

Highlights of Consolidated Financial Results for the First Half of the Year Ended September 30, 2021 (IFRS)

November 2, 2021
Sojitz Corporation

Results Highlights

◆ In the six-month period ended September 30, 2021, economic recovery was seen in certain regions amid a global decline in the number of COVID-19 cases. Governments in the United States and Europe are transitioning away from large-scale government finance measures for responding to the pandemic and toward policies based on a longer-term perspective. Conversely, certain emerging countries are moving to raise their policy interest rates. This situation is creating a need for ongoing monitoring of economic trends.

The Company's revenue for the six-month period ended September 30, 2021, was up year on year due to higher revenue in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal and precious metals; in the Chemicals Division, a result of growth in plastic resin transactions and higher methanol prices; and in the Automotive Division, a result of increased sales volumes in overseas automotive businesses.

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

(Figures in parentheses are YoY changes)

Revenue 1,000.7 bn yen (+256.1 bn yen / +34.4%)

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

Gross profit 117.7 bn yen (+33.2 bn yen / +39.4%)

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

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

39.4 bn yen (+30.3 bn yen / +331.2%)

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

Earnings forecast for the year ending March 31, 2022

Full-year earnings forecasts were revised as follows.

	Initial Forecast	Revised Forecast (Nov. 2, 2021)
Gross profit	220.0 bn yen	⇒ 240.0 bn yen
Profit before tax	70.0 bn yen	⇒ 95.0 bn yen
Profit for the year (attributable to owners of the Company)	53.0 bn yen	⇒ 70.0 bn yen

(Initial Assumptions)

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

Cash dividends per share for the year ending March 31, 2022

Year-end cash dividends per share were revised as follows.

	Initial Forecast	Revised Forecast (Nov. 2, 2021)
Interim (result)	7.00 yen per share	⇒ 9.00 yen per share
Year-end (forecast)	35.00 yen per share	⇒ 45.00 yen per share

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

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

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

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

Caution regarding forward-looking statements:

This document contains forward-looking statements based on information available to the Company at the time of disclosure and certain assumptions that management believes to be reasonable. 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

	FY2021 H1		FY2020 H1		Factors Affecting Circled Figures	FY2021 (Revised)	
	Results a	Q1	Q2	Results b		Difference a-b	Full-year Forecast c
Revenue	1,000.7	492.8	507.9	744.6	256.1		
Gross profit	117.7	56.4	61.3	84.5	33.2	240.0	49%
SG&A expenses							
Personnel expenses	(47.7)	(23.7)	(24.0)	(47.0)	(0.7)		
Non-personnel expenses	(26.3)	(13.1)	(13.2)	(23.5)	(2.8)		
Depreciation	(9.1)	(4.5)	(4.6)	(8.6)	(0.5)		
Provision of allowance for doubtful accounts	(0.7)	(0.5)	(0.2)	0.1	(0.8)		
(Total SG&A expenses)	(83.8)	(41.8)	(42.0)	(79.0)	(4.8)	(178.0)	
Other income/expenses							
Gain/loss on sale and disposal of fixed assets, net	0.1	0.0	0.1	2.1	(2.0)		
Impairment loss on fixed assets	(0.2)	0.0	(0.2)	0.0	(0.2)		
Gain on reorganization of subsidiaries/associates	2.3	0.1	2.2	2.2	0.1		
Loss on reorganization of subsidiaries/associates	(0.7)	(0.1)	(0.6)	(0.1)	(0.6)		
Other operating income/expenses	0.4	1.1	(0.7)	(0.5)	0.9		
(Total other income/expenses)	1.9	1.1	0.8	3.7	(1.8)	4.0	
Financial income/costs							
Interest earned	3.2	1.4	1.8	3.0	0.2		
Interest expenses	(5.5)	(2.6)	(2.9)	(6.2)	0.7		
(Interest expenses, net)	(2.3)	(1.2)	(1.1)	(3.2)	0.9		
Dividends received	1.9	1.2	0.7	1.5	0.4		
Other financial income/costs	0.2	0.0	0.2	(0.1)	0.3		
(Financial income/costs, net)	(0.2)	0.0	(0.2)	(1.8)	1.6	(2.0)	
Share of profit (loss) of investments accounted for using the equity method	16.9	7.5	9.4	4.6	12.3	31.0	
Profit before tax	52.5	23.2	29.3	12.0	40.5	95.0	55%
Income tax expenses	(11.0)	(5.2)	(5.8)	(1.5)	(9.5)	(22.0)	
Profit for the period (Profit attributable to)	41.5	18.0	23.5	10.5	31.0	73.0	57%
Owners of the Company	39.4	16.9	22.5	9.1	30.3	70.0	56%
Non-controlling interests	2.1	1.1	1.0	1.4	0.7	3.0	
Core earnings *1	51.1	22.6	28.5	8.3	42.8	91.0	

Comprehensive Income

	FY2021 H1		FY2020 H1		Difference a-b
	Results a	Q1	Q2	Results b	
Profit for the period	41.5	18.0	23.5	10.5	31.0
Other comprehensive income	19.2	19.6	(0.4)	(3.8)	23.0
Total comprehensive income for the period	60.7	37.6	23.1	6.7	54.0
Comprehensive income attributable to:					
Owners of the Company	58.3	36.5	21.8	5.7	52.6
Non-controlling interests	2.4	1.1	1.3	1.0	1.4

Consolidated Statements of Financial Position

	Sep. 30, 2021		Mar. 31, 2021		Difference d-e	Factors Affecting Circled Figures
	d	e	d	e		
Current assets	1,259.6	1,195.4	64.2			
Cash and cash equivalents	254.2	287.6	(33.4)			
Time deposits	12.7	10.1	2.6			
Trade and other receivables	698.8	636.2	62.6			Increase in tobacco and wheat
Inventories	224.8	187.9	36.9			Increase in aircraft and real estate held for sale
Other current assets	69.1	73.6	(4.5)			
Non-current assets	1,190.4	1,104.7	85.7			
Property, plant and equipment	190.9	191.3	(0.4)			
Lease assets (usage rights assets)	66.6	72.8	(6.2)			
Goodwill	64.9	67.2	(2.3)			
Intangible assets	62.4	61.5	0.9			
Investment property	11.5	11.6	(0.1)			
Investments accounted for using the equity method	639.4	590.8	48.6			Increase due to new acquisition and accumulation of share of profit of investments accounted for using the equity method
Other non-current assets	154.7	109.5	45.2			Increase due to aircraft-related businesses
Total assets	2,450.0	2,300.1	149.9			
Current liabilities	799.0	734.8	64.2			
Trade and other payables	539.7	476.0	63.7			Increase in tobacco and wheat
Lease liabilities	15.4	16.8	(1.4)			
Bonds and borrowings	154.0	158.6	(4.6)			
Other current liabilities	89.9	83.4	6.5			
Non-current liabilities	959.9	910.8	49.1			
Lease liabilities	54.7	60.5	(5.8)			
Bonds and borrowings	797.4	749.7	47.7			Increase due to new borrowings
Retirement benefit liabilities	21.8	21.9	(0.1)			
Other non-current liabilities	86.0	78.7	7.3			
Total liabilities	1,758.9	1,645.6	113.3			
Share capital	160.3	160.3	-			
Capital surplus	146.9	146.8	0.1			
Treasury stock	(30.8)	(15.9)	(14.9)			Purchase of treasury stock
Other components of equity	96.3	77.8	18.5			Increase due to changes in foreign exchange rates and stock prices
Retained earnings	284.9	250.0	34.9			Profit for the period +39.4
Total equity attributable to owners of the Company	657.6	619.0	38.6			Dividends paid (6.0)
Non-controlling interests	33.5	35.5	(2.0)			
Total equity	691.1	654.5	36.6			
Total liabilities and equity	2,450.0	2,300.1	149.9			
Gross interest-bearing debt*	951.4	908.3	+43.1			* Lease liabilities (under current liabilities and non-current liabilities) have been excluded from the calculations of gross interest-bearing debt and net interest-bearing debt.
Net interest-bearing debt*	684.5	610.6	+73.9			
Net debt/equity ratio (times)**	1.04	0.99	+0.05			** Total equity attributable to owners of the Company is recognized as "Total equity" and is also used as the denominator of "Net debt/equity ratio" and the numerator when calculating "Equity ratio."
Equity ratio**	26.8%	26.9%	(0.1)ppt			
Current ratio	157.6%	162.7%	(5.1)ppt			
Long-term debt ratio	83.8%	82.5%	+1.3ppt			

Cash Flows

	FY2021 H1		FY2020 H1		Difference a-b	Factors Affecting Circled Figures
	Results a	Results b	Results c	Results d		
Cash flows from operating activities	29.6	96.9	(67.3)			Inflows from business earnings and dividend income
Cash flows from investing activities	(67.1)	(4.3)	(62.8)			Outflows due to aircraft-related businesses and investments
FCF	(37.5)	92.6	(130.1)			
Cash flows from financing activities	5.2	(50.5)	55.7			Inflows from new borrowings and outflows due to dividends paid and purchase of treasury stock
Core operating cash flow*2	49.3	20.9	28.4			
Core cash flow*3	(2.6)	9.9	(12.5)			

Highlights of Consolidated Financial Results for the First Half of the Year Ended September 30, 2021 (IFRS) — Supplementary Materials

November 2, 2021
Sojitz Corporation

Operating Results					Segment Performance [Gross Profit]				Segment Performance [Profit for the Period (Attributable to Owners of the Company)]								
	FY2021 H1	FY2020 H1	Difference	FY2021 Revised Forecast (Nov. 2, 2021)	Percentage Achieved (against revised forecast)		FY2021 H1	FY2020 H1	Difference	FY2021 Revised Forecast (Nov. 2, 2021)	FY2021 H1	FY2020 H1	Difference	Main Factors Behind Difference	FY2021 Revised Forecast (Nov. 2, 2021)	Progress Overview	FY2021 Initial Forecast
Revenue	1,000.7	744.6	+256.1	-	-												
Gross profit	117.7	84.5	+33.2	240.0	49%	Automotive	21.6	13.0	+8.6	43.5	3.4	(1.5)	+4.9	Increased due to higher sales volumes in overseas automobile operations	5.5	Forecast revised upwards reflecting steady progress in the first half of the year, while also considering effects of semiconductor shortage	5.0
SG&A expenses	(83.8)	(79.0)	(4.8)	(178.0)	-	Aerospace & Transportation Project	6.7	4.6	+2.1	16.5	1.4	(0.3)	+1.7	Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses	4.0	Forecast revised downwards due to delay in recovery of certain aircraft-related transactions	4.5
Other income/expenses	1.9	3.7	(1.8)	4.0	-	Infrastructure & Healthcare	8.3	7.7	+0.6	20.0	1.2	2.6	(1.4)	Decreased due to absence of gains from assets replacement in power generation businesses recorded in the previous equivalent period	6.5	Forecast revised downwards due to delay of earnings contributions from new and ongoing projects	7.5
Financial income/costs	(0.2)	(1.8)	+1.6	(2.0)	-	Metals, Mineral Resources & Recycling	15.3	4.8	+10.5	39.0	16.2	(2.0)	+18.2	Increased due to higher profit from steel operating company thanks to increased steel demand as well as higher profit from recovery of coal market conditions	31.0	Forecast revised upwards due to strong coal market conditions	12.0
Share of profit (loss) of investments accounted for using the equity method	16.9	4.6	+12.3	31.0	-	Chemicals	25.4	16.6	+8.8	48.0	6.8	1.3	+5.5	Increased due to recovery of methanol prices and higher transaction volumes of plastic resin	12.0	Forecast revised upwards to reflect strong methanol prices and transaction volumes of plastic resin	10.5
Profit before tax	52.5	12.0	+40.5	95.0	55%	Consumer Industry & Agriculture Business	16.9	16.0	+0.9	27.0	4.8	4.0	+0.8	Increased due to rise in market conditions of imported plywood	4.0	Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19	5.0
Profit for the period (Profit attributable to)	41.5	10.5	+31.0	73.0	57%	Retail & Consumer Service	14.9	13.1	+1.8	30.0	1.9	2.7	(0.8)	Decreased, despite higher sales volumes of food-related company, due to absence of gains from sale of shopping mall recorded in the previous equivalent period	4.0	Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19	5.0
Owners of the Company	39.4	9.1	+30.3	70.0	56%	Others	8.6	8.7	(0.1)	16.0	3.7	2.3	+1.4		3.0		3.5
Non-controlling interests	2.1	1.4	+0.7	3.0	-	Total	117.7	84.5	+33.2	240.0	39.4	9.1	+30.3		70.0		53.0
Core earnings*1	51.1	8.3	+42.8	91.0	-												
Comprehensive income attributable to owners of the Company	58.3	5.7	+52.6		-												

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

Financial Position				
	Sep. 30, 2021	Mar. 31, 2021	Difference	Mar. 31, 2022 Revised Forecast (Nov. 2, 2021)
Total assets	2,450.0	2,300.1	+149.9	2,500.0
Total equity*2	657.6	619.0	+38.6	680.0
Equity ratio	26.8%	26.9%	(0.1)ppt	27.2%
Net interest-bearing debt*3	684.5	610.6	+73.9	780.0
Net D/E ratio (Times)	1.04	0.99	+0.05	1.2
Risk assets	410.0	390.0	+20.0	-
Ratio of risk assets to equity (Times)	0.6	0.6	0.0	-

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

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

Cash Flows				
	MTP*2020 Three-year Cumulative Results	FY21 H1 Results	FY21 Forecast	MTP 2023 Three-year Cumulative Forecast
Core operating cash flow	219.0	49.3	85.0-90.0	Approx. 240.0-250.0
Core cash flow	56.0	(2.6)	(35.0)-(45.0)	Positive over the six-year period of MTP 2020 and MTP 2023
FCF	108.0	(37.5)	(75.0)	-

* Medium-Term Management Plan (MTP)

Note: As of the end of September 30, 2021, in addition to cash in bank of ¥254.2 bn, Sojitz maintains a ¥120.0 bn long-term commitment line (which remains unused) and a US\$1.8 bn long-term commitment line (of which US\$1.08 bn has been used).

Commodity Prices and Exchange Rates					
	FY20 Results (Apr.-Sep. '20 Avg.)	FY21 Assumption (Annual Avg.)	FY21 Results (Apr.-Sep. '21 Avg.)	Latest Data (As of Oct. 27, 2021)	FY21 Revised Assumption for Second Half of the Year (Nov. 2, 2021)
Coking coal**1	US\$117.4/t	US\$127.5/t	US\$199.5/t	US\$398.0/t	US\$200.0/t
Thermal coal**1	US\$53.1/t	US\$80.0/t	US\$138.3/t	US\$195.2/t	US\$110.0/t
Crude oil (Brent)	US\$36.7/bbl	US\$50.0/bbl	US\$71.2/bbl	US\$84.6/bbl	US\$60.0/bbl **2
Exchange rate**3	¥106.3/US\$	¥108.0/US\$	¥110.1/US\$	¥114.1/US\$	¥108.0/US\$

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

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

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



Financial Results for the First Half Ended September 30, 2021

Caution regarding Forward-looking Statements

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FY2021 H1 Summary

- Record highs for the first half of the year due to recovery of automotive, material-related businesses such as steel and chemical, and strong coal prices
- Strong core operating CF, generating profit with cash
- Upward revision to full-year forecast of profit for the year as a result of higher profit for the period than initial forecast
- Upward revision of interim dividend of ¥9, year-end dividend of ¥45, and consolidated payout ratio of 30%

	FY20 H1	FY21 H1	Difference	FY21 Initial Forecast	FY21 Revised Forecast	Achieved (vs. Revised Forecast)
Profit for the period/year attributable to owners of the Company	9.1	39.4 ★	30.3	53.0	70.0 ↑	56%
[Break-down]						
Non-Resources	7.5	29.6	22.1			
Resources	(1.9)	9.2	11.1			
One-time gain/loss	3.5	0.6	(2.9)			
Core operating CF	20.9	49.3	28.4	70.0 - 75.0	85.0 - 90.0	
NET DER (Times)	0.93	1.04	0.11	1.2	1.2	

Non-Resources businesses : Main breakdown of +¥22.1bn (YoY)

- Steel products : +¥7.7bn (Recovery of steel demand)
- Chemical : +¥5.5bn (Recovery of methanol market conditions and increase in transaction volumes of plastic resin)
- Automotive : +¥4.8bn (Higher sales volumes in Americas)
- Stable earnings contributions from healthcare businesses, power generation businesses, fertilizer businesses

Resources businesses : Main breakdown of +¥11.1bn (YoY)

- Coal businesses +¥6.9bn,
Ferroalloys and non-ferrous metals +¥3.3bn

★ : Record highs for the first half of the year

	FY21 Initial Forecast	FY21 Revised Forecast
ROE	8.4%	10.8 %
ROA	2.2%	2.9%
Dividends	Interim : ¥7* Year-end : ¥35	Interim : ¥9* Year-end : ¥45 ↑

*The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021.
The interim dividend reflecting this share consolidation would be ¥45.

