

# Financial Results for the Second Quarter Ended September 30, 2013

**November 6, 2013**  
**Sojitz Corporation**

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#### Caution regarding Forward-looking Statements

This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by such 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.

I. Financial Results for the Second Quarter and Full Year Forecast of Fiscal Year Ending March 31, 2014

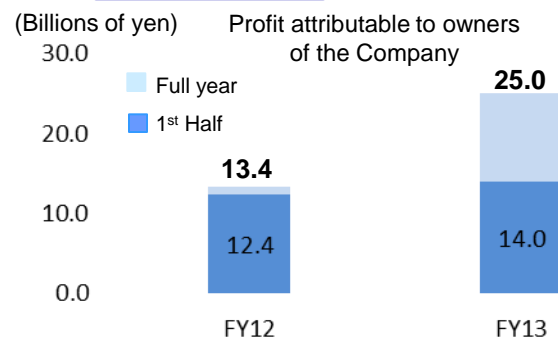


## ■ Summary of Profit or Loss

Year-on-year increase in revenues and income achieved due to the strong performance leading up to the 2nd quarter

(Billions of Yen)	FY2012 1H Results	FY2013 1H Results	Difference
Net sales (JGAAP)	1,959.8	2,002.2	+42.4
Gross profit	95.1	99.5	+4.4
Operating profit	19.4	21.3	+1.9
Profit before tax	19.4	26.3	+6.9
Profit for the period attributable to owners of the Company	12.4	14.0	+1.6
Comprehensive income	(13.0)	43.0	+56.0
Core earnings	19.0	29.1	+10.1

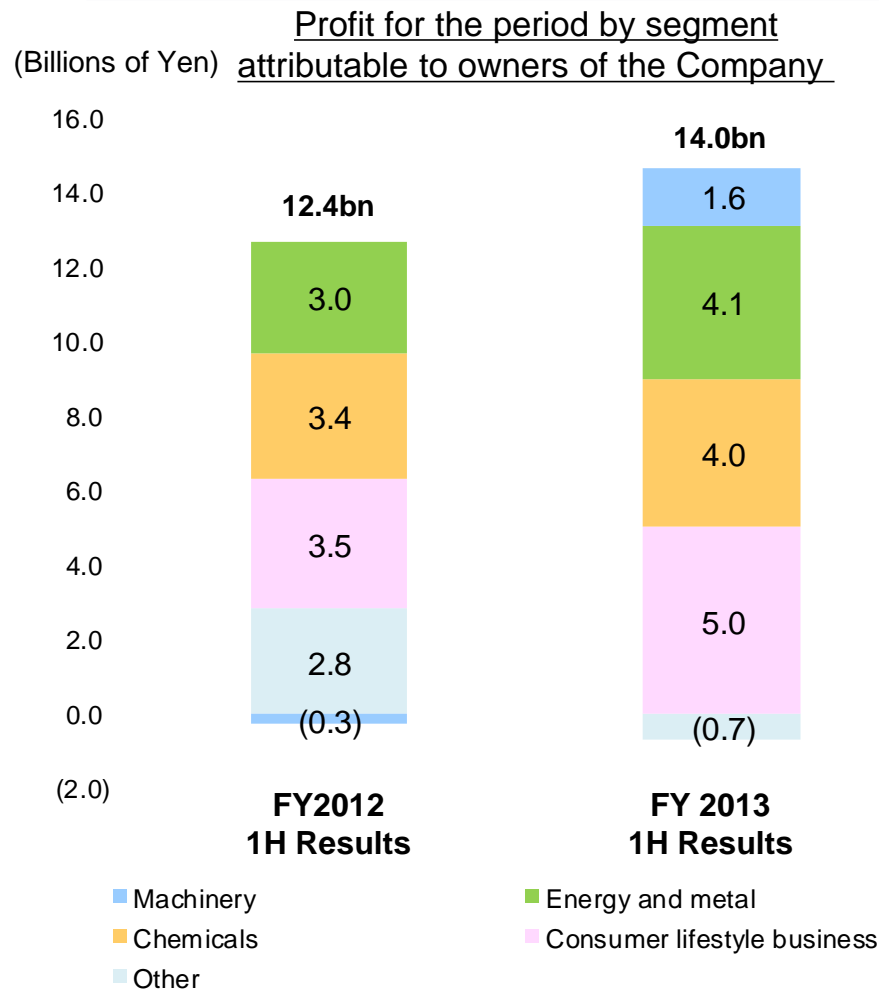
FY2013 Forecast	Achieved
4,280.0	47%
209.0	48%
38.0	56%
45.0	58%
25.0	56%



