

Highlights of Consolidated Financial Results for the Year Ended March 31, 2021 (IFRS)

April 30, 2021
Sojitz Corporation

Results Highlights

◆ In the year ended March 31, 2021, the final year of Medium-Term Management Plan 2020, the global economy experienced a substantial slowdown due to the global COVID-19 pandemic and the impacts of measures for fighting the pandemic, such as the lockdowns, travel restrictions, and stay-at-home requests instituted in numerous countries. Governments around the world implemented fiscal and financial measures, resulting in a recovery trend that emerged around the summer. However, the later emergence of variant COVID-19 viruses caused case numbers to resume increasing. Currently, there is a sense of anticipation regarding the vaccination of populations centered on developed countries. Regardless, the COVID-19 pandemic continues to impact economic activities.

The Company's revenue for the year ended March 31, 2021, was down year on year. Factors behind the decrease in revenue include reduced revenue in the Chemicals Division, a result of lower plastic resin transactions and in the price of methanol; in the Automotive Division, a result of decreases in sales volumes in overseas automobile operations; and in the Retail & Lifestyle Business Division, a result of lower lumber transactions.

Profit for the year (attributable to owners of the Company) decreased year on year, despite the decline in non-personnel expenses and other selling, general and administrative expenses, as a result of declines in gross profit and share of profit of investments accounted for using the equity method and in other income/expenses due to the absence of gains on sales of thermal coal in the previous period.

(Figures in parentheses are year-on-year changes)

Revenue 1,602.5 billion yen ((152.3) billion yen / (8.7)%)

- Decrease in revenue in the Automotive Division due to lower sales units in overseas automobile operations

- Decrease in revenue in the Chemicals Division due to declines in the price of methanol and lower transaction volumes of plastic resins

- Decrease in revenue in the Retail & Lifestyle Business Division due to lower lumber transactions

- Decrease due to rebound from the asset replacement in power generation businesses in the previous fiscal year

Gross profit 188.1 billion yen ((32.4) billion yen / (14.7)%)

- Decrease in gross profit in the Metals & Mineral Resources Division due to declines in coal prices and the sale of a portion of thermal coal interests recorded at the end of the previous fiscal year

- Decrease due to rebound from the asset replacement in power generation businesses in the previous fiscal year

- Decrease in revenue in the Automotive Division due to lower sales units in overseas automobile operations

- Decrease in revenue in the Chemicals Division due to declines in the price of methanol

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

27.0 billion yen ((33.8) billion yen / (55.6)%)

- Decrease in gross profit

- Decrease in share of profit (loss) of investments accounted for using the equity method

◆ Cash dividend per share for the fiscal year ended March 31, 2021

Year-end 5.00 yen per share (Full year 10.00 yen per share)

◆ Earnings forecast for the fiscal year ending March 31, 2022

- Profit for the year (attributable to owners of the Company) 53.0 billion yen

(Assumptions)

Exchange rate (annual average: JPY/US\$) : 108

◆ Cash dividend forecast for the fiscal year ending March 31, 2022

Interim : 7.00 yen per share (forecast)

Year-end : 7.00 yen per share (forecast)

At the 18th Ordinary General Shareholders' Meeting scheduled to be held on June 18, 2021, the Company intends to propose a one-for-five reverse stock split affecting shares of common stock to be conducted with an effective date of October 1, 2021. Accounting for the impacts of this reverse stock split, the Company plans to issue a year-end dividend of ¥35.00 per share.

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.

Consolidated Statements of Profit or Loss

	(Billions of yen)			Factors Affecting Circled Figures	FY2020 Forecast c	Percentage Achieved a/c
	FY2020 Results a	FY2019 Results b	Difference a-b			
Revenue	1,602.5	1,754.8	(152.3)			
Gross profit	188.1	220.5	(32.4)		200.0	94%
Selling, general and administrative expenses						
Personnel expenses	(93.5)	(97.9)	4.4			
Non-personnel expenses	(50.1)	(58.4)	8.3			
Depreciation	(17.5)	(16.6)	(0.9)			
Provision of allowance for doubtful accounts	0.0	(0.3)	0.3			
<u>(Total selling, general and administrative expenses)</u>	<u>(161.1)</u>	<u>(173.2)</u>	<u>(12.1)</u>			
Other income/expenses						
Gain/loss on sale and disposal of fixed assets, net	2.9	10.3	(7.4)			
						Sale of shopping mall
Impairment loss on fixed assets	(5.5)	(2.8)	(2.7)			
						Impairment loss of thermal coal interests
Gain on reorganization of subsidiaries/associates	3.9	3.4	0.5			
						Solar power generation business company and natural gas-fired power project company
Loss on reorganization of subsidiaries/associates	(2.1)	(0.5)	(1.6)			
						Industrial machinery-related company
Other operating income/expenses	(0.3)	(2.9)	2.6			
<u>(Total other income/expenses)</u>	<u>(1.1)</u>	<u>7.5</u>	<u>(8.6)</u>			
Financial income/costs						
Interest earned	5.4	6.6	(1.2)			
Interest expenses	(11.8)	(14.9)	3.1			
<u>(Interest expenses, net)</u>	<u>(6.4)</u>	<u>(8.3)</u>	<u>(1.9)</u>			
Dividends received	3.0	4.2	(1.2)			
Other financial income/costs	0.1	(0.1)	0.2			
<u>(Financial income/costs, net)</u>	<u>(3.3)</u>	<u>(4.2)</u>	<u>0.9</u>			
Share of profit (loss) of investments accounted for using the equity method	14.8	24.9	(10.1)		13.0	
Profit before tax	37.4	75.5	(38.1)		43.0	87%
Income tax expenses	(8.0)	(10.9)	2.9			
Profit for the year (Profit attributable to)	29.4	64.6	(35.2)		32.0	92%
Owners of the Company	27.0	60.8	(33.8)		30.0	90%
Non-controlling interests	2.4	3.8	(1.4)		2.0	
Core earnings*1	38.4	68.4	(30.0)		44.0	

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

Comprehensive Income

	(Billions of yen)		
	FY2020 Results a	FY2019 Results b	Difference a-b
Profit for the period	29.4	64.6	(35.2)
Other comprehensive income	33.6	(66.9)	100.5
Total comprehensive income for the period	63.0	(2.3)	65.3
Comprehensive income attributable to:			
Owners of the Company	59.1	(4.2)	63.3
Non-controlling interests	3.9	1.9	2.0

Cash Flows

	(Billions of yen)			Factors Affecting Circled Figures
	FY2020 Results a	FY2019 Results b	Difference a-b	
Cash flows from operating activities	85.0	40.5	44.5	Income from operating earnings and reductions in working capital
Cash flows from investing activities	(35.7)	(35.7)	0.0	Outflows due to purchase of fixed assets and investments, inflows from the sale of shopping mall
Free cash flows	49.3	4.8	44.5	
Cash flows from financing activities	(40.6)	(12.2)	(28.4)	Dividends paid and purchase of treasury stock
Core operating cash flow*2	60.2	80.2	(20.0)	
Core cash flow*3	(8.0)	1.3	(9.3)	

Consolidated Statements of Financial Position

	(Billions of yen)			Factors Affecting Circled Figures
	Mar. 31, 2021 d	Mar. 31, 2020 e	Difference d-e	
Current assets	1,195.4	1,217.5	(22.1)	
Cash and cash equivalents	287.6	272.7	14.9	
Time deposits	10.1	7.4	2.7	
Trade and other receivables	636.2	638.1	(1.9)	
Inventories	187.9	213.4	(25.5)	Decrease in Automotive
Other current assets	73.6	85.9	(12.3)	
Non-current assets	1,104.7	1,012.8	91.9	
Property, plant and equipment	191.3	158.0	33.3	Acquisition of solar power generation business company and railcar leasing company
Lease assets (usage rights assets)	72.8	74.1	(1.3)	
Goodwill	67.2	66.5	0.7	
Intangible assets	61.5	43.4	18.1	
Investment property	11.6	18.6	(7.0)	
Investments accounted for using the equity method	590.8	554.7	36.1	Increase due to new acquisition and rising stock prices
Other non-current assets	109.5	97.5	12.0	
Total assets	2,300.1	2,230.3	69.8	
Current liabilities	734.8	754.4	(19.6)	
Trade and other payables	476.0	481.7	(5.7)	
Lease liabilities	16.8	15.3	1.5	
Bonds and borrowings	158.6	186.8	(28.2)	Decrease in redemption of bonds and repayment of borrowings
Other current liabilities	83.4	70.6	12.8	
Non-current liabilities	910.8	854.0	56.8	
Lease liabilities	60.5	63.7	(3.2)	
Bonds and borrowings	749.7	706.5	43.2	Increase in issuance of bonds and new borrowings
Retirement benefit liabilities	21.9	22.1	(0.2)	
Other non-current liabilities	78.7	61.7	17.0	
Total liabilities	1,645.6	1,608.4	37.2	
Share capital	160.3	160.3	—	
Capital surplus	146.8	146.8	0.0	
Treasury stock	(15.9)	(10.9)	(5.0)	Repurchase of own shares
Other components of equity	77.8	49.8	28.0	Increase due to changes in stock prices and foreign exchange rates
Retained earnings	250.0	233.1	16.9	Profit for the year +27.0
<u>Total equity attributable to owners of the Company</u>	<u>(619.0)</u>	<u>(579.1)</u>	<u>(39.9)</u>	Dividends (16.4)
Non-controlling interests	35.5	42.8	(7.3)	
Total equity	654.5	621.9	32.6	
Total liabilities and equity	2,300.1	2,230.3	69.8	
Gross interest-bearing debt*	908.3	893.3	+15.0	
Net interest-bearing debt*	610.6	613.2	(2.6)	
Net debt/equity ratio (times)**	0.99	1.06	(0.07)	
Equity ratio**	26.9%	26.0%	+0.9%	
Current ratio	162.7%	161.4%	+1.3%	
Long-term debt ratio	82.5%	79.1%	+3.4%	

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

** "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 of "Equity ratio."

*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.)

Highlights of Consolidated Financial Results for the Year Ended March 31, 2021 (IFRS) – Supplementary Materials (1)

April 30, 2021
Sojitz Corporation

(Billions of yen)

(Billions of yen)

Operating Results					Segment Performance [Gross Profit]			Segment Performance [Profit for the Year (Attributable to Owners of the Company)]							
	FY2020 Results	FY2019 Results	Difference	FY2020 Revised Forecast (Feb. 3, 2021)	Percentage Achieved		FY2020	FY2019	Difference	FY2020	FY2019	Difference	Main Factors Behind Difference	FY2020 Revised Forecast (Feb. 3, 2021)	Main Factors Behind Differences between Results and Revised Forecast for FY2020
Revenue	1,602.5	1,754.8	(152.3)	—	—										
Gross profit	188.1	220.5	(32.4)	200.0	94%	Automotive	34.3	41.2	(6.9)	1.2	2.4	(1.2)	Decreased due to reduced automobile sales as a result of the global COVID-19 pandemic	1.0	Performance in line with forecast
Selling, general and administrative expenses	(161.1)	(173.2)	+12.1	(164.0)		Aerospace & Transportation Project	13.6	15.7	(2.1)	1.8	1.8	+0.0	Relatively unchanged year on year	5.0	Lower performance than forecast due to reduced aircraft-related transactions and failure to execute planned projects
Other income/expenses	(1.1)	7.5	(8.6)	(1.0)		Machinery & Medical Infrastructure	13.4	14.7	(1.3)	4.0	4.6	(0.6)	Decreased due to impairment losses based on structural reform policies although profits increased in medical infrastructure business	5.0	Lower performance than forecast because of recording impairment loss in industrial machinery-related business based on structural reform policies
Financial income/costs	(3.3)	(4.2)	+0.9	(5.0)		Energy & Social Infrastructure	17.8	25.7	(7.9)	3.6	9.6	(6.0)	Decreased due to impairment loss on oil interests recorded based on structural reform policies and the rebound in sales of power generation businesses recorded in the previous equivalent period, despite the asset replacement in power generation businesses	4.5	Lower performance than forecast because of recording impairment loss with regards to a certain oil interests based on structural reform policies
Share of profit (loss) of investments accounted for using the equity method	14.8	24.9	(10.1)	13.0		Metals & Mineral Resources	12.4	20.4	(8.0)	(1.7)	20.1	(21.8)	Decreased due to rebound from sales of thermal coal interests in the previous year, impairment loss in overseas coal business based on structural reform policies, sluggish coal market, and decreased profits from steel operating company	1.0	Lower performance than forecast because of recording impairment loss for the earlier withdrawal from a portion of thermal coal interests based on structural reform policies
Profit before tax	37.4	75.5	(38.1)	43.0	87%	Chemicals	37.3	43.2	(5.9)	5.8	9.3	(3.5)	Decreased due to impacts from the drop in methanol prices in the first quarter as a result of the global COVID-19 pandemic	5.5	Performance in line with forecast
Profit for the year (Profit attributable to)	29.4	64.6	(35.2)	32.0	92%	Foods & Agriculture Business	18.8	14.2	+4.6	5.1	1.4	+3.7	Increased due to higher performance in overseas fertilizer businesses thanks to lower production costs and higher sales volumes	4.5	Performance in line with forecast
Owners of the Company	27.0	60.8	(33.8)	30.0	90%	Retail & Lifestyle Business	31.8	35.5	(3.7)	4.5	6.0	(1.5)	Decreased due to sluggish domestic consumption stemming from the global COVID-19 pandemic despite gains on sale of a shopping mall	4.0	Performance in line with forecast
Non-controlling interests	2.4	3.8	(1.4)	2.0		Industrial Infrastructure & Urban Development	6.0	6.0	+0.0	1.1	1.5	(0.4)	Relatively unchanged year on year	0.5	Performance in line with forecast
Core earnings*1	38.4	68.4	(30.0)	44.0		Other	2.7	3.9	(1.2)	1.6	4.1	(2.5)		(1.0)	
Comprehensive income attributable to owners of the Company	59.1	(4.2)	+63.3			Total	188.1	220.5	(32.4)	27.0	60.8	(33.8)		30.0	

*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

(Billions of yen)

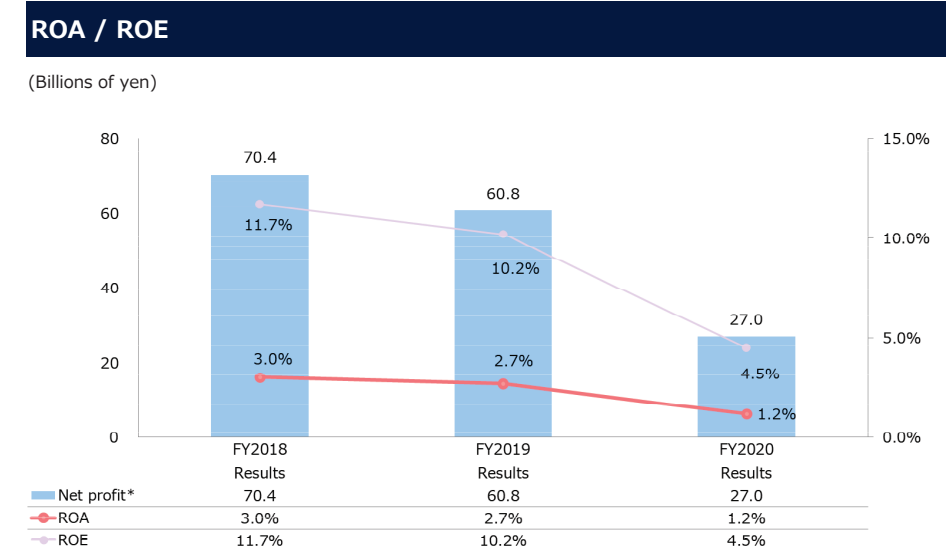
Financial Position			
	Mar. 31, 2021	Mar. 31, 2020	Difference
Total assets	2,300.1	2,230.3	+69.8
Total equity*2	619.0	579.1	+39.9
Equity ratio	26.9%	26.0%	+0.9%
Net interest-bearing debt*3	610.6	613.2	(2.6)
Net D/E ratio (times)	0.99	1.06	(0.07)
Risk assets	390.0	380.0	+10.0
Ratio of risk assets to equity (times)	0.6	0.7	(0.1)

*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.

Commodity Prices and Exchange Rates				
	FY2019 Results (Annual Avg.)	FY2020 Initial Assumption (Annual Avg.)	FY2020 Results (Annual Avg.)	FY2020 Results (Jan.-Mar. Avg.)
Crude oil (Brent)	US\$60.9/bbl	US\$25.0/bbl (1H) US\$35.0/bbl (2H)	US\$45.8/bbl	US\$61.3/bbl
Thermal coal**1	US\$70.7/t	US\$63.8/t	US\$65.6/t	US\$89.4/t
Coking coal**1	US\$163.6/t	US\$135.0/t	US\$117.9/t	US\$127.9/t
Exchange rate	¥108.9/US\$	¥108.0/US\$	¥105.9/US\$	¥107.2/US\$

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



*Profit for the year (attributable to owners of the Company)

Highlights of Consolidated Financial Results for the Year Ended March 31, 2021 (IFRS) — Supplementary Materials (2)

April 30, 2021

Sojitz Corporation

(Billions of yen)

Operating Results

	FY2020 Results	FY2021 Forecast	Difference
Revenue	1,602.5	—	—
Gross profit	188.1	220.0	+ 31.9
Selling, general and administrative expenses	(161.1)	(178.0)	(16.9)
Other income/expenses	(1.1)	4.0	+5.1
Financial income/costs	(3.3)	(2.0)	+1.3
Share of profit (loss) of investments accounted for using the equity method	14.8	26.0	+11.2
Profit before tax	37.4	70.0	+32.6
Profit for the year (Profit attributable to)	29.4	56.0	+26.6
Owners of the Company	27.0	53.0	+26.0
Non-controlling interests	2.4	3.0	+0.6
Core earnings*1	38.4	66.0	+27.6

*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

(Billions of yen)

Financial Position

	Mar. 31, 2021	Mar. 31, 2022 Forecast	Difference
Total assets	2,300.1	2,450.0	+149.9
Total equity*1	619.0	640.0	+21.0
Equity ratio	26.9%	26.1%	(0.8)%
Net interest-bearing debt*2	610.6	780.0	+169.4
Net D/E ratio (times)	0.99	1.2	—
Risk assets	390.0	-	—
Ratio of risk assets to equity (times)	0.6	-	—

*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.

(Billions of yen)

Segment Performance [Profit for the Year]

New Structure (7 segments)	FY2020 Results	FY2021 Forecast
Automotive	1.0	5.0
Aerospace & Transportation Project	1.8	4.5
Infrastructure & Healthcare	8.2	7.5
Metals, Mineral Resources & Recycling	(1.8)	12.0
Chemicals	5.8	10.5
Consumer Industry & Agriculture Business	5.1	5.0
Retail & Consumer Service	4.5	5.0
Other	2.4	3.5
Total	27.0	53.0

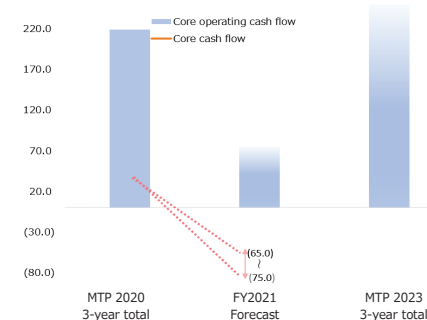
(Note) FY2020 figures for the Infrastructure & Healthcare Project, Consumer Industry & Agriculture Business and Retail & Consumer Service Division were calculated by using figures for the former organizations and adjusting them based on the organizational reforms. As a result, these figures may differ from those disclosed in the future.