Performance Forecast Revisions

- Upward revision to full-year forecast for profit for the year (attributable to the owners of the Company) from ¥53.0bn to **¥70.0bn** based on six-month progress
- Revisions to segment forecasts based on the following point of view

Upward revision

■ **Automotive**

Upward revision of ¥0.5bn reflecting steady progress in the first half of the year, while also considering effects of semiconductor shortage

■ **Metals, Mineral Resources & Recycling**

Upward revision of ¥19.0bn mainly due to strong coal prices

■ **Chemicals**

Upward revision of ¥1.5bn mainly due to strong methanol prices and higher transaction volumes of plastic resin

Downward revision

■ **Aerospace & Transportation Project**

Downward revision of ¥0.5bn due to delay in recovery of certain aircraft-related transactions

■ **Infrastructure & Healthcare**

Downward revision of ¥1.0bn due to delay of earnings contributions from new and ongoing projects

■ **Consumer Industry & Agriculture Business**

Downward revision of ¥1.0bn to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19

■ **Retail & Consumer Service**

Downward revision of ¥1.0bn to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19

Summary of Profit or Loss (Profit for the period by segment)

Upward revision to full-year forecast for profit for the year based on six-month progress

(BN JPY)	FY21 H1	FY21 Initial Forecast	Achieved (Against initial forecast)	FY21 Revised Forecast	Achieved (Against revised forecast)
Profit for the period/year attributable to owners of the Company	39.4	53.0	<u>74%</u>	70.0	<u>56%</u>
■ Automotive	3.4	5.0	68%	5.5	62%
■ Aerospace & Transportation Project	1.4	4.5	31%	4.0	35%
■ Infrastructure & Healthcare	1.2	7.5	16%	6.5	18%
■ Metals, Mineral Resources & Recycling	16.2	12.0	135%	31.0	52%
■ Chemicals	6.8	10.5	65%	12.0	57%
■ Consumer Industry & Agriculture Business	4.8	5.0	96%	4.0	120%
■ Retail & Consumer Service	1.9	5.0	38%	4.0	48%
■ Others	3.7	3.5	106%	3.0	123%

Cash Flow Management

Maintaining a positive core cash flow over the six-year period during MTP2023*

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

	MTP 2020 3-year cumulative results (FY18–FY20)	FY21 H1 Results	MTP 2023 3-year cumulative forecast (FY21–FY23)
Core operating cash flow *1	¥219.0 bn	¥49.0 bn	Approx. ¥240.0 - ¥250.0 bn
Asset replacement (Investment recovery)	¥170.0 bn	¥9.0 bn	Approx. ¥100.0 bn
New investments and others	¥(262.0) bn	¥(40.0) bn	Approx. ¥(330.0) bn
Shareholder returns *2	¥(71.0) bn	¥(21.0) bn	Approx. ¥(70.0) bn
Core cash flow *3	¥56.0 bn	¥(3.0) bn	Positive (MTP2020 and MTP2023 6-year period)
Free cash flow	¥108.0 bn	¥(38.0) bn	

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

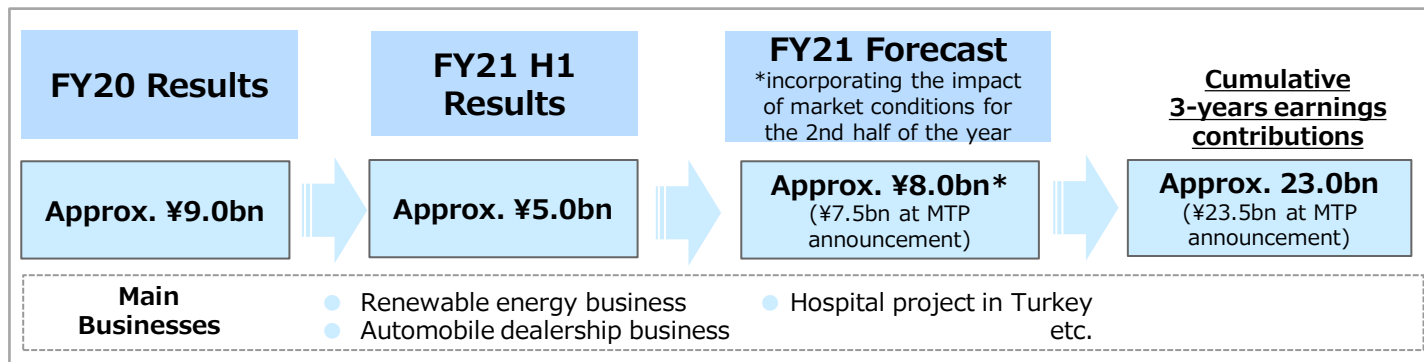
*2 Includes acquisitions of treasury stock

*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

MTP2023 – Investment Progress (Earning contributions) *Hassojitz*

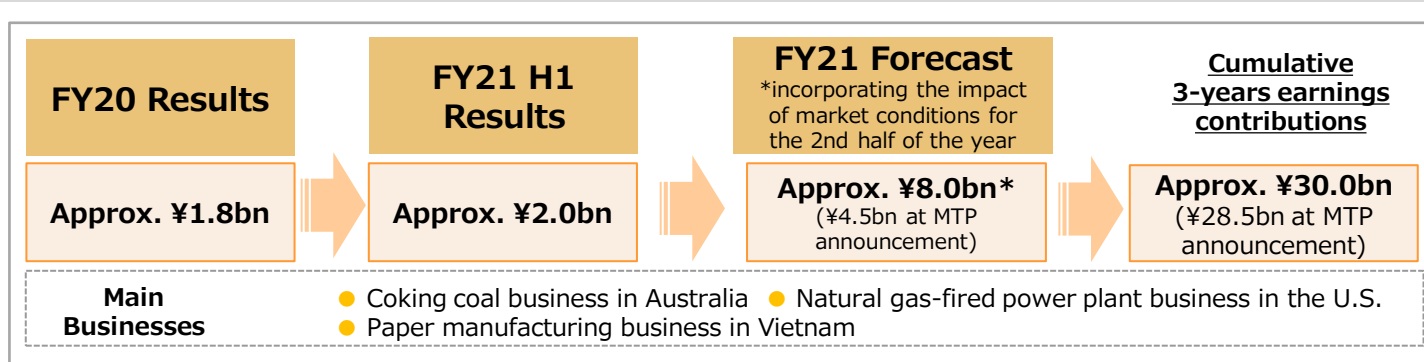
MTP2017

The amount of the investments	Approx. ¥315.0bn
Initial outstanding investments	Approx. ¥130.0bn
ROI	3 years avg. Initial forecast Approx. 7.0%



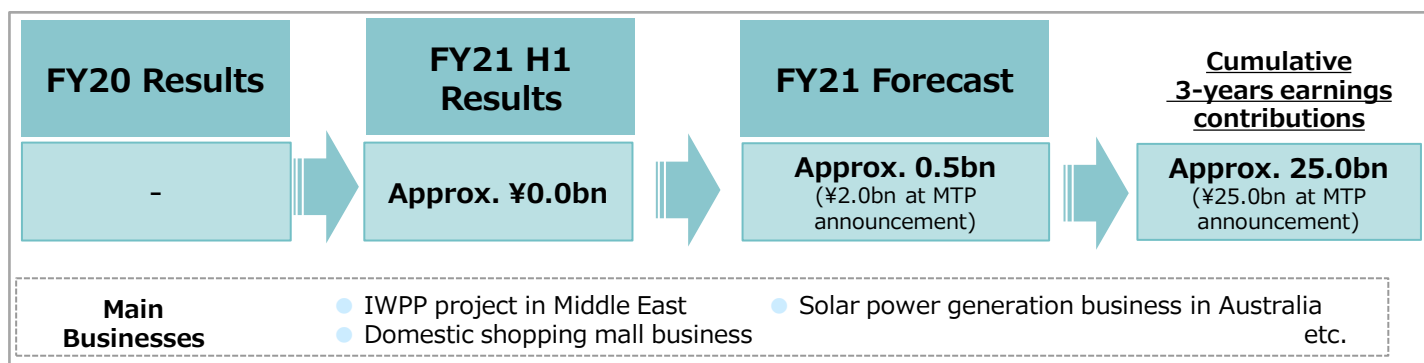
MTP2020

The amount of the investments	Approx. ¥260.0bn
Initial outstanding investments	Approx. ¥206.0bn
ROI	3 years avg. Initial forecast Approx. 7.0%

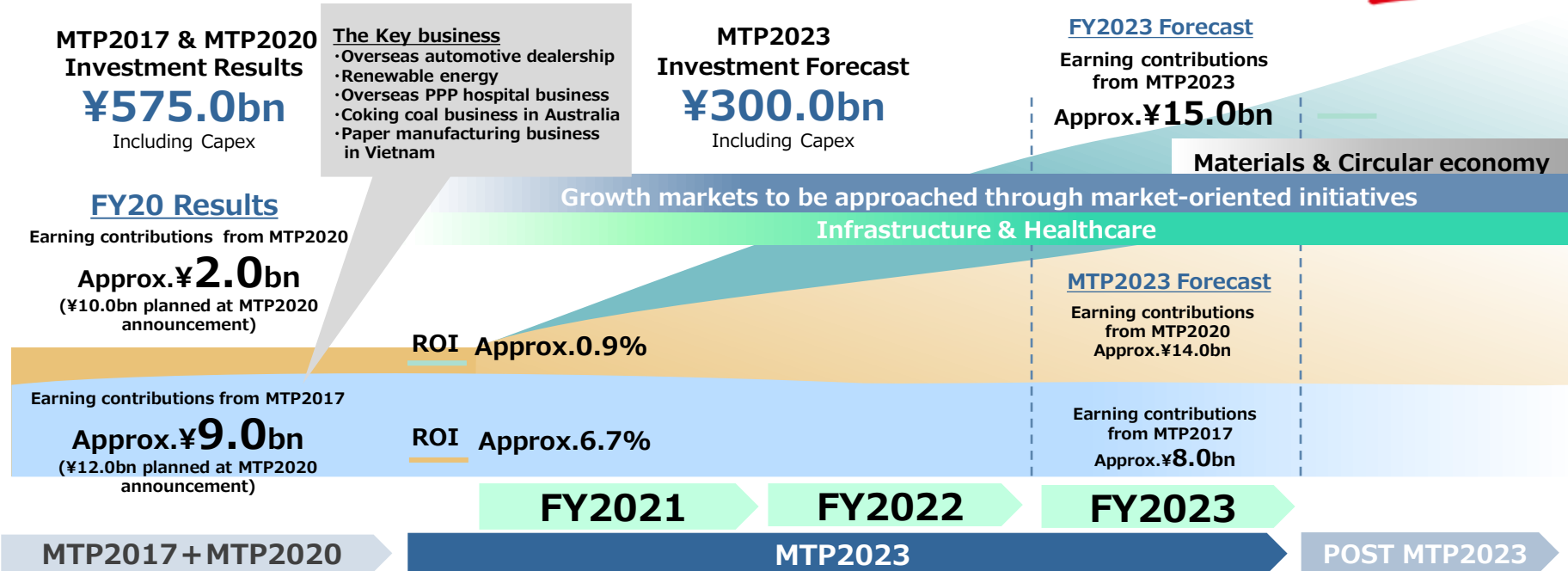


MTP2023

Initial forecast of 3 years amount of the investments	Approx. ¥300.0bn (+Non-Financial +30.0bn)
ROI	3 years avg. Initial forecast Approx. 4.0%



MTP2023 – Investment Progress



MTP 2023	<ul style="list-style-type: none"> Invested in IWPP and Desalination projects in Middle East, renewable energy project in Australia, and electricity retail business in Spain. Planning to realize projects in the second half of the year. Total investments for the first year of MTP2023 is expected to be ¥150.0bn as initially planned.
MTP 2020	<p>Stable full-year earnings supported by contributions from U.S. natural gas-fired power project and from Australian coking coal business amid rising coking coal prices and full-fledged sales.</p> <p>[Paper manufacturing business in Vietnam] Single-month profitability achieved in March, April, and May 2021. While operations were restricted due to the impacts of COVID-19, operations have gradually restarted. We will continue conducting earnings improvement measures on inventory management and cost reductions looking ahead to recovery of external environment.</p>
MTP 2017	<p>Stable full-year earnings anticipated following strong contributions from Turkish hospital project and renewable energy businesses.</p> <p>[ASEAN Retail] Profitability achieved in four-temperature controlled logistics and food wholesale business from previous medium-term management plan. Despite the impacts of COVID-19 pandemic, earnings growth is planned from convenience store business in Vietnam through setting business polices incorporating recovery of external environment with partners as well as lowering procurement costs.</p>

MTP2023 – Investments and Asset Replacements

<p>Total Investments</p>	<p>¥40.3bn</p>		
<p>Main breakdowns</p>	<p><u>Infrastructure & Healthcare</u></p>	<p>¥16.7bn</p>	<ul style="list-style-type: none"> ■ IWPP and Desalination Project in Middle East ■ Renewable energy businesses in Australia ■ Offshore wind power project in Taiwan <p>etc.</p>
	<p><u>Growth markets × Market-oriented initiatives</u></p>	<p>¥16.0bn</p>	<ul style="list-style-type: none"> ■ Domestic shopping malls ■ Domestic real estate business ■ Retail businesses in Southeast Asia <p>etc.</p>
	<p><u>Materials & Circular economy</u></p>	<p>¥0.0bn</p>	<p>-</p>
	<p><u>Others</u></p>	<p>¥7.6bn</p>	<ul style="list-style-type: none"> ■ Non-financial-related investments ■ Innovation investment ■ Others
<p>Total Asset Replacement</p>	<p>¥9.4bn</p>		
<p>Main breakdown</p>	<p>Industrial machinery business, Domestic and overseas renewable energy businesses, Sale of cross-shareholdings</p>		

Tender Offer for Shares of JALUX Inc.