# Summary of Profit or Loss

## Profit for the period by segment

Year-on-year increase in income resulted from solid performance of overseas automotive businesses as well as chemical and fertilizer businesses in Asia



### Factor behind year on year change in earnings

- Machinery ¥1.6 billion (- YoY)  
Profit grew due to firm overseas automotive businesses as well as a rise in plant-related transactions.
- Energy and Metal ¥4.1billion (up 37% YoY)  
Profit for the period was up due to a decrease in share of loss of investments accounted for using the equity method as well as a decline in income tax expenses. These factors effectively offset the decline in gross profit resulted from lower prices for mineral resources and charges related to amortization of certain mining interests.
- Chemicals ¥4.0 billion (up 18% YoY)  
Profits increased due to the solid volume of transactions related to chemicals products in Asia.
- Consumer Lifestyle Business ¥5.0 billion (up 43% YoY)  
Profit growth was supported in particular by strong overseas fertilizer businesses.
- Others ¥(0.7) billion (- YoY)  
Despite the gross profit increase supported by the income associated with asset replacements, profits went down due to increase of income tax expenses.

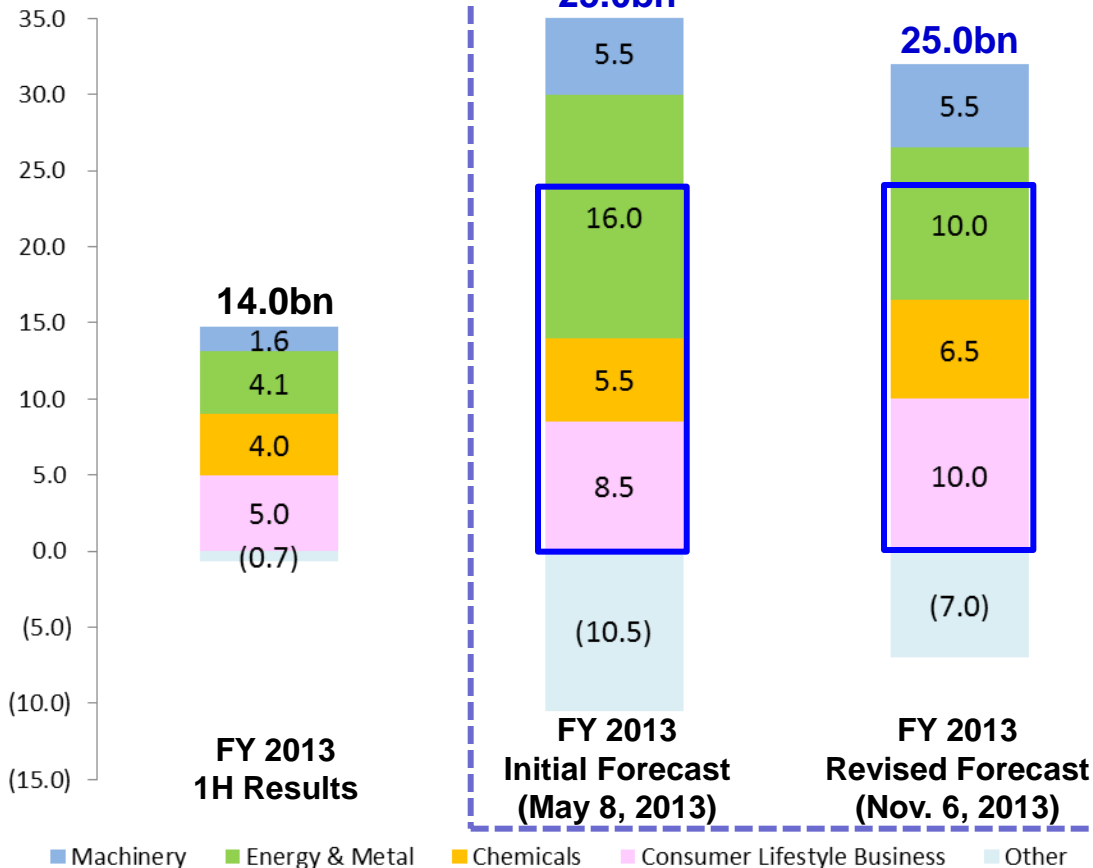
# FY2013 Forecast

## Profit for the year by segment

Full-year segment forecasts revised in consideration of present operating environment

