Financial Results
for the First Half Ended September 30, 2023 [IFRS]

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

October 31, 2023

Sojitz Corporation

Speaker: Masayoshi Fujimoto, President & CEO

I will begin by explaining the consolidated financial results for the first half ended September 30, 2023 and the progress of the Medium-Term Management Plan 2023.

CFO Shibuya will then present the details of the financial results.

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 changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements.
The company will provide timely disclosure of any material changes, events, or other relevant issues.

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

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

Notes

- "**Profit for the period / year attributable to owners of the Company**" is described as "**Profit for the period / year**."
- **"Total equity"** 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"**.
- "**Selling, general and administrative expenses**" is referred to as "**SG&A expenses.**"
- **"Core earnings"** = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividends received + Share of profit (loss) of investments accounted for using the equity method.
- "**Medium-term Management Plan 2023**." is referred to as "**MTP2023**". The same applies to "MTP2020" and "MTP2017".
- "**Core operating cash flow**" = Cash flow after deducting changes in working capital from operating cash flows calculated for accounting purposes
- "**Core cash flow**" = Core operating cash flow + Post-adjustment, net cash provided by (used in) investing activities – Dividends paid – Purchase of treasury stock
  (Post-adjustment, net cash provided by (used in) investing activities are net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.
- "**Shareholder Returns"** = include acquisitions of treasury stock.

Index

1. Progress of Medium-Term Management Plan 2023
   - Start of the Next Decade -

2. Financial Results for the First Half Ended September 30, 2023
   and Full Year Forecast of Fiscal Year Ending March 31, 2024 [IFRS]

3. Segment Information

4. Appendix

INDEX | 1

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

FY23 H1 Summary

sojitz
New way, New value

- Profit for the period of ¥47.9 billion in FY2023 H1, representing progress of 50% toward full-year forecast of ¥95.0 billion
- Generation of profits accompanied by cash with solid core operating cash flow
- No change to full-year forecast, despite revisions to segment forecasts

(BN JPY)	FY22 H1	FY23 H1	Difference	FY23 Forecast
Profit for the period/year	78.9	47.9 Achieved against forecast 50%	(31.0)	95.0
Core operation cash flow	90.3	57.7	(32.6)	115.0
Core cash flow	58.2	(41.6)	(99.8)	(75.0)
PBR (Times)	0.57 Stock price ¥2,124 as of Sep. 30, 2022	0.82 Stock price ¥3,278 as of Sep. 29, 2023	+0.25	KPI 1.0 or above

	FY23 Forecast
ROE	10.9%
ROA	3.5%
Dividends	¥130 Interim ¥65 / Year-end ¥65

The H1 results represented 50% progress toward the full-year forecast of ¥95.0 billion.

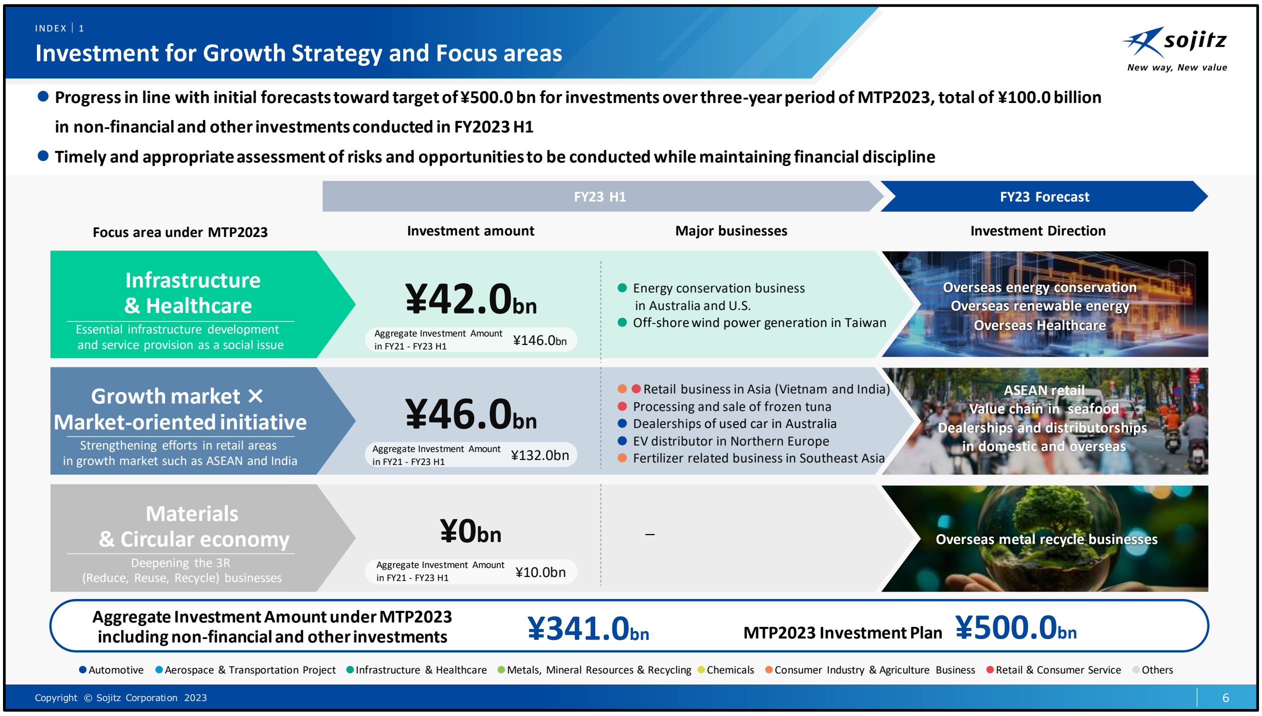
We assess that progress was made in order, especially in the steady coal market and in the retail business.
In an increasingly complex economic environment, the degree of progress may vary by region and business, but we expect to achieve our initial full-year forecast of ¥95.0 billion, even taking into account the impact of future market conditions and exchange rate fluctuations.
CFO Shibuya will explain the revision of the full-year forecast by segment later.

