Summary of CFO Presentation at Results Briefing for the Six-Month Period Ended September 30, 2020 (November 2, 2020)

Consolidated Statements of Profit or Loss

Revenue was down ¥149.2 billion year on year, to ¥744.6 billion. Factors behind this decline included decreases in the revenue of the Automotive Division, due to a reduction in automotive sales as a result of lockdowns enacted in countries around the world; the Chemicals Division, which was adversely impacted by falling methanol prices as well as by declining plastic resin transaction volumes centered on Southeast Asia; and the Metals & Mineral Resources Division, which was heavily affected by lower coal prices.

Gross profit decreased ¥25.2 billion year on year, to ¥84.5 billion, largely as a result of reduced profit in the Automotive Division, the Chemicals Division, and the Metals & Mineral Resources Division.

SG&A decreased ¥6.6 billion year on year, to ¥79.0 billion. The Company is targeting a full-year reduction in SG&A expenses of ¥8.0 billion. Smooth progress is being made with regard to these reductions, despite the fact that the pace of reductions is expected to slow during the second half of the fiscal year as business trips are resumed.

Net other income was ¥3.7 billion due to recording gains on sales of assets held by associates in the six-month period ended September 30, 2020, along with the gains on transference of certain U.S. natural gas-fired power businesses conducted during the first quarter.

Net financial costs were down ¥0.3 billion year on year, to ¥1.8 billion, as net interest costs expenses decreased ¥0.8 billion, to ¥3.2 billion, and dividends received declined.

Share of profit of investments accounted for using the equity method was down ¥8.6 billion year on year, to ¥4.6 billion, primarily as a result of a massive decrease in profit from a steel product operating company.

Profit before tax was ¥12.0 billion and profit for the period was down ¥21.1 billion, to ¥10.5 billion, after taking into account income tax expenses.

Profit for the period attributable to owners of the Company decreased ¥20.4 billion year on year, to ¥9.1 billion. This figured represented progress of 30% toward the full-year forecast of ¥30.0 billion.

Consolidated Statements of Financial Position

Total assets on September 30, 2020, stood at ¥2,154.7 billion, down ¥75.6 billion from March 31, 2020. This decline was primarily the result of a decrease in trade and other receivables in the Chemicals Division and Automotive Division stemming from lower transactions.

Total liabilities at September 30, 2020, amounted to ¥1,547.3 billion, down ¥61.1

billion from March 31, 2020, as a result of declines in trade and other payables.

Total equity attributable to owners of the Company was ¥569.5 billion on September 30, 2020, down ¥9.6 billion from March 31, 2020. This decrease was primarily due to the purchase of treasury stock and dividend payments.

The net debt equity ratio was 0.93 times on September 30, 2020, a decrease of 0.13 times attributable to lower interest-bearing debt, and thus relatively unchanged from the previous fiscal year-end.

Consolidated Statements of Cash Flows
Net cash provided by operating activities was ¥96.9 billion due to a decrease in trade and other receivables.

Net cash used in investing activities was ¥4.3 billion as a total of ¥19.0 billion worth of new investments and loans was conducted during the six-month period ended September 30, 2020.

Free cash flow was a positive ¥92.6 billion.

Core operating cash flow and core cash flow were both in the positive.

Performance by Divisions
Explanations are only provided for those divisions for which full-year forecasts were revised or in which progress toward full-year forecasts was incredibly low in the six-month period ended September 30, 2020.

In the Automotive Division, loss attributable to owners of the Company of ¥1.6 billion was recorded in the six-month period ended September 30, 2020, compared with profit for the period attributable to owners of the Company of ¥1.5 billion in the previous equivalent period. This outcome was due to the heavy impacts of the halts to operations seen largely in the first quarter as a result of the lockdowns instituted around the world. On a single-quarter basis, profit for the period attributable to owners of the Company was recorded in second quarter due to the strong recovery of automotive dealership operations in the Americas as well as operations in Thailand and Puerto Rico. Accordingly, Sojitz chose not to revise its full-year forecast for profit for the year attributable to owners of the Company of ¥1.0 billion.