FY2021 Current Position and Outlook

Automotive	Earnings contributions anticipated from investments in emerging countries along with recovery in sales in principal businesses due to demand recovery
Aerospace & Transportation Project	Earnings contributions anticipated from new agreement on aircraft-related transactions which has been signed
Infrastructure & Healthcare	Stable earnings expected from healthcare-related businesses and domestic and overseas power generation businesses
Metals, Mineral Resources & Recycling	Increased sales volume and higher sales prices expected following increased steel demand and coal market recovery
Chemicals	Earnings contributions anticipated from methanol and plastic resin businesses as a result of recovery from COVID-19 impacts
Consumer Industry & Agriculture Business	Earnings from mainstay fertilizer operations anticipated along with earnings improvement in Vietnamese papermaking business
Retail & Consumer Service	Phased recovery from COVID-19 impacts in domestic demand and earnings improvement anticipated in Asean retail business
Other	Increase following integration of machinery-related companies

(Billions of yen)

Cash Flows



	MTP* 2020 3-year total	FY2021 Forecast	MTP* 2023 3-year total
Core operating cash flow	219.0	70.0-75.0	Approx. 240.0-250.0
Core cash flow	56.0	(65.0)-(75.0)	Positive (MTP*2020 and MTP*2023 6-year period)

*Medium-term Management Plan (MTP)

(Supplement)

As of the end of March 31, 2021, in addition to cash in bank of ¥297.7 billion, Sojitz maintains a ¥120 billion long-term yen commitment line (which remains unused) and a long-term commitment line totaling US\$1.8 billion (of which US\$0.61 billion has been used) so as to enhance supplemental sources of procurement flexibility and precautionary liquidity.

Commodity Prices and Exchange Rates

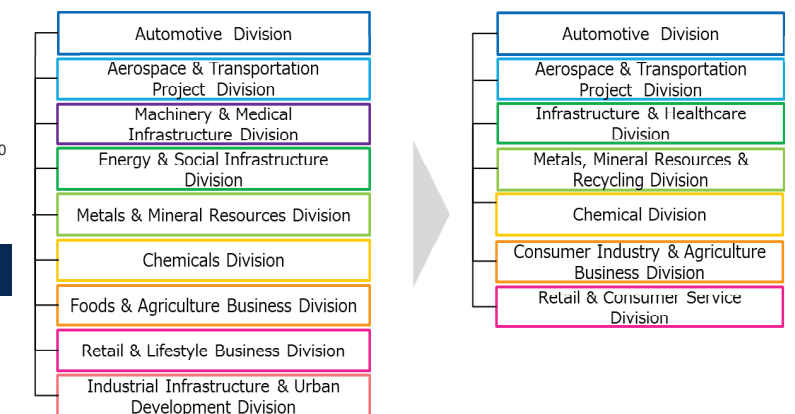
	FY2021 Assumption (Annual Avg.)	Latest Data (As of Apr. 23, 2021)
Crude oil (Brent)	US\$50.0/bbl	US\$66.1/bbl
Thermal coal *1	US\$80.0/t	US\$90.9/t
Coking coal *1	US\$127.5/t	US\$110.8/t
Exchange rate *2	¥108.0/US\$	¥107.9/US\$

*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 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.25 billion annually, and total equity by approx. ¥1.5 billion annually.

Organizational Reforms

Organizational Reforms (effective as of April 1, 2021)
(Released on November 27, 2020)





Financial Results for the Year Ended March 31, 2021

**April 30, 2021
Sojitz Corporation**

FY2020 Summary

- Profit for the year was ¥27.0 billion due to global economic slowdown and market condition deterioration as a result of the COVID-19 pandemic.
- Impairment losses recorded to account for structural reform expenses as a result of swift withdrawal from certain thermal coal and oil interests in response to movement toward carbon-free society

(Billions of Yen)	FY2019 Results	FY2020 Results	Difference
Profit for the year (attributable to owners of the Company)	60.8	27.0	(33.8)
ROA	2.7%	1.2%	(1.5)%
ROE	10.2%	4.5%	(5.7)%
Total Equity	579.1	619.0	+39.9
Net DER (Times)	1.06	0.99	(0.07)
Investment and Loans	81.0	96.0	
Dividend	¥17	¥10	

(Billions of Yen)	FY2019 Results	FY2020 Results
Automotive	2.4	1.2
Aerospace & Transportation Project	1.8	1.8
Machinery & Medical Infrastructure	4.6	4.0
Energy & Social Infrastructure	9.6	3.6
Metals & Mineral Resources	20.1	(1.7)
Chemicals	9.3	5.8
Foods & Agriculture Business	1.4	5.1
Retail & Lifestyle Business	6.0	4.5
Industrial Infrastructure & Urban Development	1.5	1.1
Other	4.1	1.6
Total	60.8	27.0

Cash Flow Management

Positive three-year aggregate Free Cash Flow (FCF) and core cash flow
 Positive six-year aggregate core cash flow during MTP2023*

*MTP2023: Referred to as Medium-term Management Plan 2023

	FY2020 Results	MTP 2020 3-year total (FY2018–FY2020)	MTP 2023 3-year total (FY2021–FY2023)
Core operating cash flow (*1)	¥60.0bn	¥219.0 bn	About ¥240.0 - ¥250.0 bn
Asset Replacement (Investment recovery)	¥49.0bn	¥170.0 bn	About ¥100.0 bn
New investments and loans others	¥(96.0) bn	¥(262.0) bn	About ¥(330.0) bn
Shareholder Returns (*2)	¥(21.0) bn	¥(71.0) bn	About ¥(70.0) bn
Core cash flow (*3)	¥(8.0)bn	¥56.0 bn	Positive (MTP2020 and MTP2023 6 year period)
Free cash flow	¥ 49.0bn	¥108.0 bn	

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

*2 Include acquisition of treasury stock

*3. Core cash flow = Core operating cash flow (excluding changes in working capital) + Investing cash flow (including asset replacement)
 – Dividends paid – Purchase of treasury stock

FY2021 Forecast

- Anticipated economic restoration as for vaccine of COVID-19 is widely adopted
- It takes certain time for aircraft-related business and retail-related business to recover from COVID-19, but we anticipate steel demand and coal market will be recovering in addition to automotive and chemicals business which has been restoring.
- Consolidated net profit attributable to owners of the Company is expected to almost double year on year

(Billions of Yen)	FY2020 Results	FY2021 Forecast	Difference
Profit for the year (attributable to owners of the Company)	27.0	53.0	+ 26.0
ROA	1.2%	2.2%	+1.0%
ROE	4.5%	8.4%	+3.9%
Dividend	¥ 10	¥14	

(Note) Dividend is based on before the stock consolidation

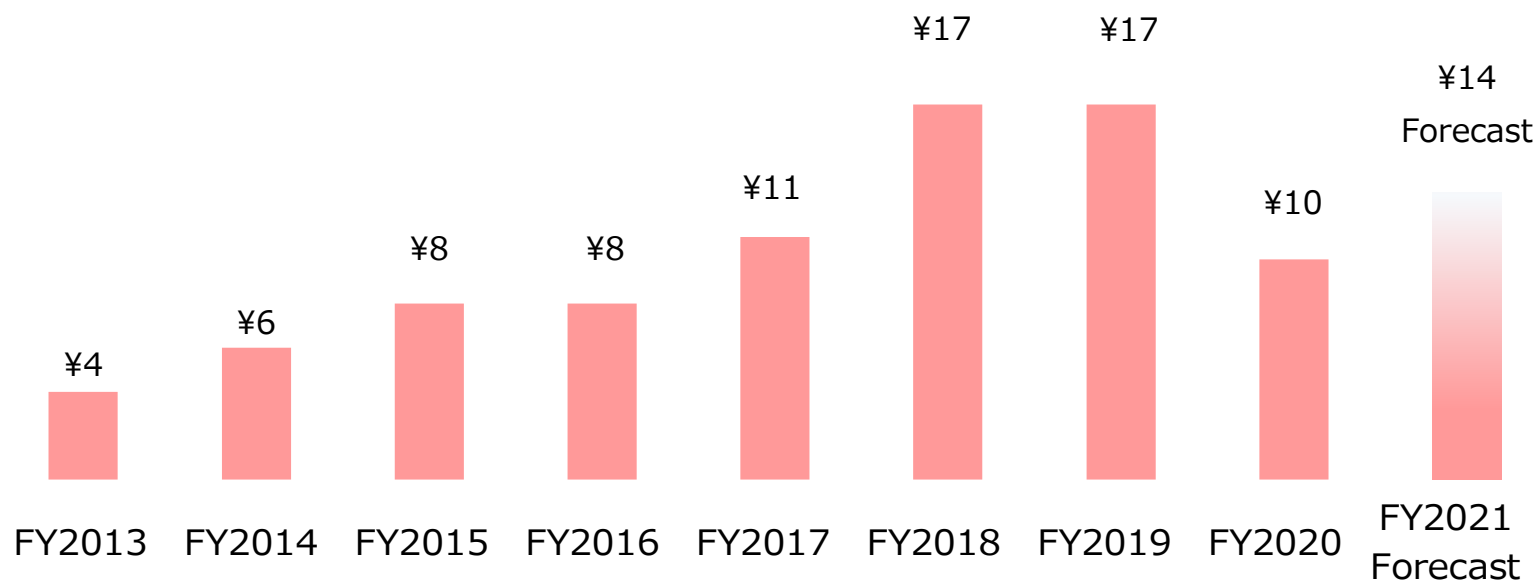
<Commodity Prices and Foreign Exchange>	FY2020 Results	FY2021 Forecast
Foreign Exchange	¥ 105.9/US\$	¥ 108.0/US\$
Coking Coal	US\$117.9/t	US\$127.5/t

(Billions of Yen)	FY2020 Results	FY2021 Forecast
Automotive	1.0	5.0
Aerospace & Transportation Project	1.8	4.5
Infrastructure & Healthcare	8.2	7.5
Metals, Mineral Resources & Recycling	(1.8)	12.0
Chemicals	5.8	10.5
Consumer Industry & Agriculture Business	5.1	5.0
Retail & Consumer Service	4.5	5.0
Other	2.4	3.5
Total	27.0	53.0

(Note) FY2020 figures for the Infrastructure & Healthcare Project, Consumer Industry & Agriculture Business and Retail & Consumer Service Division were calculated by using figures for the former organizations and adjusting them based on the organizational reforms. As a result, these figures may differ from those disclosed in the future.

Dividend 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 will be 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 1.0 x and book value-based DOE of 4% after PBR reaches 1.0 x



Profit for the year (attributable to owners of the Company)	¥27.3bn	¥33.1bn	¥36.5bn	¥40.8bn	¥56.8bn	¥70.4bn	¥60.8bn	¥27.0bn	¥53.0bn
Consolidated payout ratio	18.4%	22.7%	27.4%	24.6%	24.2%	30.2%	34.8%	44.4%	31.7%

MTP 2014
payout ratio of about 20%

MTP 2017
payout ratio of about 25%

MTP 2020
payout ratio of about 30%

MTP2023

(Note) Based on pre-reverse stock split numbers
DOE: dividend on equity ratio

External Evaluation

Working environments where they can work much more actively

<Women in the workplace>

For 5 consecutive years



For 4 consecutive years

2020 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

<Building a positive work environment>

New



New



For 3 consecutive years



ESG Rating Inclusion in Major Indexes and Evaluations by ESG Rating Institutions

<Evaluation・Index>

For 2 years running



Leadership
level "A-"



Sustainability Award
Silver Class 2020

For 3 consecutive years

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



FTSE Blossom
Japan



FTSE4Good

【Supplemental Data】

**I . Financial Results for the Year Ended March 31, 2021
Forecast of Fiscal Year Ending March 31, 2022**

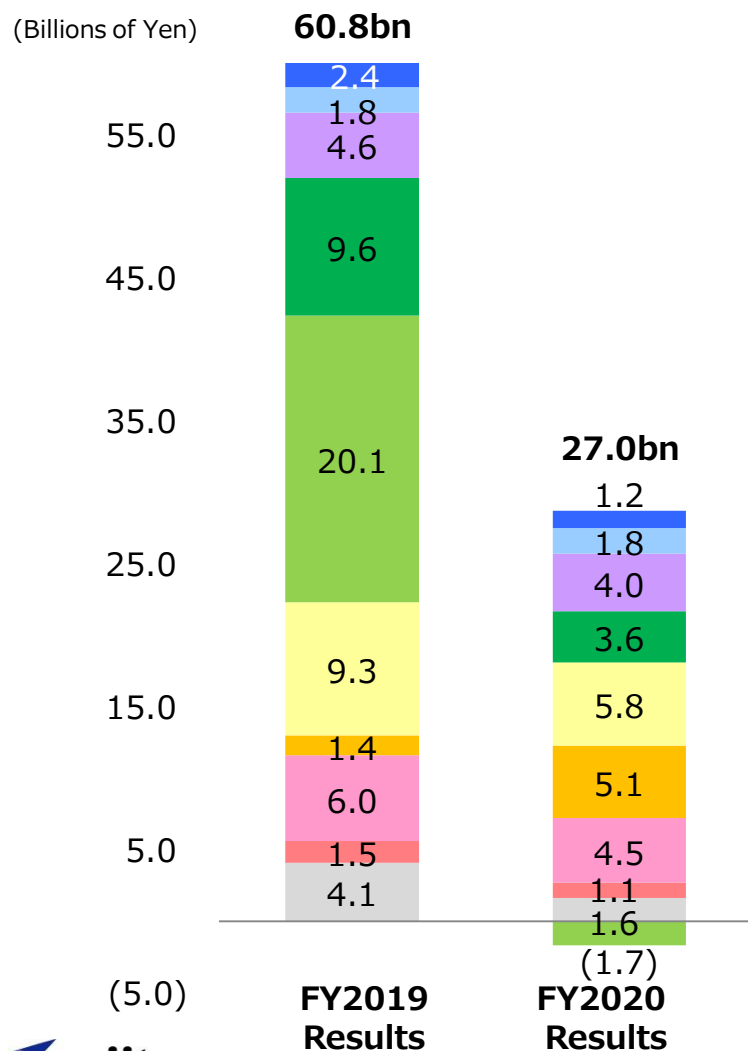
Summary of Financial Results for the Year Ended March 31, 2021 and Forecast of Fiscal Year Ending March 31, 2022

— (Billions of Yen)	FY2019 Results	FY2020 Results	Difference	FY2020 Revised Forecast (Feb. 3, 2021)	Achieved	FY2021 Forecast
Revenue	1,754.8	1,602.5	(152.3)	-	-	-
Gross profit	220.5	188.1	(32.4)	200.0	94%	220.0
Selling, general and administrative expenses	(173.2)	(161.1)	+12.1	(164.0)	-	(178.0)
Share of profit (loss) of investments accounted for using the equity method	24.9	14.8	(10.1)	13.0	114%	26.0
Profit before tax	75.5	37.4	(38.1)	43.0	87%	70.0
Profit for the year Attributable to Owners of the Company	60.8	27.0	(33.8)	30.0	90%	53.0
Core earnings	68.4	38.4	(30.0)	44.0	87%	66.0

Summary of Profit or Loss

Profit for the Year by Segment

Profit for the year (attributable to owners of the Company) by segment



Main Factors Behind Difference

Automotive	¥ 1.2 billion	(down ¥ (1.2) billion YoY)
Decreased due to reduced automobile sales as a result of the global COVID-19 pandemic		
Aerospace & Transportation Project	¥ 1.8 billion	(down ¥ 0.0 billion YoY)
Relatively unchanged year on year		
Machinery & Medical Infrastructure	¥ 4.0 billion	(up ¥ (0.6) billion YoY)
Decreased due to impairment losses based on structural reform policies although profits increased in medical infrastructure business		
Energy & Social Infrastructure	¥ 3.6 billion	(down ¥ (6.0) billion YoY)
Decreased due to impairment loss on oil interests recorded based on structural reform policies and the rebound in sales of power generation businesses recorded in the previous equivalent period, despite the asset replacement in power generation businesses		
Metals & Mineral Resources	¥ (1.7) billion	(down ¥ (21.8) billion YoY)
Decreased due to rebound from sales of thermal coal interests in the previous year, impairment loss in overseas coal business based on structural reform policies, sluggish coal market, and decreased profits from steel operating company		
Chemicals	¥ 5.8 billion	(down ¥ (3.5) billion YoY)
Decreased due to impacts from the drop in methanol prices in the first quarter as a result of the global COVID-19 pandemic		
Foods & Agriculture Business	¥ 5.1 billion	(up ¥ 3.7 billion YoY)
Increased due to higher performance in overseas fertilizer businesses thanks to lower production costs and higher sales volumes		
Retail & Lifestyle Business	¥ 4.5 billion	(down ¥ (1.5) billion YoY)
Decreased due to sluggish domestic consumption stemming from the global COVID-19 pandemic despite gains on sale of a shopping mall		
Industrial Infrastructure & Urban Development	¥ 1.1 billion	(down ¥ (0.4) billion YoY)
Relatively unchanged year on year		
Other	¥ 1.6 billion	(down ¥ (2.5) billion YoY)

FY2021 Forecast

Profit for the Year by Segment

(Billions of Yen)	FY2020 Results	FY2021 Forecast
Automotive	1.0	5.0
Aerospace & Transportation Project	1.8	4.5
Infrastructure & Healthcare	8.2	7.5
Metals, Mineral Resources & Recycling	(1.8)	12.0
Chemicals	5.8	10.5
Consumer Industry & Agriculture Business	5.1	5.0
Retail & Consumer Service	4.5	5.0
Other	2.4	3.5
Total	27.0	53.0

(Note) FY2020 figures for the Infrastructure & Healthcare Project, Consumer Industry & Agriculture Business and Retail & Consumer Service Division were calculated by using figures for the former organizations and adjusting them based on the organizational reforms. As a result, these figures may differ from those disclosed in the future.