Core operating cash flow was ¥57.7 billion, generating cash steadily.

We have set a PBR of over 1 times in the spring of 2021 as one of the KPIs in our Medium-Term Management Plan 2023.

With only five months remaining in the Medium-Term Management Plan 2023, we will continue to move forward to show how Sojitz is moving toward the next stage of new growth, with a PBR of over 1 times as a passing point.

In order to firmly conclude the final year, the entire group will work together to achieve further growth and accumulate concrete results.



We have raised the amount of planned investments we assumed at the beginning of the Medium-Term Management Plan 2023 from ¥300.0 billion to about ¥500.0 billion.
Please see this table for the main projects and investments made in H1.

From the current medium-term management plan, the basic growth strategy is to concentrate investment of management resources in areas where we can pursue competitive advantage and growth markets. Among these, we believe it is important to generate connections between businesses in upstream and downstream areas and branch out from there to invest in a broader range of business fields. We will strengthen our functions and network, and then move on to the next phase of our development. We appreciate that the current medium-term management plan is steadily building on that seeding and synergy linkage.

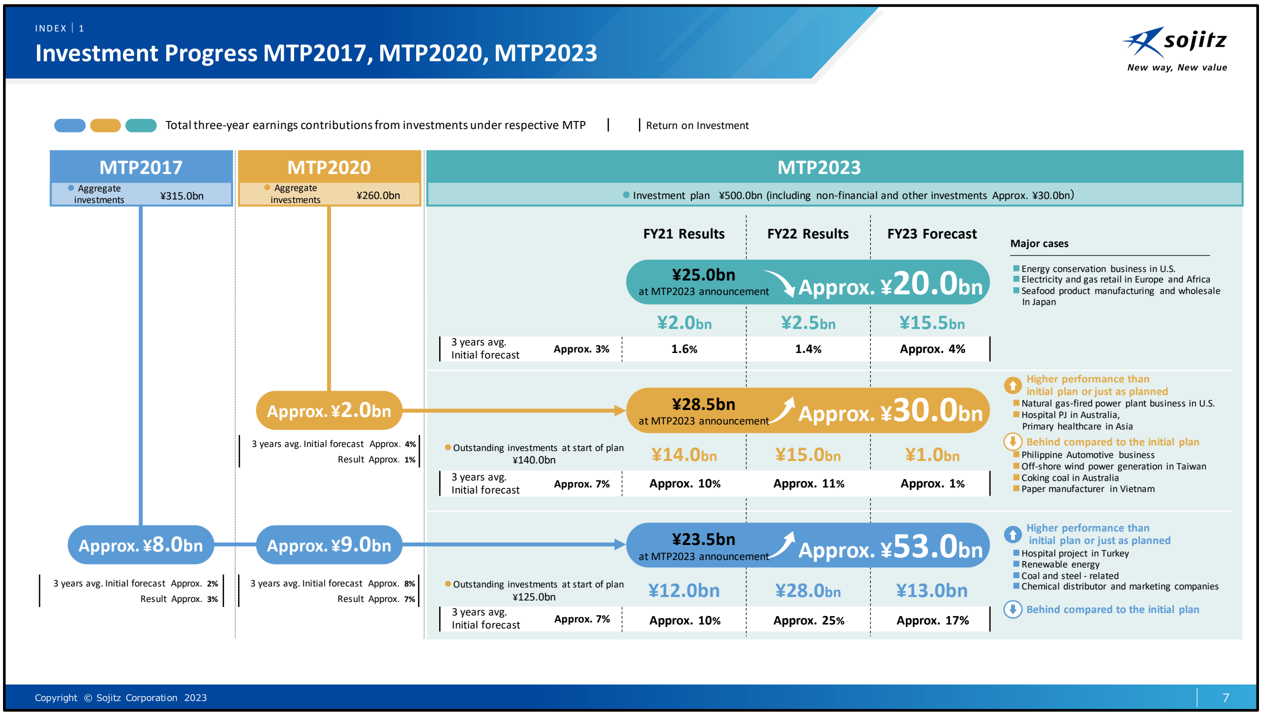
<Growth market x Market-oriented initiative>
In Vietnam, we are promoting cattle fattening, processing, and sales business with Vinamilk Group, the country's largest dairy manufacturer, as our partner.
By capturing the future growth of meat consumption in Vietnam, we aim to develop a leading comprehensive meat product business in Vietnam in the future.

In addition, we have participated in investment in Intelligent Retail Private Limited (RIPPLR), which operates consumer goods and wholesale logistics businesses in India with digital strength, leveraging our retail business knowledge cultivated in Vietnam in the past. New challenges to the growing Indian distribution industry are also underway.

In Japan, in order to capture the growing global demand for seafood products, following The Marine Foods Corporation, we acquired all shares of TRY Inc. which is engaged in the procurement of frozen tuna, from processing to sales. In addition to the tuna farming and overseas processing that we have been engaged in, we have expanded our capabilities by adding the new value-add of domestic processing.
We will expand the scale of our earnings by combining the strengths of the respective customer bases and high-quality, competitively priced processed seafood products with our global network, which is a function of our company.

<Infrastructure & Healthcare>
In the infrastructure and healthcare area, we entered the US energy conservation business in 2021, and we are confident that the demand for further energy conservation, especially in developed countries, will increase and grow. We have entered this business in Australia and are making additional investments in the US energy conservation business.

In this way, we will continually implement our growth strategy for value creation, including strengthening and broadening our network and functions from the past.



Next, we present our progress on returns from new investments since Medium-Term Management Plan 2017.