Profit for the period by segment  
Attributable to owners of the Company

(Billions of Yen)



### Reasons for the revision

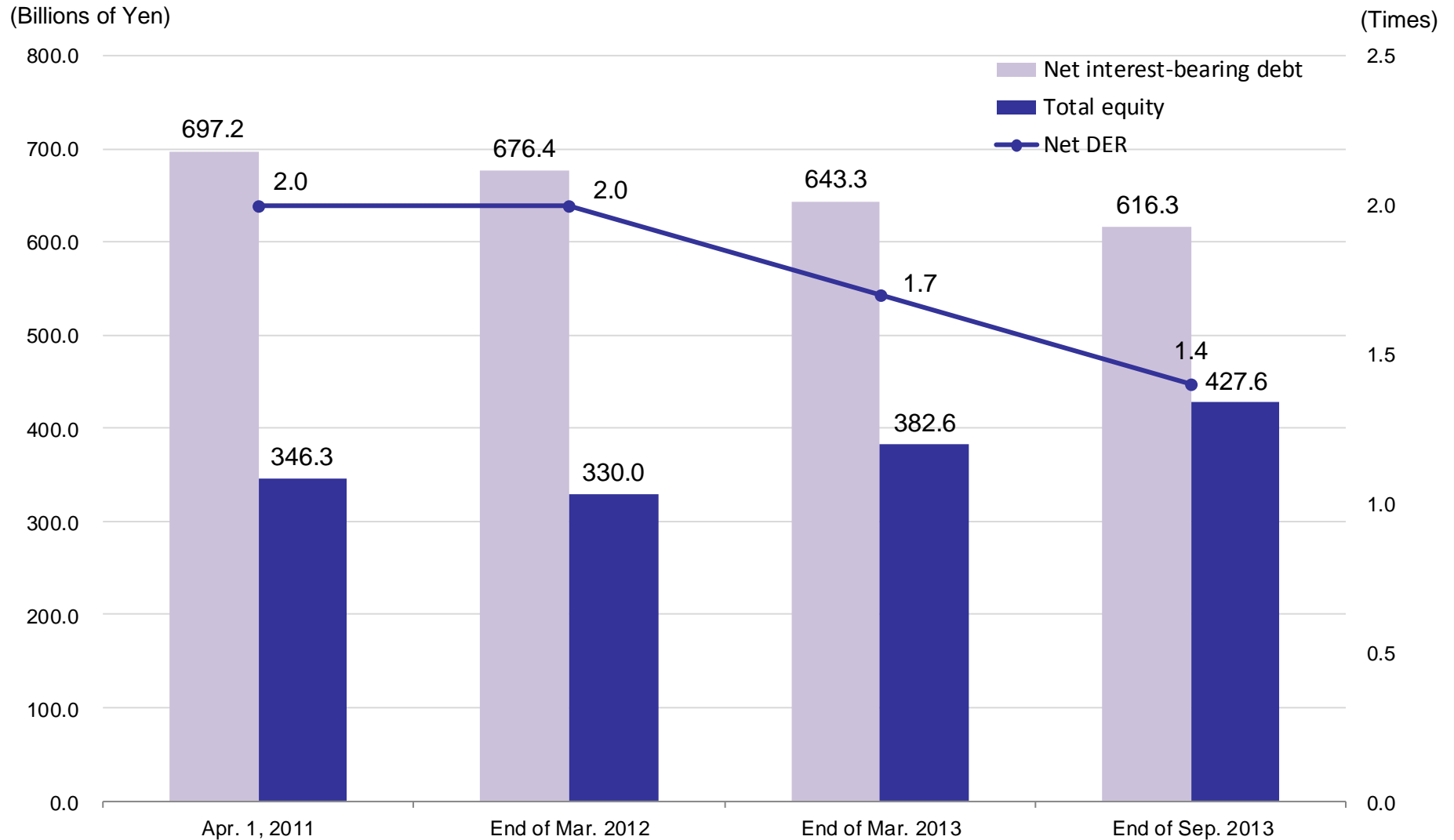
- Machinery ¥5.5 billion (unchanged)  
We expect to meet full-year targets due to solid performance in overseas automotive businesses and robust plant-related transactions.
- Energy and Metal ¥10.0 billion (-¥6.0 billion)  
Full-year targets were reduced in reflection of lower prices for mineral resources and higher charges related to amortization of certain mining interests.
- Chemicals ¥6.5 billion (+¥1.0 billion)  
Full-year targets were raised in consideration of the solid volume of transactions related to chemical products in Asia.
- Consumer Lifestyle Business ¥10.0 billion (+¥1.5 billion)  
Full-year targets were raised mainly as a reflection of the favorable performance seen in overseas fertilizer businesses during first half of the fiscal year.
- Others ¥(7.0) billion (+¥3.5 billion)  
Full-year targets were raised in consideration of income increases associated with the sale of asset as well as projected improvements in the balance of other income and expenses.