FY2021 Outlook

■ Automotive

Earnings contributions anticipated from investments in emerging countries along with recovery in sales in principal businesses due to demand recovery

■ Aerospace & Transportation Project

Earnings contributions anticipated from new agreement on aircraft-related transactions which has been signed

■ Infrastructure & Healthcare

Stable earnings expected from healthcare-related businesses and domestic and overseas power generation businesses

■ Metals, Mineral Resources & Recycling

Increased sales volume and higher sales prices expected following increased steel demand and coal market recovery

■ Chemicals

Earnings contributions anticipated from methanol and plastic resin businesses as a result of recovery from COVID-19 impacts

■ Consumer Industry & Agriculture Business

Earnings from mainstay fertilizer operations anticipated along with earnings improvement in Vietnamese papermaking business

■ Retail & Consumer Service

Phased recovery from COVID-19 impacts in domestic demand and earnings improvement anticipated in Asean retail business

■ Other

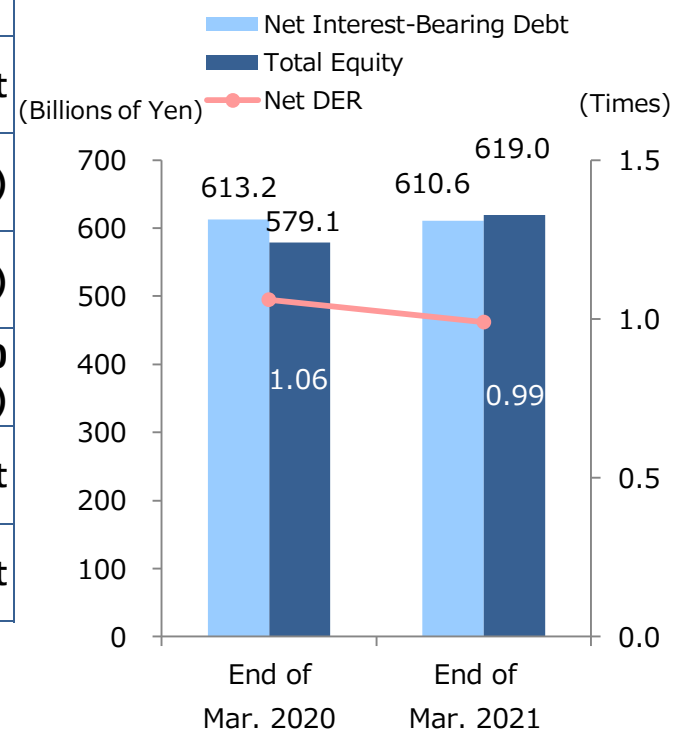
Increase following integration of machinery-related companies

Summary of Balance Sheets

(Billions of Yen)	End of Mar. 2020	End of Mar. 2021	Difference
Total Assets	2,230.3	2,300.1	+69.8
Total Equity*	579.1	619.0	+39.9
Equity Ratio	26.0%	26.9%	+ 0.9ppt
Net interest-bearing debt	613.2	610.6	(2.6)
Net DER (Times)	1.06	0.99	(0.07)
Risk Assets vs. Total Equity	380.0 (0.7x)	390.0 (0.6x)	+10.0 ((0.1)x)
Current Ratio	161.4%	162.7%	+ 1.3ppt
Long-term debt ratio	79.1%	82.5%	+ 3.4ppt

Changes in Total Equity (End of Mar. 2020 vs. End of Mar. 2021, Breakdown)

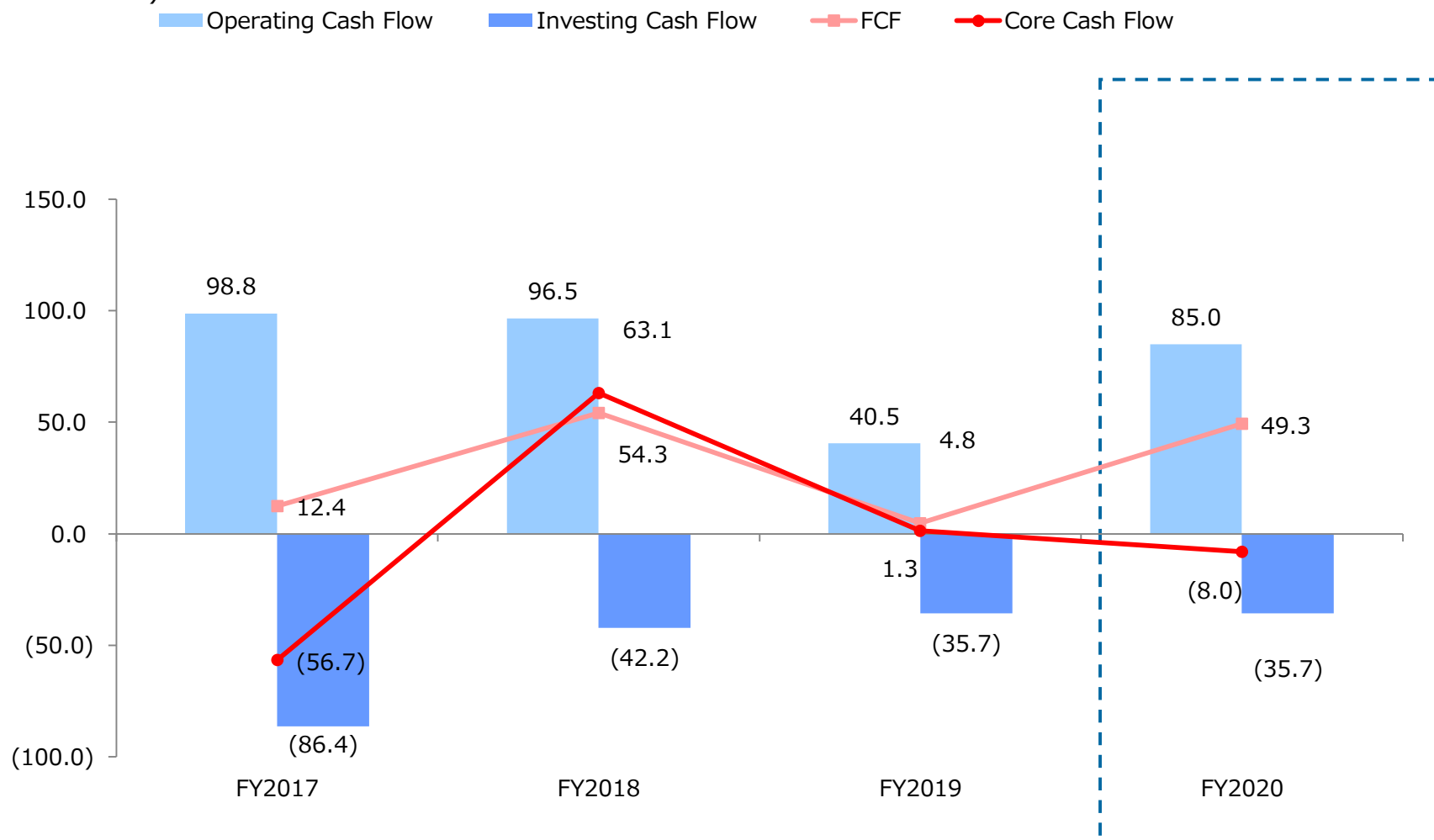
- Profit for the year attributable to owners of the Company ¥ 27.0 billion
- Dividends paid ¥ (16.4) billion
- Repurchase of own shares ¥(5.0)bn
- Change in foreign exchange rates and stock price ¥28.0bn



(*1) "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".

Summary of Free Cash Flows

(Billions of Yen)



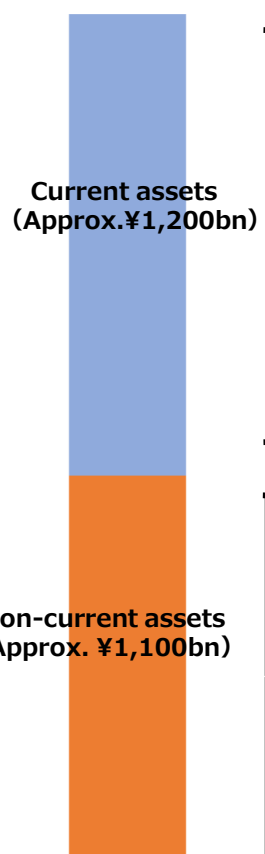
※Core cash flow = Core operating cash flow (excluding changes in working capital) + Investing cash flow (including asset replacement)
 - Dividends paid - Purchase of treasury stock

Investments and Loans and Asset Replacement for the Year Ended March 31, 2021

FY2020 Results	Main Businesses
<p>Investments and Loans</p>	<ul style="list-style-type: none"> ■ Domestic solar power generation operations ■ Off-shore wind power business in Taiwan ■ IPP business in the United States ■ Capital Tie-Up with Royal Holdings ■ Global healthcare business ■ Domestic shopping mall ■ Innovation related investment ■ CAPEX <p style="text-align: right;">etc.</p>
<p>Investments and Loans Results</p>	<p style="text-align: center;">Approx. ¥96.0 bn</p>
<p>Asset Replacement</p>	<ul style="list-style-type: none"> ■ IPP business in the United States ■ Thermal coal interests ■ Domestic shopping mall ■ Cross-Shareholdings <p style="text-align: right;">etc.</p>
<p>Asset Replacement Results</p>	<p style="text-align: center;">Approx. ¥49.0 bn</p>

Assets Breakdown

FY20
Total assets
Approx. ¥2,300bn



The trade receivables and other credits (Approx. ¥640bn)
Inventory (Approx. ¥190bn)
Cash equivalent and others (Approx. ¥370bn)

Approx. ¥450bn
(Resource interest /Fixed assets /Goodwill)

Approx. ¥650bn
(interest investment※ lease assets etc.)

※Except resource interest

Breakdown

FY20
Total assets
Approx. ¥450bn



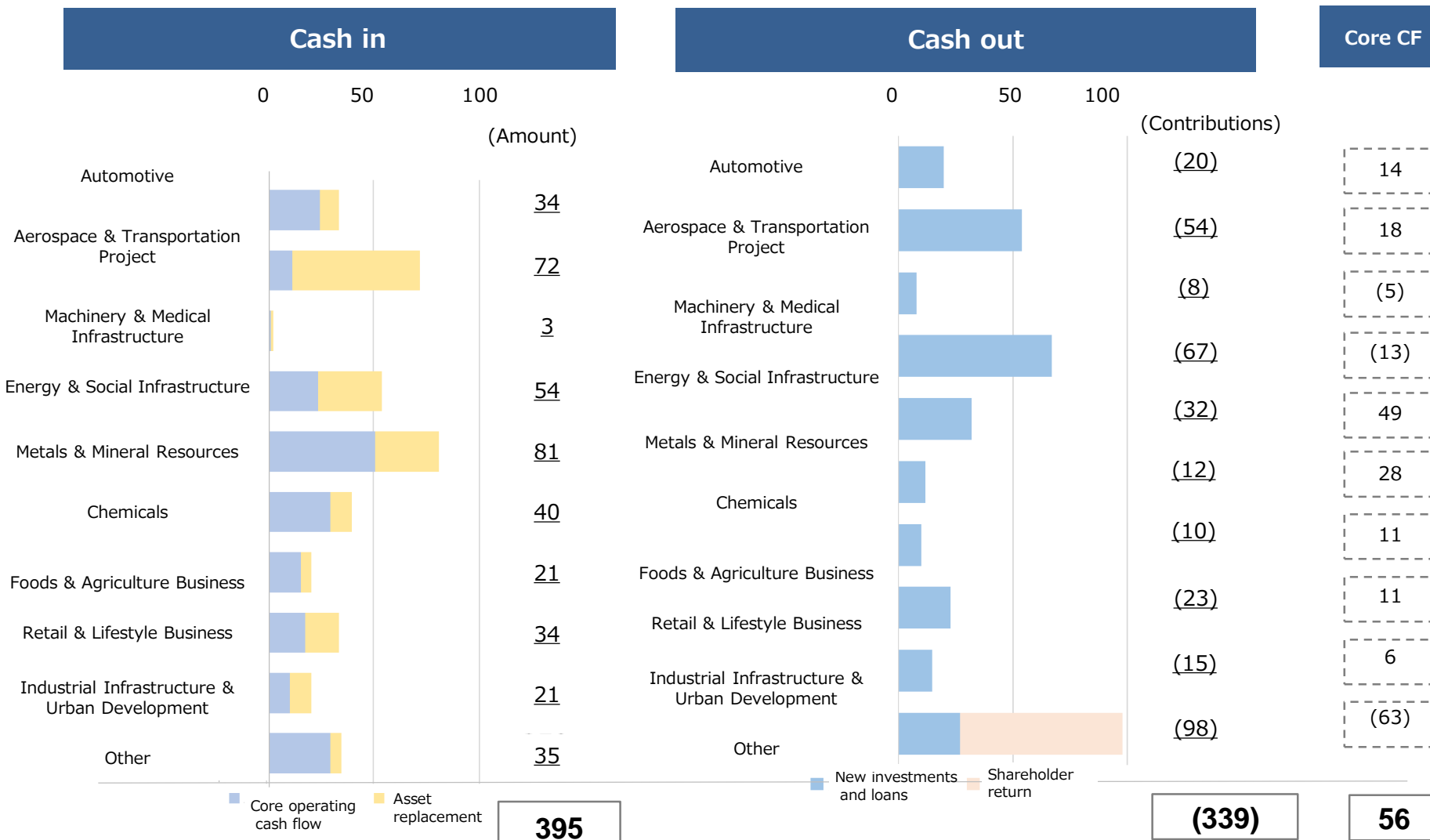
- Ferroalloys and non-ferrous metals
- Coal
- LNG
- Oil and Gas
- Equipment, Machinery
- Goodwill

Fixed assets/Goodwill balance

	FY19 Approx. ¥410bn		FY20 Approx. ¥450bn
Ferroalloys and non-ferrous metals	(¥75bn)	→	(¥80bn)
Coal	(¥40bn)	→	(¥40bn)
LNG	(¥55bn)	→	(¥55bn)
Oil and Gas	(¥20bn)	→	(¥15bn)
Equipment, Machinery	(¥150bn)	→	(¥190bn)
Goodwill	(¥70bn)	→	(¥70bn)

Balance Sheet and Cash Flow Management

(Billions of yen)



*MTP2020 aggregate results (FY18-FY20)



Major One-time Gain/Loss for the Year Ended March 31,2021

	FY2019 Results		FY2020 Results	
Non-Resource	¥ (1.5) billion	<ul style="list-style-type: none"> • Impairment loss on Company-owned ships • Impairment loss on domestic marine products business • Gain on sales of domestic real estate • Gain on sales of overseas power generation project etc. 	¥ 3.6 billion	<ul style="list-style-type: none"> • Gain on sales of domestic shopping mall • Gain on sales of domestic real estate • Impairment loss in industrial machinery-related business etc.
Resource	¥ 3.0 billion	<ul style="list-style-type: none"> • Gain on sales of Australian thermal coal interests • Gain on exit of oil and gas interests • Impairment loss on oil and Gas interests etc. 	¥ (3.8) billion	<ul style="list-style-type: none"> • Impairment loss on thermal coal • Sales of oil and gas interests • Impairment loss on oil and gas interests etc.
Total (After income tax expenses)	¥ 1.5 billion		¥ (0.2) billion	

Resource and Non-Resource Profit

(Billions of yen)

① Profit for the year
(attributable to
Owners of the Company)

② Total one-time
income movements)

① - ② Profit for the year
[(attributable to owners
of the Company)]
(Excluding one-time
income movements)



Resource

Non-Resource

	FY2018 Results	FY2019 Results	FY2020 Results	Difference
① Profit for the year (attributable to Owners of the Company)	70.4	60.8	27.0	(33.8)
② Total one-time income movements)	1.9	1.5	(0.2)	(1.7)
① - ② Profit for the year [(attributable to owners of the Company)] (Excluding one-time income movements)	68.5	59.3	27.2	(32.1)
Resource	25.3	10.4	(0.4)	(10.8)
Non-Resource	43.2	48.9	27.6	(21.3)

Commodity Prices, Foreign Exchange, and Interest Rate

	FY2019 Results (Annual Avg.)	FY2020 Results (Annual Avg.)	FY2021 Assumption (Annual Avg.)	Latest Data (As of Apr. 23, 2021)
Crude Oil (Brent)	US\$60.9/bbl	US\$45.8/bbl	US\$50.0/bbl	US\$66.1/bbl
Thermal Coal*1	US\$70.7/t	US\$65.6/t	US\$80.0/t	US\$90.9/t
Coking Coal*1	US\$163.6/t	US\$117.9/t	US\$127.5/t	US\$110.8/t
Exchange Rate*2	¥108.9/US\$	¥105.9/US\$	¥108.0/US\$	¥107.9/US\$
Interest Rate (TIBOR)	0.07%	0.07%	0.08%	0.07%

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

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

【Supplemental Data】

Ⅱ. Segment Information

Organizational Reforms (As April 1, 2021)

From 9 Divisions to 7 Divisions

(New Growth fields × Revision of business division structure to facilitate future growth initiatives)

Infrastructure & Healthcare Division

Identification of infrastructure and medicine/healthcare businesses addressing social issues as growth fields and focus areas

Metals, Mineral Resources & Recycling Division

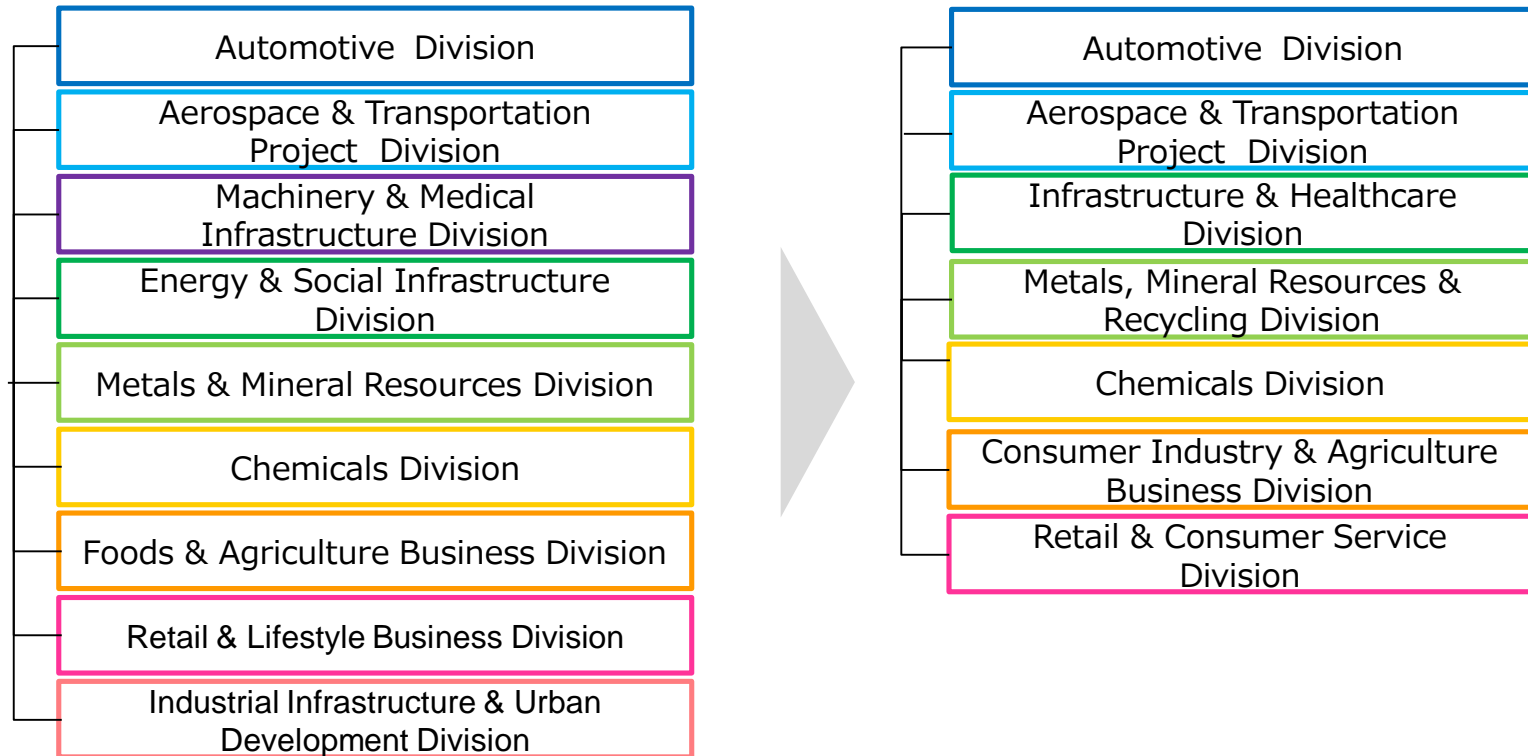
Reforms in existing resource-related businesses, redoubling of recycling business initiatives

Consumer Industry & Agriculture Business Division

Development and growth of digital and other businesses in agriculture-, forestry-, and aquaculture-related fields