Although the initially expected contribution to earnings and the current progress are different, despite some changes in the external environment, we are working to dispose of unprofitable assets ahead of schedule, strengthen cost competitiveness, and build a portfolio with muscular assets and tolerance in order to make even greater strides in the next medium-term management plan.

In the frontline, we are persistently working on improvement measures and will strive to make them profitable.

Under the Medium-Term Management Plan 2023, although there are some projects that were delayed in becoming profitable due to the impact of the COVID-19 pandemic and other factors, there are some projects that will contribute to earnings, mainly new businesses in focused areas, and positive progress is being seen in domestic retail and other areas.

Rather than jumping into a completely new field, we have proceeded to grow the scale of our investments in fields where we already have a track record of success. We have thereby been able to grow our revenue-generating businesses.

As a concrete example of a revenue-generating business, we would like to introduce our retail business initiatives in Vietnam.

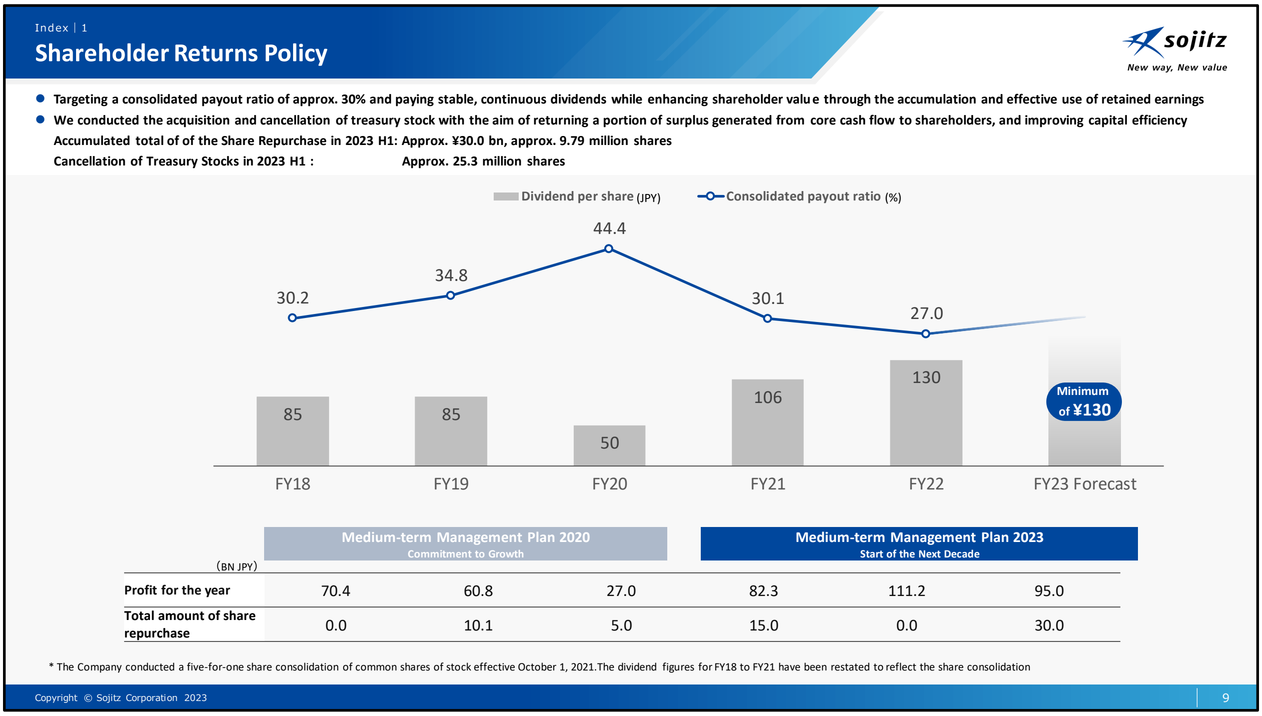
Since before becoming the first company from the Western Bloc to open a representative office in Vietnam in 1986, we have been involved in various projects in Vietnam, mainly in natural resources and infrastructure, along with the country's economic development.

Since the 2000s, the Company has been actively investing in the retail area in anticipation of future consumption growth and began participating in the retail business by investing in food wholesaler Huong Thuy, with which the Company had a relationship through traditional trade transactions.

Subsequently, we entered not only the wholesale business but also the retail field through convenience stores with MINISTOP Co., Ltd. We have been building a food value chain in line with the growth of the market by participating in the logistics business, which includes delivery to retail stores and warehousing functions, and in the daily/prepared food manufacturing business, such as rice balls and sandwiches sold at retail stores.

And this year, we started beef production and sales business together with Vinamilk Group, the largest dairy manufacturer in Vietnam.