- ✓ Conduct a Joint Tender Offer bid with Japan Airlines Co., Ltd. (JAL) and delist JALUX Inc..
- ✓ JALUX will act as the perfect platform for co-creation and sharing, a central theme of MTP 2023, in pursuit of rapid business scope expansion and earnings growth

Objectives



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

Areas of Enhancement

Maximize JALUX's corporate value by drawing on Sojitz's global network, investment and corporate management expertise and human capital

Retail & Consumer Service Division

- Utilize Sojitz's network to enhance JALUX's product development and lineup on the e-commerce website employing JAL's brand and customer base
- Deploy Sojitz Group's food and goods brands through JALUX's competitive sales channels (airport stores) and promote JALUX's products through Sojitz's sales channels to improve profitability

Aerospace & Transportation Project Division

- Consolidate and integrate the commercial aircraft businesses leveraging strengths of Sojitz, JAL and JALUX
- Enhance Sojitz and JALUX's partnership in the airport management business, including cross-selling to airlines for various domestic and overseas airports
- Leverage JAL and JALUX's airport management expertise to participate in new airport management businesses and simultaneously expand into airport peripheral businesses

Outline of Tender Offer

Structure

- Establish a Joint Holding Company ("Joint Co.") with JAL to conduct the Joint Tender Offer bid
- Delist JALUX after Joint Co. acquires 48.1% stock holding in addition to Sojitz's existing 22.2% stake
- Japan Airport Terminal will remain as a shareholder in order to maximize JALUX's corporate value (non-participation in Tender Offer)

Tender Offer Price (planned), Amount, Schedule

- Offer Price : ¥2,560 per share
- Investment Amount : ¥7.7 billion
For reference purpose only : +48.7% premium against a simple average of JALUX's closing price over the past month
- Schedule :

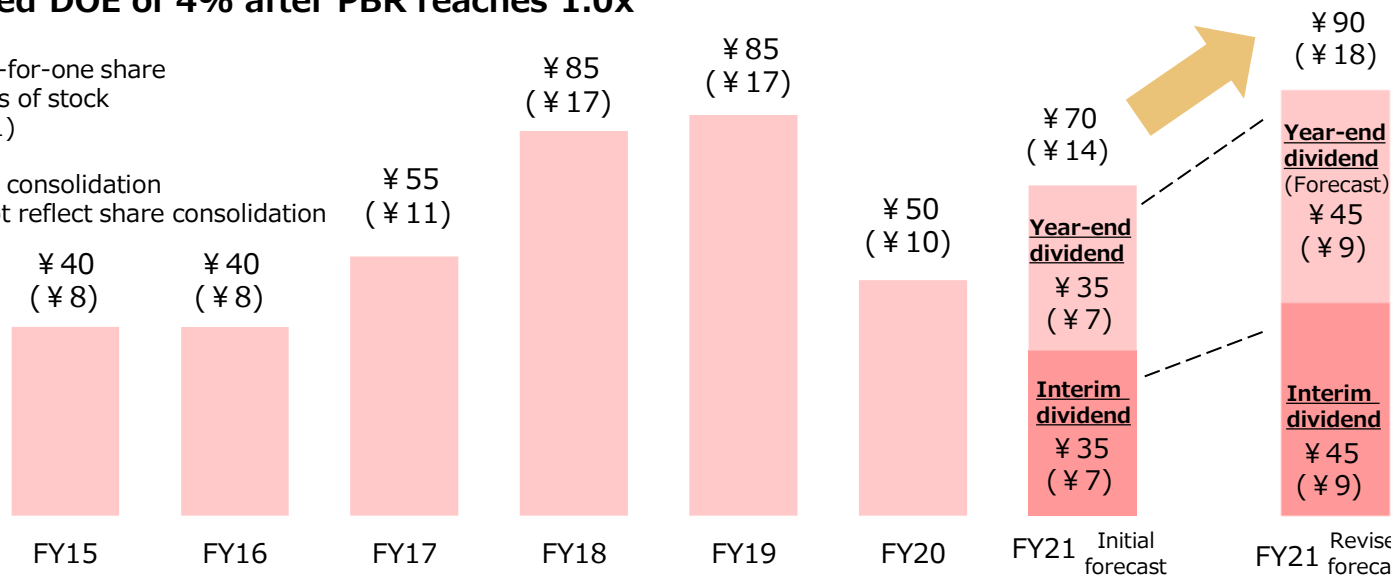
November 2 nd , 2021	Tender Offer Plan publicly disclosed
Early February 2022	Tender Offer Bid announced (conditional on antitrust approval from the Chinese authorities)
Mid-March 2022	Completion of Tender Offer Squeeze-Out Procedures
May 2022 ~	Completion of Squeeze-Out and JALUX to be delisted

Dividends Policy

- Sojitz recognizes that paying stable and continuous dividends is a management priority, together with enhancing shareholder value through the accumulation and effective use of retained earnings.
- Our basic policy 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 1.0x and book value-based DOE of 4% after PBR reaches 1.0x

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

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



Profit for the year (attributable to owners of the Company)	¥36.5bn	¥40.8bn	¥56.8bn	¥70.4bn	¥60.8bn	¥27.0bn	¥53.0bn	¥70.0bn
Consolidated payout ratio	27.4%	24.6%	24.2%	30.2%	34.8%	44.4%	Approx. 30%	Approx. 30%

MTP 2017
payout ratio of about 25%

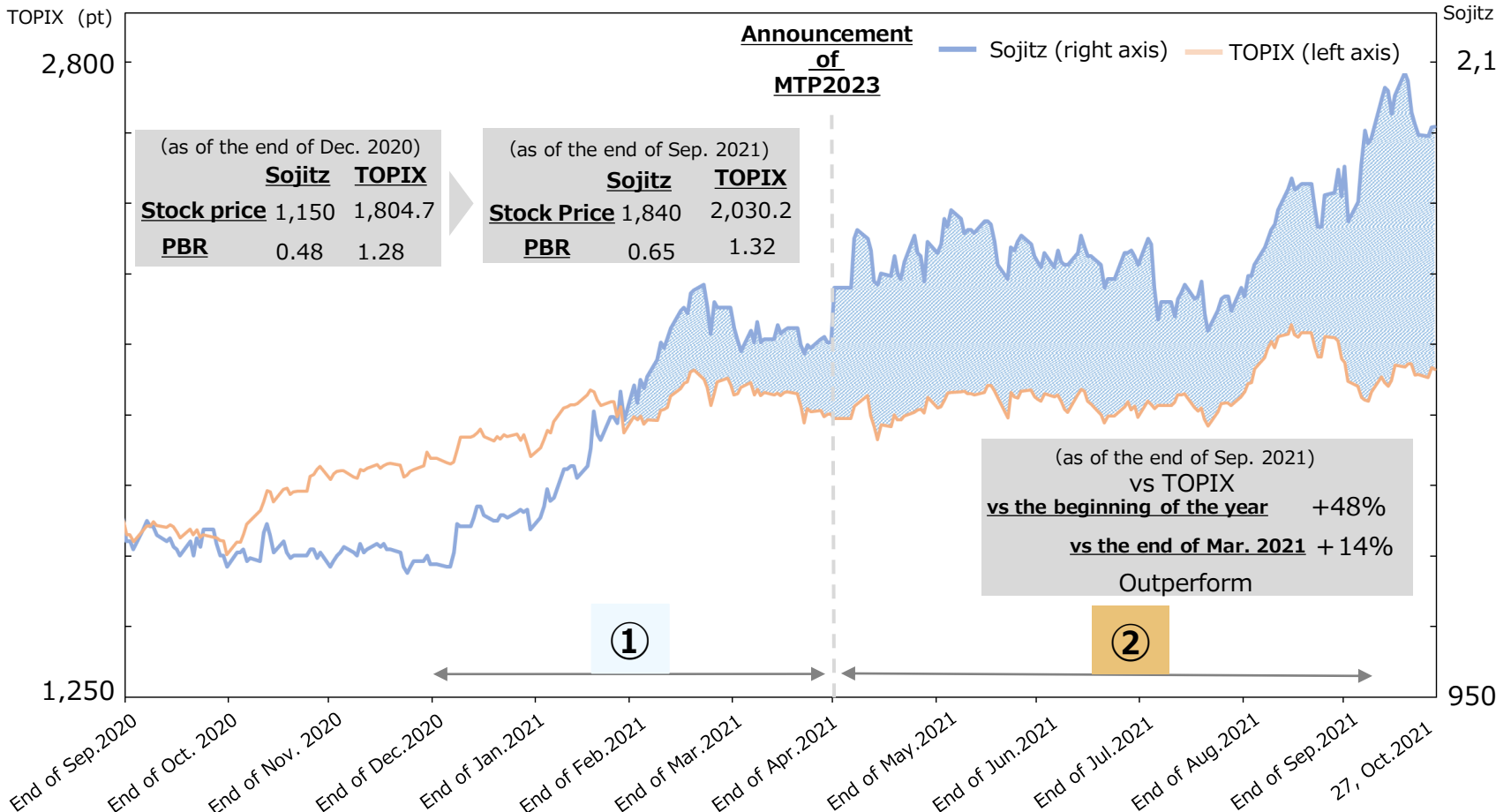
MTP 2020
payout ratio of about 30%

MTP2023

Note1: The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The year-end dividend figures for FY15 to FY20 and the interim dividend figures for FY21 have been restated to reflect the share consolidation. Figures in parentheses () are provided for reference and do not reflect the share consolidation.

Note2: Market price-based DOE = Total dividends paid ÷ (Average annual closing share price × Total shares issued at fiscal year-end)
Book value-based DOE = Total dividends paid ÷ Total equity at fiscal year-end (book value)
The decision of whether to use market price-based DOE or book value-based DOE will be made based on the PBR at the end of Mar. 2022.

Stock Price & PBR Trend



① FY20 Q4

② FY21 H1

Main News Releases

- [Sojitz Acquires Stake in Royal Holdings Co., Ltd. with Capital and Business Tie-up](#)
- [Sojitz Group Policies for Realizing a Decarbonized Society](#)

- [Sojitz Announces Shareholding Policy Calling for Reduction of Cross-Shareholdings](#)
- [Sojitz Announces New Initiatives to Support Diverse Career Paths and Working Styles \(Support for Entrepreneurs and Independent Businesses\)](#)
- [Sojitz Joins Hospital Project in Australia](#)

- [Notice Regarding Share Repurchase of Treasury Stock \(Up to 50,000,000 shares & ¥15bn\)](#)
- [Notice Regarding Share Consolidation \(5 shares → 1 share, Effective date: Oct. 1st, 2021\)](#)
- [Sojitz Enters Natural Gas-fired Power and Desalination Project in the UAE](#)

- [Sojitz Begins Construction on one of the Largest-scale Solar Farms by Japanese companies in Australia](#)
- [Toshiba, Sojitz and CBMM Partner to Commercialize Next-Generation Lithium-ion Batteries](#)
- [SKK Migas approved Plan of Development for Ubadari Field and Vorwata CCUS at Tangguh LNG Project](#)

*Click each link for the relevant news release.

Note: The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. Stock price in this page reflects this share consolidation.

- External evaluation of disclosure materials

Sojitz's FY2020 disclosure materials were chosen by government agencies as best practice examples and introduced at external lawyer seminars and in legal magazines.

1. Corporate Governance Report

Following aspects of corporate governance report were praised as frontrunning examples and introduced at external lawyer seminars and in legal magazines:

<Point>

- Submission of Corporate Governance Report on June 18, 2021 (promptly after General Shareholders' Meeting), **one week after issuance of revision of Japan's Corporate Governance Code by the Tokyo Stock Exchange (on June 11, 2021)**
- **All amended and newly established** principles in revised Japan's Corporate Governance Code addressed in corporate governance report
- **Concrete and clear targets set** for supplementary principle 2.4.1 (diversity in promotion to core positions) and supplementary principle 3.1.3 (disclosure of initiatives on sustainability) **servicing as a model for other companies in complying with Japan's Corporate Governance Code**

2. Disclosing information on our web site

about human rights policy and sustainability challenge

Sojitz's initiatives were introduced in a collection of examples released by Ministry of Foreign Affairs in September 2021 (**Sojitz was only general trading company** among 15 companies)





Financial Results for the First Half Ended September 30, 2021 (Supplemental Data)

**November 2, 2021
Sojitz Corporation**

Caution regarding Forward-looking Statements and Original Language

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

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

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

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

Notes

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

【Supplemental Data】

**I . Financial Results for the First Half Ended
September 30, 2021 and Full Year Forecast of
Fiscal Year Ending March 31, 2022**

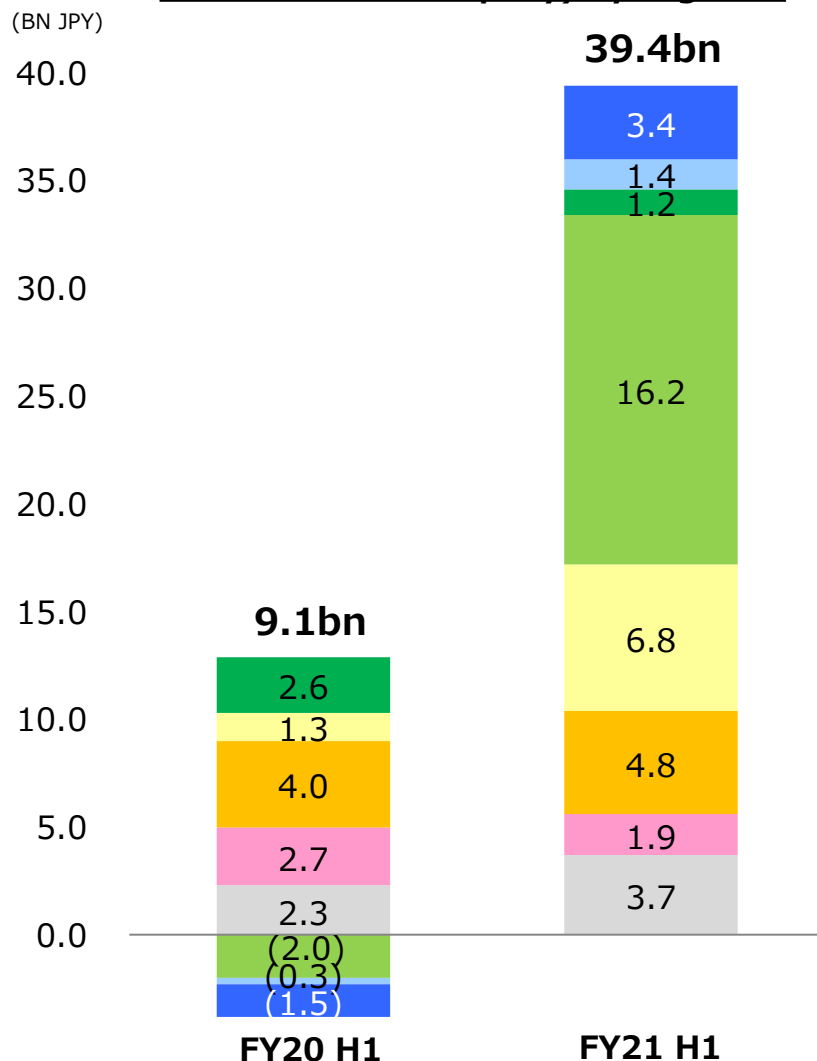
Summary of Profit or Loss

(BN JPY)	FY20 H1	FY21 H1	Difference	FY21 Initial Forecast	FY21 Revised Forecast (Nov. 2, 2021)	Achieved against revised forecast
Revenue	744.6	1,000.7	+ 256.1	-	-	-
Gross profit	84.5	117.7	+ 33.2	220.0	240.0	49%
SG & A expenses	(79.0)	(83.8)	(4.8)	(178.0)	(178.0)	-
Share of profit (loss) of investments accounted for using the equity method	4.6	16.9	+ 12.3	26.0	31.0	55%
Profit before tax	12.0	52.5	+ 40.5	70.0	95.0	55%
Profit for the year Attributable to Owners of the Company	9.1	39.4	+ 30.3	53.0	70.0	56%
Core earnings	8.3	51.1	+ 42.8	66.0	91.0	56%

Summary of Profit or Loss

Profit for the period by segment

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



Main Factors Behind Difference

Automotive Increased due to higher sales volumes in overseas automobile operations	¥3.4 bn (up ¥4.9 bn YoY)
Aerospace & Transportation Project Increased due to higher transaction volumes in aircraft- and marine vessel-related businesses	¥1.4 bn (up ¥1.7 bn YoY)
Infrastructure & Healthcare Decreased due to absence of gains from assets replacement in power generation businesses recorded in the previous equivalent period	¥1.2 bn (down ¥(1.4) bn YoY)
Metals, Mineral Resources & Recycling Increased due to higher profit from steel operating company thanks to increased steel demand as well as higher profit from recovery of coal market conditions	¥16.2 bn (up ¥18.2 bn YoY)
Chemicals Increased due to recovery of methanol prices and higher transaction volumes of plastic resin	¥6.8 bn (up ¥5.5 bn YoY)
Consumer Industry & Agriculture Business Increased due to rise in market conditions of imported plywood	¥4.8 bn (up ¥0.8 bn YoY)
Retail & Consumer Service Decreased, despite higher sales volumes of food-related company, due to absence of gains from sale of shopping mall recorded in the previous equivalent period	¥1.9 bn (down ¥(0.8) bn YoY)
Others	¥3.7 bn (up ¥1.4 billion YoY)

FY21 Forecast

Profit for the Year by Segment

Progress Overview

(BN JPY)