## ■ Summary of Balance Sheets

Total equity steadily increasing on earnings accumulation

(Billions of Yen)	Apr.1, 2011	End of Mar. 2012	End of Mar. 2013	End of Sep. 2013	Difference
<b>Total assets</b>	2,170.1	2,190.7	2,150.1	2,165.5	+15.4
<b>Total equity</b>	346.3	330.0	382.6	427.6	+45.0
<b>Risk assets vs. Total equity</b>	330.0 1.0 times	330.0 1.0 times	340.0 0.9 times	340.0 0.8 times	+0.0 (0.1) times
<b>Current ratio(%)</b>	149%	143%	152%	164%	+12%
<b>Long-term debt ratio (%)</b>	77%	73%	76%	80%	+4%
<b>Equity ratio(%)</b>	16.0%	15.1%	17.8%	19.7%	+1.9%
<b>Net interest- bearing debt</b>	697.2	676.4	643.3	616.3	(27.0)
<b>Net DER (Times)</b>	2.0	2.0	1.7	1.4	(0.2)

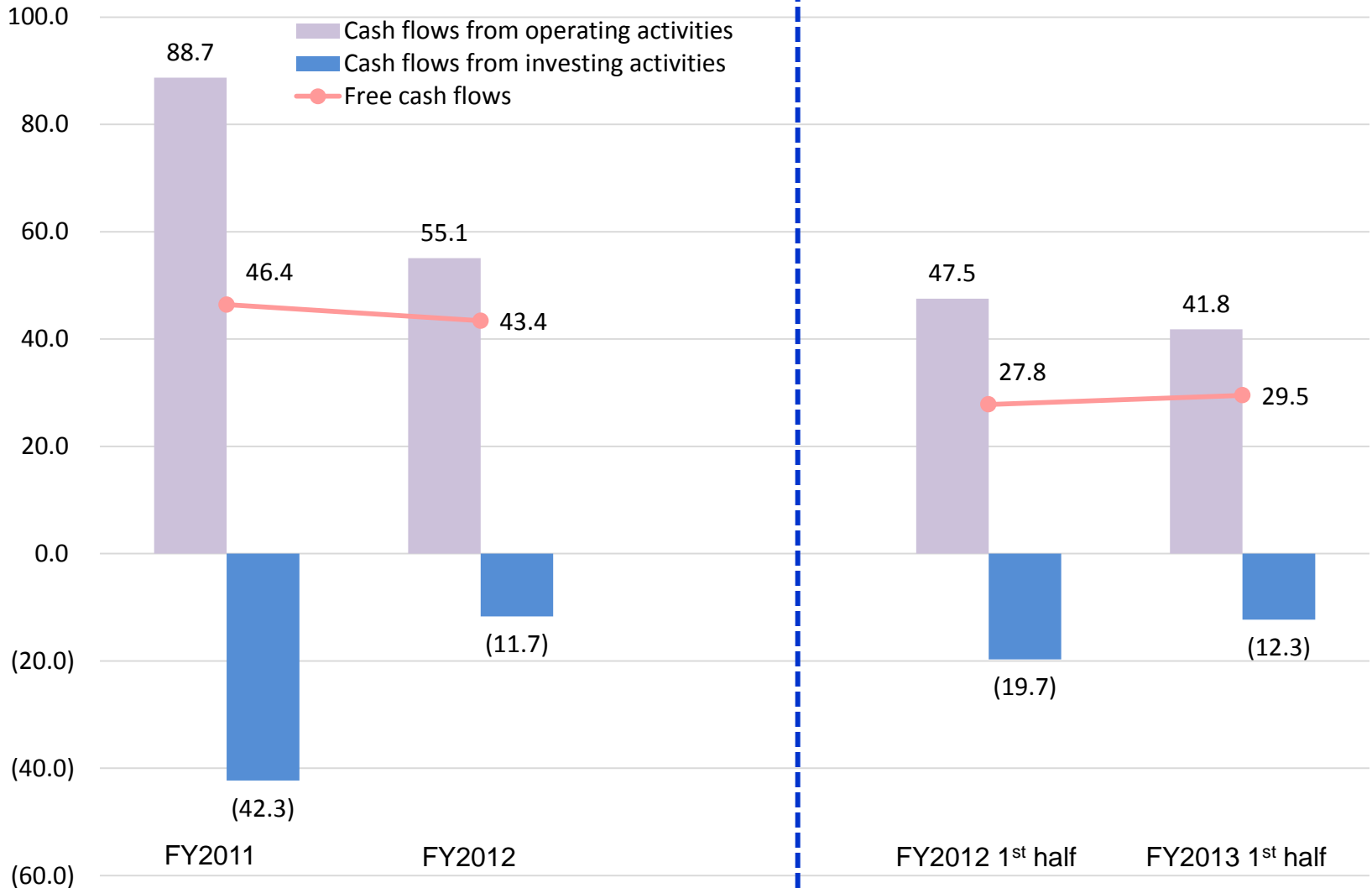
# ■ Net interest-bearing Debt, Total Equity, and Net DER