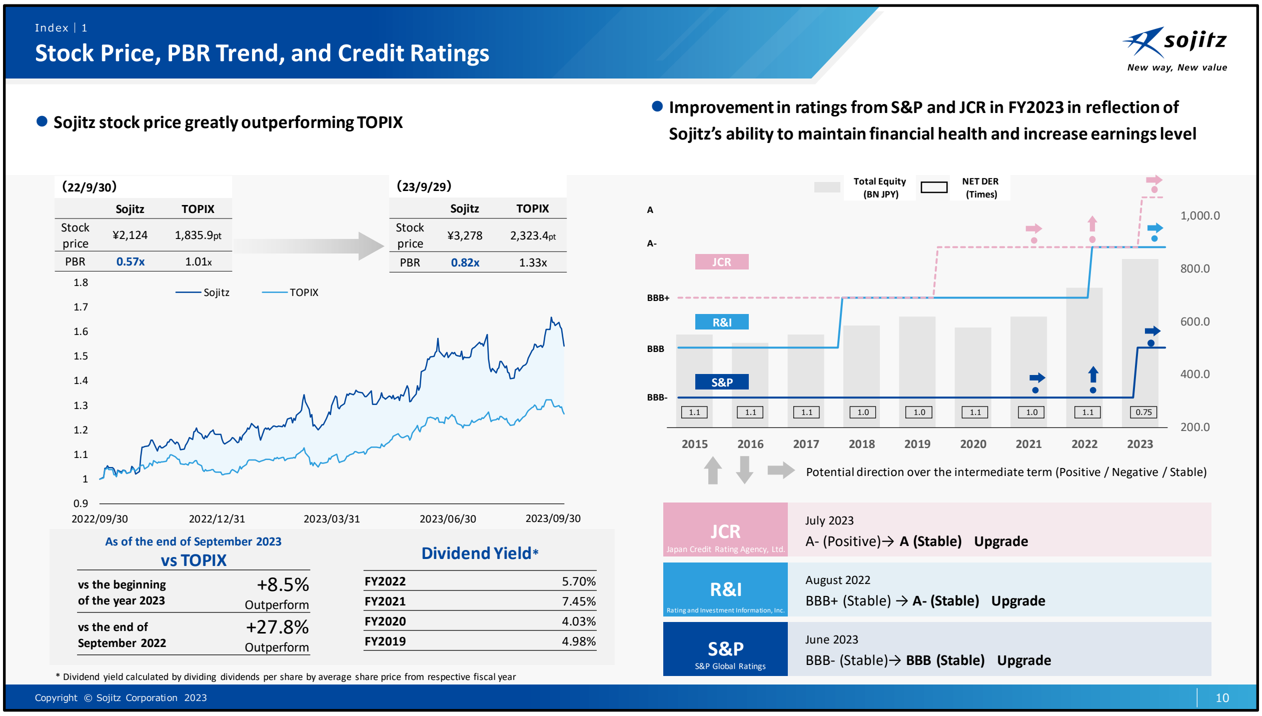
We will continue to expand profit-earning opportunities by further strengthening the value chain we have built through these measures taken in the past and by broadening the scope of our business.



Regarding shareholder returns, there is no change in our policy of stable and continuous dividend payments, and we will continue to target a consolidated dividend payout ratio of approximately 30% during the period of the Medium-Term Management Plan 2023, with a minimum annual dividend of ¥130 for the full year ending March 31, 2024.

The acquisition and cancellation of treasury stock in FY2023 was completed at the end of September 2023.

The framework for the next medium-term management plan, which will begin in the next fiscal year, is currently being formulated. Based on the sustainable earnings base that we have steadily built up to date, we will strive to improve Sojitz's competitiveness and shareholder value while looking ahead to further growth.



All of the KPIs set forth in the original Medium-Term Management Plan 2023 were achieved ahead of schedule, with the exception of PBR exceeding 1 times.

Currently, we are discussing the next stage of growth, with a view to starting the next medium-term management plan with profit for the year in the ¥100.0 billion range.

We will implement measures for steady growth toward the leap ahead and move forward toward the creation of value that is uniquely Sojitz.

And we will continue to earnestly engage in dialogue with everyone, including the stock market, with the aim of achieving the remaining PBR of above 1 times and further increasing corporate value.

Thank you.

INDEX | 2

Financial Results for the First Half Ended September 30, 2023 and Full Year Forecast of Fiscal Year Ending March 31, 2024 [IFRS]

Note: Effective April 1, 2023, Sojitz Group reorganized several segments and changed its reporting figures for FY2022 H1.

Speaker: Makoto Shibuya, CFO

I would now like to provide an overview of H1 financial results and the outlook for the full year.

INDEX | 2

Summary of Profit or Loss

sojitz
New way, New value

(BN JPY)	FY22 H1	FY23 H1	Q1	Q2	Difference	Main Factors	FY23 Forecast	Achieved
Revenue	1,273.3	**1,187.3**	556.0	631.3	(86.0)	Metals, Mineral Resources & Recycling （104.6） Chemicals (53.0) Retail & Consumer service +52.9	-	-
Gross profit	182.2	**157.4**	72.7	84.7	(24.8)	Metals, Mineral Resources & Recycling （31.8） Chemicals (3.1) Retail & Consumer service +5.7	**320.0**	**49%**
SG&A expenses	(105.6)	**(115.2)**	(55.5)	(59.7)	(9.6)	Increased due to acquisition of new consolidated subsidiaries, etc. Provision of allowance for doubtful accounts and write-offs +0.4 (0.5) → (0.1)	**(230.0)**	-
Other income/expenses	3.8	**6.9**	4.8	2.1	+3.1	FY22 H1 ：Sale of Telecommunications tower operating business FY23 H1 ：Acquires of processing and sale of frozen tuna company and sale of domestic solar power generation company	**5.0**	-
Financial income/costs	1.2	**(2.9)**	(0.7)	(2.2)	(4.1)		**(15.0)**	-
Share of profit (loss) of investments accounted for using the equity method	24.9	**18.3**	8.6	9.7	(6.6)	Steel trading company, etc.	**45.0**	-
Profit before tax	106.5	**64.5**	29.9	34.6	(42.0)		**125.0**	**52%**
Profit for the period/year	78.9	**47.9**	22.1	25.8	(31.0)		**95.0**	**50%**
Core earnings	102.3	**57.3**	24.7	32.6	(45.0)		**120.0**	-
Major One-time Gain/Loss	2.2	**(0.8)**	(1.5)	0.7	(3.0)			
Non-Resource	2.5	(0.8)	(1.5)	0.7	(3.3)	FY22 H1 ：Gain on sales of telecommunications tower operating business FY23 H1 ：Loss in chemical trading, etc		
Resource	(0.3)	0.0	0.0	0.0	+0.3			

This page shows the PL summary.