Retail & Consumer Service Division

Expansion of service-related businesses addressing domestic and overseas market needs



Automotive

FY2020 Summary

(Billions of Yen)

	FY2019 Results	FY2020 Results	Difference
Gross profit	41.2	34.3	(6.9)
Selling, general and administrative expenses	(33.0)	(28.9)	4.1
Share of profit (loss) of investments accounted for using the equity method	(0.4)	(1.0)	(0.6)
Profit for the period (attributable to owners of the Company)	2.4	1.2	(1.2)
Total Asset	180.5	164.2	(16.3)
Core cash flow	6.3	6.0	(0.3)
ROA	1.4%	0.7%	(0.7%)

Main Factors Behind Difference

【 Profit for the year 】
Decreased due to reduced automobile sales as a result of the global COVID-19 pandemic

【Total Assets】
Decreased stock as of the year end due to restart operating activities

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

(Billions of Yen)

Net profit	1Q	2Q	3Q	4Q	Whole financial year
FY19 Results	1.5	0	(0.2)	1.1	2.4
FY20 Results	(1.8)	0.2	1.2	1.6	1.2

Major Subsidiaries and Associates

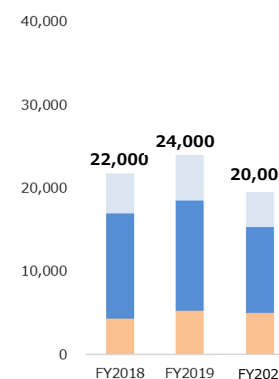
(Billions of Yen)

Main Subsidiaries and Associates	Equity ownership	FY2019 Results	FY2020 Results	Difference	Business Description
Sojitz Autrans Corporation	100%	0.7	0.2	(0.5)	Automotive parts business
Sojitz Automotive Group, Inc	100%	1.2	1.1	(0.1)	Automobile dealership
Sojitz de Puerto Rico Corporation	100%	0.9	1.0	0.1	Import and sales of automobiles
Subaru Motor LLC	66%	(0.2)	0.1	0.3	Import and exclusive distribution of automobiles
Sojitz Quality, Inc	100%	0.1	0.0	(0.1)	Automotive parts quality inspection services
Total		2.7	2.4	(0.3)	

Vehicle Sales

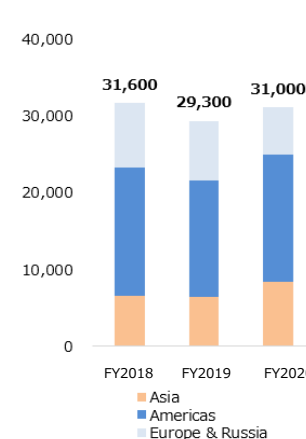
Dealership Business

(unit)



Distributor Business

(unit)



*1 The equity share is as of the end of FY 2020

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

Aerospace & Transportation Project

FY2020 Summary

(Billions of Yen)

	FY2019 Results	FY2020 Results	Difference
Gross profit	15.7	13.6	(2.1)
Selling, general and administrative expenses	(10.3)	(10.4)	(0.1)
Share of profit (loss) of investments accounted for using the equity method	1.1	0.0	(1.1)
Profit for the period (attributable to owners of the Company)	1.8	1.8	0.0
Total Asset	135.1	169.2	34.1
Core cash flow	3.7	3.7	0
ROA	1.4%	1.2%	(0.2%)

Main Factors Behind Difference

【 Profit for the year 】
Relatively unchanged year on year

【Total Asset】
Increased following acquisitions of freight car leasing and in-flight catering companies

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

(Billions of Yen)

Net profit	1Q	2Q	3Q	4Q	whole financial year
FY19 Results	0.2	0.4	0.5	0.7	1.8
FY20 Results	(0.5)	0.2	0.2	1.9	1.8

Major Subsidiaries and Associates

(Billions of Yen)

Main Subsidiaries and Associates	Equity ownership	FY2019 Results	FY2020 Results	Difference	Business Description
Sojitz Aerospace Corporation	100%	1.1	0.8	(0.3)	Import/export and sales of aerospace-related equipment, components and materials
Sojitz Marine & Engineering Corporation	100%	0.6	0.4	(0.2)	Sales, purchase and charter brokerage of new and used vessels, ship operation management, sales and import/export of marine-related equipment and materials
Sojitz Aircraft Leasing B.V.	100%	0.2	0.0	(0.2)	Aerospace-related part-out business
SJ Aviation Capital Pte. Ltd.	100%	0.1	0.2	0.1	Aircraft leasing business
Sojitz Transit & Railway Canada Inc.	74.9%	0.5	0.6	0.1	General repair and remanufacturing of railway rolling stock/Equity-method associate
Total		2.5	2.0	(0.5)	

*1 The equity share is as of the end of FY 2020

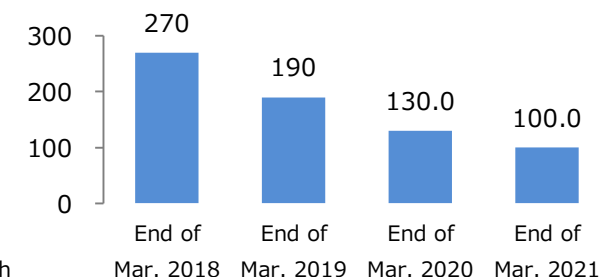
*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

Order Backlog for Railways in India

✓ Continuously smooth progress in Japanese ODA Japan-India economic collaboration project (the total amount of order: over 350 billions) despite COVID-19 pandemic

✓ Amount of unfilled orders as of end of March, 2021 : about 100 billions

(Billions of Yen)



Machinery & Medical Infrastructure

FY2020 Summary

(Billions of Yen)

	FY2019 Results	FY2020 Results	Difference
Gross profit	14.7	13.4	(1.3)
Selling, general and administrative expenses	(12.2)	(11.3)	0.9
Share of profit (loss) of investments accounted for using the equity method	2.0	3.4	1.4
Profit for the period (attributable to owners of the Company)	4.6	4.0	(0.6)
Total Asset	123.9	135.0	11.1
Core cash flow	1.3	1.3	0.0
ROA	3.7%	3.1%	(0.6%)

Main Factors Behind Difference

【 Profit for the year 】
Decreased due to impairment losses based on structural reform policies although profits increased in medical infrastructure business

【Total Asset】
Increased due to acquisition of primary care service companies

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

(Billions of Yen)

Net profit	1Q	2Q	3Q	4Q	whole financial year
FY19 Results	0.3	1.2	1.1	2.0	4.6
FY20 Results	1.1	1.1	1.2	0.6	4.0

Major Subsidiaries and Associates

(Billions of Yen)

Main Subsidiaries and Associates	Equity ownership	FY2019 Results	FY2020 Results	Difference	Business Description
Sojitz Machinery Corporation	100%	1.5	1.6	0.1	Import/export and sales of general machinery
Sojitz Hospital PPP Investment B.V.	100%	3.5	4.8	1.3	Investment management of hospital project
First Technology China Ltd.	100%	0.5	0.7	0.2	Sales and service of surface-mounting machines and semiconductor-related equipment
Total		5.5	7.1	1.6	

*1 The equity share is as of the end of FY 2020

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

Overseas Healthcare Business



Joins Hospital Project in Australia
(Released in March, 2021)

(Picture on the left) Interior of New Hospital

Invested in Qualitas Medical Limited, a leading provider of primary healthcare services in the Asia and Oceania region
(Released in March, 2021)

(Picture on the right) Interior dental clinic in Singapore



Energy & Social Infrastructure

FY2020 Summary

(Billions of Yen)

	FY2019 Results	FY2020 Results	Difference
Gross profit	25.7	17.8	(7.9)
Selling, general and administrative expenses	(19.0)	(19.0)	0
Share of profit (loss) of investments accounted for using the equity method	5.7	4.3	(1.4)
Profit for the period (attributable to owners of the Company)	9.6	3.6	(6.0)
Total Asset	263.2	269.8	6.6
Core cash flow	14.9	5.9	(9.0)
ROA	3.5%	1.4%	(2.1%)

Main Factors Behind Difference [Profit for the year]

Decreased, despite the asset replacement in power generation businesses, due to impairment loss on oil interests recorded based on structural reform policies and the rebound in sales of power generation businesses recorded in the previous equivalent period

[Total Asset]

Increased due to acquisition of additional stakes in overseas solar power generation companies

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

(Billions of Yen)

Net profit	1Q	2Q	3Q	4Q	Whole financial year
FY19 Results	0.3	3.1	0.4	5.8	9.6
FY20 Results	1.8	(0.1)	0.5	1.4	3.6

Major Subsidiaries and Associates

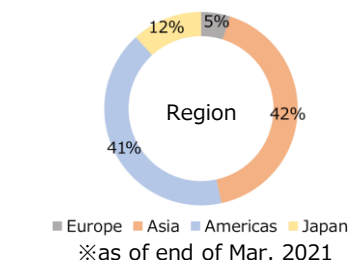
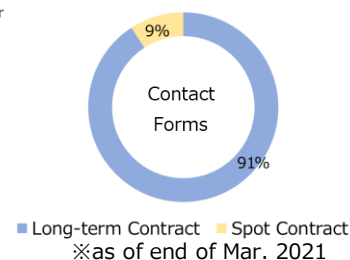
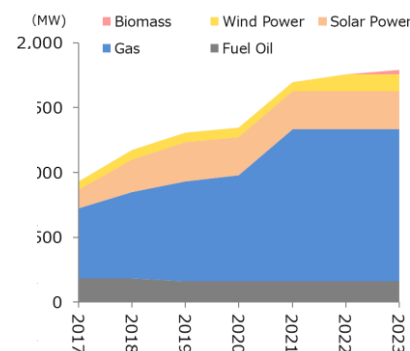
(Billions of Yen)

Main Subsidiaries and Associates	Equity ownership	FY2019 Results	FY2020 Results	Difference	Business Description
Nissho Electronics Corporation	100%	1.2	1.6	0.4	Providing leading-edge IT solutions and network services
Tokyo Yusō Corporation	100%	0.4	0.4	0.0	Tank storage operations for petroleum and chemical products
Renewable Energy Business	-	2.9	3.2	0.3	Renewable Energy Business in the country and overseas
LNG Japan Corporation	50%	3.9	1.7	(2.2)	LNG business and related investments
Total		8.4	6.9	(1.5)	

*1 The equity share is as of the end of FY 2020

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

Change in Net Power-Generation Capacity



Results and Forecast of Net Power-Generation Capacity

	FY2017	FY2020	FY2023
Solar Power	140	290	290
Wind Power	60	70	130
Gas	540	820	1,170
Fuel Oil	180	160	160
Biomass	-	-	40

Metals & Mineral Resources

FY2020 Summary

(Billions of Yen)

	FY2019 Results	FY2020 Results	Difference
Gross profit	20.4	12.4	(8.0)
Selling, general and administrative expenses	(13.0)	(12.5)	0.5
Share of profit (loss) of investments accounted for using the equity method	12.5	4.7	(7.8)
Profit for the period (attributable to owners of the Company)	20.1	(1.7)	(21.8)
Total Asset	443.1	473.9	30.8
Core cash flow	16.6	7.6	(9.0)
ROA	4.4%	(0.4%)	(4.8%)

Main Factors Behind Difference [Profit for the year]

Decreased due to rebound from sales of thermal coal interests in the previous year, impairment loss in overseas coal business based on structural reform policies, sluggish coal market, and decreased profits from steel operating company

[Total Asset]

Increased due to yen appreciation versus Australian dollar and new borrowings

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

(Billions of Yen)

Net profit	1Q	2Q	3Q	4Q	Whole financial year
FY19 Results	7.1	2.7	2.2	8.1	20.1
FY20 Results	(2.0)	0.0	(0.4)	0.7	(1.7)

Major Subsidiaries and Associates

(Billions of Yen)

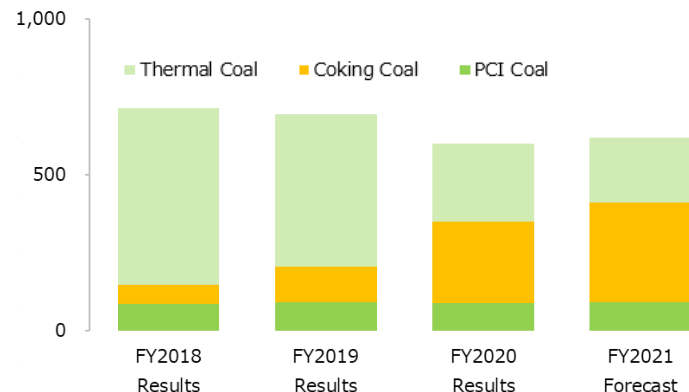
Main Subsidiaries and Associates	Equity ownership	FY2019 Results	FY2020 Results	Difference	Business Description
Sojitz Development Pty. Ltd.	100%	1.5	(5.2)	(6.7)	Investment in coal mines
Sojitz Moolarben Resources Pty. Ltd.	100%	6.8	0.0	(6.8)	Investment in coal mines
Sojitz Resources (Australia) Pty. Ltd.	100%	0.3	0.4	0.1	Investment in an alumina refinery
Japan Alumina Associates (Australia) Pty. Ltd.	50%	0.4	0.3	(0.1)	Production of alumina
Metal One Corporation	40%	9.2	2.6	(6.6)	Integrated steel trading company
Total		18.2	(1.9)	(20.1)	

*1 The equity share is as of the end of FY 2020

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

Change in Coal Sales Volume

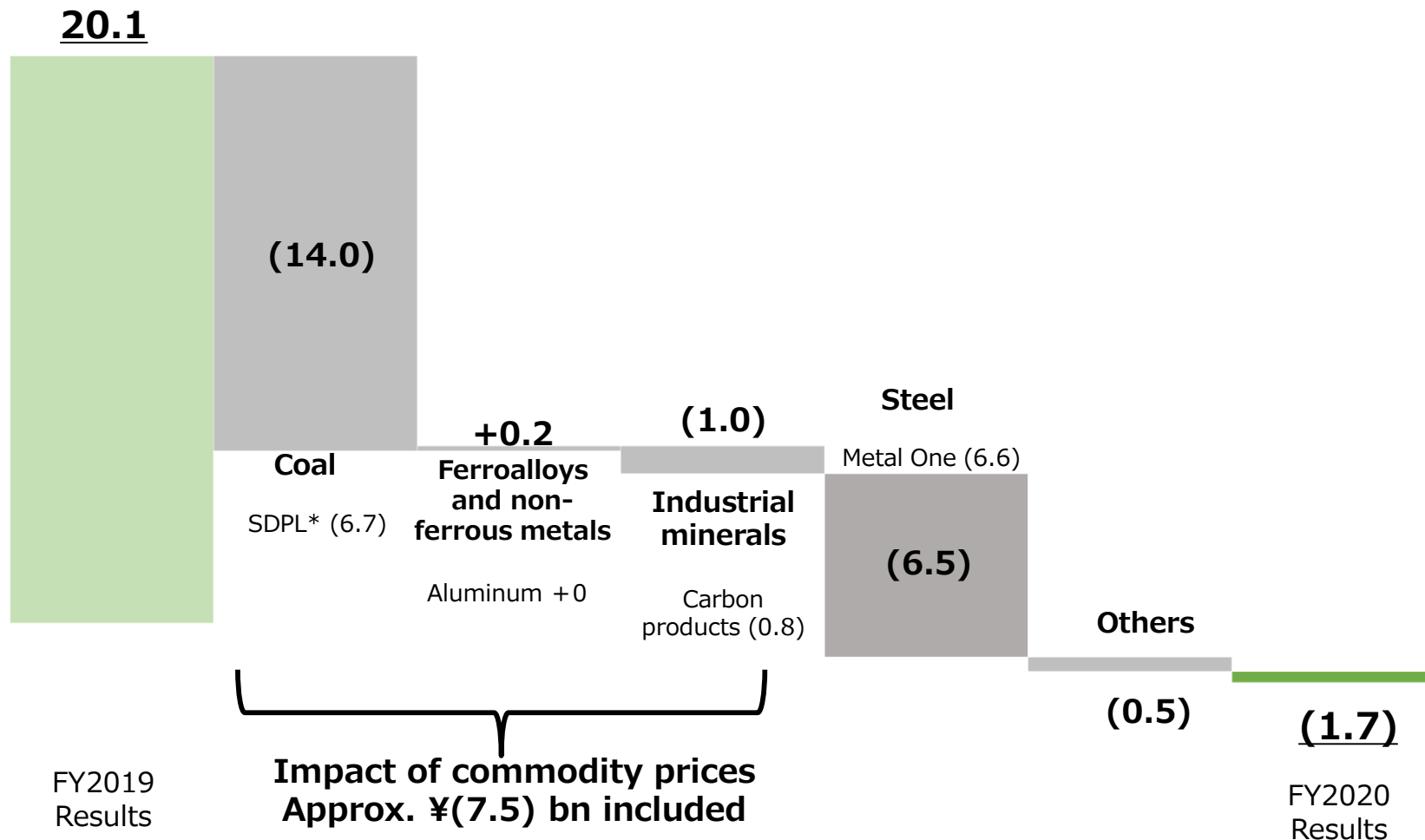
10,000 ton)



Metals & Mineral Resources

Year on Year Main Factors Behind Difference

(Billions of Yen)



*Sojitz Development Pty. Ltd.

