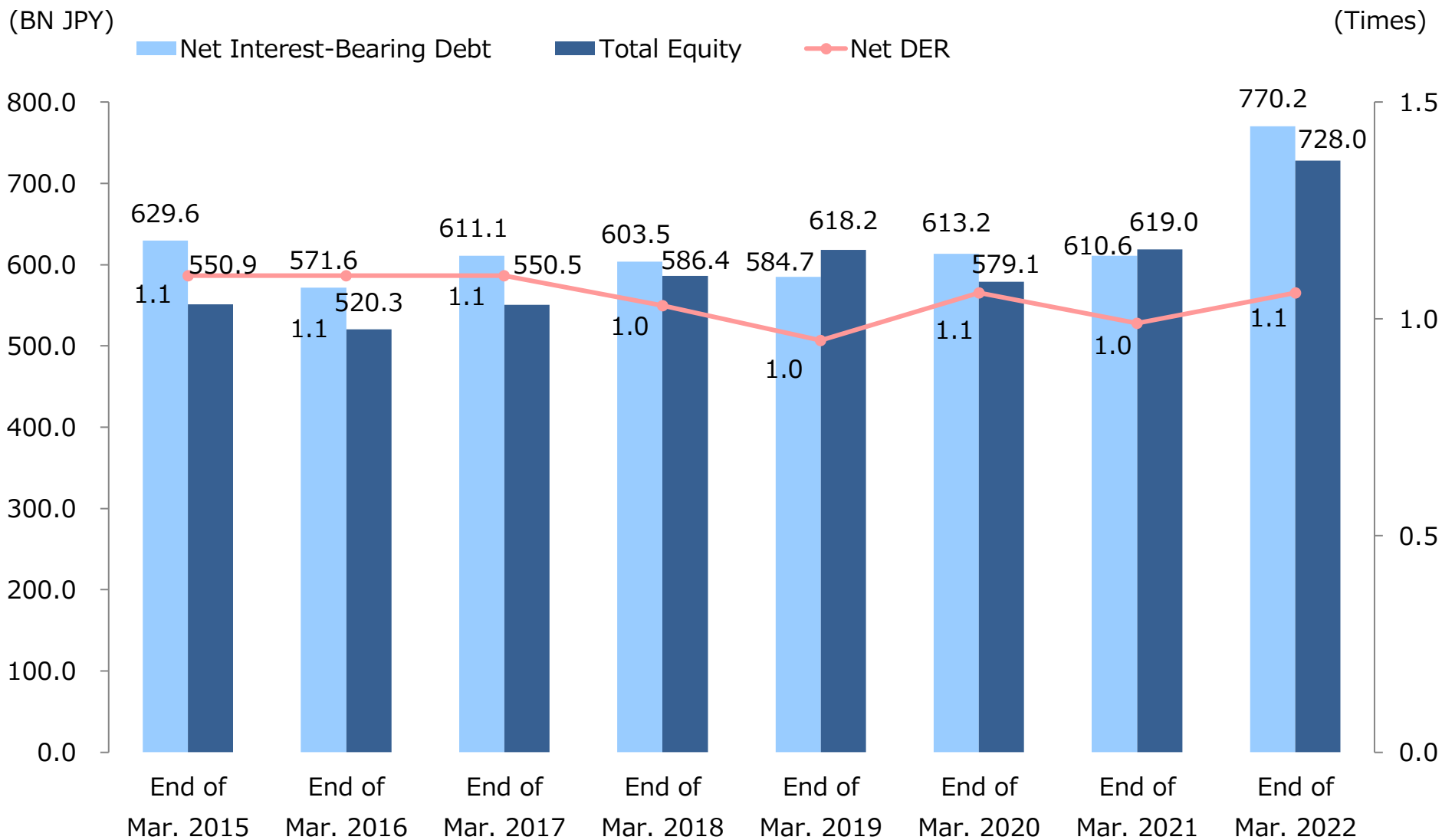
(BN JPY)	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2020	End of Mar. 2021	End of Mar. 2022	End of Sep. 2022
Core cash flow	–	–	–	–	–	5.5	(56.7)	63.1	1.3	(8.0)	10.5	58.2
Free cash flow	46.4	43.4	22.5	25.3	66.0	(31.3)	12.4	54.3	4.8	49.3	(73.7)	(38.0)
Core operating cash flow	–	–	–	–	–	59.4	82.9	79.1	80.2	60.2	128.7	90.3
Cash flow from operating activities	88.7	55.1	47.0	39.1	99.9	0.9	98.8	96.5	40.5	85.0	65.1	82.2
Cash flow from investment activities	(42.3)	(11.7)	(24.5)	(13.8)	(33.9)	(32.2)	(86.4)	(42.2)	(35.7)	(35.7)	(138.8)	(44.2)
Cash flow from financing activities	(29.5)	(56.2)	(30.9)	(42.6)	(114.7)	(4.0)	(13.1)	(74.9)	(12.2)	(40.6)	46.9	(51.3)
Investments	53.0	44.0	54.0	57.0	71.0	86.0	158.0	91.0	81.0	96.0	150.0	37.0

Summary of Profit or Loss

(BN JPY)



Summary of Balance Sheets



Summary of Cash Flow