Profit for the period attributable to owners of the Company was ¥47.9 billion, which is 50% of the full-year forecast of ¥95.0 billion that we announced at the beginning of the fiscal year. Compared to the same period of the previous year, the profit decreased by about 40%.

In a business environment characterized by uncertainty due to heightened geopolitical risks, persistent inflation and continued monetary tightening by central banks in developed countries, and slow improvement in the Chinese economy, we have assessed that we are generally making progress as expected, although there are some positive and negative factors depending on segments.

The main reason for the YoY decline in profit for the period was the impact of lower coal prices and the slowdown in Chemicals Division.

Gross profit declined ¥24.8 billion YoY to ¥157.4 billion.
The main reason for the decrease is the decline in coal prices in Metals, Mineral Resources & Recycling Division.

Selling, general and administrative expenses increased by ¥9.6 billion YoY, of which about 40% was due to changes in consolidated subsidiaries.
The remaining 60% of the increase is due to inflation and the depreciation of the yen.

Share of profit of investments accounted for using the equity method amounted to ¥18.3 billion, down ¥6.6 billion YoY.
In addition to lower profit at a steel trading company due to low steel market prices in the Americas, the main reason for the decline was the impact of the replacement of infrastructure-related assets.

As a result, profit for the period attributable to owners of the Company was ¥47.9 billion.

Full-year forecast for the entire company remains unchanged at ¥95.0 billion, but we have slightly revised the forecast by segment.
This will be explained later.

Summary of Balance Sheet -1.

sojitz
New way, New value

(BN JPY)	Mar. 31, 2023	Sep. 30, 2023	Difference
Assets(current/non-current)	**2,660.8**	**2,774.7**	+113.9
Cash and cash equivalents	247.3	**226.2**	(21.1)
Trade and other receivables	794.9	**774.8**	(20.1)
Inventories	281.0	**289.0**	+8.0
Goodwill	85.7	**108.2**	+22.5
Tangible fixed assets/Intangible assets/Investment property	274.3	**311.6**	+37.3
Investments accounted for using the equity method	689.7	**710.6**	+20.9
Other current/non-current assets	287.9	**354.3**	+66.4
Liabilities(current/non-current)	**1,784.2**	**1,852.8**	+68.6
Trade and other payables	579.3	**634.9**	+55.6
Bonds and borrowings	883.7	**878.2**	(5.5)
Other current/non-current liabilities	321.2	**339.7**	+18.5
Total equity	876.6	**921.9**	+45.3
Total equity attributable to owners of the Company	837.7	**888.5**	+50.8

Main Factors

Trade and other receivables
- Decreased due to aircraft-related transactions

Goodwill
- Increased due to acquisition of new consolidated subsidiaries and foreign exchange rates

Tangible fixed assets / Intangible assets / Investment property
- Increased due to acquisition of new consolidated subsidiaries and foreign exchange rates

Others
- Increase due to acquisition of new consolidated subsidiaries and reclassification of assets as assets held for sale

Trade and other payables
- Increase due to settlement following on holiday

Total Equity attributable to owners of the Company
- Profit for the period +47.9
- Share repurchase (30.0)
- Dividends paid (15.1)
- Increased due to foreign exchange rates

This page shows the BS summary.

Total assets increased approximately ¥110.0 billion from the end of March 2023.
While trade and other receivables decreased due to aircraft-related transactions, and goodwill and investments increased due to new investments, the most significant factor in the increase in total assets was the impact of foreign currency translation.
The depreciation of the yen by about ¥16 against the US dollar from the end of March to the end of September 2023 had a large impact on the increase in assets and liabilities of overseas subsidiaries due to foreign currency translation, and this impact was about ¥100.0 billion for assets as a whole.

In liabilities, there was an increase or decrease in each account, but the effect of foreign currency translation was about the same as the increase in total liabilities.

With regard to shareholders' equity, the amount of net profit accumulated during the period is almost equal to the sum of dividends paid and the share repurchased.
The overall increase of ¥50.0 billion was also due to an increase in foreign currency translation adjustments, and shareholders' equity itself amounted to ¥888.5 billion.

Summary of Balance Sheet -2.

(BN JPY)	Mar. 31, 2023	Sep. 30, 2023	Difference	FY23 Initial Forecast	FY23 Revised Forecast
Total Assets	2,660.8	**2,774.7**	+113.9	2,750.0	**2,800.0**
Total Equity	837.7	**888.5**	+50.8	870.0	**900.0**
Equity Ratio	31.5%	**32.0%**	+0.5%	31.6%	**32.1%**
Gross interest-bearing debt	883.7	**878.2**	(5.5)	-	**-**
Net interest-bearing debt	629.4	**642.1**	+12.7	650.0	**670.0**
NET DER(Times)	0.75	**0.72**	(0.03)	0.75	**0.74**
ROE	14.2%	**-**	-	11.1%	**10.9%**
ROA	4.2%	**-**	-	3.5%	**3.5%**
Risk Assets	490.0	**530.0**	+40.0		
(vs. Total Equity, Times)	(0.6)	**(0.6)**	-		
Current ratio	162.0%	**151.8%**	(10.2) %		
Long-term debt ratio	81.0%	**80.0%**	(1.0) %		

Here, we present the results of the main management indicators as well as the forecast for the fiscal year ending March 31, 2024.