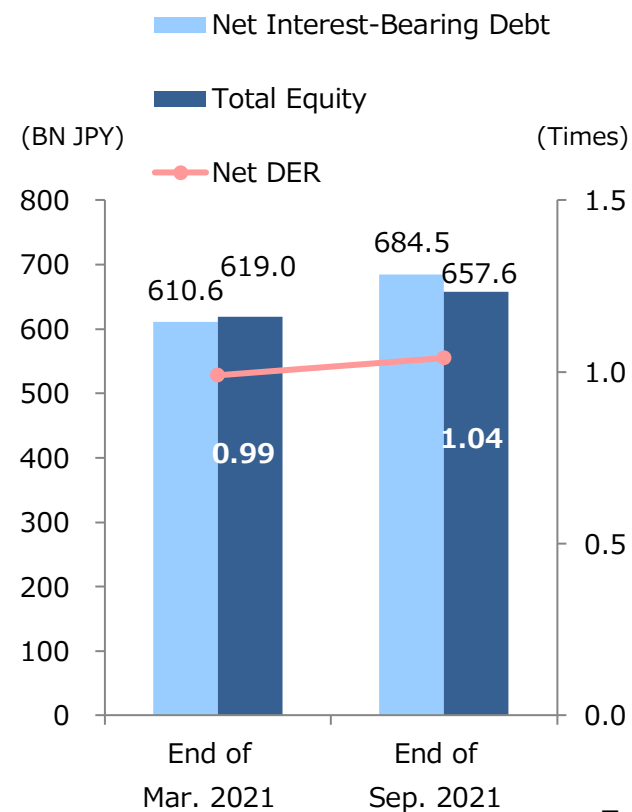
	FY21 H1	FY21 Initial Forecast	FY21 Revised Forecast (Nov.2, 2021)	
<ul style="list-style-type: none"> Automotive 	3.4	5.0	5.5	<ul style="list-style-type: none"> Automotive Forecast revised upwards reflecting steady progress in the first half of the year, while also considering effects of semiconductor shortage
<ul style="list-style-type: none"> Aerospace & Transportation Project 	1.4	4.5	4.0	<ul style="list-style-type: none"> Aerospace & Transportation Project Forecast revised downwards due to delay in recovery of certain aircraft-related transactions
<ul style="list-style-type: none"> Infrastructure & Healthcare 	1.2	7.5	6.5	<ul style="list-style-type: none"> Infrastructure & Healthcare Forecast revised downwards due to delay of earnings contributions from new and on-going projects
<ul style="list-style-type: none"> Metals, Mineral Resources & Recycling 	16.2	12.0	31.0	<ul style="list-style-type: none"> Metals, Mineral Resources & Recycling Forecast revised upwards due to strong coal market conditions
<ul style="list-style-type: none"> Chemicals 	6.8	10.5	12.0	<ul style="list-style-type: none"> Chemicals Forecast revised upwards to reflect strong methanol prices and transaction volumes of plastic resin
<ul style="list-style-type: none"> Consumer Industry & Agriculture Business 	4.8	5.0	4.0	<ul style="list-style-type: none"> Consumer Industry & Agriculture Business Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19
<ul style="list-style-type: none"> Retail & Consumer Service 	1.9	5.0	4.0	<ul style="list-style-type: none"> Retail & Consumer Service Forecast revised downwards to reflect delay of recovery in Southeast Asian businesses due to the impacts of COVID-19
<ul style="list-style-type: none"> Others 	3.7	3.5	3.0	<ul style="list-style-type: none"> Others
Total	39.4	53.0	70.0	

Summary of Balance Sheets

(BN JPY)	End of Mar. 2021	End of Sep. 2021	Difference	FY21 Initial Forecast	FY21 Revised Forecast (Nov. 2, 2021)
Total Assets	2,300.1	2,450.0	+149.9	2,450.0	2,500.0
Total Equity*	619.0	657.6	+38.6	640.0	680.0
Equity Ratio	26.9%	26.8%	(0.1)%	26.1%	27.2%
Net interest-bearing debt	610.6	684.5	+ 73.9	780.0	780.0
Net DER (Times)	0.99	1.04	+ 0.05	1.2	1.2
Risk Assets vs. Total Equity(Times)	390.0 (0.6x)	41.0 (0.6x)	+20.0 (-)		
Current Ratio	162.7%	157.6%	(5.1)%		
Long-term debt ratio	82.5%	83.8%	+1.3%		

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

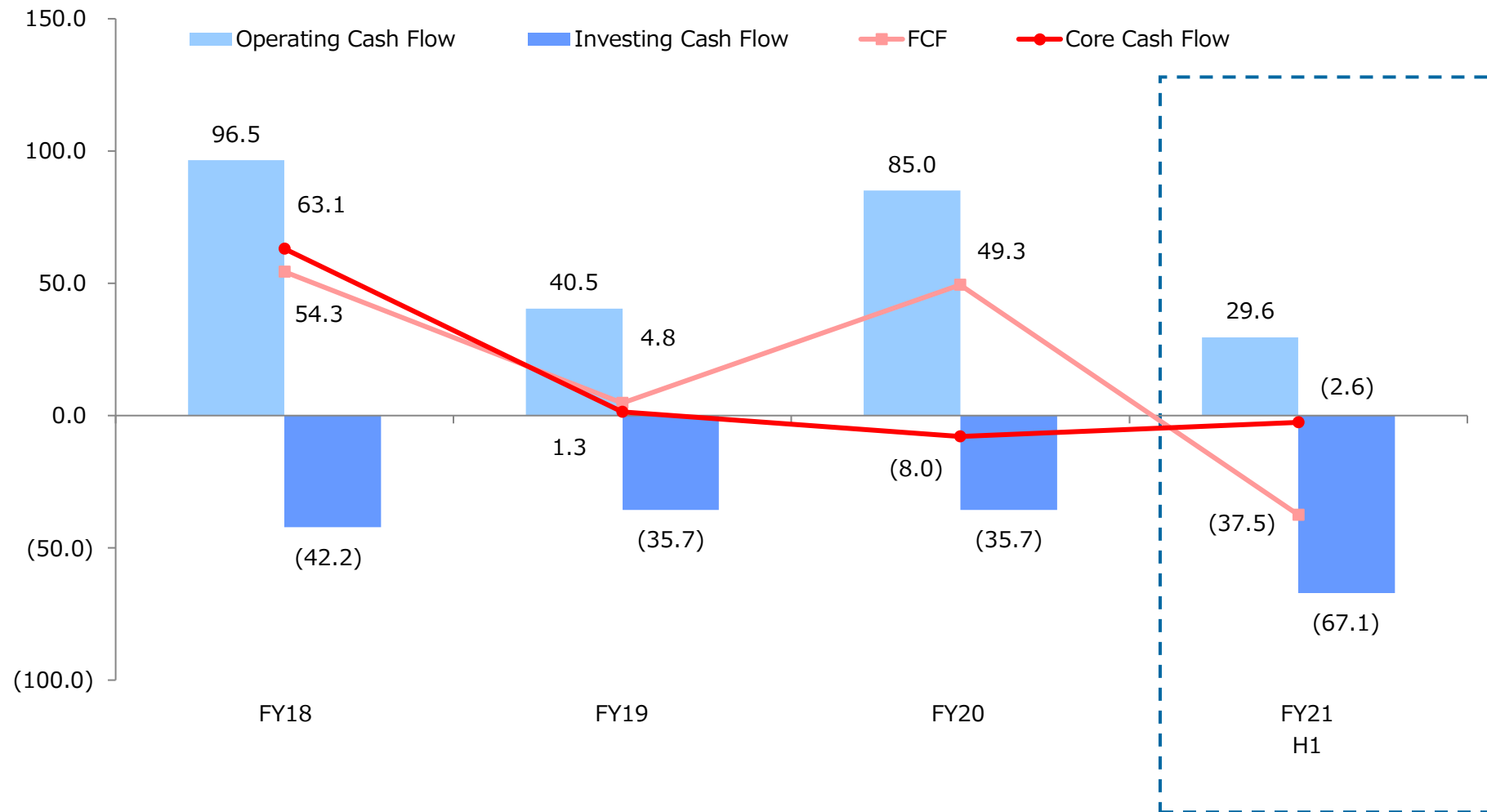
- Profit for the period attributable to owners of the company ¥ + 39.4bn
- Dividends paid ¥(6.0)bn
- Acquisitions of treasury stock ¥(14.9)bn



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

Summary of Free Cash Flows


(BN JPY)



Major One-time Gain/Loss

	FY20 H1		FY21 H1	
Non-Resource	¥2.7 bn	<ul style="list-style-type: none"> •Sales of shopping mall etc. 	¥0.5 bn	<ul style="list-style-type: none"> •Sales of surface-mounting machines related business etc.
Resource	¥0.8 bn	<ul style="list-style-type: none"> •Sales of oil interests etc. 	¥0.1 bn	—
Total (After income tax expenses)	¥3.5bn		¥0.6bn	

Breakdown of Resource and Non-Resource Profit

	FY20 H1	FY21 H1	Difference	FY18	FY19	FY20
A. Profit for the year (attributable to Owners of the Company)	9.1	39.4	+30.3	70.4	60.8	27.0
(B. Total one-time income movements)	3.5	0.6	(2.9)	1.9	1.5	(0.2)
A. – B. Profit for the year [(attributable to owners of the Company)] (Excluding one-time income movements)	5.6	38.8	+33.2	68.5	59.3	27.2
 Resource	(1.9)	9.2	+11.1	25.3	10.4	(0.4)
Non-Resource	7.5	29.6	+22.1	43.2	48.9	27.6

Commodity Prices, Foreign Exchange, and Interest Rate

	FY20 (Apr.-Sep. Avg.)	FY21 Assumptions (Annual Avg.)	FY21 (Apr.-Sep. Avg.)	Latest Data (As of Oct.27, 2021)	FY21 H2 Assumptions
Coking Coal *1	US\$117.4/t	US\$127.5/t	US\$199.5/t	US\$398.0/t	US\$200.0/t
Thermal Coal *1	US\$53.1/t	US\$80.0/t	US\$138.3/t	US\$195.2/t	US\$110.0/t
Crude Oil (Brent)	US\$36.7/bbl	US\$50.0/bbl	US\$71.2/bbl	US\$84.6/bbl	US\$60.0/bbl *2
Exchange Rate	¥106.3/US\$	¥108.0/US\$	¥110.1/US\$	¥114.1/US\$	¥108.0/US\$
Interest Rate (TIBOR) *3	0.07%	0.08%	0.06%	0.06%	0.08%

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

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

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

【Supplemental Data】

II. Segment Information

*Figures for gross profit, SG&A expenses, share of profit of investments accounted for using the equity method, and profit for the period for the six-month period ended September 30, 2020, and for total assets for the year ended March 31, 2021, have been restated to reflect the organizational restructuring undertaken in April 2021.

Automotive

FY21 H1 Summary

(BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	13.0	21.6	8.6
SG&A expenses	(13.0)	(15.4)	(2.4)
Share of profit (loss) of investments accounted for using the equity method	(0.4)	0.1	0.5
Profit for the period (attributable to owners of the Company)	(1.5)	3.4	4.9

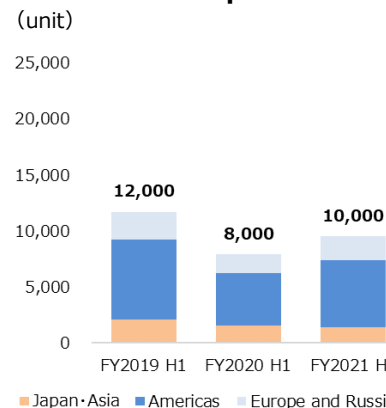
	FY20	FY21 H1	Difference
Total Asset	151.4	170.5	19.1

Main Factors Behind Difference

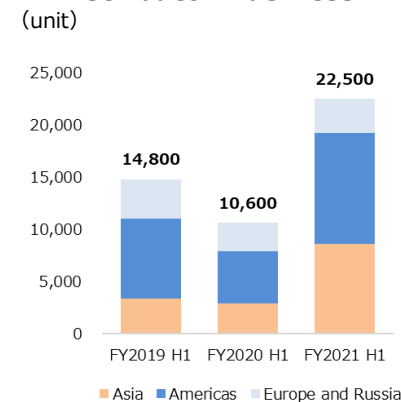
【 Profit for the period 】
Increased due to higher sales volumes in overseas automobile operations

Vehicle Sales

Dealership Business



Distributor Business



Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Automotive Group, Inc	100%	0.3	0.6	0.3	Automobile dealership
Sojitz de Puerto Rico Corporation	100%	0.0	1.1	1.1	Import and sales of automobiles
Subaru Motor LLC	66%	0.2	0.4	0.2	Import and sales of automobiles
Sojitz Quality, Inc	100%	(0.2)	0.1	0.3	Investment in Automotive parts quality inspection services
Total		0.3	2.2	1.9	

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

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

Progress of distributor business



Philippine Geely



Pakistani Hyundai

- The Philippine Geely automobile business Sojitz entered in 2019 achieved a position of profitability in 2020.
- The Pakistani Hyundai automobile business Sojitz entered in 2018 is expected to turn a profit in the year ending March 31, 2022.
- In the future, both businesses are looked to expand their sales area and achieve annual sales volumes surpassing 10,000 units in both businesses.

Aerospace & Transportation Project

FY21 H1 Summary

(BN JPY)

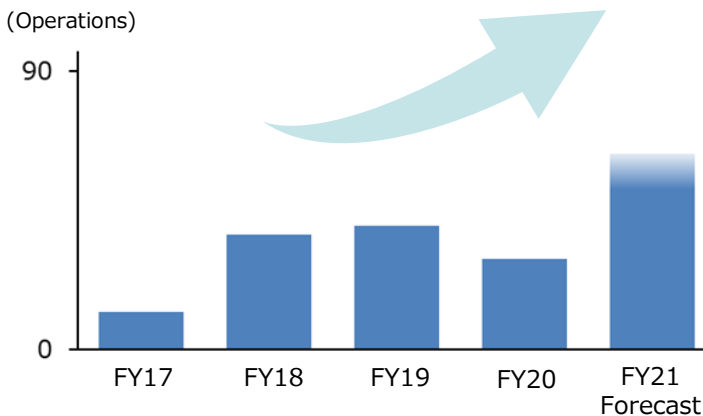
	FY20 H1	FY21 H1	Difference
Gross profit	4.6	6.7	2.1
SG&A expenses	(4.6)	(5.2)	(0.6)
Share of profit (loss) of investments accounted for using the equity method	(0.2)	0.0	0.2
Profit for the period (attributable to owners of the Company)	(0.3)	1.4	1.7
	FY20	FY21 H1	Difference
Total Asset	153.0	201.0	48.0

Main Factors Behind Difference

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

Business Jet charter sales

(Operations)



Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Aerospace Corporation	100%	0.4	0.3	(0.1)	Import/export and sales of aerospace and defense-related equipment, components and materials
Sojitz Aviation and Marine B.V.	100%	0.0	0.0	0.0	Aircraft part-out business and marine vessel-related business
SJ Aviation Capital Pte. Ltd.	100%	0.1	0.1	0.0	Aircraft leasing business
Sojitz Transit & Railway Canada Inc.	74.9%	0.4	(0.1)	(0.5)	General repair and remanufacturing of railway rolling stocks
Total		0.9	0.3	(0.6)	

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

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

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

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

Infrastructure & Healthcare

FY21 H1 Summary

(BN JPY)

	FY20 H1	FY21 H1	Difference	Main Factors Behind Difference
Gross profit	7.7	8.3	0.6	
SG&A expenses	(10.6)	(10.9)	(0.3)	
Share of profit (loss) of investments accounted for using the equity method	3.8	3.9	0.1	
Profit for the period (attributable to owners of the Company)	2.6	1.2	(1.4)	
	FY20	FY21 H1	Difference	
Total Asset	337.2	350.2	13.0	

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Nissho Electronics Corporation	100%	(0.1)	0.3	0.4	Providing leading-edge IT solutions and network services
Tokyo Yuso Corporation	100%	0.2	0.2	0.0	Tank storage operations for petroleum and chemical products
Renewable Energy Businesses	-	1.1	0.7	(0.4)	Renewable energy business in domestic and overseas
LNG Japan Corporation	50%	0.7	0.2	(0.5)	LNG business and related investments
Sojitz Hospital PPP Investment B.V.	100%	1.9	1.5	(0.4)	Investment in hospital project
Total		3.8	2.9	(0.9)	

*1 The equity ownership is as of the end of September 2021
 *2 The above figures are profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.
 *3 For information on the following companies, please refer to their respective corporate websites.
 SAKURA Internet Inc. (equity-method associate) <https://www.sakura.ad.jp/>
 PT. Puradelta Lestari Tbk (equity-method associate) <https://www.kota-deltamas.com/>

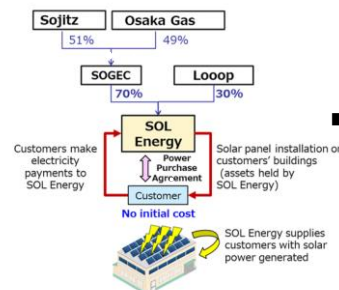
Infrastructure-related initiative

Sojitz Enters the Electricity Retail Business in Europe's Leading Sustainability Markets