# Summary of Free Cash Flows

(Billions of Yen)



# Commodity Prices, Foreign Exchange, and Interest Rate

	FY 2012 Results (Annual Average)	FY2013 Initial Assumptions (Annual Average)	FY2013 1H Results (Apr.-Sep. Average)	FY2013 Revised Assumptions (Oct.-Mar. Average)	Latest (As of Oct. 31)
Crude Oil (Brent)*1	\$110.1/bbl	\$105/bbl	\$106.3/bbl	\$105/bbl	\$108.8/bbl
Thermal Coal*2	\$93.2/t	\$95/t	\$92.5/t	\$85/t	\$85.8/t
Molybdenum	\$12.1/lb	\$12.5/lb	\$10.1/lb	\$10.0/lb	\$9.7/lb
Nickel*3	\$8.0/lb	\$8.0/lb	\$7.3/lb	\$6.7/lb	\$6.6/lb
Copper*3	\$7,962/t	\$8,000/t	\$7,537/t	\$7,300/t	\$7,234/t
Exchange rate*4	¥83.3/\$	¥95.0/\$	¥98.6/\$	¥95.0/\$	¥98.5/\$
Interest rate (TIBOR)*5	0.31%	0.35%	0.23%	0.35%	0.22%

\*1 Sensitivity to crude oil prices: Every US\$1/bbl movement in crude oil price equates to an approximately ¥0.1bn change in profit attributable to owners of the Company.

\*2 Actual thermal coal prices are the general trading prices based on market data and differs from the company's sales prices.

\*3 The price assumptions of Nickel and Copper are based on the annual average from Jan. to Dec.