(The name of Sojitz Coal Resources Pty. Ltd. was changed to "Sojitz Development Pty. Ltd. " as of July 1,2020)

Chemicals

FY2020 Summary

(Billions of Yen)

	FY2019 Results	FY2020 Results	Difference
Gross profit	43.2	37.3	(5.9)
Selling, general and administrative expenses	(29.3)	(28.2)	1.1
Share of profit (loss) of investments accounted for using the equity method	0.7	0.7	0.0
Profit for the period (attributable to owners of the Company)	9.3	5.8	(3.5)
Total Asset	269.0	272.3	3.3
Core cash flow	10.2	8.1	(2.1)
ROA	3.3%	2.1%	(1.2%)

Main Factors Behind Difference

【 Profit for the year 】

Decreased due to impacts from the drop in methanol prices in the first quarter as a result of the global COVID-19 pandemic

【Total Asset】

Relatively unchanged year on year

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

(Billions of Yen)

Net profit	1Q	2Q	3Q	4Q	Whole financial year
FY19 Results	2.3	2.5	1.3	3.2	9.3
FY20 Results	0.0	1.3	2.4	2.1	5.8

Major Subsidiaries and Associates

(Billions of Yen)

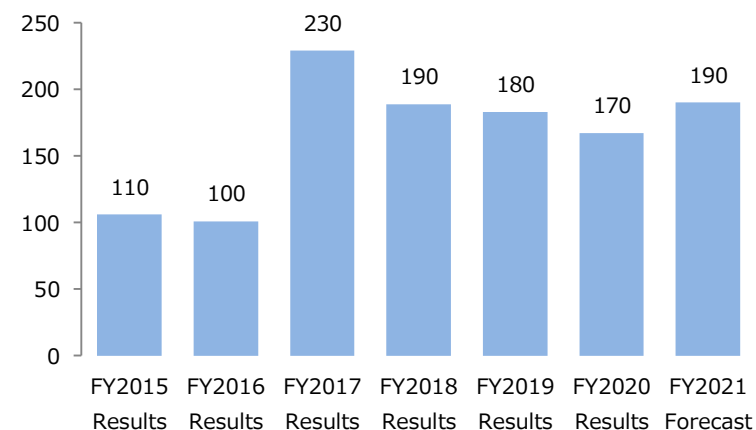
Main Subsidiaries and Associates	Equity ownership	FY2019 Results	FY2020 Results	Difference	Business Description
Sojitz Pla-Net Corporation	100%	1.0	1.1	0.1	Trading and sale of plastics and related products
PT. Kaltim Methanol Industri	85%	2.8	0.1	(2.7)	Manufacture and sale of methanol
solvadis deutschland gmbh	100%	0.5	0.9	0.4	Trading and sale of chemical products
Total		4.3	2.1	(2.2)	

*1 The equity share is as of the end of FY 2020

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

Sales Volume for Methanol

(10,000 ton)



Foods & Agriculture Business

FY2020 Summary

(Billions of Yen)

	FY2019 Results	FY2020 Results	Difference
Gross profit	14.2	18.8	4.6
Selling, general and administrative expenses	(11.6)	(11.6)	0.0
Share of profit (loss) of investments accounted for using the equity method	0.5	0.8	0.3
Profit for the period (attributable to owners of the Company)	1.4	5.1	3.7
Total Asset	128.9	133.9	5.0
Core cash flow	3.0	7.5	4.5
ROA	1.1%	3.9%	2.8%

Main Factors Behind Difference

[Profit for the year]

Increased due to higher performance in overseas fertilizer businesses thanks to lower production costs and higher sales volumes

[Total Asset]

Increased due to higher sales volumes in overseas fertilizer businesses

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

(Billions of Yen)

Net profit	1Q	2Q	3Q	4Q	Whole financial year
FY19 Results	0.7	0.5	0.2	0	1.4
FY20 Results	2.0	2.3	0	0.8	5.1

Major Subsidiaries and Associates

(Billions of Yen)

Main Subsidiaries and Associates	Equity ownership	FY2019 Results	FY2020 Results	Difference	Business Description
Thai Central Chemical Public Company (TCCC)	81%	2.6	4.7	2.1	Manufacture and sales of fertilizers ×3
Atlas Fertilizer Corporation	100%	0.7	1.8	1.1	Manufacture and sales of fertilizers, sales of imported fertilizer products
Japan Vietnam Fertilizer Company	75%	0.1	0.3	0.2	Manufacture and sales of fertilizers
Total		3.4	6.8	3.4	

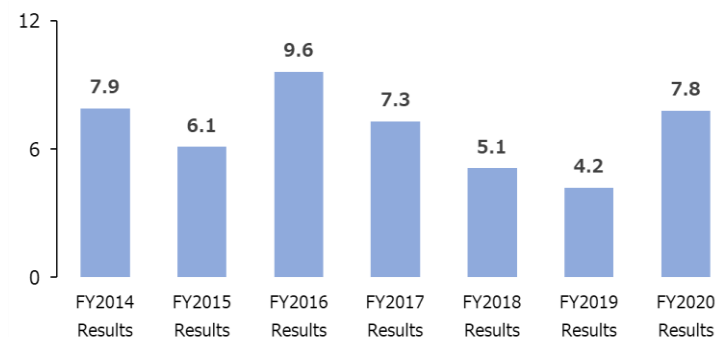
*1 The equity share is as of the end of FY 2020

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

*3 Updated on August 27, 2021.

Sales of fertilizers

(Billions of Yen)



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

*FY 2020 results was updated on August 27, 2021.

Retail & Lifestyle Business

FY2020 Summary

(Billions of Yen)

	FY2019 Results	FY2020 Results	Difference
Gross profit	35.5	31.8	(3.7)
Selling, general and administrative expenses	(27.2)	(26.0)	1.2
Share of profit (loss) of investments accounted for using the equity method	0.4	(0.3)	(0.7)
Profit for the period (attributable to owners of the Company)	6.0	4.5	(1.5)
Total Asset	370.3	366.0	(4.3)
Core cash flow	7.4	3.0	(4.4)
ROA	1.6%	1.2%	(0.4%)

Main Factors Behind Difference

【Profit for the year】

Decreased due to sluggish domestic consumption stemming from the global COVID-19 pandemic despite gains on sale of a shopping mall

【Total Asset】

Decreased, despite increase from Royal Holdings acquisition, as a result of sales of commercial facilities

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

(Billions of Yen)

Net profit	1Q	2Q	3Q	4Q	Whole financial year
FY19 Results	1.1	1.7	1.9	1.3	6.0
FY20 Results	0.6	2.0	1.6	0.3	4.5

Major Subsidiaries and Associates

(Billions of Yen)

Main Subsidiaries and Associates	Equity ownership	FY2019 Results	FY2020 Results	Difference	Business Description
Sojitz Building Materials Corporation	100%	0.1	0.5	0.4	Trading company specializing in sales of construction materials
Sojitz Foods Corporation	100%	2.3	2.3	0.0	Sales of sugar, agricultural, livestock and marine products, various raw ingredients, processed foods, dairy products and other foodstuffs
Sojitz Fashion Co., Ltd.	100%	0.7	0.7	0.0	Printing of cotton and synthetic textiles, processing and wholesale of non-patterned and dyed fabrics
Total		3.1	3.5	0.4	

*1 The equity share is as of the end of FY 2020

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

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

•JALUX Inc. (equity-method associate) <https://www.jalux.com/en/profile/>

•Tri-Stage Inc. (equity-method associate) <https://www.tri-stage.jp/en/>

Investment in Royal Holdings



✓ Completion of third-party allotment payment (31,Mar.2021)

✓ Personnel exchanges are taking place between both parties

✓ Joint Project Office established in Royal Holdings to boost its corporate value

✓ Collaborative ventures underway for improving operating efficiency in procurement, distribution, and food product and in-flight catering factories and quickly generating other synergies

Industrial Infrastructure & Urban Development

FY2020 Summary

(Billions of Yen)

	FY2019 Results	FY2020 Results	Difference
Gross profit	6.0	6.0	0.0
Selling, general and administrative expenses	(5.6)	(5.4)	0.2
Share of profit (loss) of investments accounted for using the equity method	2.4	2.1	(0.3)
Profit for the period (attributable to owners of the Company)	1.5	1.1	(0.4)
Total Asset	77.2	71.3	(5.9)
Core cash flow	4.4	5.3	0.9
ROA	2.0%	1.5%	(0.5%)

Main Factors Behind Difference

【Profit for the Year】
Relatively unchanged year on year

【Total Asset】
Decreased due to reduction in real estate held for resale

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

(Billions of Yen)

Net profit	1Q	2Q	3Q	4Q	Whole financial year
FY19 Results	(0.9)	1.5	(0.4)	1.3	1.5
FY20 Results	(0.6)	0.0	0.0	1.7	1.1

Major Subsidiaries and Associates

(Billions of Yen)

Main Subsidiaries and Associates	Equity ownership	FY2019 Results	FY2020 Results	Difference	Business Description
Sojitz New Urban Development Corporation	100%	0.5	(0.1)	(0.6)	Development and sale of condominiums, real estate brokerage, development and possession of rental apartment and sale of housing equipment
Sojitz REIT Advisors K.K.	67%	0.4	0.5	0.1	Management of real estate asset
Total		0.9	0.4	(0.5)	

*1 The equity share is as of the end of FY 2020

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

Summary of Profit or Loss (Results)

(Billions of Yen)	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Net sales (JGAAP)	3,844.4	4,014.6	4,321.7	3,934.5	4,046.6	4,105.3	4,006.6	3,745.5	4,209.1	–	–	–
Revenue	–	–	2,006.6	1,747.8	1,803.1	1,809.7	1,658.1	1,555.3	1,816.5	1,856.2	1,754.8	1,602.5
Gross profit	178.2	192.7	217.1	187.2	198.2	197.7	180.7	200.7	232.4	241.0	220.5	188.1
Operating profit	16.1	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	9.2	19.3	16.3	15.8	31.0	28.6	23.2	12.7	25.1	27.8	24.9	14.8
Profit before tax	18.9	39.3	58.5	28.1	44.0	52.6	44.3	58.0	80.3	94.9	75.5	37.4
Profit for the year attributable to owners of the Company	8.8	16.0	(1.0)	13.4	27.3	33.1	36.5	40.8	56.8	70.4	60.8	27.0
Core earnings	14.4	41.9	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	68.4	38.4
ROA	0.4%	0.7%	(0.0)%	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	3.0%	2.7%	1.2%
ROE	2.6%	4.7%	(0.3)%	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	11.7%	10.2%	4.5%

(*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for FY2008 through FY2010.

Summary of Balance Sheets (Results)

(Billions of Yen)	End of Mar. 2010	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
Total assets	2,160.9	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
Total equity	352.4	330.0	330.0	382.6	459.9	550.9	520.3	550.5	586.4	618.2	579.1	619.0
Equity ratio	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	26.9%	26.0%	26.9%
Net interest-bearing debt	737.8	700.6	676.4	643.3	640.2	629.6	571.6	611.1	603.5	584.7	613.2	610.6
Net DER (times)	2.1	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.0	1.0	1.1	1.0
Risk assets (vs. Total equity, times)	320.0 0.9	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
Current ratio	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	157.1%	161.4%	162.7%
Long-term debt ratio	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	82.9%	79.1%	82.5%

(*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for End of Mar. 2009 through 2011. Under JGAAP, Total equity is calculated as Total net assets – Minority interests.

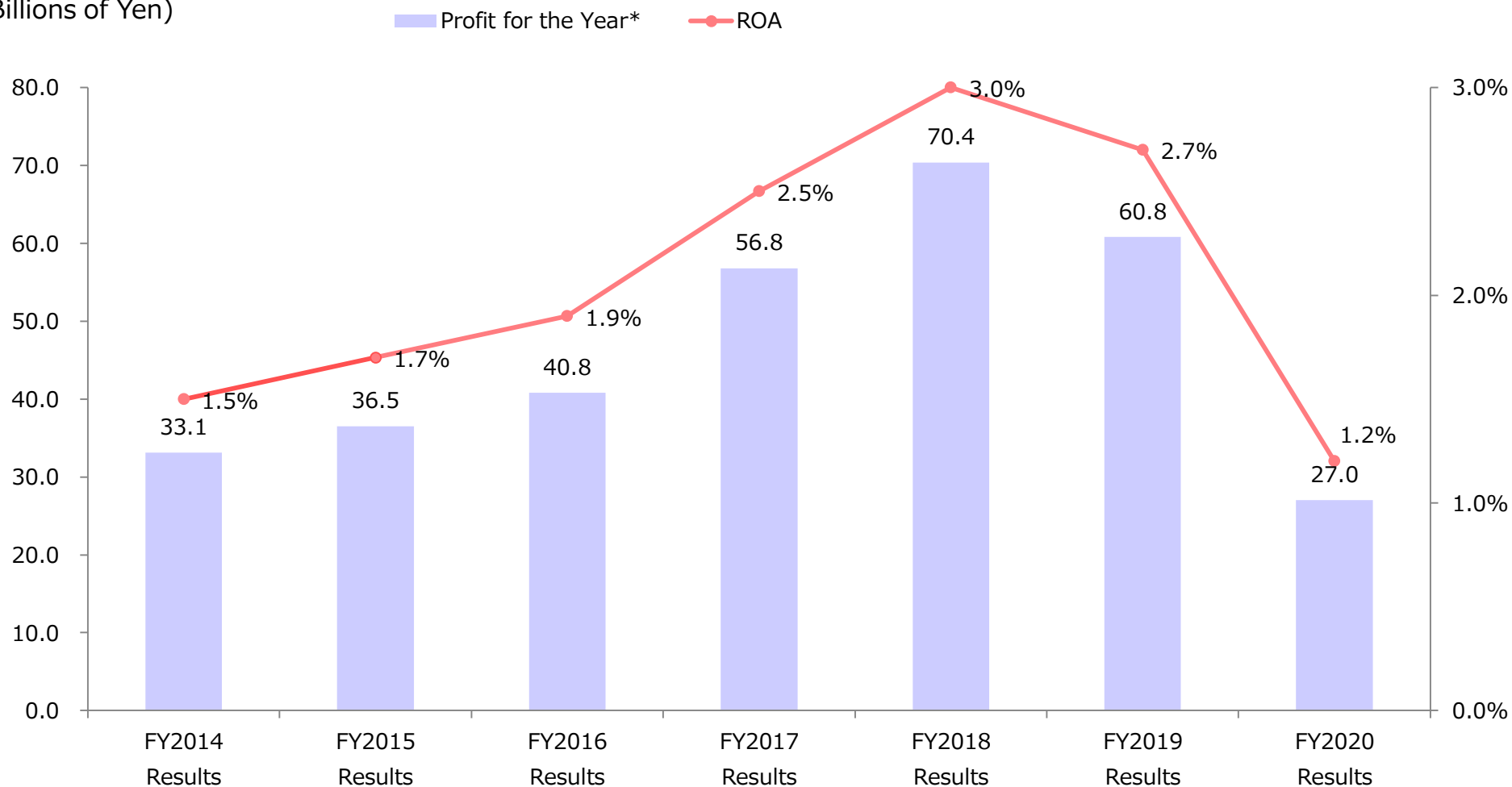
Summary of Cash Flow (Results)

(Billions of Yen)	End of Mar. 2010	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
Core cash flow	-	-	-	-	-	-	18.3	5.5	(56.7)	63.1	1.3	(8.0)
Free cash flow	135.7	48.0	46.4	43.4	22.5	25.3	66.0	(31.3)	12.4	54.3	4.8	49.3
Core operating cash flow	-	-	-	-	-	-	60.0	59.4	82.9	79.1	80.2	60.2
Cash flow from operating activities	107.2	67.9	88.7	55.1	47.0	39.1	99.9	0.9	98.8	96.5	40.5	85.0
Cash flow from investment activities	28.4	(19.9)	(42.3)	(11.7)	(24.5)	(13.8)	(33.9)	(32.2)	(86.4)	(42.2)	(35.7)	(35.7)
Cash flow from financing activities	(102.6)	(72.1)	(29.5)	(56.2)	(30.9)	(42.6)	(114.7)	(4.0)	(13.1)	(74.9)	(12.2)	(40.6)
Investments and loans	27.0	73.0	53.0	44.0	54.0	57.0	71.0	86.0	158.0	91.0	81.0	96.0

※Core cash flow = Core operating cash flow (excluding changes in working capital) + Investing cash flow (including asset replacement)
 - Dividends paid - Purchase of treasury stock

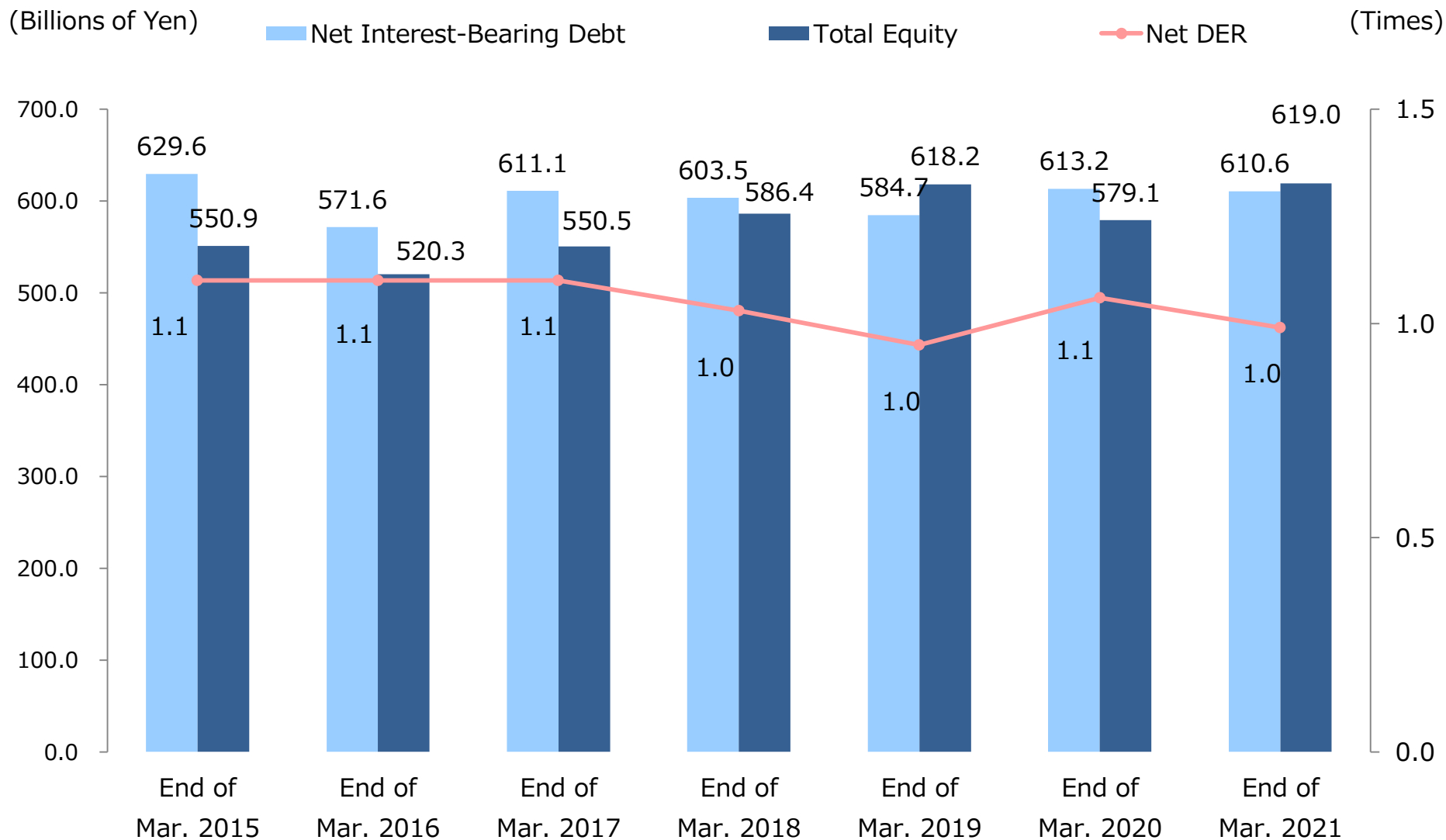
Summary of Profit or Loss

(Billions of Yen)



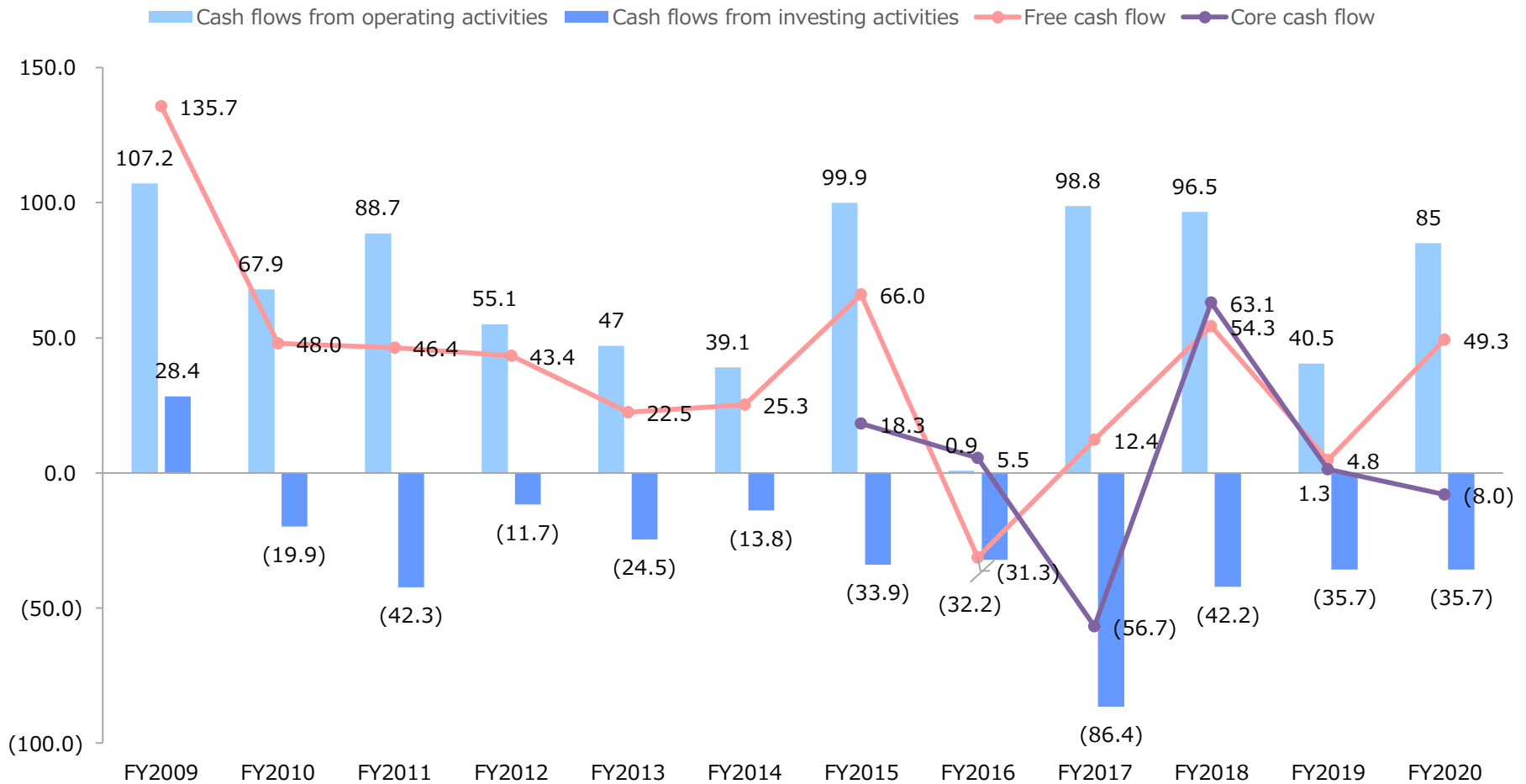
* Attributable to owners of the Company

Summary of Balance Sheets



Summary of Cash Flow

(Billions of Yen)





New way, New value

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.

Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (IFRS)

April 30, 2021

Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

Company representative: Masayoshi Fujimoto, President & CEO

Contact information: Yoichi Yanagisawa, GM, Public Relations Dept. TEL +81-3-6871-3404

Scheduled date of Ordinary General Shareholders' Meeting: June 18, 2021

Scheduled filing date of financial report: June 18, 2021

Scheduled date of delivery of dividends: June 21, 2021

Supplementary materials for the quarterly financial results: Yes

Investor conference for the quarterly financial results: Yes

(Rounded down to millions of Japanese Yen)

1. Consolidated Financial Results for the Year Ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(1) Consolidated Operating Results

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

	Revenue		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Total comprehensive income for the year	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the year ended										
March 31, 2021	1,602,485	(8.7)	37,420	(50.5)	29,417	(54.4)	27,001	(55.6)	62,967	-
March 31, 2020	1,754,825	(5.5)	75,528	(20.4)	64,573	(14.2)	60,821	(13.6)	(2,361)	-

	Basic earnings per share	Diluted earnings per share	Profit ratio to equity attributable to owners of the Company	Profit before tax ratio to total assets
	Yen	Yen	%	%
For the year ended				
March 31, 2021	22.51	22.51	4.5	1.7
March 31, 2020	48.91	48.91	10.2	3.3

Note : Share of profit (loss) of investments accounted for using the equity method

March 31, 2021 : 14,786 millions of yen March 31, 2020 : 24,908 millions of yen

Note : Basic earnings per share and Diluted earnings per share are calculated based on Profit for the period attributable to owners of the Company.

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the Company	Total equity attributable to owners of the Company ratio	Total equity per share attributable to owners of the Company
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of					
March 31, 2021	2,300,115	654,639	619,111	26.9	516.32
March 31, 2020	2,230,285	621,898	579,123	26.0	474.97

(3) Consolidated Statements of Cash Flows

	Operating activities	Investing activities	Financing activities	Cash & cash equivalents at the end of the year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the year ended				
March 31, 2021	84,972	(35,676)	(40,621)	287,597
March 31, 2020	40,510	(35,669)	(12,164)	272,651

2. Cash Dividends

	Cash divided per share					Total amount of cash dividends (annual)	Consolidated payout ratio	Dividend on total equity attributable to owners of the Company (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
For the year ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2020	-	8.50	-	8.50	17.00	21,011	34.8	3.5
March 31, 2021	-	5.00	-	5.00	10.00	12,006	44.4	2.0
March 31, 2022(forecast)	-	7.00	-	7.00	14.00		31.7	

Note :

- Changes in cash dividend forecast : No
- At the 18th Ordinary General Shareholders' Meeting scheduled to be held on June 18, 2021, the Company intends to propose a one-for-five reverse stock split affecting shares of common stock to be conducted with an effective date of October 1, 2021. Accounting for the impacts of this reverse stock split, the Company plans to issue a year-end dividend of ¥35.00 per share.
- The Company intends repurchase of share of its common stock from May 1, 2021 to September 30, 2021. In case execute the share repurchase, consolidated payout ratio (forecast) is above 30%.

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

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

	Profit attributable to owners of the Company		Basic earnings per share
	Millions of Yen	%	Yen
For the Year Ending			
March 31, 2022			
Full-year	53,000	96.3	44.20

Note :

- Basic earnings per share is calculated based on Profit attributable to owners of the Company.
- Basic earnings per share is without taking into consideration the impacts of this reverse stock split which the Company intends to propose at the 18th Ordinary General Shareholders' Meeting scheduled to be held on June 18, 2021

4. Others

(1) Changes in major subsidiaries during the period

(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No

(2) Accounting policy changes and accounting estimate changes

1. Changes in accounting policies required by IFRS : No
2. Changes due to other reasons : No
3. Accounting estimate change : No

(3) Number of outstanding shares at the end of the periods (Common Stock):

1. Number of outstanding shares at the end of the periods (Including treasury stock):

As of March 31, 2021: 1,251,499,501 As of March 31, 2020: 1,251,499,501

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

As of March 31, 2021 : 52,404,470 As of March 31, 2020 : 32,204,257

3. Average number of outstanding shares during the periods:

For the Year ended March 31, 2021(accumulative): 1,199,760,352

For the Year ended March 31, 2020 (accumulative): 1,243,634,792

Notes: For information on the number of shares used to calculate consolidated earnings per share, please refer to“(Earnings per share)” under “5. Consolidated Financial Statements” of this document.

The above figures for treasury shares do not include shares held as part of mutual holdings with investments accounted for using the equity method.

The trust account associated with this trust holds stock of the Company's stock, which are treated as treasury stock; 1,547,972 stocks in the financial year ended March 2021 and 1,667,211 stocks in the financial year ended March 2020.

* This summary of consolidated financial results is not subject to audits.

* Important Note Concerning the Appropriate Use of Business Forecasts and other :

• This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by forward-looking statements due to various factors including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

• Supplementary materials on financial results can be found on our web site. We will hold an IR meeting on financial results for the Year Ended March 31, 2021 and Medium-Term Management Plan 2023 for analysts and institutional investors on April 30, 2021. Contents (materials and videos) of the meeting and condensed transcript of Q&A session will be posted on our web site immediately after the meeting.

1. Analysis of Business Results

(1) Overview of Fiscal 2020 (April 1, 2020 — March 31, 2021)

Economic Environment

In the year ended March 31, 2021, the global economy experienced a substantial slowdown due to the global COVID-19 pandemic and the impacts of measures for fighting the pandemic, such as the lockdowns, travel restrictions, and stay-at-home requests instituted in numerous countries. Governments around the world implemented fiscal and financial measures, resulting in a recovery trend that emerged around the summer. However, the later emergence of variant COVID-19 viruses caused case numbers to resume increasing. Currently, there is a sense of anticipation regarding the vaccination of populations centered on developed countries. Regardless, the COVID-19 pandemic continues to impact economic activities.

COVID-19 case numbers remain high in the United States, but the widespread vaccination of the population along with the benefits of measures such as stimulus payments to individuals and additional economic stimulus packages have spurred recovery in economic activities. Going forward, however, it will be important to monitor the impacts of the United States' efforts to detach its economic growth from China on the supply chains for semiconductors and other electronic components.

The slowdown in the European economy has been substantial as a result of intermittent lockdowns instituted in response to the rapid spread of variant COVID-19 viruses, and it is possible that wages and the job market will be slow to recover following protracted periods of unemployment among younger and other generations. Meanwhile, a trade agreement was reached between the United Kingdom and the European Union, but there is concern for the trade implications of the non-tariff trade barriers that will be put in place going forward.

China has successfully prevented subsequent COVID-19 outbreaks on a nationwide level through localized lockdowns and individual quarantines. In addition, exports from this country have been brisk centered on electronic products and components. Nevertheless, ongoing caution is warranted with regard to the risks present in this market, particularly those related to reduced creditability as cases of debt default increase and to the ever more intense conflicts with the United States.

Conditions pertaining to the COVID-19 pandemic vary by country in Southeast Asia. Accordingly, there is disparity in the speed of economic recovery between, for example, Vietnam, which has experienced positive growth, and Indonesia and the Philippines, where COVID-19 cases continue to increase. Countries across Southeast Asia have begun vaccinating their populations, but progress in these vaccinations also varies by country. Economic recovery could thus be slow in countries where a significant amount of time is required for the population to be vaccinated.

In Japan, there are signs of recovery in corporate activities driven by growth in exports and economic stimulus measures. Meanwhile, the rise in COVID-19 cases seen during the winter has placed additional pressure on the economy. There is thus a need to carefully monitor the contraction of domestic demand, which is seen being centered on face-to-face service industries, as the government institutes state of emergency declarations and other pandemic-fighting measures. Ongoing caution is also required with regard to the impacts of U.S.-China conflicts on the global economy.

Financial Performance

Sojitz Corporation's consolidated business results for the year ended March 31, 2021 are presented below.

Revenue	Revenue was down 8.7% year on year, to ¥1,602,485 million, due to lower revenue in the Automotive Division, as a result of decreases in sales units in overseas automobile operations; and in the Chemicals Division, a result of declines in the transaction volumes of plastic resins and falling methanol prices; and in the Retail & Lifestyle Business Division, as a result of lower lumber transactions.
Gross profit	Gross profit decreased ¥ 32,374 million year on year to ¥188,120 million, due to decrease in revenue in the Metals & Mineral Resources Division, influenced by a decline in coal prices and the sale of partial coal interests recorded at the end of the

	previous fiscal year, decreases in sales units in overseas automobile operations in the Automotive Division, and fall of methanol prices in the first quarter in the Chemicals Division.
Profit before tax	Profit before tax decreased ¥38,108 million year on year, to ¥37,420 million, as the declines in gross profit, share of profit of investments accounted for using the equity method and other income and expenses stemming from the sale of thermal coal interests in the previous year outweighed the benefits of the decreases in selling, general and administrative expenses.
Profit for the year	After deducting income tax expenses of ¥8,002 million from profit before tax of ¥37,420 million, profit for the year amounted to ¥29,417 million, down ¥35,156 million year on year. Profit for the year (attributable to owners of the Company) decreased ¥33,820 million year on year, to ¥270,01 million.
Comprehensive income for the year	Comprehensive income for the year of ¥62,967 million was recorded, compared with comprehensive loss for the year of ¥2,361 million in the previous fiscal year, following an increase in financial assets at fair value through other comprehensive income along with more beneficial foreign currency translation differences for foreign operations. Comprehensive income for the year (attributable to owners of the Company) of ¥59,111 million was recorded, compared with comprehensive loss for the year of ¥4,220 million in the previous fiscal year.

Results for the year ended March 31, 2021, are summarized by segment below.

Automotive

Revenue was down 17.7% year on year, to ¥185,413 million, as a result of decreases in sales units in overseas automobile operations as a result of the global COVID-19 pandemic. Profit for the year (attributable to owners of the Company) decreased ¥1,166 million, to ¥1,214 million, as a result of a decline in gross profit.

Aerospace & Transportation Project

Revenue was down 25.4% year on year, to ¥26,565 million, due to decreases in aircraft transactions. Profit for the year (attributable to owners of the Company) increased ¥40 million, to ¥1,834 million. Gross profit decreased, but that was outweighed by the impacts of an increase in other income stemming from impairment losses on Company-owned ships in previous fiscal year.

Machinery & Medical Infrastructure

Revenue was down 10.9% year on year, to 110,199 million, due to decreases in industrial machinery transactions. Profit for the year (attributable to owners of the Company) decreased ¥572 million, to 3,995 million as an increase in share of profit of investments accounted for using the equity method counteracted the impacts of a decline in gross profit and loss on reorganization of subsidiaries/associates of industrial machinery related company.

Energy & Social Infrastructure

Revenue was down 30.2% year on year, to ¥57,268 million, as a decrease in income from overseas natural gas-fired power generation businesses and lower trading volume of LNG. Profit for the year (attributable to owners of the Company) decreased ¥6,040 million, to ¥3,592 million. Other income and expenses improved due to the acquisition of an additional stake in a solar power generation business company and gain on the

partial sale of a natural gas-fired power project company, but that was outweighed by the impacts of a decline in gross profit.

Metals & Mineral Resources

Revenue was up 1.6% year on year, to ¥356,192 million, as a result of a price increase on ferroalloy and higher trading volume. Profit for the year (attributable to owners of the Company) decreased ¥21,777 million, to loss of ¥1,673 million, as the declines in gross profit associated with the price of coal to fall and other income and expenses due to the sale of thermal coal interests in the previous equivalent period.

Chemicals

Revenue was down 8.9% year on year, to ¥406,784 million, as a result of lower transaction volumes of plastic resins and declines in the price of methanol. Profit for the year (attributable to owners of the Company) increased ¥3,515 million, to ¥5,754 million as the decline in gross profit.

Foods & Agriculture Business

Revenue was up 8.6% year on year, to ¥125,173 million, following higher transactions volumes in overseas fertilizer businesses. Profit for the year (attributable to owners of the Company) increased ¥3,697 million, to ¥5,062 million, as a result of an increase in gross profit.

Retail & Lifestyle Business

Revenue was down 9.1% year on year, at ¥282,027million, as the impacts of lower lumber, meat and textile transactions because of COVID-19 pandemic. Profit for the year (attributable to owners of the Company) decreased ¥1,417 million, to ¥4,546 million as a decline in gross profit.

Industrial Infrastructure & Urban Development

Revenue was down 7.3% year on year, to ¥31,954 million, because of a decline in real estate transactions. Profit for the year (attributable to owners of the Company) decreased ¥410 million, to ¥1,064 million, as a result of a decline in share of profit of investments accounted for using the equity method.

(2) Financial Position

Consolidated Balance Sheet

Total assets on March 31, 2021, stood at ¥2,300,115 million, up ¥69,830 million from March 31, 2020.

This increase was primarily a result of an increase in fixed assets due to the acquisition of an additional stake in a solar power generation business company and an increase in Investments accounted for using the equity Method following new acquisitions in solar power generation business.

Total liabilities at March 31, 2021, amounted to ¥1,645,476 million, up ¥37,089 million from March 31, 2020, largely due to an increase in interest-bearing debt following new borrowing.

Total equity attributable to owners of the Company was ¥619,111 million on March 31, 2021, up ¥39,988 million from March 31, 2020. This increase was largely due to an increase in profit for the year (attributable to owners of the Company) and other components of equity resulted primarily from foreign exchange rate and stock price fluctuations.

Sojitz consequently, on March 31, 2021, the current ratio was 162.7%, the long-term debt ratio was 82.5%, and the equity ratio was 26.9%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥610,677 million on March 31, 2021, ¥2,496 million decline from March 31, 2020. This resulted in the Company's net debt equity ratio equaling 0.99 times at March 31, 2021.

(*) The equity ratio and net debt equity ratio are calculated based on total equity attributable to owners of the Company.

Lease liabilities have been excluded from aforementioned total interest-bearing debt.

Under Medium-Term Management Plan 2020, the Sojitz Group continues to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has been endeavored to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level.

As one source of long-term funding, Sojitz issued ¥10 billion straight bonds in September 2020. However, Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional issues whenever the timing and associated costs prove advantageous.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥120 billion long-term yen commitment line (which remains unused) and a long-term commitment line totaling US\$1.8 billion (of which US\$0.61 billion has been used). The amount of the U.S. dollar-denominated commitment line was increased by US\$0.2 billion in the six-month period ended September 30, 2020.

(3) Consolidated Cash Flows

In the year ended March 31, 2021, operating activities provided net cash flow of ¥84,972 million, investing activities used net cash of ¥35,676 million, and financing activities used net cash of ¥40,621 million. Sojitz ended the year with cash and cash equivalents of ¥287,597 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥44,462 million, consisted of business earnings and dividends received, etc. It was up ¥84,972 million year on year.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥35,676 million, up ¥7 million year on year, despite collection in thermal coal interests in Australia and the sale of a shopping mall.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥40,621 million, largely as a result of dividends paid and purchase of treasury stock. It was up ¥28,457 million year on year.

(4) Consolidated Earnings Forecast

Profit for the year (Attributable to owners of the Company)	¥53.0 billion
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The above forecast assumes a yen/dollar rate of ¥108/US\$.

*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.

(5) Dividend Policy and Fiscal 2019-20 Dividends

In addition to paying stable dividends to shareholders on an ongoing basis, Sojitz is also committed to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing retained earnings. This endeavor has positioned as a basic policy and a top management priority. In accordance with this basic policy, the Company will target a consolidated payout ratio of around 30% under Medium-term Management Plan 2020.

• Year-End Dividend

The year-end dividend for the year ended March 31, 2021, to be decided as follows based on a comprehensive evaluation business results, total equity, and other factors.

1) Type of property to be distributed as dividend

Cash

2) Total value of dividend distribution and its allocation among shareholders

¥5 per share of Sojitz common stock, ¥6,003 million in total Including the interim dividend of ¥5 per share on December 1, 2020, fiscal 2020 dividends will total ¥10 per share or ¥12,006 million in aggregate.

3) Effective date of dividends from surplus

June 21, 2021

• FY2021 Dividends

Sojitz will target a consolidated payout ratio of around 30% under Medium-term Management Plan 2023 under the basic policy. Lower limit for dividends is set as representing market price-based DOE of 4% until PBR reaches 1.0 times and book value-based DOE of 4% after PBR reaches 1.0 times. Dividends for the year ending March 31, 2022, Sojitz plans to pay dividend of ¥14 per share (an interim dividend of ¥7, the year-end dividend of ¥7). This consolidated payout ratio is around 31.7% (forecast). Sojitz will repurchase its own shares from May 1, 2021 to September 30, 2021. After the repurchase of the own shares, consolidated payout ratio is above 30%.

At the 18th Ordinary General Shareholders' Meeting scheduled to be held on June 18, 2021, the Company intends to propose a one-for-five reverse stock split affecting shares of common stock to be conducted with an effective date of October 1, 2021. Accounting for the impacts of this reverse stock split, the Company plans to issue a year-end dividend of ¥35.00 per share.