In the Aerospace & Transportation Project Division, loss for the period attributable to owners of the Company of ¥0.3 billion was recorded in the six-month period ended September 30, 2020, compared with profit for the period attributable to owners of the Company of ¥0.6 billion in the previous equivalent period, as demand dropped in air travel-related businesses following a decrease in passenger numbers due to the serious impacts of the COVID-19 pandemic. A significant portion of the full-year forecast for profit for the year attributable to owners of the Company is associated with large-scale projects. Negotiations are advancing with regard to these projects, and there is thus no need to lower the forecast. Nevertheless, Sojitz has chosen to reduce its full-year forecast for the profit_for the year attributable to owners of the Company from ¥6.0 billion to ¥5.0 billion in light of the projected difficulty of recovering from the drop in part-out demand stemming from the substantial decrease in air travel passengers as well as the delays in freight railroad construction in India that were the result of lockdowns.

In the Machinery & Medical Infrastructure Division, profit for the period attributable to owners of the Company of ¥2.2 billion was recorded in the six-month period ended September 30, 2020, an increase of ¥0.7 billion year on year. Factors behind this increase included stable earnings from the hospital public-private partnership in Turkey as well as favorable performance in infrastructure operations, such as semiconductor production equipment and bearing operations, which benefited from the quick recovery of the Chinese economy. The full-year forecast for the profit for the year attributable to owners of the Company was raised from ¥3.5 billion to ¥4.5 billion to reflect this strong performance.

In the Metals & Mineral Resources Division, loss attributable to owners of the Company of ¥2.0 billion was recorded in the six-month period ended September 30, 2020, in comparison to profit for the profit for the period attributable to owners of the Company of ¥9.8 billion in the previous equivalent period. This outcome was a result of reduced demand for steel for automotive applications as well as lower prices and transactions volumes for coal. The full-year forecast for profit for the year attributable to owners of the Company was lowered from ¥13.0 billion to ¥3.0 billion in the three-month period ended June 30, 2020, but no further changes have been made to this forecast in light of the rapid recovery in steel demand and the bottoming out of the coal market seen in the latter half of the second quarter.

In the Foods & Agriculture Business Division, profit for the period attributable to owners of the Company rose ¥3.1 billion, to ¥4.3 billion, in the six-month period ended September 30, 2020, due to strong performance in overseas fertilizer businesses supported by favorable rainfall and consistent raw material prices. The full-year forecast for profit for the year attributable to owners of the Company was raised from ¥3.0 billion to ¥4.5 billion, despite the fact that fertilizer businesses are not expected to growth significantly in the second half of the fiscal year due to it being a low-demand period, as there are no particular causes for concern with regard to second-half performance.

In the Retail & Lifestyle Business Division, profit for the period attributable to owners of the Company was down ¥0.2 billion in the six-month period ended September 30, 2020, to ¥2.6 billion, despite gains on sales of shopping mall, due to sluggish domestic consumption as a result of the global COVID-19 pandemic. Earnings from asset replacement are expected in the second half of the fiscal year. However, the speed at which consumption will recover and the degree of this recovery are unclear. Accordingly, Sojitz has chosen to lower its full-year forecast for profit for the year attributable to owners of the Company from ¥5.5 billion to ¥4.0 billion.

In the Industrial Infrastructure & Urban Development Division, loss attributable to owners of the Company of ¥0.6 billion was recorded in the six-month period ended

September 30, 2020, compared with profit_for the period attributable to owners of the Company of ¥0.6 billion in the previous equivalent period. Certain procedures were taken ahead of schedule in domestic condominium operations, and progress is as projected. In addition, around 90% of the overseas industrial park turn overs scheduled for the year ending March 31, 2021, will be concentrated in the second half of the fiscal year. Accordingly, it is entirely possible for the Company to achieve its full-year forecast for profit for the year attributable to owners of the Company of ¥0.5 billion.