INDEX | 2

Summary of Cash Flow

sojitz
New way, New value

(BN JPY)	FY22 H1	FY23 H1	Difference
CF from operating activities	82.2	**85.2**	+3.0
CF from investing activities	(44.2)	**46.2**	+90.4
FCF	38.0	**131.4**	+93.4
CF from financing activities	(51.3)	**(161.2)**	(109.9)
Core operating CF	90.3	**57.7**	(32.6)
Core CF	58.2	**(41.6)**	(99.8)

Main Factors

CF from operating activities
- Inflows from business earnings
- Dividends received
  Dividends received from Equity-method associates
  FY22 H1 : ¥17.3bn FY23 H1 : ¥24.4bn

CF from investing activities
- Inflows from aircraft-related transactions and sales of cross - shareholdings
- Outflows for new acquisition of the processing and sale of frozen tuna company and energy conservation business in Australia

CF from financing activities
- Outflows for repayment of borrowings
- Outflows for share repurchase and payment of dividends

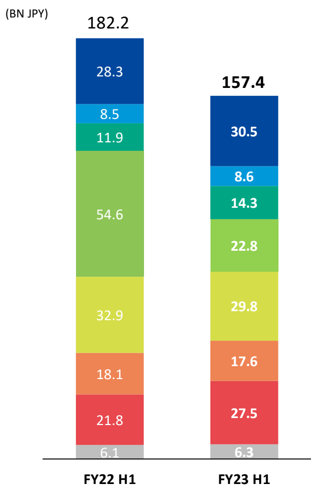
This page describes the status of cash flows.

Cash flow from operating activities totalled ¥85.2 billion, steadily building up, while cash flow from investing activities totalled ¥46.2 billion, due to collections from aircraft-related transactions and sales of cross-shareholdings, despite expenditures for new investments. As a result, free cash flow was ¥131.4 billion, ending Q2 with a significant inflow.

INDEX | 2

Summary of Gross Profit by segment

sojitz
New way, New value



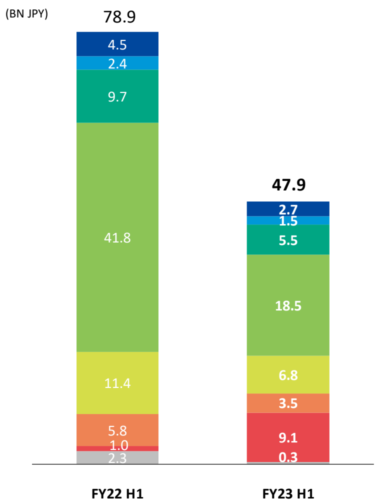
(BN JPY)	FY22 H1	FY23 H1	Difference	FY23 Initial Forecast	FY23 Revised Forecast	Achieved vs. revised forecast
Automotive	28.3	30.5	+2.2	60.0	57.0	54%
Aerospace & Transportaion Project	8.5	8.6	+0.1	20.0	20.0	43%
Infrastructure & Healthcare	11.9	14.3	+2.4	30.0	30.0	48%
Metals, Mineral Resources & Recycling	54.6	22.8	(31.8)	40.0	46.0	50%
Chemicals	32.9	29.8	(3.1)	60.0	56.0	53%
Consumer Industry & Agriculture Business	18.1	17.6	(0.5)	35.0	33.0	53%
Retail & Consumer Service	21.8	27.5	+5.7	60.0	63.0	44%
Others	6.1	6.3	+0.2	15.0	15.0	42%
Total	182.2	157.4	(24.8)	320.0	320.0	49%

Note: Effective April 1, 2023, Sojitz Group reorganized several segments and changed its reporting figures for FY2022 H1.

The following table shows PL-related results and forecasts by segment.

Summary of Profit by segment

sojitz
New way, New value



	FY22 H1	FY23 H1	Difference	Main Factors
Automotive	4.5	**2.7**	(1.8)	Decreased due to withdrawal from distributorship businesses in Thailand
Aerospace & Transportaion Project	2.4	**1.5**	(0.9)	Decreased due to lower aircraft-related transactions
Infrastructure & Healthcare	9.7	**5.5**	(4.2)	Decreased due to absence of gain on partial sale of equity in telecommunications tower operating business in the previous year
Metals, Mineral Resources & Recycling	41.8	**18.5**	(23.3)	Decreased due to decreases in prices and transaction volumes for coal and increases cost
Chemicals	11.4	**6.8**	(4.6)	Decreased due to slowdown in demand of chemical products including plastic resins and one-time losses
Consumer Industry & Agriculture Business	5.8	**3.5**	(2.3)	Decreased due to decreases in sales prices of fertilizer business in the Philippines and building material business
Retail & Consumer Service	1.0	**9.1**	+8.1	Increased due to sales of a shopping mall and recovery in domestic retail business and negative goodwill recorded in association with a new investment
Others	2.3	**0.3**	(2.0)	
Total	78.9	**47.9**	(31.0)	

Note: Effective April 1, 2023, Sojitz Group reorganized several segments and changed its reporting figures for FY2022 H1.

YoY comparisons are shown on this page.
The trend of increase/decrease is similar to that explained in Q1.

The most significant factor in the decrease in profit was the impact of the decline in profit from Metals, Mineral Resources & Recycling Division, which was affected by the decline in market prices in the coal business, which had an impact of about three-quarters of the total decline in profit.

In the other segment, profit decreased due to the absence of asset sales in Infrastructure & Healthcare Division in the same period of the previous year, and a 1 time loss in Chemicals Division due to sluggish demand and concerns about recoveries. In Consumer Industry & Agriculture Business Division, there was a reactionary decline from the building material-related business and the strong performance of the previous year in the fertilizer businesses in the Philippines.

On the other hand, in Retail & Consumer Service Division, the recovery of the domestic retail business, as well as the sale of shopping mall and negative goodwill from new investments, resulted in a significant increase in profit.