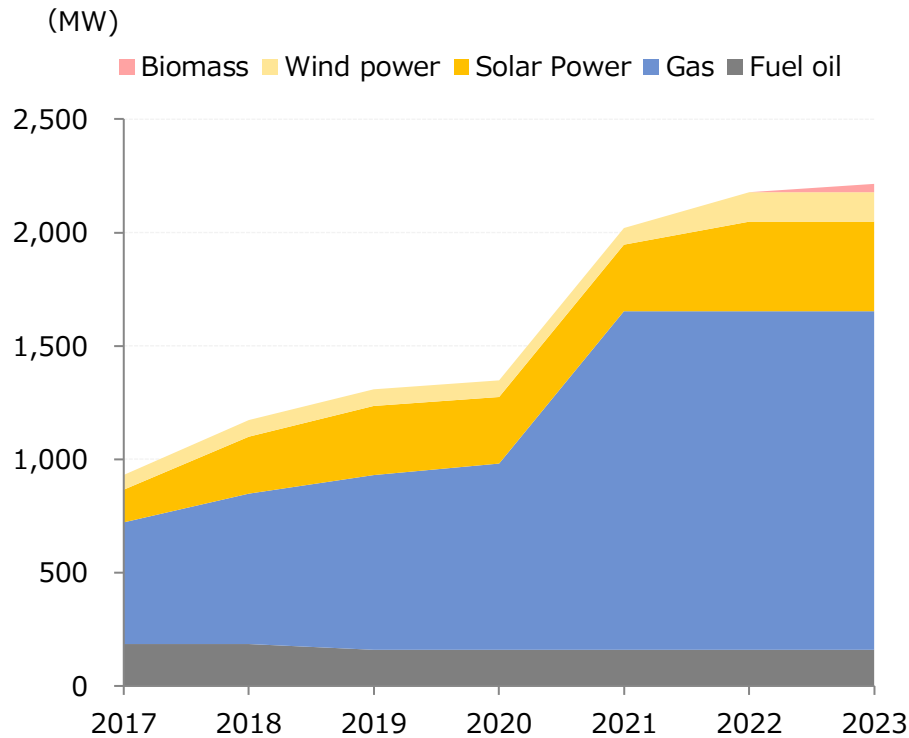
- Sojitz will underwrite a third-party allotment of shares by Nexus Energia S.A. ("Nexus Energia"), a major Spanish electricity and gas retailer, to become the largest shareholder of Nexus Energia's business.
- With business operations in Spain, Portugal, and Mexico, Nexus Energia is one of Spain's top five electricity retailers in terms of annual electricity sales (electricity sales volume in 2020 was 3.8TWh) excluding the five former state-owned energy utilities in Spain.
- The company is distinguished by the fact that 100% of its electricity sales come from renewable sources

SOL Energy Begins Rooftop Solar Generation Business in Vietnam



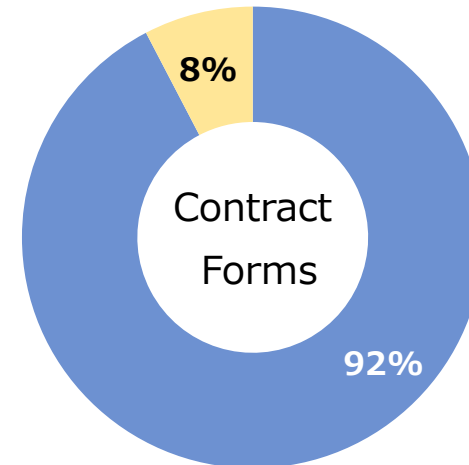
- Sojitz Osaka Gas Energy Company Ltd., a joint venture company between Sojitz and Osaka Gas Co., Ltd., has partnered with Loop Inc. to establish a new joint venture company SOL Energy Company Limited.
- SOL Energy plans to install rooftop solar panels that can provide over 10MW of solar power to customers at the Sojitz-operated Long Duc Industrial Park in southern Vietnam's Dong Nai Province.
- Installation of solar panels is expected to reduce CO2 emissions for Long Duc Industrial Park as a whole by approximately 5,800 tons annually.

Change in Net Power-Generation Capacity



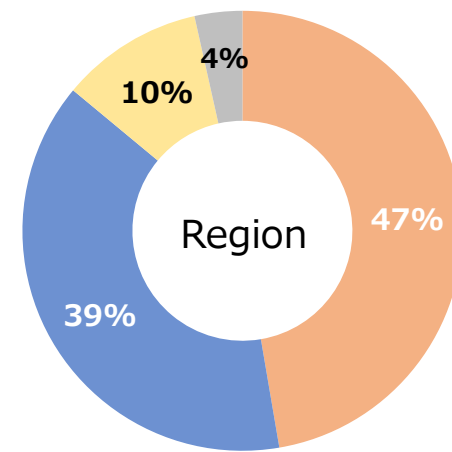
Results and Forecast of Net Power-Generation Capacity

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



■ Long-term contract ■ Spot contract

※As of September 30, 2021



■ Asia ■ Americas ■ Japan ■ Europe

※As of September 30, 2021

Metals, Mineral Resources & Recycling **Hassojitz**

FY21 H1 Summary

(BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	4.8	15.3	10.5
SG&A expenses	(6.2)	(6.6)	(0.4)
Share of profit (loss) of investments accounted for using the equity method	0.8	11.5	10.7
Profit for the period (attributable to owners of the Company)	(2.0)	16.2	18.2

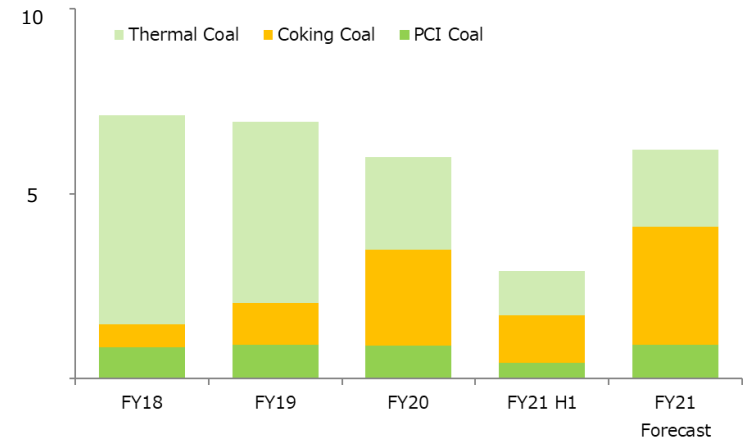
	FY20	FY21 H1	Difference
Total Asset	476.2	506.2	30.0

Main Factors Behind Difference

【 Profit for the period 】
Increased due to higher profit from steel operating company thanks to increased steel demand as well as higher profit from recovery of coal market conditions

Change in Coal Sales Volume

(million ton)



Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Development Pty. Ltd.	100%	(2.0)	3.8	5.8	Investment in coal mines
Sojitz Resources (Australia) Pty. Ltd.	100%	(0.2)	0.2	0.4	Production of alumina
Japan Alumina Associates (Australia) Pty. Ltd.	50%	0.2	0.4	0.2	Investment in an alumina refinery
Metal One Corporation	40%	0.1	7.8	7.7	Import, export, and sale of, and domestic and foreign trading in, steel-related products
Total		(1.9)	12.2	14.1	

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

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

Partner to Commercialize Next-Generation Lithium-ion Batteries

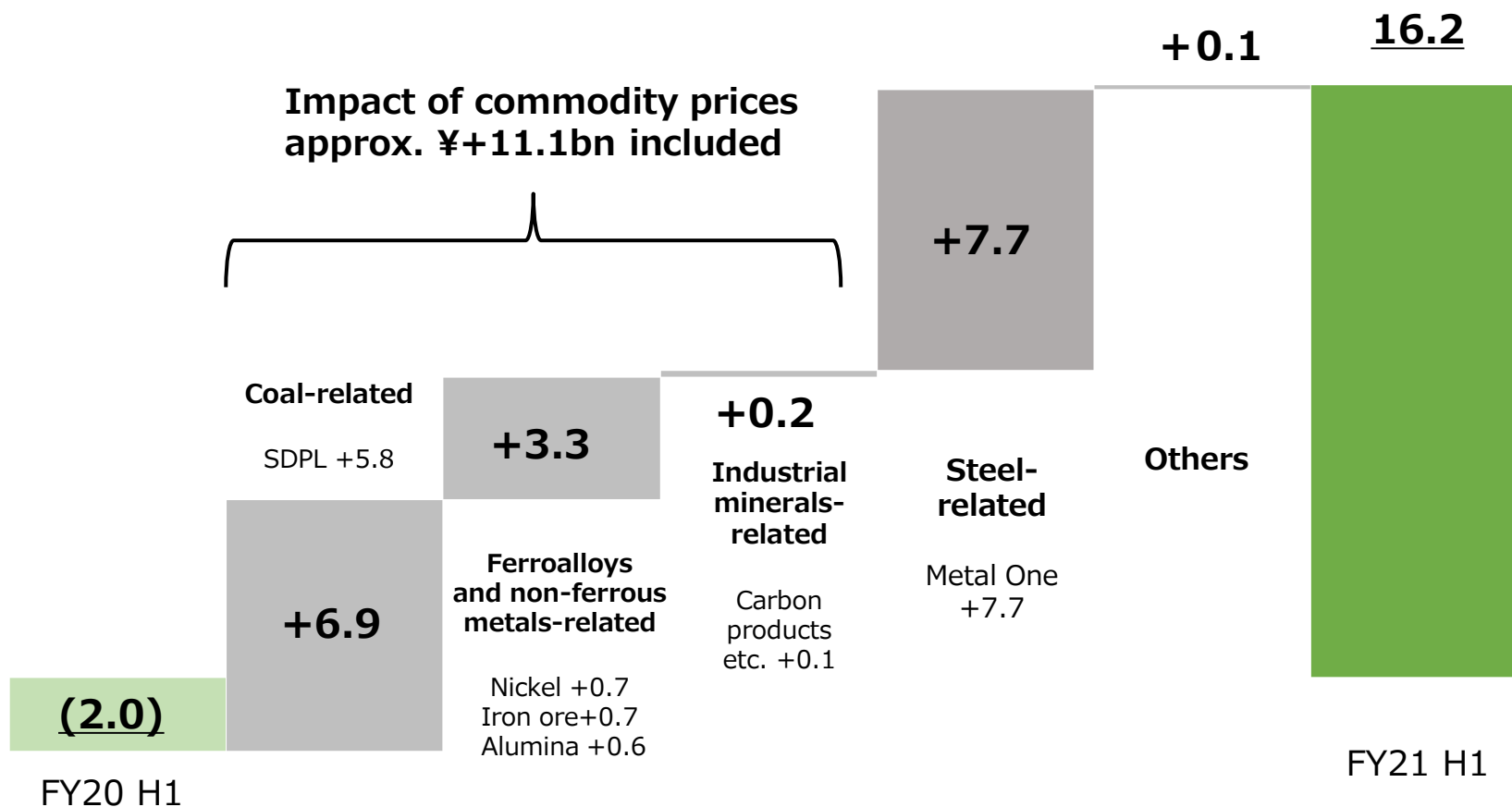


Prototype cells and Niobium Titanium Oxide (NTO)

- Toshiba Corporation, Sojitz Corporation, and CBMM have entered into a joint development agreement for the commercialization of next generation lithium-ion batteries using niobium titanium oxide (NTO) as the anode material. (released in September 2021)
- Led by Toshiba's Corporate Research & Development Center from March 2018, we have reached fruition with the development of prototype cells. The companies have now agreed to extend collaboration for accelerating development of mass production processes and the early commercialization of next-generation lithium-ion batteries.
- Sojitz will aim to secure stable supply of niobium materials and the three companies will target to gain market share in the rapidly expanding secondary battery market by utilizing CBMM and Sojitz's global network.

Metals & Mineral Resources YoY Main Factors Behind Difference

(BN JPY)



FY21 H1 Summary

(BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	16.6	25.4	8.8
SG&A expenses	(13.8)	(14.8)	(1.0)
Share of profit (loss) of investments accounted for using the equity method	0.3	0.5	0.2
Profit for the period (attributable to owners of the Company)	1.3	6.8	5.5

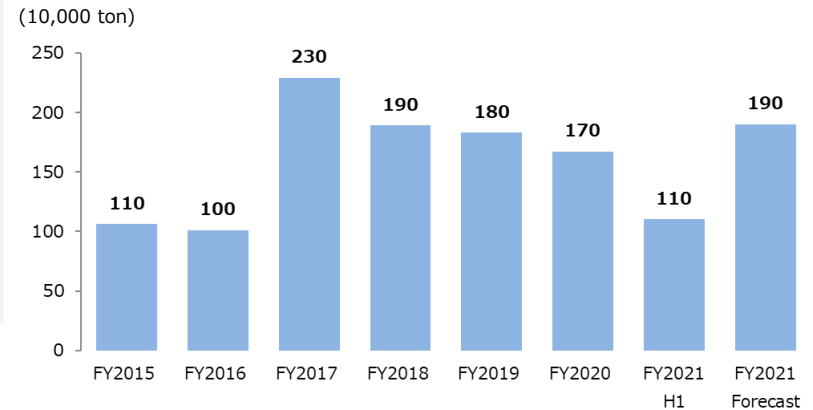
	FY20	FY21 H1	Difference
Total Asset	272.3	281.5	9.2

Main Factors Behind Difference

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

Sales Volume for Methanol

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



Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Pla-Net Corporation	100%	0.3	1.2	0.9	Trading and sale of plastics and related products
PT. Kaltim Methanol Industri	85%	0.0	2.2	2.2	Manufacture and sale of methanol
solvadis deutschland gmbh	100%	0.2	0.6	0.4	Trading and sale of chemical products
Total		0.5	4.0	3.5	

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

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

Consumer Industry & Agriculture Business

FY21 H1 Summary

(BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	16.0	16.9	0.9
SG&A expenses	(10.0)	(10.0)	0.0
Share of profit (loss) of investments accounted for using the equity method	0.5	0.5	0.0
Profit for the period (attributable to owners of the Company)	4.0	4.8	0.8

Main Factors Behind Difference

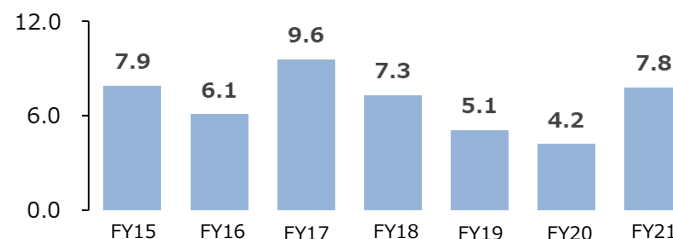
【 Profit for the period 】
Increased due to rise in market conditions of imported plywood

	FY20	FY21 H1	Difference
Total Asset	210.3	222.5	12.2

Profit of overseas fertilizers business

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

(BN JPY)



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

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Thai Central Chemical Public Company(TCCC)	81%	3.4	3.2	(0.2)	Manufacture and sales of fertilizers *3
Atlas Fertilizer Corporation	100%	1.0	1.0	0.0	Manufacture and sales of fertilizers, sales of imported fertilizer products
Japan Vietnam Fertilizer Company	75%	0.2	0.1	(0.1)	Manufacture and sales of fertilizers
Saigon Paper	96%	(0.3)	(0.1)	0.2	Papermaking business (Vietnam)
Sojitz Building Materials Corporation	100%	0.1	1.3	1.2	Trading company specializing in sales of construction materials
Total		4.4	5.5	1.1	

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

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

*3 Updated on November 19, 2021.