* Price-based DOE = Dividend of per share / Stock price (Average of last price at the end of fiscal year)

* Book value-based DOE = Dividend of per share / Total equity per share attributable to owners of the Company (At the end of fiscal year)

2. Group Business Operations

Sojitz Group is engaged in a wide range of businesses on a global basis as a general trading company. Our main businesses are trading, import, and export of products, domestic and overseas manufacture and sale of a diverse array of products, provision of services in Japan and overseas, planning and organizing of various projects, investment in diversified business areas, and financial activities. The Group consists of 435 consolidated subsidiaries and equity method associates, including 303 consolidated subsidiaries and 132 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 263 companies consisting of 181 consolidated subsidiaries and 82 equity method associates.)
The following table lists our products, services, and main subsidiaries and affiliates by industry segment.

As of March 31, 2021

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries : 29 Number of equity method associates: 6	Trading of completed automobiles; assembly and sales; retail; automobile and motorcycle parts, simply parts assembly; supply chain management; automotive parts quality inspection operations; financing; sales and service operations incorporating digital technologies	- Sojitz Autrans Corporation. (automobile and motorcycle components; tire sales; Subsidiary)*5 - Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary)
Aerospace & Transportation Project Number of consolidated subsidiaries : 39 Number of equity method associates: 13	Aero business (Commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business, airport business); Transformation and social infrastructure projects (transformation projects; airport, port, and other social infrastructure projects); Marine business (New building, second-hand ships, ship chartering, ship equipment, ship owning)	- Sojitz Aerospace Corporation (Import, export and sale of aero-related and defense-related equipment; Subsidiary) - Sojitz Marine & Engineering Corporation (Sale, purchase and charter brokerage of ships, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary)*5 -Royal In-flight Catering Co., Ltd. (Preparation, sale, and loading of in-flight meals, *food sales, bonded warehouse business; Subsidiary)*2
Machinery & Medical Infrastructure Number of consolidated subsidiaries : 13 Number of equity method associates: 14	Plant Projects (Fertilizer & chemical, energy, infrastructure and environmental projects); Industrial Machinery (industrial machinery, surface-mounting machines, start-ups); Forefront Industry businesses; Bearings; Medical Infrastructure(Hospital PPP, Medical-related service, healthcare new technology)	- Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary)*5 - Sojitz Hospital PPP Investment B.V. (Investment in hospital PPP business; Subsidiary) - First Technology China Ltd. (Sales and service of surface-mounting machines and semiconductor-related equipment; Subsidiary)
Energy & Social Infrastructure Number of consolidated subsidiaries : 41 Number of equity method associates: 29	Infrastructure & Environment (Renewable energy, IPP projects); Power-related projects(IPP and IWP projects, power plant EPC business); Energy (Oil and gas, petroleum products; LNG and LNG-related business);Nuclear power related business(nuclear fuels, nuclear power-related equipment and machinery);Social infrastructure projects (telecommunications infrastructure projects; energy management; next-generation infrastructure projects utilizing IoT, AI, and big data); Sales and maintenance of communications and IT equipment; systems integration, software development and sales, cloud services, and managed services	- Nissho Electronics Corporation (IT systems, network services; Subsidiary) - Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary) - Blue Horizon Power International Ltd. (Investment in power generation projects; Subsidiary) - Sojitz Global Investment B. V. (Investment in power generation projects; Subsidiary) - LNG Japan Corporation (LNG business and related investments and loans; Equity method associate) - SAKURA Internet Inc. (loud services and internet data center operator; Equity method associate) *1
Metals & Mineral Resources Number of consolidated subsidiaries : 28 Number of equity method associates: 17	Coal; iron ore; ferroalloys (nickel, chromium, nickel), ores, alumina, aluminum, copper, zinc, tin, precious metals, ceramics and minerals; coke; carbon products; infrastructure businesses; steel-related business	- Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary) - Sojitz Development Pty Ltd. (Investment in coal mines; Subsidiary) *3 - Sojitz Resources (Australia) Pty. Ltd. (Production of alumina; Subsidiary) - Sojitz Moolarben Resources, Pty. Ltd. (Investment in coal mines; Subsidiary) - Sojitz Moly Resources, Inc. (Investment in molybdenum mines; Subsidiary) - Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Equity method associate) - Coral Bay Nickel Corporation (Production and sale of nickel and cobalt mixed sulfide; Equity method associate) - Japan Alumina Associates (Australia) Pty. Ltd. (Production of alumina; Equity method associate) - Cariboo Copper Corporation (Investment in copper mine; Equity method associate)
Chemicals Number of consolidated subsidiaries : 30 Number of equity method associates: 13	Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; healthcare and natural products; rare earths; commodity resins; advanced resins; environmentally friendly resins; packaging materials for industry and foodstuffs; advanced film; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; printed circuit board electronics materials ;fiber materials and products for use in industrial	- Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary) - Pla Metals Corporation (Trading and sale of plastics and related products; Subsidiary) - P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) - solvadis deutschland gmbh (Trading and sale of chemical products ; Subsidiary)
Foods & Agriculture Business Number of consolidated subsidiaries : 17 Number of equity method associates: 8	Grains; flour; oils and fats; oil stuff; feed materials; marine products; processed seafood; sweets; raw ingredients for sweets; coffee beans; sugar; other foodstuffs and raw ingredients; compound chemical fertilizers	- Thai Central Chemical Public Co., Ltd (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) - Atlas Fertilizer Corporation (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) - Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) *1
Retail & Lifestyle Business Number of consolidated subsidiaries : 25 Number of equity method associates: 15	Cotton and synthetic fabrics; knitted fabrics and products; clothing; medical material; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; housing materials; manufacture and sale of wood chips; imported tobacco; livestock and aquaculture products; processed livestock and aquaculture products; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; sugar; other foodstuffs and raw ingredients; administration of shopping centers; bedclothes and home fashion-related products; general commodities; household- and industrial-use paper, processing and production of prepared food; wholesale food, convenience store business	- Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary, construction planning, research, design, supervision and contracting) - Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary) - Daiichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution ; Subsidiary) - Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) - Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary)*6 - Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary)*6 - Saigon Paper Corporation (Manufacture and sale of household and industrial paper and other paper products; Subsidiary) - Royal Holdings Corporation (Restaurant, Food manufacturing, Hotels, Contract and Services, In-flight Catering; Subsidiary)*1 - JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Equity method associate) *1 - Tri-Stage inc. (Direct marketing support operations; Equity method associate) *1
Industrial Infrastructure & Urban Development Number of consolidated subsidiaries : 10 Number of equity method associates: 4	Real estate development, consignment sales, rent, administration and management businesses(industrial park, housing,office,etc.)	- Sojitz New Urban Development Corporation (Development and consignment sales of newly constructed condominiums, real estate brokerage, development and ownership of rental apartments, sale of residential-related products ; Subsidiary) - Sojitz LifeOne Corporation (Condominium and office building management, real estate agency services ; Subsidiary)*4 - PT. Puradelta Lestari Tbk (New city development including industrial parks; Equity method associate)
Other Number of consolidated subsidiaries : 21 Number of equity method associates: 1	Administration, domestic branches, logistics and insurance services	- Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary) - Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary) - Sojitz Insurance Agency Corporation (Insurance agency services; Subsidiary) - Sojitz Tourist Corporation (Travel agency; Subsidiary) - Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary) - Sojitz Research Institute (Research and consulting; Subsidiary)
Overseas branches Number of consolidated subsidiaries : 50 Number of equity method associates: 12	We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.	- Sojitz Corporation of America (Subsidiary) - Sojitz Europe plc (Subsidiary) - Sojitz Asia Pte. Ltd (Subsidiary) - Sojitz (Hong Kong) Ltd. (Subsidiary) - Sojitz (China) Co., Ltd. (Subsidiary)

(*1) The following five companies are listed in the Japanese stock market as of March 31, 2021: SAKURA Internet Inc. (TSE 1st section), JALUX Inc. (TSE 1st section), Royal Holdings Co., Ltd. (TSE 1st section, Fukuoka stock exchange), Fuji Nihon Seito Corporation (TSE 2nd section), Tri-Stage inc. (Mothers) and Pla Matels Corporation (JASDAQ).

(*2) The name of Royal In-flight Catering Co., Ltd. was changed to "Sojitz Royal In-flight Catering Co., Ltd." from April 1, 2021.

(*3) The name of Sojitz Coal Resources Pty. Ltd. was changed to "Sojitz Development Pty. Ltd." from July 1, 2020.

(*4) The name of Sojitz General Property Management was changed to "Sojitz LifeOne Corporation" from January 1, 2021.

(*5) Sojitz Machinery Holdings Corporation, Sojitz Autrans Corporation, e Energy Corporation, Sojitz Machinery Corporation, and Sojitz Marine and Engineering Corporation were integrated into to Sojitz Machinery Corporation from April 1, 2021.

(*6) Sojitz Infinity Inc. absorbed Sojitz G.M.C Inc. as of April 1, 2021.

3. Management Policies

(1) Fundamental Policy

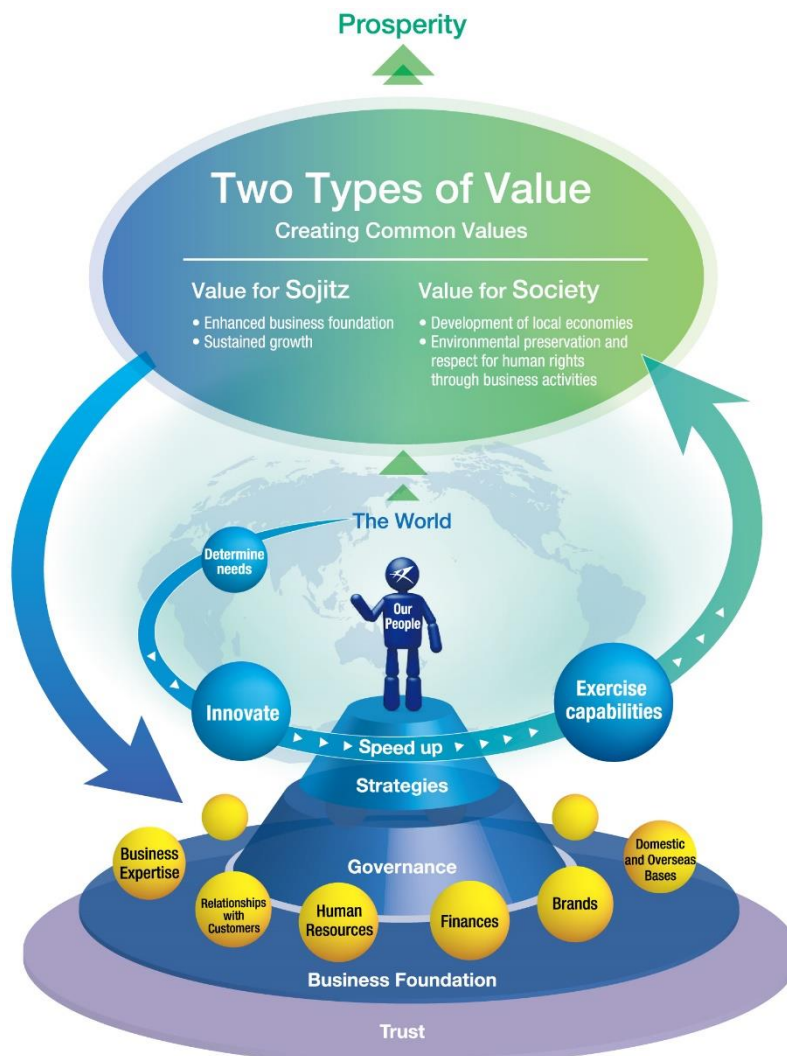
Based on the articles of Sojitz Group Statement and the Sojitz Group Slogan, the Sojitz Group is committed to maximizing two types of value: “value for Sojitz,” which contributes to the fortification of our business foundation and to ongoing growth, and “value for society,” which contributes to economic development on regional and national scales and to human rights and environmental awareness.

Sojitz Group Statement

The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.

Sojitz Group Slogan

New way, New value



(2) Medium- to Long-term Business Strategy and Targeted Performance Indicators

Review of Medium-Term Management Plan 2020

Under Medium-Term Management Plan 2020~Commitment to Growth~, Sojitz pursued steady growth by increasing the value of its assets while managing cash flows to continue conducting disciplined investments and loans (a total of ¥300.0 billion over the three-year period of the medium-term management plan). The Company achieved the targets put forth by the plan, namely a net debt equity ratio of 1.5 times or less, a positive three-year core cash flow, and a payout ratio of around 30%, indicating that operations have been advanced in a disciplined manner. Conversely, performance in the year ended March 31, 2021—the final year of the medium-term management plan—was heavily impacted by the global COVID-19 pandemic. As a result, the Company's performance fell below the final-year targets of profit for the year (attributable to owners of the Company) of around ¥75.0 billion, return on assets (ROA) of 3% or above, and return on equity (ROE) of 10% or above, with profit for the year (attributable to owners of the Company) of ¥27.0 billion, ROA of 1.2%, and ROE of 4.5%. Furthermore, three-year investments and loans only totaled ¥260.0 billion, placing the Company behind schedule in the final year of the plan, an outcome that was a result of delays in contract negotiations that resulted from the COVID-19 pandemic. Regardless, initiatives for building solid earnings foundations continue to move forward.

Medium-Term Management Plan 2023

Sojitz recently announced its vision of becoming a general trading company that continues to create businesses and develop capable people in 2030. The Company will seek to realize this vision by fulfilling the mission of a general trading company: supplying the necessary commodities and services where they are needed. Pursuing higher levels of competitiveness and growth through an intensely market-oriented initiative, internal and external exchanges and co-creation, and strive for speed while transforming organizations and human resources as necessary, Sojitz will continue to create value.

Vision of Sojitz and Direction

Corporate Statement :

The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.



In April 2021, Sojitz announced Medium-Term Management Plan 2023 ~ Start of the Next Decade ~ a three-year plan designed to further the Company toward its vision for 2030. Initiatives for accomplishing the goals of this plan are already underway.

Performance Indicator	Target
ROE	10% or above
Net D/E ratio	Approximately 1 time
Dividend payout ratio	Approximately 30%*

*Dividend payout ratio of around 30%. Minimum dividends also set.

ROE target of 10% or more has been set for this management indicator based on the Company's shareholders' equity costs of approximately around 8%. Cash return on invested capital (CROIC), which represents the core operating cash flow generated from invested capital, will be adopted as an internal management indicator to guide efforts for accomplishing this target, and segment CROIC targets will be set to function as value creation guideline figures*.

*CROIC Value Creation Level: The minimum level for CROIC that should be achieved on three-year average of Medium-Term Management Plan 2023.

Medium-Term Management Plan 2023 calls for the steady improvement of corporate value through the execution of investments in growth fields and new fields, to be identified based on megatrends, totaling ¥330.0 billion over the three-year period of the plan (¥30.0 billion of which is to be directed toward non-financial investments in human resources and organizational reforms). These investments shall be conducted while practicing continued discipline in cash flow management.

Medium-term Management Plan 2023

~ Start of the Next Decade ~

For the vision of Sojitz in 2030,
pursuit of value creation through competitiveness
and growth potential and continuation of reform

Value creation = Increase of corporate value

Sojitz vision for 2030 : A general trading company that constantly fosters new businesses and human resources

Achieve growth

Approaches to real growth

Continuous conduction of new investments

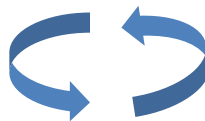


Drastic Earnings structure reforms
in existing businesses

Building sophisticated strategies for growth

**Pursue "Competitiveness" and
"Growth Market"**

Market-oriented initiative



Co-creation and sharing

Strive for speed

Transformation on organization and human resources

Sustainability Management

In addition, sustainability initiatives, human resource strategies, and corporate governance measures have been identified as important tasks for supporting ongoing growth.

To continue creating two types of value—value for Sojitz and value for society—well into the future, Sojitz has defined 6 Key Sustainability Issues (Materiality) to focus on in its business over the medium to long term. Based on these issues, we are striving to integrate solutions to global environmental and social issues into our corporate activities and build systems for such integration.

Sojitz has defined the realization of a carbon-free society and the protection of human rights across the supply chain as focus areas where the Company can have a substantial influence based on global issues, such as those indicated by the Paris Agreement and the United Nations Sustainable Development Goals. Accordingly, the Company's long-term vision for 2050, the Sustainability Challenge, has been formulated to guide Sojitz in achieving sustainable growth together with society by contributing to the realization of a carbon-free society through its business and protecting human rights across the supply chain.

Medium-Term Management Plan 2023 also stipulates the broadening of ongoing human rights initiatives along with the reinforcement of businesses aimed at realizing a carbon-free, cyclical society and the infrastructure-related businesses and services that will be imperative to the transition toward such a society.

Sojitz has continued to implement human resource initiatives aimed at fostering human resources adept at creating value by transforming changes into opportunities.

For example, we will accelerate the initiatives for empowering female employees and otherwise promoting diversity implemented thus far. The Company will also continue and build upon efforts for utilizing teleworking, accommodating other flexible workstyles, and developing workplace environments that are conducive to diverse workstyles.

In addition, employees will be provided with an increased range of opportunities to feel their own personal growth, including dispatches of junior employees to overseas assignments and long-term trainee programs. Similarly, Companywide frameworks for encouraging ambition will be expanded. One such framework is the Hassojitz Project,* a project launched in 2019 to foster human resources with business operation capabilities, innovative and entrepreneurial ideas, and an ability to involve others and to complete tasks.
* Project for investigating new businesses and business models based on anticipated future social trends and changes

New initiatives already implemented in the year ending March 31, 2022, include the establishment of a new company for job-based employment and the introduction of systems for supporting entrepreneurs and independent businesses aimed at addressing employees' diverse career ambitions and workstyle needs. In addition, we have established Sojitz Alumni, a business networking platform designed to create business opportunities for Sojitz along with open innovation opportunities. This platform will support the formation of an inclusive Sojitz Group that will create new business opportunities expanding beyond its current business areas.

Going forward, Sojitz will continue to help employees realize their desired career path while

providing numerous opportunities to experience growth through one's work in an effort to link individual growth to the growth of organizations and subsequently the Company and thereby drive the creation of new businesses.

Furthermore, the Company's Board of Directors is slated to be reformed based on a resolution to be approved at the Ordinary General Shareholders' Meeting held in June 2021. This resolution, if approved, will result in the Board of Directors comprising eight members, four of whom are internal directors and four of whom, or 50%, are outside directors. Other planned measures for enhancing corporate governance include the revision of officer remuneration systems to increase the ratio of performance-linked remuneration and the reduction of the cross-shareholdings of listed companies. The Company also intends to carry out digital transformation measures for addressing the rapid digitization trend. These measures will entail utilizing digital transformations to reform existing businesses, create new businesses, manage and develop human resources, and streamline and enhance operating processes. Through these measures, Sojitz will seek to continue creating value and to enhance its corporate value.

Please visit our website (<https://www.sojitz.com/en/corporate/strategy/plan/>) for details on Medium-Term Management Plan 2023.

4. Basic Policy Regarding Selection of Accounting Standards

Sojitz Corporation has adopted International Financial Reporting Standards (IFRS) to improve the convenience and international comparability of its financial information and to standardize accounting treatments within the Group.

5. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(In millions of Yen)

	FY 2019 (As of March 31, 2020)	FY 2020 (As of March 31, 2021)
Assets		
Current assets		
Cash and cash equivalent	272,651	287,597
Time deposits	7,433	10,059
Trade and other receivables	638,207	636,186
Derivatives	5,055	4,734
Inventories	213,385	187,891
Income tax receivables	3,956	3,116
Other current assets	64,455	64,924
Subtotal	1,205,145	1,194,511
Assets as held for sale	12,318	892
Total current assets	1,217,464	1,195,403
Non-current assets		
Property, plant and equipment	157,995	191,292
Usage rights assets	74,136	72,821
Goodwill	66,496	67,201
Intangible assets	43,366	61,498
Investment property	18,602	11,603
Investments accounted for using the equity method	413,740	433,029
Trade and other receivables	78,352	89,747
Other investments	140,975	157,817
Derivatives	173	3
Other non-current assets	11,680	11,804
Deferred tax assets	7,300	7,890
Total non-current assets	1,012,821	1,104,711
Total assets	2,230,285	2,300,115
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	481,768	475,978
Lease liabilities	15,317	16,778
Bonds and borrowings	186,767	158,595
Derivatives	5,257	6,193
Income tax payables	6,572	5,851
Provisions	1,956	3,226
Other current liabilities	56,716	68,130
Subtotal	754,354	734,754
Liabilities directly related to assets held for sale	1	—
Total current liabilities	754,356	734,754
Non-current liabilities		
Lease liabilities	63,666	60,460
Bonds and borrowings	706,491	749,739
Trade and other payables	9,738	6,136
Derivatives	763	656
Retirement benefits liabilities	22,077	21,896
Provisions	31,102	41,725
Other non-current liabilities	8,943	9,636
Deferred tax liabilities	11,247	20,470
Total non-current liabilities	854,030	910,722
Total liabilities	1,608,387	1,645,476
Equity		
Share capital	160,339	160,339
Capital surplus	146,756	146,814
Treasury stock	(10,901)	(15,854)
Other components of equity	49,777	77,772
Retained earnings	233,151	250,039
Total equity attributable to owners of the Company	579,123	619,111
Non-controlling interests	42,774	35,527
Total equity	621,898	654,639
Total liabilities and equity	2,230,285	2,300,115

(2) Consolidated Statement of Profit or Loss

(In millions of Yen)

	FY 2019 (From April 1, 2019 to March 31, 2020)	FY 2020 (From April 1, 2020 to March 31, 2021)
Revenue		
Sale of goods	1,651,592	1,512,727
Sales of service and others	103,233	89,758
Total revenue	1,754,825	1,602,485
Cost of sales	(1,534,330)	(1,414,365)
Gross profit	220,494	188,120
Selling, general and administrative expenses	(173,243)	(161,080)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	10,274	2,860
Impairment loss on fixed assets	(2,833)	(5,470)
Gain on reorganization of subsidiaries/associates	3,415	3,923
Loss on reorganization of subsidiaries/associates	(545)	(2,128)
Other operating income	5,800	8,005
Other operating expenses	(8,580)	(8,327)
Total other income/expenses	7,530	(1,137)
Financial income		
Interests earned	6,565	5,418
Dividends received	4,228	3,034
Other financial income	—	53
Total financial income	10,794	8,506
Financial costs		
Interest expenses	(14,908)	(11,774)
Other financial costs	(47)	—
Total financial cost	(14,956)	(11,774)
Share of profit(loss) of investments accounted for using the equity method	24,908	14,786
Profit before tax	75,528	37,420
Income tax expenses	(10,954)	(8,002)
Profit for the year	64,573	29,417
Profit attributable to:		
Owners of the Company	60,821	27,001
Non-controlling interests	3,752	2,416
Total	64,573	29,417

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

(In millions of Yen)

	FY 2019 (From April 1, 2019 to March 31, 2020)	FY 2020 (From April 1, 2020 to March 31, 2021)
Profit for the year	64,573	29,417
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(21,936)	13,460
Remeasurements of defined benefit pension plans	(435)	442
Share of other comprehensive income of investments accounted for using the equity method	(5,731)	1,982
Total items that will not be reclassified to profit or loss	(28,103)	15,885
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(24,518)	17,590
Cash flow hedges	(1,092)	4,815
Share of other comprehensive income of investments accounted for using the equity method	(13,220)	(4,741)
Total items that may be reclassified subsequently to profit or loss	(38,831)	17,664
Other comprehensive income for the year, net of tax	(66,934)	33,549
Total comprehensive income for the year	(2,361)	62,967
Total comprehensive income attributable to:		
Owners of the Company	(4,220)	59,111
Non-controlling interests	1,859	3,856
Total	(2,361)	62,967

(4) Consolidated Statement of Changes in Equity

(In millions of Yen)

	Attributable to owners of the Company					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Foreign currency translation differences for foreign operations	Financial assets measured at fair value through other comprehensive income	Cash flow hedges
Balance as of April 1, 2019	160,339	146,645	(865)	4,861	107,226	(4,512)
Impact of changes in accounting policies						
Balance as of April 1, 2019 (Revised)	160,339	146,645	(865)	4,861	107,226	(4,512)
Profit for the year						
Other comprehensive income				(34,835)	(27,526)	(2,248)
Total comprehensive income for the year	—	—	—	(34,835)	(27,526)	(2,248)
Purchase of treasury stock		(5)	(10,059)			
Disposal of treasury stock		(24)	24			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				(2)		0
Reclassification from other components of equity to retained earnings					6,812	
Share remuneration transaction		140				
Other changes						
Total contributions by and distributions to owners of the Company	—	110	(10,035)	(2)	6,812	0
Balance as of March 31, 2020	160,339	146,756	(10,901)	(29,975)	86,513	(6,760)
Profit for the year						
Other comprehensive income				13,800	15,081	2,630
Total comprehensive income for the year	—	—	—	13,800	15,081	2,630
Purchase of treasury stock		(1)	(5,000)			
Disposal of treasury stock		(47)	47			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				156	534	(0)
Reclassification from other components of equity to retained earnings					(4,208)	
Share remuneration transaction		108				
Other changes						
Total contributions by and distributions to owners of the Company	—	58	(4,953)	156	(3,674)	(0)
Balance as of March 31, 2021	160,339	146,814	(15,854)	(16,018)	97,920	(4,129)

(In Millions of Yen)

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company		
	Remeasurements of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2019	—	107,576	204,600	618,295	43,312	661,607
Impact of changes in accounting policies			(2,402)	(2,402)		(2,402)
Balance as of April 1, 2019 (Revised)	—	107,576	202,197	615,892	43,312	659,205
Profit for the year			60,821	60,821	3,752	64,573
Other comprehensive income	(432)	(65,042)		(65,042)	(1,892)	(66,934)
Total comprehensive income for the year	(432)	(65,042)	60,821	(4,220)	1,859	(2,361)
Purchase of treasury stock				(10,064)		(10,064)
Disposal of treasury stock				—		—
Dividends			(22,517)	(22,517)	(4,217)	(26,735)
Change in ownership interests in subsidiaries without loss/acquisition of control		(1)	(193)	(195)	2,776	2,581
Reclassification from other components of equity to retained earnings	432	7,245	(7,245)	—		—
Share remuneration transaction				140		140
Other changes			89	89	(956)	(867)
Total contributions by and distributions to owners of the Company	432	7,243	(29,867)	(32,548)	(2,396)	(34,944)
Balance as of March 31, 2020	—	49,777	233,151	579,123	42,774	621,898
Profit for the year			27,001	27,001	2,416	29,417
Other comprehensive income	597	32,109		32,109	1,439	33,549
Total comprehensive income for the year	597	32,109	27,001	59,111	3,856	62,967
Purchase of treasury stock				(5,002)		(5,002)
Disposal of treasury stock				—		—
Dividends			(16,381)	(16,381)	(3,249)	(19,630)
Change in ownership interests in subsidiaries without loss/acquisition of control		690	1,457	2,147	(5,684)	(3,536)
Reclassification from other components of equity to retained earnings	(597)	(4,805)	4,805	—		—
Share remuneration transaction				108		108
Other changes			4	4	(2,170)	(2,165)
Total contributions by and distributions to owners of the Company	(597)	(4,115)	(10,113)	(19,123)	(11,103)	(30,227)
Balance as of March 31, 2021	—	77,772	250,039	619,111	35,527	654,639

(5) Consolidated Statement of Cash Flows

(In millions of Yen)

	FY 2019 (From April 1, 2019 to March 31, 2020)	FY 2020 (From April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit for the year	64,573	29,417
Depreciation and amortization	33,106	31,850
Impairment loss on fixed assets	2,833	5,470
Finance (income) costs	4,162	3,268
Share of (profit)loss of investments accounted for using the equity method	(24,908)	(14,786)
(Gain) loss on sale of fixed assets, net	(10,274)	(2,860)
Income tax expenses	10,954	8,002
(Increase) decrease in trade and other receivables	66,718	1,162
(Increase) decrease in inventories	901	29,878
Increase (decrease) in trade and other payables	(94,951)	(14,948)
Changes in other assets and liabilities	(12,389)	8,696
Increase (decrease) in retirement benefits liabilities	(628)	(17)
Others	(2,241)	(122)
Subtotal	37,857	85,013
Interests earned	4,362	3,365
Dividends received	26,194	18,198
Interests paid	(14,370)	(12,199)
Income taxes paid	(13,533)	(9,405)
Net cash provided (used) by/in operating activities	40,510	84,972
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,665)	(23,889)
Proceeds from sale of property, plant and equipment	9,009	12,084
Purchase of intangible assets	(6,903)	(6,774)
(Increase) decrease in short-term loans receivable	(391)	278
Payment for long-term loans receivable	(251)	(4)
Collection of long-term loans receivable	1,943	1,162
Proceeds from (payments for) acquisition of subsidiaries	(4,809)	(4,349)
Proceeds from (payments for) sale of subsidiaries	3,251	5,990
Purchase of investments	(20,998)	(31,364)
Proceeds from sale of investments	9,794	9,484
Others	(1,646)	1,704
Net cash provided (used) by/in investing activities	(35,669)	(35,676)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	32,786	(22,969)
Proceeds from long-term borrowings	384,500	172,645
Repayment of long-term borrowings	(383,777)	(149,769)
Proceeds from issuance of bonds	9,940	9,940
Redemption of bonds	(10,019)	(10,011)
Repayment of lease liabilities	(12,747)	(14,235)
Payment for acquisition of subsidiary's interests from non-controlling interest holders	(115)	(3,172)
Proceeds from non-controlling interest holders	3,408	1,186
Sales of treasury stock	6	8
Purchase of treasury stock	(10,059)	(5,000)
Dividends paid	(22,517)	(16,381)
Dividends paid to non-controlling interest holders	(3,662)	(2,878)
Others	91	15
Net cash provided (used) by/in financing activities	(12,164)	(40,621)
Net increase (decrease) in cash and cash equivalents	(7,324)	8,674
Cash and cash equivalents at the beginning of the year	285,687	272,651
Effect of exchange rate changes on cash and cash equivalents	(5,711)	6,271
Cash and cash equivalents at the end of the year	272,651	287,597

(6) Assumption for Going Concern

: None

(7) Segment information

Information regarding reportable segments

Main products and services of reportable segments are in 2.Group Business Operations.

The accounting method for the reported business segments are basically consistent with those used in the Consolidated Financial Statements, except with respect to the calculation of income tax expenses.

Prices for intersegment transactions are determined in the same way as general transactions and with reference to market prices.

For the year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

(In millions of Yen)

	Reportable segments						
	Automotive	Aerospace & Transportation Project	Machinery & Medical Infrastructure	Energy & Social Infrastructure	Metals & Mineral Resources	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	225,276	35,631	123,725	82,009	350,519	446,429	115,219
Inter-segment revenue	—	23	58	1,859	—	12	11
Total revenue	225,276	35,655	123,783	83,869	350,519	446,441	115,230
Gross profit	41,150	15,651	14,673	25,749	20,410	43,201	14,240
Share of profit (loss) of investments accounted for using the equity method	(401)	1,060	2,005	5,662	12,471	680	528
Profit attributable to owners of the Company	2,380	1,794	4,567	9,632	20,104	9,269	1,365
Segment assets	180,528	135,099	123,891	263,172	443,113	269,031	128,896
Others:							
Investment accounted for using the equity method	5,284	9,726	10,649	95,172	233,290	11,512	12,384
Capital expenditure	11,233	357	407	6,316	11,674	2,890	1,546

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	310,274	34,480	1,723,566	31,259	—	1,754,825
Inter-segment revenue	53	365	2,384	162	(2,546)	—
Total revenue	310,328	34,845	1,725,950	31,421	(2,546)	1,754,825
Gross profit	35,456	6,025	216,559	5,479	(1,544)	220,494
Share of profit (loss) of investments accounted for using the equity method	391	2,350	24,748	162	(2)	24,908
Profit attributable to owners of the Company	5,963	1,474	56,552	(609)	4,878	60,821
Segment assets	370,325	77,175	1,991,235	201,627	37,423	2,230,285
Others:						
Investment accounted for using the equity method	17,210	14,564	409,794	4,060	(114)	413,740
Capital expenditure	2,702	3,610	40,739	11,052	—	51,792

Reconciliation of segment profit of 4,878 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to 4,119 million yen, and unallocated dividend income and others of 759 million yen.

The reconciliation amount of segment assets of 37,423 million yen includes elimination of inter-segment transactions or the like amounting to (164,661) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to 202,085 million yen, which mainly consists of the Company's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

Capital expenditure includes amount related to usage rights assets.

	Reportable segments						
	Automotive	Aerospace & Transportation Project	Machinery & Medical Infrastructure	Energy & Social Infrastructure	Metals & Mineral Resources	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	185,413	26,565	110,199	57,268	356,192	406,784	125,173
Inter-segment revenue	—	—	76	2,692	—	1	11
Total revenue	185,413	26,565	110,275	59,960	356,192	406,785	125,184
Gross profit	34,299	13,569	13,444	17,843	12,426	37,317	18,785
Share of profit (loss) of investments accounted for using the equity method	(971)	22	3,399	4,292	4,733	666	754
Profit attributable to owners of the Company	1,214	1,834	3,995	3,592	(1,673)	5,754	5,062
Segment assets	164,230	169,176	134,969	269,843	473,923	272,348	133,903
Others:							
Investment accounted for using the equity method	4,923	15,785	15,120	99,475	236,876	11,207	13,119
Capital expenditure	7,403	1,448	747	4,638	4,972	2,936	1,147

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	282,027	31,954	1,581,578	20,906	—	1,602,485
Inter-segment revenue	7	593	3,381	138	(3,519)	—
Total revenue	282,035	32,547	1,584,960	21,045	(3,519)	1,602,485
Gross profit	31,845	6,012	185,545	4,631	(2,055)	188,120
Share of profit (loss) of investments accounted for using the equity method	(282)	2,091	14,704	82	(1)	14,786
Profit attributable to owners of the Company	4,546	1,064	25,391	686	923	27,001
Segment assets	366,037	71,277	2,055,709	208,747	35,658	2,300,115
Others:						
Investment accounted for using the equity method	21,673	12,870	431,052	2,092	(115)	433,029
Capital expenditure	1,556	2,523	27,373	17,374	—	44,747

Reconciliation of segment profit of 923 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to 533 million yen, and unallocated dividend income and others of 390 million yen.

The reconciliation amount of segment assets of 35,658 million yen includes elimination of inter-segment transactions or the like amounting to (171,929) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to 207,588 million yen, which mainly consists of the Company's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

Capital expenditure includes amount related to usage rights assets.

(Earnings per share)

(1) Basic earnings per share and diluted earnings per share

	FY 2019 (From April 1, 2019 to March 31, 2020)	FY 2020 (From April 1, 2020 to March 31, 2021)
Basic earnings per share (yen)	48.91	22.51
Diluted earnings per share (yen)	48.91	22.51

(2) Bases for calculation of basic earnings per share and diluted earnings per share

	FY 2019 (From April 1, 2019 to March 31, 2020)	FY 2020 (From April 1, 2020 to March 31, 2021)
Profit used to calculate basic and diluted earnings per share		
Profit for the year, attributable to owners of the Company (In millions of yen)	60,821	27,001
Amount not attributable to the ordinary shareholders of the Company (In millions of yen)	—	—
Profit used to calculate basic earnings per share (In millions of yen)	60,821	27,001
Profit adjustment amount		
Adjustment amount concerning share options to be issued by associates (In millions of yen)	—	—
Profit used to calculate diluted earnings per share (In millions of yen)	60,821	27,001
Weighted average number of ordinary shares to be used to calculate basic and diluted earnings per share		
Weighted average number of ordinary shares to be used to calculate basic earnings per share (In thousands of shares)	1,243,634	1,199,760
Effects of dilutive latent ordinary shares (In thousands of shares)	—	—
Weighted average number of ordinary shares used to calculate diluted earnings per share (In thousands of shares)	1,243,634	1,199,760

(Important Subsequent Event)

(1) Share Repurchase of Treasury Stock

At a meeting of its Board of Directors held on April 30, 2021, it has authorized the repurchase of shares of its common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Companies Act, as described below.

A. Purpose of the Share Repurchase

We will repurchase its own shares with the aim of allocating a portion of the surplus core cash flow generated over the course of Medium-term Management Plan 2020 to shareholders in tandem with investment for growth.

B. Details of the Share Repurchase

i. Class of shares to be repurchased

Common stock

ii. Total number of shares to be repurchased

Up to 50,000,000 shares (Represents approximately 4.2% of the total number of outstanding shares (excluding treasury stock))

iii. Total purchase price for repurchase of shares

Up to 15 billion yen

iv. Period of repurchase

May 1, 2021 to September 30, 2021

v. Method of repurchase

Purchase on the Tokyo Stock Exchange (Discretionary Trading by Securities Company)

(2) Share Consolidation

We announced that that Board of Directors held on April 30, 2021, resolved to propose share consolidation in the agenda for the 18th Ordinary General Meeting of Shareholders to be held on June 18, 2021.

A. Purpose of the Share Consolidation

The shares of common stock will be consolidated on the basis of one post-consolidation share per five pre-consolidation shares.

The decision to conduct this reverse stock split was made to improve the Company's stock price as it has fallen significantly below the level of between 50,000 yen and 500,000 yen defined as ideal in the guidelines for listed securities put forth by the Tokyo Stock Exchange.

B. Details of the Share Consolidation

i. Class of shares to be consolidated

Common stock

ii. Consolidation rate

One post-consolidation shares per five pre-consolidation shares based on the shares owned by the shareholders recorded in the shareholder register as of September 30, 2021.

iii. Effective date

October 1, 2021

iv. Total number of Authorized Shares

500,000,000 shares

As a result of the Share Consolidation, the Company will be deemed to have amended its Articles of Incorporation regarding the above-mentioned total number of authorized shares as of the effective date of the Share Consolidation pursuant to Article 182, Paragraph 2 of Japan's Companies Act.

v. Number of shares to be reduced by the consolidation (Number of shares to be reduced by the consolidation could be changed)

a. Total number of issued shares before the consolidation as of March 31, 2021	1,251,499,501
b. Number of shares to be reduced by the consolidation	1,001,199,601
c. Total number of issued shares after the consolidation	250,299,900

(Note) "Number of shares to be reduced by the consolidation" and "Total number of issued shares after the consolidation" are theoretical figures based on the total number of issued shares before the consolidation and the consolidation rate.

C. Cases of fractions of less than one share

In the event the Share Consolidation generates fractions of shares less than one share, the fractions shall be collectively disposed in accordance with Japan's Companies Act, and the shareholders who own fractions of less than one share shall be paid for the disposition value in proportion to the amount of the fractions.

D. Conditions for the Share Consolidation

The Share Consolidation will take place on the condition that the proposal concerning the share consolidation is approved at the Ordinary General Meeting of Shareholders scheduled to be held on June 18, 2021.