FY23 Forecast Profit for the Year by Segment

sojitz
New way, New value

(BN JPY)	FY23 H1	FY23 Initial Forecast	FY23 Revised Forecast	Revised Amount	Achieved vs. revised forecast	Progress Overview
Profit for the period/year	47.9	95.0	**95.0**	-	50%	
Automotive	2.7	7.0	**5.0**	(2.0)	54%	Downward revision based on lower performance in Southeast Asian automobile sales businesses
Aerospace & Transportaion Project	1.5	4.0	**4.0**	-	38%	Performance generally as forecast
Infrastructure & Healthcare	5.5	16.0	**16.0**	-	34%	Earnings contributions anticipated from business investments and LNG operating companies in H2
Metals, Mineral Resources & Recycling	18.5	33.0	**37.0**	+4.0	50%	Upward revision to forecast to account for solid conditions seen in coal market
Chemicals	6.8	16.0	**13.0**	(3.0)	52%	Downward revision to reflect changes to raw material procurement agreements in overseas methanol businesses and one-time losses recorded in H1
Consumer Industry & Agriculture Business	3.5	8.0	**7.0**	(1.0)	50%	Downward revision to forecast due to six-month performance for fertilizer businesses
Retail & Consumer Service	9.1	11.0	**13.0**	+2.0	70%	Upward revision to forecast to account for steady six-month performance for domestic retail businesses
Others	0.3	0.0	**0.0**	-	-	

This page explains the full-year forecast of profit by segment.
The forecast for the entire company remains unchanged at ¥95.0 billion, but we have made slight revisions to each segment based on the business environment and progress in H1.

<Automotive Division>
As is true of the dealership business in general, the supply of new vehicles has improved as the semiconductor shortage has been resolved, and rising interest rates have had a negative impact on used car prices and sales volume.
In addition, we have revised down our forecast for the automobile sales business in the Philippines, factoring in weak sales due to the weak Philippine peso and strong US dollar and the cost of implementing drastic reforms to address this situation. In order to prevent this slump in the Philippines from continuing into the next fiscal year and beyond, we have taken this action.

<Metals, Mineral Resources & Recycling Division>
We have revised our forecast upward, taking into account the recent steady market conditions for coal. As shown on page 20, we have made the assumption of USD250 per ton for coking coal in H2, which is lower than the current price.

<Chemicals Division>
Chemicals Division has been revised downward, taking into account recent progress and the impact of the revision of the feedstock procurement contract for the methanol business in Indonesia.

<Consumer Industry & Agriculture Business Division>
We made a slight downward revision based on the progress of the fertilizer business in H1. Regarding the fertilizer business in Thailand, at the time of the Q1 presentation, I explained that we could expect a recovery since it started raining from mid-July to August, but due to the effect of slightly less rainfall in September, the recovery was not as strong as we had expected and the peak of sales for the current fiscal year is now over.

<Retail & Consumer Service Division>
We have made upward revisions based on the progress made in H1 and the recovery of the domestic retail businesses.

<Aerospace & Transportation Project Division>
<Infrastructure & Healthcare Division>
The progress rate of these divisions are currently below 50%, respectively. However, these two divisions are in line with our forecast at the beginning of the fiscal year, as their portfolios will contribute to earnings in H2 of the fiscal year.

Cash Flow Management

- New investments and asset replacements are in line with initial plan
- Maintain positive six-year aggregate core cash flow

(BN JPY)	MTP2020 3-Year Target Aggregate (FY18 - FY20)	MTP2023 3-Year Target Aggregate (FY21 - FY23)	FY21 + FY22	FY23 H1	FY23 Forecast	Achieved
Core operating CF	219.0	Approx. 380.0	274.0	58.0	115.0	50%
Asset Replacement (Investment recovery)	170.0	Approx. 300.0	175.0	45.5	125.0	36%
New Investments and others	(262.0)	Approx. (500.0)	(241.5)	(100.0)	(255.0)	-
Shareholder Returens	(71.0)	Approx. (120.0)	(61.0)	(45.0)	(60.0)	-
Core CF	56.0	Six-year aggregate Positive	146.5	(41.5)	(75.0)	Six-year aggregate Positive
FCF	108.0	Approx. 200.0	127.0	131.0	80.0	164%

This page describes the status of cash flow management and then the replacement of investment assets.
At the beginning of this fiscal year, we revised the planned investment amount for the three years of the medium-term management plan from ¥330,0 billion to ¥500.0 billion, but new investments and asset replacements are progressing as we had expected at the beginning of the fiscal year.

Investments and Asset Replacement

sojitz
New way, New value

Total Investments	**¥100.0bn**		
Major Cases	**Infrastructure & Healthcare**	**¥42.0bn**	● Energy conservation business in Australia and U.S. ● Off-shore wind power generation in Taiwan etc.
	Growth market × Market-oriented initiative	**¥46.0bn**	●● Retail business in Asia (Vietnam and India) ● Processing and sale of frozen tuna ● Dealerships of used car in Australia ● EV distributor in Northern Europe ● Fertilizer related business in Southeast Asia etc.
	Materials & Circular economy	**¥0bn**	–
	Others	**¥12.0bn**	● Non-financial investment ● Innovation investment ● Others

Total Asset Replacement	**¥45.5bn**
Major Cases	● Domestic real estate ● Domestic Shopping mall ● Power generation business in Domestic and overseas ● Sale of cross-shareholdings etc.

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

As for new investments, we have executed ¥100.0 billion through Q2, and are steadily building up assets for future growth.

Depending on the timing of contributions to the projects currently under negotiation, we believe that we will be well positioned to execute or prepare for investments of around ¥500.0 billion under the current medium-term management plan.