Sales Company for Beef Products initiative in Vietnam



- Sojitz and Vietnam's largest dairy manufacturer Vinamilk Group established sales company for beef products as of March, 2021.
- Sojitz will work together with Vinamilk, to leverage Vinamilk's major business presence and sales network along with Sojitz's know-how of livestock product sales cultivated through businesses of Sojitz Foods Corporation and Meat One Corporation. Through the establishment of this joint venture, Sojitz and Vinamilk intend to together provide a safe and reliable supply of high-quality beef products to the Vietnamese market.
- Sojitz aims to build a stable supply system for protein in Vietnam and Southeast Asia via this beef sales business

Retail & Consumer Service

FY21 H1 Summary

Investment in Royal HD

(BN JPY)

	FY20 H1	FY21 H1	Difference
Gross profit	13.1	14.9	1.8
SG&A expenses	(10.1)	(10.4)	(0.3)
Share of profit (loss) of investments accounted for using the equity method	(0.3)	0.0	0.3
Profit for the period (attributable to owners of the Company)	2.7	1.9	(0.8)

	FY20	FY21 H1	Difference
Total Asset	337.0	370.2	33.2

Main Factors Behind Difference

[Profit for the period]

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

Purchase cost reduction

Leveraging the Sojitz Group's procurement capabilities to optimize purchasing costs

Expansion of contract food

Consider opening stores at airports utilizing the Sojitz Group's network and Royal HD's expertise

Improvement of operating efficiency of factories

Improve operation rates through collaboration with Japanese major retail company

Major Subsidiaries and Associates

(BN JPY)

Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Foods Corporation	100%	1.1	1.9	0.8	Sale of farmed and marine products, sugar, saccharified products, dairy products, processed foods, and other foodstuffs
Sojitz Fashion Co., Ltd.	100%	0.3	0.3	0.0	Printing of cotton and synthetic textiles, processing and wholesale of non-patterned and dyed fabrics
Sojitz New Urban Development Corporation	100%	(0.1)	(0.2)	(0.1)	Development and sale of condominiums, real estate brokerage, development and possession of rental apartment and sale of housing equipment
Sojitz REIT Advisors K.K.	67%	0.2	0.2	0.0	Management of real estate asset
Total		1.5	2.2	0.7	



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

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

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

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

Others

Major Subsidiaries and Associates

(BN JPY)

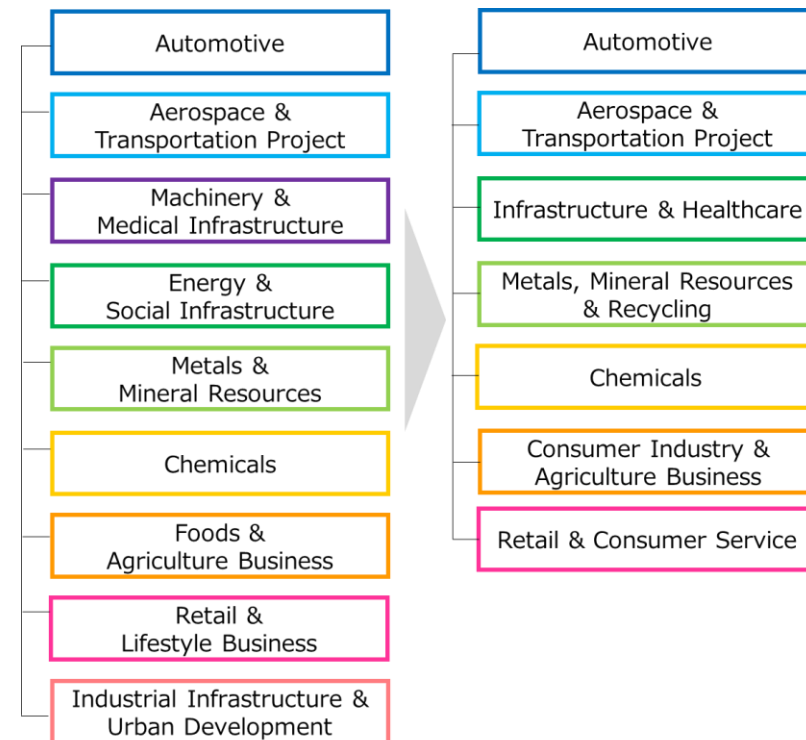
Company name	Equity ownership	FY20 H1	FY21 H1	Difference	Business Description
Sojitz Machinery Corporation	100%	0.5	1.0	0.5	Import/export and sales of general industrial machinery
Total		0.5	1.0	0.5	

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

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

Organizational Reforms (effective as of April 1, 2021)

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



【Supplemental Data】

Ⅲ. Summary of Financial Results

Summary of Profit or Loss

(BN JPY)	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 H1
Net sales (JGAAP)	4,014.6	4,321.7	3,934.5	4,046.6	4,105.3	4,006.6	3,745.5	4,209.1	–	–	–	–
Revenue	–	2,006.6	1,747.8	1,803.1	1,809.7	1,658.1	1,555.3	1,816.5	1,856.2	1,754.8	1,602.5	1,000.7
Gross profit	192.7	217.1	187.2	198.2	197.7	180.7	200.7	232.4	241.0	220.5	188.1	117.7
Operating profit	37.5	57.5	25.5	23.7	33.6	29.2	51.6	59.8	–	–	–	–
Share of profit (loss) of investments accounted for using the equity method	19.3	16.3	15.8	31.0	28.6	23.2	12.7	25.1	27.8	24.9	14.8	16.9
Profit before tax	39.3	58.5	28.1	44.0	52.6	44.3	58.0	80.3	94.9	75.5	37.4	52.5
Profit for the year attributable to owners of the Company	16.0	(1.0)	13.4	27.3	33.1	36.5	40.8	56.8	70.4	60.8	27.0	39.4
Core earnings	41.9	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	68.4	38.4	51.1
ROA	0.7%	(0.0%)	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	3.0%	2.7%	1.2%	–
ROE	4.7%	(0.3%)	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	11.7%	10.2%	4.5%	–

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

Summary of Balance Sheets

(BN JPY)	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2020	End of Mar. 2021	End of Sep. 2021
Total assets	2,117.0	2,190.7	2,150.1	2,220.2	2,297.4	2,056.7	2,138.5	2,350.4	2,297.1	2,230.3	2,300.1	2,450.0
Total equity	330.0	330.0	382.6	459.9	550.9	520.3	550.5	586.4	618.2	579.1	619.0	657.6
Equity ratio	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	26.9%	26.0%	26.9%	26.8%
Net interest-bearing debt	700.6	676.4	643.3	640.2	629.6	571.6	611.1	603.5	584.7	613.2	610.6	684.5
Net DER (Times)	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.0	1.0	1.1	0.99	1.04
Risk assets (vs. Total equity, times)	310.0 0.9	330.0 1.0	340.0 0.9	350.0 0.8	320.0 0.6	330.0 0.6	320.0 0.6	350.0 0.6	360.0 0.6	380.0 0.7	390.0 0.6	410.0 0.6
Current ratio	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	157.1%	161.4%	162.7%	157.6%
Long-term debt ratio	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	82.9%	79.1%	82.5%	83.8%

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

Summary of Cash Flows

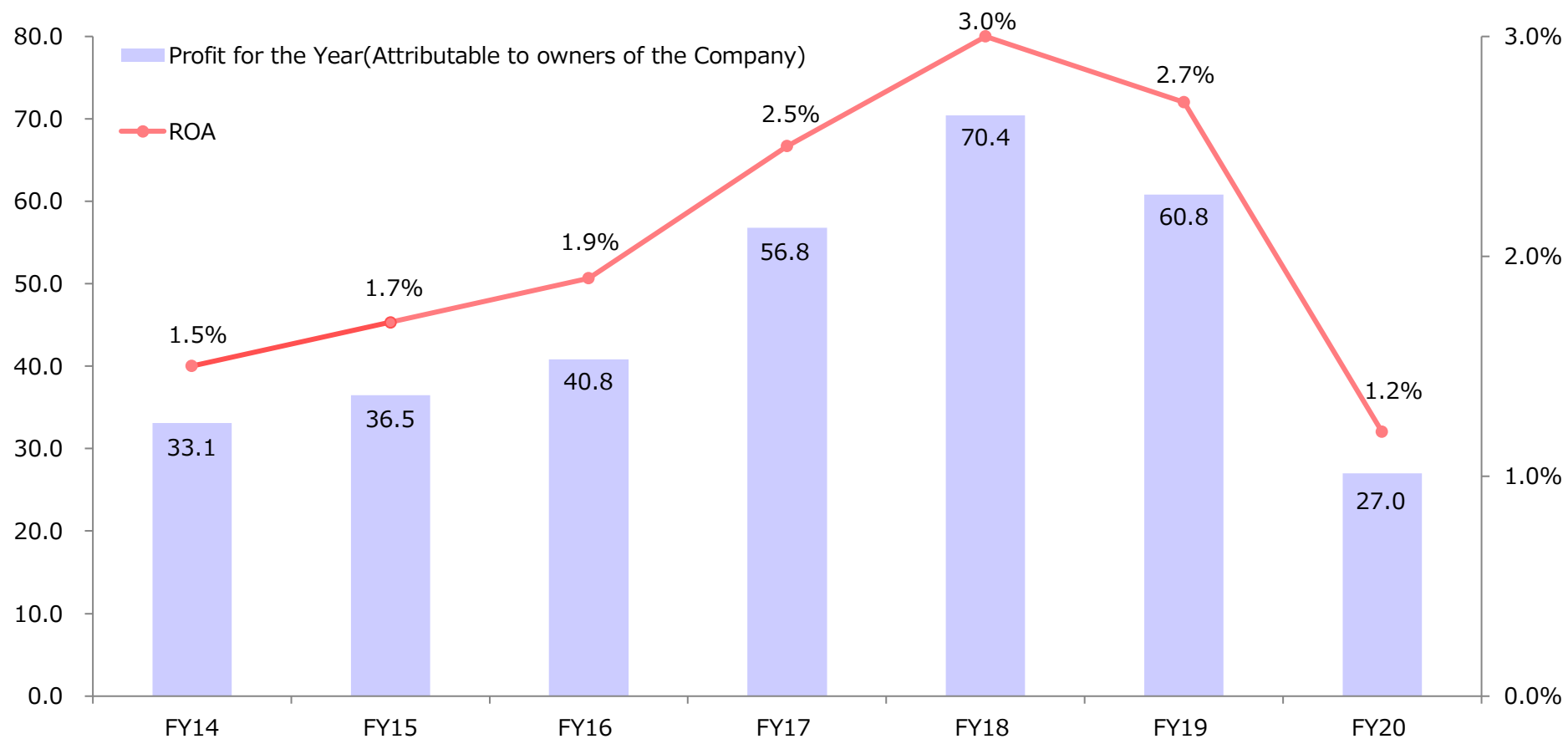
(BN JPY)

	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2020	End of Mar. 2021	End of Sep. 2021
Core cash flow	–	–	–	–	–	18.3	5.5	(56.7)	63.1	1.3	(8.0)	(2.6)
Free cash flow	48.0	46.4	43.4	22.5	25.3	66.0	(31.3)	12.4	54.3	4.8	49.3	(37.5)
Core operating cash flow	–	–	–	–	–	60.0	59.4	82.9	79.1	80.2	60.2	49.3
Cash flow from operating activities	67.9	88.7	55.1	47.0	39.1	99.9	0.9	98.8	96.5	40.5	85.0	29.6
Cash flow from investment activities	(19.9)	(42.3)	(11.7)	(24.5)	(13.8)	(33.9)	(32.2)	(86.4)	(42.2)	(35.7)	(35.7)	(67.1)
Cash flow from financing activities	(72.1)	(29.5)	(56.2)	(30.9)	(42.6)	(114.7)	(4.0)	(13.1)	(74.9)	(12.2)	(40.6)	5.2
Investments	73.0	53.0	44.0	54.0	57.0	71.0	86.0	158.0	91.0	81.0	96.0	40.3

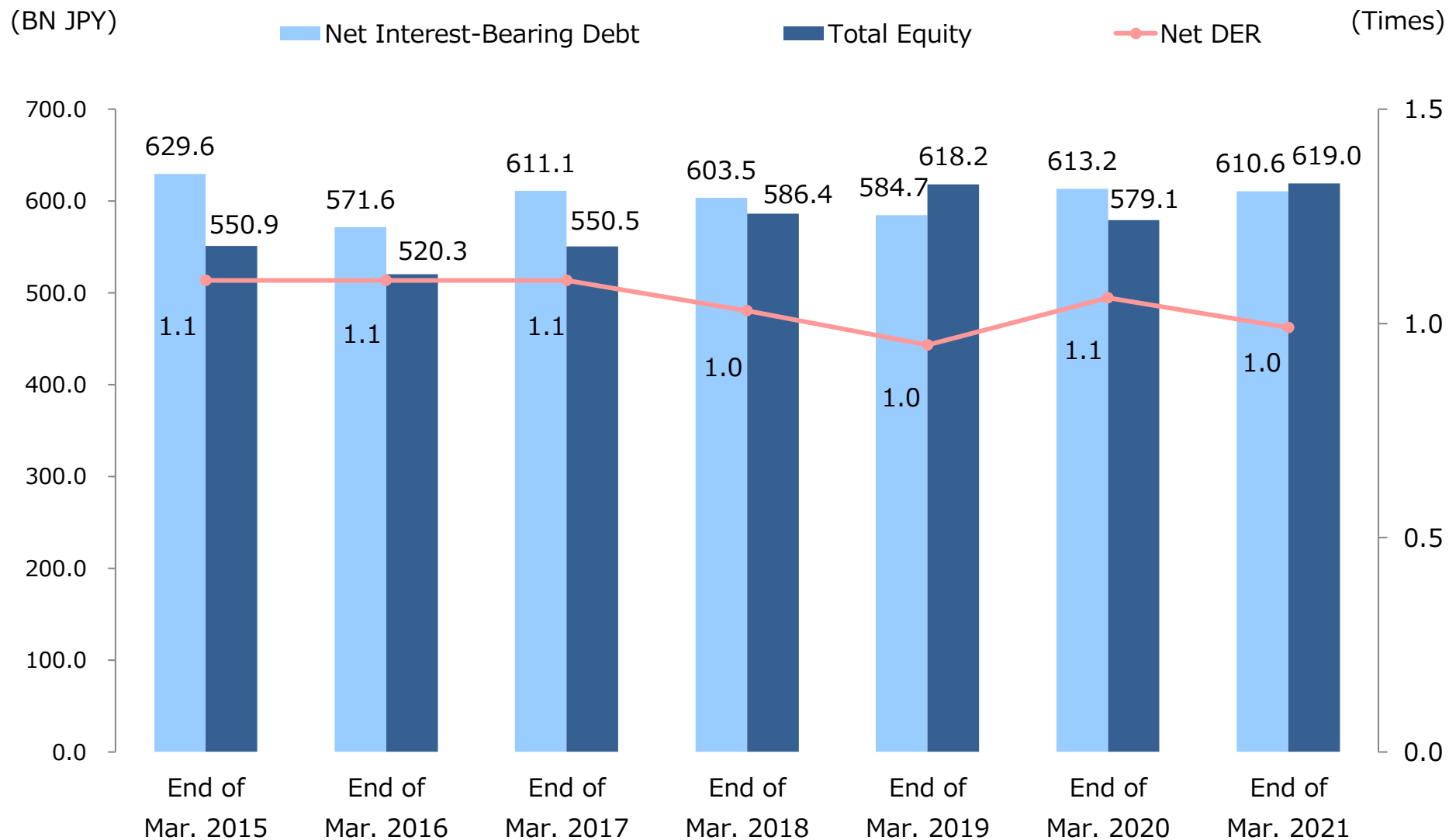
※Core cash flow = Core operating cash flow = Cash flow after deducting changes in working capital from operating cash flows calculated for accounting purposes

Summary of Profit or Loss

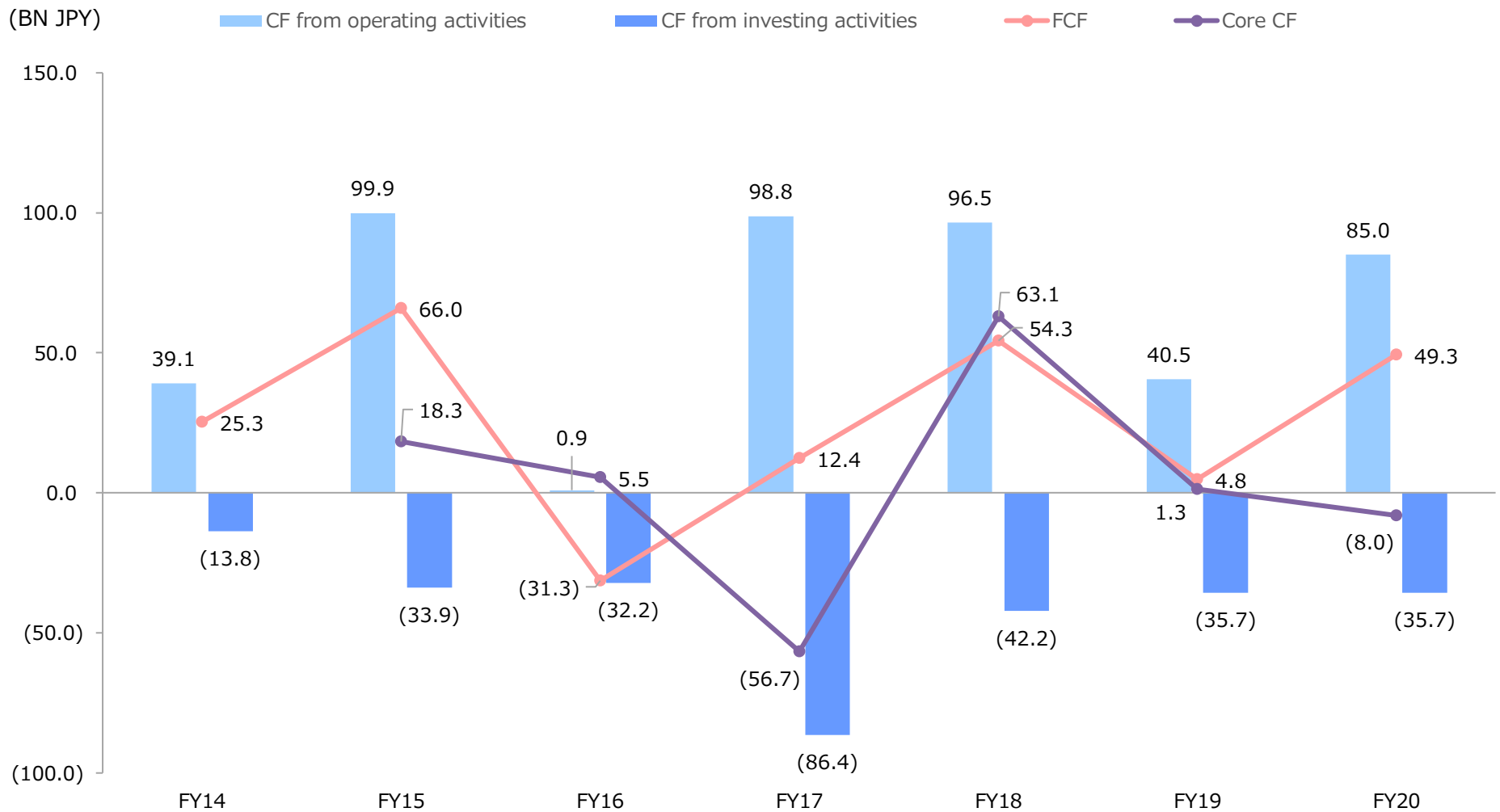
(BN JPY)



Summary of Balance Sheets



Summary of Cash Flow





Hassojitz

発想 × **sojitz**

Sojitz is turning ideas into reality.

Summary of Consolidated Financial Results for the First Half Ended September 30, 2021 (IFRS)

November 2, 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 filing date of quarterly financial report: November 10, 2021

Scheduled date of delivery of dividends : December 1, 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 First Half Ended September 30, 2021 (April 1, 2021 - September 30, 2021)

(1) Consolidated Operating Results

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

	Revenue		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Company		Total comprehensive income for the period	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the first quarter ended September 30, 2021	1,000,694	34.4	52,455	337.2	41,464	296.6	39,449	331.2	60,699	811.9
September 30, 2020	744,622	(16.7)	11,997	(66.0)	10,454	(67.0)	9,147	(69.0)	6,656	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first quarter ended September 30, 2021	167.12	167.12
September 30, 2020	38.10	38.10

Note :

- Basic earnings per share and diluted earnings per share are calculated based on Profit for the period attributable to owners of the Company.
- The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. Basic earnings per share and diluted earnings per share have been calculated based on the assumption that the share consolidation had been conducted on April 1, 2020.

(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
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of September 30, 2021	2,450,036	691,111	657,631	26.8
March 31, 2021	2,300,115	654,639	619,111	26.9

2. Cash Dividends

	Cash dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
For the year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2021	-	5.00	-	5.00	10.00
March 31, 2022	-	9.00	-	-	-
March 31, 2022 (forecast)	-	-	-	45.00	-

Note :

- Changes in cash dividend forecast : Yes
- The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The year-end dividend forecast for the year ending March 31, 2022 reflects this share consolidation. No figure is displayed for the annual dividend forecast for the year ending March 31, 2022, as an appropriate figure cannot be arrived at through simple addition. If the share consolidation is accounted for, the interim dividend for the year ending March 31, 2022, would be ¥45.00.

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	70,000	159.2	299.79

Note:

- Changes in full-year earnings forecast : Yes
- Basic earnings per share is calculated based on Profit attributable to owners of the Company.
- The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The forecast for basic earnings per share for the year ending March 31, 2022, reflects this share consolidation.

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 shares):

As of September 30, 2021: 250,299,900 As of March 31, 2021: 250,299,900

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

As of September 30, 2021 : 19,378,200 As of March 31, 2021 : 10,480,864

3. Average number of outstanding shares during the periods:

For the first half ended September 30, 2021 (accumulative): 236,057,609

For the first half ended September 30, 2020 (accumulative): 240,084,159

Note:

1. The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. Number of outstanding shares at the end of the periods (Including treasury shares), number of treasury shares at the end of the periods and average number of outstanding shares during the periods reflect this share consolidation.

2. The Company established the Executive Compensation Board Incentive Plan Trust. The trust account associated with this trust holds shares of the Company's stock, which are treated as treasury shares; 303,104 stocks in the first half ended September 30, 2021 and 309,595 stocks in the financial year ended March 2021.

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

* 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.

1. Analysis of Business Results

(1) Overview of the Six-Month Period Ended September 30, 2021

Economic Environment

In the six-month period ended September 30, 2021, economic recovery was seen in certain regions amid a global decline in the number of COVID-19 cases. Governments in the United States and Europe are transitioning away from large-scale government finance measures for responding to the pandemic and toward policies based on longer-term perspective. Conversely, certain emerging countries are moving to raise their policy interest rates out of fear for potential inflation. This situation is creating a need for ongoing monitoring of economic trends.

The United States is seeing ongoing recovery in the job market and the greater economy as the number of COVID-19 Delta variant infections cases appears to have peaked. If approved, the Biden administration's proposed spending bill, which includes infrastructure, childcare, healthcare, and climate change response provisions, is expected to support future economic recovery.

Meanwhile, the Federal Reserve Bank has indicated its intent to begin phasing out financial measures within 2021 in response to the rising inflation rate. At the same time, the soaring price and limited supply of crude oil has resulted in consistently high levels of inflation. If the high inflation gives rise to speculation of quick interest rate hikes, it could disrupt the financial market and cause economic slowdown. As such, caution is required with this regard.

In Europe, vaccine rollouts are driving recovery in consumer spending, and GDP levels are expected to climb to pre-COVID-19 pandemic levels within 2021. Conversely, there is concern for the prolongation of supply limitations stemming from shortages of semiconductors and other components and materials in the manufacturing industry. There is also a need to monitor the risk of accelerated inflation as a result of rising energy prices.

China is facing concern for rising commodity prices, limited capacity to supply semiconductors and other articles, potential disruption in the financial market as a result of defaults by major real estate companies, and the production repercussions of power shortages. Government economic stimulus measures are expected to support the economy, but there is still a need for vigilance regarding future trends.

Economic recovery in Asia will be dependent on progress in vaccine rollouts and the ability to contain the COVID-19 pandemic. However, semiconductor shortages and other restrictions on production activities may hamper economic recovery. As the United States prepares to phase out financial measures, it will be important to track trends such as currency devaluation as a result of capital outfluxes and the potentially ensuing increase in the burden of U.S. dollar-denominated debt.

Japan cancelled its nationwide state of emergency declaration on September 30, 2021, and the government has announced its policy of gradually lifting activity restrictions while monitoring trends in COVID-19 infections. The development of oral treatments for COVID-19 and other signs of hope for the end of the pandemic are anticipated to contribute to improved consumer confidence and subsequently economic recovery. At the same time, there is a need to continue monitoring the impact on the manufacturing industry of supply chain disruptions in other regions as well as overseas risk factors such as resource price increases and economic uncertainty in China.

Financial Performance

Sojitz Corporation's consolidated business results for the six-month period ended September 30, 2021 are presented below.

Revenue	Revenue was up 34.4% year on year, to ¥1,000,694 million, due to higher revenue in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal and precious metals as well as growth in precious metal transactions; in the Chemicals Division, a result of higher methanol prices and growth in plastic resin transactions; and in the Automotive Division, a result of increased sales volumes in overseas automotive businesses.
Gross profit	Gross profit was up ¥33,264 million year on year, to ¥117,716 million, due to higher revenue in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal, in the Chemicals Division, a result of higher methanol prices and growth in plastic resin transactions; and in the Automotive Division, a result of increased sales volumes in overseas automotive businesses.
Profit before tax	Profit before tax was up ¥40,458 million year on year, to ¥52,455 million, as a result of increases in gross profit and share of profit of investments accounted for using the equity method.
Profit for the period	After deducting income tax expenses of ¥52,455 million from profit before tax of ¥10,990 million, profit for the period amounted to ¥41,464 million, up ¥31,010 million year on year. Profit for the period (attributable to owners of the Company) increased ¥30,302 million year on year, to ¥39,449 million.
Comprehensive income for the period	Comprehensive income for the period of ¥60,699 million was recorded, up ¥54,043 million year on 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 period (attributable to owners of the Company) was ¥58,347 million, an increase of ¥52,687 million.

Results for the six-month period ended September 30, 2021, are summarized by segment below.

Effective April 1, 2021, the Machinery & Medical Infrastructure Division, Energy & Social Infrastructure Division, and part of the Industrial Infrastructure & Urban Development Division were reorganized into the Infrastructure & Healthcare Division.

The Foods & Agriculture Business Division, Retail & Lifestyle Business Division, and part of the Industrial Infrastructure & Urban Development Division were reorganized into the Consumer Industry & Agriculture Business Division and the Retail & Consumer Service Division.

The Metals & Mineral Resources Division was renamed the Metals, Mineral Resources & Recycling Division.

In addition, the car and motorcycle parts, ship equipment, industrial machinery, forefront industry business, bearing, and nuclear power-related equipment businesses previously included in the Automotive Division, the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division, and the Energy & Social Infrastructure Division were transferred to the Others segment .

Automotive

Revenue was up 70.8% year on year, to ¥119,057 million, due to higher sales volumes in overseas automobile transactions. Profit for the period (attributable to owners of the Company) rose ¥4,941 million, to ¥3,431 million, as a result of an increase in gross profit.

Aerospace & Transportation Project

Revenue was up 233.7% year on year, to ¥31,449 million, due to the acquisition of higher revenue in aircraft transactions and recovery of shipping market conditions. Profit for the period (attributable to owners of the Company) increased ¥1,673 million, to ¥1,384 million, as a result of an increase in gross profit.

Infrastructure & Healthcare

Revenue was up 1.1% year on year, to ¥28,105 million, due to higher earnings at IT system subsidiaries. Profit for the period (attributable to owners of the Company) decreased ¥1,380 million, to ¥1,237 million, despite an increase in gross profit, as other income was down due to the absence of a gain on a partial sale of a natural gas-fired power project company recorded in the previous equivalent period.

Metals, Mineral Resources & Recycling

Revenue was up 51.2% year on year, to ¥258,752 million, due to higher prices for coal and precious metals as well as growth in precious metal transactions. Profit for the period (attributable to owners of the Company) increased ¥18,222 million, to ¥16,214 million, as a result of an increase in gross profit as well as increase in share of profit of investments accounted for using the equity method associated with higher profit of steel operating company.

Chemicals

Revenue was up 42.1% year on year, to ¥260,643 million, due to higher methanol prices and growth in plastic resin transactions. Profit for the period (attributable to owners of the Company) increased ¥5,433 million, to ¥6,757 million, as a result of an increase in gross profit.

Consumer Industry & Agriculture Business

Revenue was up 19.0% year on year, to ¥144,686 million, due to higher prices in lumber transactions and higher sales volumes in overseas fertilizer businesses. Profit for the period (attributable to owners of the Company) increased ¥773 million, to ¥4,779 million, as a result of an increase in gross profit.

Retail & Consumer Service

Revenue was up 1.4% year on year, to ¥99,974 million, due to higher sales volumes in meat transaction. Profit for the period (attributable to owners of the Company) decreased ¥858 million, to ¥1,863 million, despite an increase in gross profit, as other income was down due to the rebound in sales of shopping mall.

(2) Financial Position

Consolidated Balance Sheet

Total assets on September 30, 2021, were ¥ 2,450,036 million, up ¥149,921 million from March 31, 2021, following the increase in trade and other receivables under current assets associated

with tobacco and wheat, and the increase in inventories associated with aircraft and real estate for sale.

Total liabilities on September 30, 2021, amounted to ¥1,758,925 million, up ¥113,449 million from March 31, 2021, as results of the increase in trade and other payables under current liabilities associated with tobacco and wheat and the increase in interest-bearing debt attributable to new borrowings.

Total equity attributable to owners of the Company was ¥657,631 million on September 30, 2021, up ¥38,520 million from March 31, 2021. This increase was due to the accumulation of profit for the period (attributable to owners of the Company), and an increase in other components of equity resulted primarily from foreign exchange rate and stock price fluctuations.

Consequently, on September 30, 2021, the current ratio was 157.7%, the long-term debt ratio was 83.8%, and the equity ratio* was 26.8%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥684,520 million on September 30, 2021, ¥ 73,843million increase from March 31, 2021. This resulted in the Company's net debt equity ratio* equaling 1.04 times at September 30, 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 2023, 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 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 a certain level.

As one source of long-term funding, Sojitz issued ¥10 billion straight bonds in May 2021. 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 commitment line (which remains unused) and a long-term commitment line totaling US\$1.8 billion (of which US\$1.08 billion has been used).

Consolidated Cash Flows

In the six-month period ended September 30, 2021, operating activities provided net cash flow of ¥29,587 million, investing activities provided net cash flow of ¥67,061 million, and financing activities provided net cash flow of ¥5,194 million. Sojitz ended the period with cash and cash equivalents of ¥254,210 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥29,587 million, a decrease of ¥67,306 million year on year. Major factors increasing cash included business earnings, dividends received.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥67,061 million, up ¥62,797 million year on year,

mainly as a result of aircraft transactions and investment for natural gas-fired power and desalination project.

(Cash flows from financing activities)

Net cash provided by financing activities totaled ¥5,194 million, up ¥55,737 million year on year. This outcome was primarily a result of proceeds from borrowings, which offset outflows for dividends paid and acquisition of treasury stock.

(3) Consolidated Earnings Forecast

Consolidated financial results forecasts for the fiscal year ending March 31, 2022, have been revised as follows in reflection higher-than-anticipated performance of coal and other resource prices.

Profit for the year (Attributable to owners of the Company) ¥70.0 billion (¥17.0 billion (32.1%) higher than initial forecast)

***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.

(4) Interim Dividend

At a meeting of the Board of Directors held on November 2, 2021, it was decided to raise the interim dividend for the year ending March 31, 2022, from the previously announced forecast of ¥7 per share to ¥9 per share in conjunction with the upward revision to the full-year forecast for profit for the year (attributable to the owners of the Company). The record date for the interim dividend is September 30, 2021, and the interim dividend will be issued for shares of common issued held as of this date. A total of ¥10,405 million will be used to pay interim dividends (effectivity date of December 1, 2021).

2. Summary information (other)

(1) Changes in major subsidiaries during the period

None

3. 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 420 consolidated subsidiaries and equity method associates, including 289 consolidated subsidiaries and 131 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 259 companies consisting of 177 consolidated subsidiaries and 82 equity method associates.) Due to the reorganization effective April 1, 2021, the Machinery & Medical Infrastructure Division, the Energy & Social Infrastructure Division, and the Industrial Infrastructure & Urban Development were reorganized to the Infrastructure & Healthcare Division. The Foods & Agriculture Business Division, and the Retail & Lifestyle Business Division were reorganized to the Consumer Industry & Agriculture Business Division, and the Retail & Consumer Service Division. The Metals & Mineral Resources Division was renamed the Metals, Mineral Resources & Recycling Division. In addition, the car and motorcycle parts, ship equipment, industrial machinery/machine tools, advanced industrial equipment, bearing, and nuclear power-related equipment businesses previously included in the Automotive Division, the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division, and the Energy & Social Infrastructure Division were transferred to the Others segment. The following table lists our products, services, and main subsidiaries and affiliates by industry segment.