Commodity Prices, Foreign Exchange, and Interest Rate

sojitz
New way, New value

	FY22 Results (Apr. - Sep. Avg.)	FY23 Initial Assumptions → FY23 H2 Assumption	FY23 Results (Apr. - Sep. Avg.)	Latest data (As of Oct. 25, 2023)
Coking coal *1	US$345/t	US$230.0/t → US$250/t (H2)	US$254/t	**US$349/t**
Thermal coal *1	US$401/t	US$160.0/t → US$130/t (H2)	US$154/t	**US$128/t**
Crude oil (Brent)	US$104.8/bbl	US$80.0/bbl	US$81.8/bbl	**US$90.1/bbl**
Exchange rate *2	¥135.3/US$	¥125.0/US$ → ¥140.0/US$ (H2)	¥142.6/US$	**¥150.0/US$**
Interest Rate (TIBOR)	0.07%	0.06%	0.07%	**0.07%**

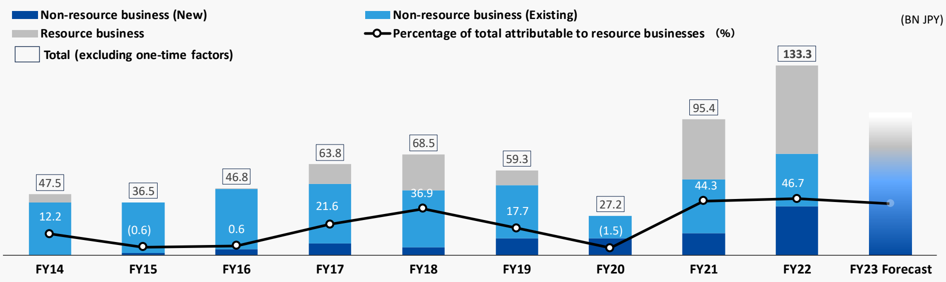
*1 Coal prices are based on standard market prices and therefore differ from the Company's selling prices.
*2 Impact of fluctuations in the exchange rate on earnings: ¥1/US$ change alters gross profit by approx. ¥0.7 billion annually, profit for the year by approx. ¥0.3 billion annually, and total equity by approx. ¥2.0 billion annually.

Please refer to this page for actual market conditions for commodities, exchange rates, interest rates, etc., and the assumptions for our forecast.

Changes in business Portfolio (Resource and Non-Resource businesses)

sojitz
New way, New value

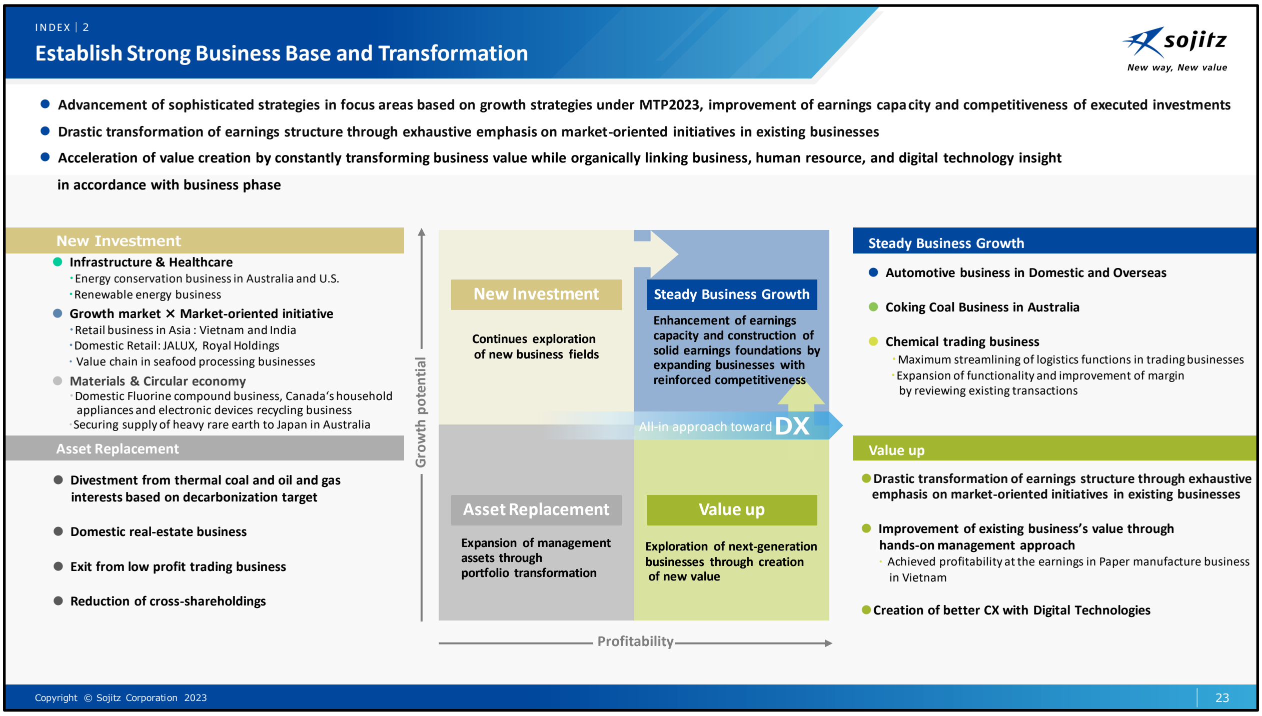
- Reinforcement of reliable earnings foundations through investments focused on non-resource businesses



	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23 Forecast
Resource business	5.8	(0.2)	0.3	13.8	25.3	10.5	(0.4)	42.3	62.3	40.0
Non-resource business (Existing)	36.8	35.8	42.4	41.8	39.8	37.1	15.7	37.9	36.7	55.0
Non-resource business (New)	0.0	1.2	4.1	8.2	5.5	11.8	11.9	15.2	34.3	
One-time gain / loss	(11.0)	0.0	(6.0)	(7.0)	1.9	1.5	(0.2)	(13.1)	(22.1)	-

* Total (excluding one-time factors) = Profit for the year - One-time gains (loss)

This page is for a breakdown of the composition of profit from resource and non-resource businesses.



Please refer to this page for the status of portfolio management, and page 23 and beyond for detailed segment information and supplementary data.

Thank you.

sojitz

New way, New value