As of September 30, 2021

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries : 25 Number of equity method associates: 4	Trading of completed automobiles; assembly and sales; retail; quality inspection operations; financing; sales and service operations incorporating digital technologies	- Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary)
Aerospace & Transportation Project Number of consolidated subsidiaries : 38 Number of equity method associates: 11	Aero business (Commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business); Transportation and social infrastructure projects (transportation projects, airport, port, and other social infrastructure projects) Marine business (New building, second-hand ships, purchase and charter of new and used vessels, ship chartering, ship owning)	- Sojitz Aerospace Corporation (Import, export and sale of aero-related and defense-related equipment; Subsidiary) - Sojitz Royal In-flight Catering Co., Ltd. (Preparation, sale, and loading of in-flight meals, food sales, bonded warehouse business; Subsidiary)
Infrastructure & Healthcare Number of consolidated subsidiaries : 48 Number of equity method associates: 38	Infrastructure & Environment (Renewable energy IPP infrastructure investment, Renewable energy-related service project); power infrastructure projects (WPP, energy management, power plant EPC business); energy (Oil and gas; petroleum products; LNG and LNG-related business); nuclear power related business (nuclear fuels); social infrastructure projects (telecommunications infrastructure projects, energy management, next-generation infrastructure projects utilizing IoT, AI, and big data; smart cities project, sales and maintenance of communications and IT equipment; systems integration, software development and sales, cloud services, and managed services); healthcare project (Hospital PPP, Medical-related service, healthcare new technology); urban infrastructure (Industrial park, housing, office, etc.)	- Nissho Electronics Corporation (IT systems, network services; Subsidiary) - Tokyo Yuso Co., Ltd. (Tank storage operations of petroleum and chemical products etc., storage, logistics; Subsidiary) - Sojitz Hospital PPP Investment B.V. (Investment in hospital PPP business; Subsidiary) - Sojitz Global Investment B.V. (Investment in power generation projects; Subsidiary) - Blue Horizon Power International Ltd. (Investment in power generation projects; Subsidiary) - Sojitz Healthcare Australia Ltd. (Investment in hospital PPP business; Subsidiary) - LNG Japan Corporation (LNG business and related investments and loans; Equity method associate) - SAKURA Internet Inc. (cloud services and internet data center operator; Equity method associate) *1 - PT. Puradelta Lestari Tbk (New city development including development and management of industrial park; Equity method associate) - Qualitas Medical Limited (Clinic Chains; Equity method associate)
Metals, Mineral Resources & Recycling Number of consolidated subsidiaries : 28 Number of equity method associates: 17	Coal; iron ore; ferroalloys (nickel, chromium, Niobium), 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) - Sojitz Resources (Australia) Pty. Ltd. (Production of alumina; 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 : 28 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 raw materials and products; Subsidiary) - Pla Mats Corporation (Trading and sale of plastics raw materials and products; Subsidiary) - P. T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) - solvadis deutschland gmbh (Trading and sale of chemical products; Subsidiary)
Consumer Industry & Agriculture Business Number of consolidated subsidiaries : 24 Number of equity method associates: 12	Grains; flour; oils and fats; oil stuff; feed materials; marine products; processed seafood; sweets; raw ingredients for sweets; other foodstuffs and raw ingredients; compound chemical fertilizers; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; housing materials; manufacture and sale of wood chips; household- and industrial-use paper	- Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary, construction planning, research, design, supervision and contracting) - Thai Central Chemical Public Co., Ltd. (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) - Saigon Paper Corporation (Manufacture and sale of household and industrial paper and other paper products; Subsidiary) - Atlas Fertilizer Corporation (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary)
Retail & Consumer Service Number of consolidated subsidiaries : 20 Number of equity method associates: 14	Cotton and synthetic fabrics; knitted fabrics and products; clothing; medical material; 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; processing and production of prepared food; wholesale food; convenience store business; foodservice business; real estate development, consignment sales, rent, administration and management businesses (housing, office, etc.)	- 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) - 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) - 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 - Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) *1 - Tri-Stage inc. (Direct marketing support operations; Equity method associate) *1
Other Number of consolidated subsidiaries : 28 Number of equity method associates: 12	Industrial Machinery; Forefront Industry businesses; Bearings; automobile and motorcycle parts; Automotive Process; Marine business; power, energy and plant business; nuclear power-related equipment businesses; administration; domestic branches; logistics and insurance services	- Sojitz Machinery Corporation (General industrial machinery; automobile and motorcycle components; sale and purchase of ships; Subsidiary) - 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) - First Technology China Ltd. (Sales and service of surface-mounting machines and semiconductor-related equipment; Subsidiary)
Overseas branches Number of consolidated subsidiaries : 60 Number of equity method associates: 10	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 September 30, 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).

4. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(In Millions of Yen)

	FY 2020 (As of March 31, 2021)	FY 2021 (As of September 30, 2021)
Assets		
Current assets		
Cash and cash equivalent	287,597	254,210
Time deposits	10,059	12,692
Trade and other receivables	636,186	698,836
Derivatives	4,734	5,870
Inventories	187,891	224,791
Income tax receivables	3,116	3,044
Other current assets	64,924	51,717
Subtotal	1,194,511	1,251,162
Assets as held for sale	892	8,501
Total current assets	1,195,403	1,259,664
Non-current assets		
Property, plant and equipment	191,292	190,894
Usage rights assets	72,821	66,639
Goodwill	67,201	64,851
Intangible assets	61,498	62,437
Investment property	11,603	11,521
Investments accounted for using the equity method	433,029	460,788
Trade and other receivables	89,747	135,265
Other investments	157,817	178,617
Derivatives	3	0
Other non-current assets	11,804	11,302
Deferred tax assets	7,890	8,054
Total non-current assets	1,104,711	1,190,372
Total assets	2,300,115	2,450,036
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	475,978	539,706
Lease liabilities	16,778	15,438
Bonds and borrowings	158,595	154,003
Derivatives	6,193	6,566
Income tax payables	5,851	5,527
Provisions	3,226	3,857
Other current liabilities	68,130	68,610
Subtotal	734,754	793,709
Liabilities directly related to assets as held for sale	—	5,279
Total current liabilities	734,754	798,988
Non-current liabilities		
Lease liabilities	60,460	54,705
Bonds and borrowings	749,739	797,420
Trade and other payables	6,136	6,833
Derivatives	656	744
Retirement benefits liabilities	21,896	21,786
Provisions	41,725	40,060
Other non-current liabilities	9,636	11,979
Deferred tax liabilities	20,470	26,406
Total non-current liabilities	910,722	959,936
Total liabilities	1,645,476	1,758,925
Equity		
Share capital	160,339	160,339
Capital surplus	146,814	146,934
Treasury stock	(15,854)	(30,842)
Other components of equity	77,772	96,301
Retained earnings	250,039	284,897
Total equity attributable to owners of the Company	619,111	657,631
Non-controlling interests	35,527	33,480
Total equity	654,639	691,111
Total liabilities and equity	2,300,115	2,450,036

(2) Consolidated Statements of Profit or Loss

(In Millions of Yen)

	For the 1st Half Ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	For the 1st Half Ended September 30, 2021 (From April 1, 2021 To September 30, 2021)
Revenue		
Sale of goods	704,572	952,381
Sales of service and others	40,049	48,312
Total revenue	744,622	1,000,694
Cost of sales	(660,170)	(882,977)
Gross profit	84,452	117,716
Selling, general and administrative expenses	78,950	(83,807)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	2,055	51
Impairment loss on fixed assets	-	(165)
Gain on reorganization of subsidiaries/associates	2,153	2,336
Loss on reorganization of subsidiaries/associates	(64)	(715)
Other operating income	3,144	3,326
Other operating expenses	(3,475)	(2,999)
Total other income/expenses	3,814	1,834
Financial income		
Interests earned	2,963	3,228
Dividends received	1,477	1,936
Other financial income	-	200
Total financial income	4,441	5,365
Financial costs		
Interest expenses	(6,228)	(5,538)
Other financial costs	(102)	-
Total financial cost	(6,330)	(5,538)
Share of profit(loss) of investments accounted for using the equity method	4,570	16,884
Profit before tax	11,997	52,455
Income tax expenses	(1,543)	(10,990)
Profit for the period	10,454	41,464
Profit attributable to:		
Owners of the Company	9,147	39,449
Non-controlling interests	1,306	2,015
Total	10,454	41,464

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

(In Millions of Yen)

	For the 1st Half Ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the 1st Half Ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Profit for the period	10,454	41,464
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets at fair value through other comprehensive income	2,315	15,898
Remeasurements of defined benefit pension plans	113	(15)
Share of other comprehensive income of investments accounted for using the equity method	(369)	(4,383)
Total items that will not be reclassified to profit or loss	2,059	11,500
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	181	4,505
Cash flow hedges	2,780	(2,046)
Share of other comprehensive income of investments accounted for using the equity method	(8,820)	5,275
Total items that may be reclassified subsequently to profit or loss	(5,857)	7,734
Other comprehensive income for the year, net of tax	(3,798)	19,234
Total comprehensive income for the period	6,656	60,699
Total comprehensive income attributable to:		
Owners of the Company	5,660	58,347
Non-controlling interests	995	2,351
Total	6,656	60,699

(4) Consolidated Statements 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 at fair value through other comprehensive income	Cash flow hedges
Balance as of April 1, 2020	160,339	146,756	(10,901)	(29,975)	86,513	(6,760)
Profit for the period						
Other comprehensive income				(3,203)	1,835	(2,247)
Total comprehensive income for the period	—	—	—	(3,203)	1,835	(2,247)
Purchase of treasury stock		(1)	(5,000)			
Disposition of treasury stock		(47)	47			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control						
Reclassification from other components of equity to retained earnings					(699)	
Share remuneration payment transaction		58				
Other changes						
Total contributions by and distributions to owners of the Company	—	9	(4,952)	—	(699)	—
Balance as of September 30, 2020	160,339	146,765	(15,853)	(33,178)	87,648	(9,007)

	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, 2020	—	49,777	233,151	579,123	42,774	621,898
Profit for the period			9,147	9,147	1,306	10,454
Other comprehensive income	128	(3,487)		(3,487)	(310)	(3,798)
Total comprehensive income for the period	128	(3,487)	9,147	5,660	995	6,656
Purchase of treasury stock				(5,001)		(5,001)
Disposal of treasury stock				—		—
Dividends			(10,378)	(10,378)	(2,190)	(12,568)
Change in ownership interests in subsidiaries without loss/acquisition of control				—	96	96
Reclassification from other components of equity to retained earnings	(128)	(827)	827	—		—
Share remuneration payment transaction				58		58
Other changes			31	31	(3,748)	(3,717)
Total contributions by and distributions to owners of the Company	(128)	(827)	(9,518)	(15,289)	(5,842)	(21,132)
Balance as of September 30, 2020	—	45,462	232,780	569,494	37,928	607,422

(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 at fair value through other comprehensive income	Cash flow hedges
Balance as of April 1, 2021	160,339	146,814	(15,854)	(16,018)	97,920	(4,129)
Profit for the period						
Other comprehensive income				8,762	11,133	(945)
Total comprehensive income for the period	—	—	—	8,762	11,133	(945)
Purchase of treasury stock		(4)	(15,000)			
Disposition of treasury stock		(12)	12			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				(454)		
Reclassification from other components of equity to retained earnings					33	
Share remuneration payment transaction		136				
Other changes						
Total contributions by and distributions to owners of the Company	—	119	(14,987)	(454)	33	—
Balance as of September 30, 2021	160,339	146,934	(30,842)	(7,710)	109,087	(5,075)

	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, 2021	—	77,772	250,039	619,111	35,527	654,639
Profit for the period			39,449	39,449	2,015	41,464
Other comprehensive income	(51)	18,898		18,898	335	19,234
Total comprehensive income for the period	(51)	18,898	39,449	58,347	2,351	60,699
Purchase of treasury stock				(15,005)		(15,005)
Disposal of treasury stock				—		—
Dividends			(6,003)	(6,003)	(2,910)	(8,913)
Change in ownership interests in subsidiaries without loss/acquisition of control		(454)	1,401	947	(1,440)	(493)
Reclassification from other components of equity to retained earnings	51	85	(85)	—		—
Share remuneration payment transaction				136		136
Other changes			95	95	(47)	48
Total contributions by and distributions to owners of the Company	51	(369)	(4,590)	(19,828)	(4,398)	(24,226)
Balance as of September 30, 2021	—	96,301	284,897	657,631	33,480	691,111

(5) Consolidated Statements of Cash Flows

(In Millions of Yen)

	For the 1st Half Ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the 1st Half Ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Cash flows from operating activities		
Profit for the period	10,454	41,464
Depreciation and amortization	15,674	16,536
Impairment loss of fixed assets	-	165
Finance (income) costs	1,889	172
Share of (profit)loss of investments accounted for using the equity method	(4,570)	(16,884)
(Gain) loss on sale of fixed assets, net	(2,055)	(51)
Income tax expenses	1,543	10,990
(Increase) decrease in trade and other receivables	73,039	(66,573)
(Increase) decrease in inventories	29,716	(37,405)
Increase (decrease) in trade and other payables	(34,397)	71,211
Changes in other assets and liabilities	7,591	13,059
Increase (decrease) in retirement benefits liabilities	105	(70)
Others	(4,225)	(1,314)
Subtotal	94,764	31,300
Interests earned	2,027	4,930
Dividends received	10,435	8,108
Interests paid	(6,251)	(5,576)
Income taxes paid	(4,082)	(9,175)
Net cash provided (used) by/in operating activities	96,893	29,587
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,830)	(7,799)
Proceeds from sale of property, plant and equipment	2,497	337
Purchase of intangible assets	(5,013)	(4,375)
(Increase) decrease in short-term loans receivable	375	(290)
Payment for long-term loans receivable	-	(795)
Collection of long-term loans receivable	218	506
Proceeds from (payments for) acquisition of subsidiaries	(661)	(453)
Proceeds from (payments for) sale of subsidiaries	6,006	1,128
Purchase of investments	(3,316)	(14,276)
Proceeds from sale of investments	3,792	7,498
Others	666	(48,542)
Net cash provided (used) by/in investing activities	(4,264)	(67,061)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(55,421)	5,225
Proceeds from long-term borrowings	83,061	108,090
Repayment of long-term borrowings	(63,067)	(64,516)
Proceeds from issuance of bonds	9,940	9,940
Redemption of bonds	(7)	(20,003)
Repayment of lease liabilities	(7,165)	(7,725)
Payment for acquisition of subsidiary's interests from non-controlling interest holders	-	(1,070)
Proceeds from non-controlling interest holders	96	45
Sales of treasury stock	8	3
Purchase of treasury stock	(5,000)	(15,000)
Dividends paid	(10,378)	(6,003)
Dividends paid to non-controlling interest holders	(2,570)	(3,730)
Others	(40)	(61)
Net cash provided (used) by/in financing activities	(50,543)	5,194
Net increase (decrease) in cash and cash equivalents	42,084	(32,279)
Cash and cash equivalents at the beginning of the year	272,651	287,597
Effect of exchange rate changes on cash and cash equivalents	687	(1,107)
Cash and cash equivalents at the end of the period	315,423	254,210

(6) Assumption for Going Concern

For the first half ended September 30, 2021 (April 1, 2021 – September 30, 2021)
:None

(7) Segment information

For the first half ended September 30, 2020 (April 1, 2020 – September 30, 2020)

(In Millions of Yen)

	Reportable segments					
	Automotive	Aerospace & Transportation Project	Infrastructure & Healthcare	Metals, Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Revenue						
External revenue	69,724	9,423	27,805	171,085	183,463	121,559
Inter-segment revenue	-	-	941	-	0	6
Total revenue	69,724	9,423	28,747	171,085	183,463	121,566
Segment profit (loss)	(1,510)	(289)	2,617	(2,008)	1,324	4,006

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer Business	Total			
Revenue					
External revenue	98,613	681,674	62,948	-	744,622
Inter-segment revenue	182	1,131	169	(1,301)	-
Total revenue	98,795	682,805	63,118	(1,301)	744,622
Segment profit (loss)	2,721	6,862	710	1,575	9,147

Reconciliation of segment profit of 1,575 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 1,384 million yen, and unallocated dividend income and others of 190 million yen.

For the first half ended September 30, 2021 (April 1, 2021 – September 30, 2021)

(In Millions of Yen)

	Reportable segments					
	Automotive	Aerospace & Transportation Project	Infrastructure & Healthcare	Metals, Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Revenue						
External revenue	119,057	31,449	28,105	258,752	260,643	144,686
Inter-segment revenue	-	3	1,586	-	1	8
Total revenue	119,057	31,453	29,691	258,752	260,645	144,695
Segment profit (loss)	3,431	1,384	1,237	16,214	6,757	4,779

	Reportable segments		Others	Reconciliations	Consolidated
	Retail & Consumer Business	Total			
Revenue					
External revenue	99,974	942,670	58,024	-	1,000,694
Inter-segment revenue	180	1,781	115	(1,897)	-
Total revenue	100,155	944,451	58,140	(1,897)	1,000,694
Segment profit (loss)	1,863	35,667	1,747	2,033	39,449

Reconciliation of segment profit of 2,033 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 1,759 million yen, and unallocated dividend income and others of 273 million yen.

(Changes in Reportable Segments)

Due to the reorganization effective April 1, 2021, the Machinery & Medical Infrastructure Division, the Energy & Social Infrastructure Division, and the Industrial Infrastructure & Urban Development were reorganized to the Infrastructure & Healthcare Division. The Foods & Agriculture Business Division, and the Retail & Lifestyle Business Division were reorganized to the Consumer Industry & Agriculture Business Division, and the Retail & Consumer Service Division. The Metals & Mineral Resources Division was renamed the Metals, Mineral Resources & Recycling Division. In addition, the car and motorcycle parts, ship equipment, industrial machinery, forefront industry business, bearing, and nuclear power-related equipment businesses previously included in the Automotive Division, the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division, and the Energy & Social Infrastructure Division were transferred to the Others segment. Segment information for the first half ended September 30, 2021, has been restated to reflect the change in reportable segments.