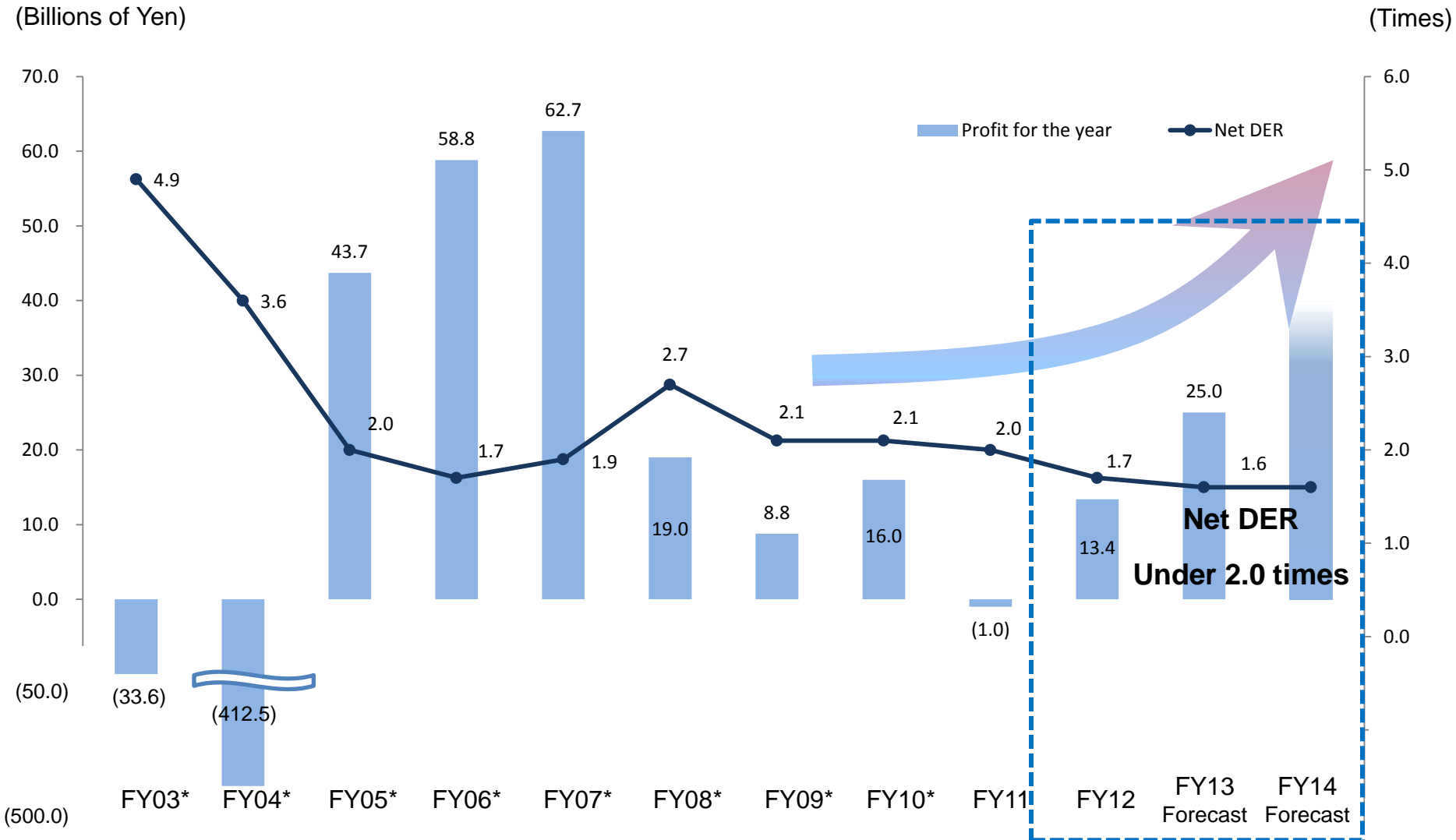
\*4 Exchange rate sensitivity: Every ¥1 movement in JPY/USD rate equates to approximately ¥0.4bn change in gross profit, ¥0.2bn change in profit attributable to the owners of the Company, and ¥1.5bn change in total equity.

\*5 Interest rate sensitivity: Every 100 basis point movement in interest rates equates to approximately ¥2.0bn per year.

## II. Progress of Medium-term Management Plan 2014

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# Results and Targets (Profit for the year and Net DER)



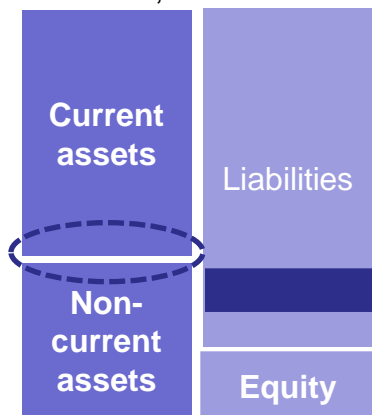
(\* )Applying JGAAP until FY10

# ■ Progress of the Medium-term Management Plan 2014 — Asset Replacement —

Improvement in the quality of assets and strengthening of earnings capacity

Total Assets as of Mar. 31, 2012:

¥2,190.7 billion

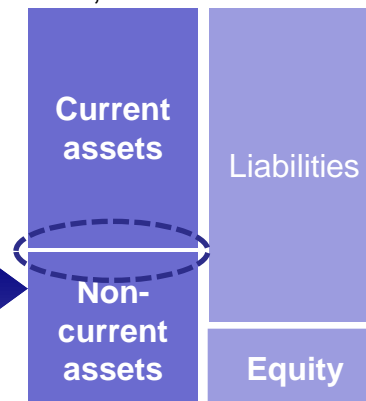


First half of the medium-term management plan 2014 (from Apr. 2012 to Sep. 2013) Results

Investments and loans: ¥64.0 billion (\*1)  
 Asset reduction: ¥114.0 billion (\*2)  
 Collection of funds: ¥81.0 billion

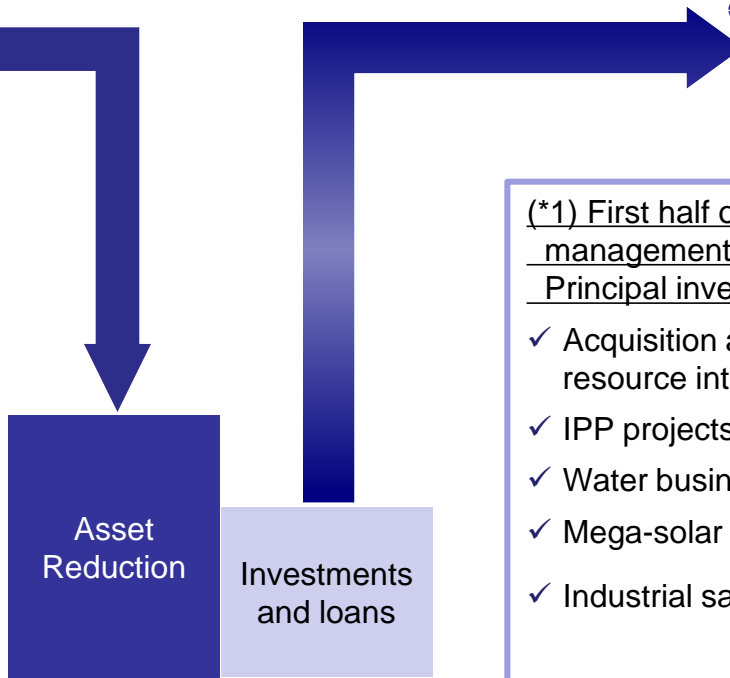
Total Assets as of Sep. 30, 2013:

¥2,165.5 billion



(\*2) First half of the medium-term management plan 2014 Results: Principal asset sales

- ✓ Sale of domestic energy-related business
- ✓ Sale of resource interests
- ✓ Sale of domestic real estate
- ✓ Sale of owned shares in overseas machinery-related business



(\*1) First half of the medium-term management plan 2014 Results: Principal investments and loans

- ✓ Acquisition and expansion of resource interests
- ✓ IPP projects in the Middle East
- ✓ Water business in Africa
- ✓ Mega-solar business
- ✓ Industrial salt business in India

# ■ Progress of the Medium-term Management Plan 2014

– Businesses and New Projects that Contribute to Stable Earnings –

Machinery

Energy & Metal

Chemicals

Consumer Lifestyle Business

Current

Steadily conduct new investments and loans in accordance with Medium-term Management Plan 2014  
Construct a high-quality asset portfolio by establishing controller offices in all business divisions

## Investment and loan projects in the current Med-term Management Plan

New projects

### ◆ IPP

(Saudi Arabia) Project started commercial operation in March 2013  
(Oman) 2 projects started commercial operations in April 2013

### ◆ Coal

Production volume increase from expansion of interests

### ◆ Copper

Share of production to reach 8,000 tons in FY2014

### ◆ Indian industrial salt

Project started commercial operation in 2013

### ◆ Australian rare earths

Planned increase in trading volumes for FY2014

### ◆ Food resources

With a view to future domestic demand expansion, invest in food and consumer product businesses, focusing on Vietnam, Indonesia, and other markets

## Investment and loan projects in the previous Med-term Management Plan

Earnings base

### ◆ Automobiles

Sales of automobiles in emerging markets such as the ASEAN region, Russia and the NIS, and Central and South America

### ◆ Crude oil, gas & LNG

Participating in large scale LNG projects

### ◆ Iron & steel-related

Conducting domestic and overseas sales through Japan's largest integrated steel trading company.

### ◆ Methanol

Annual handling volume: 1 million tons

### ◆ Over 1,400 items handled

### ◆ Advanced chemical fertilizer

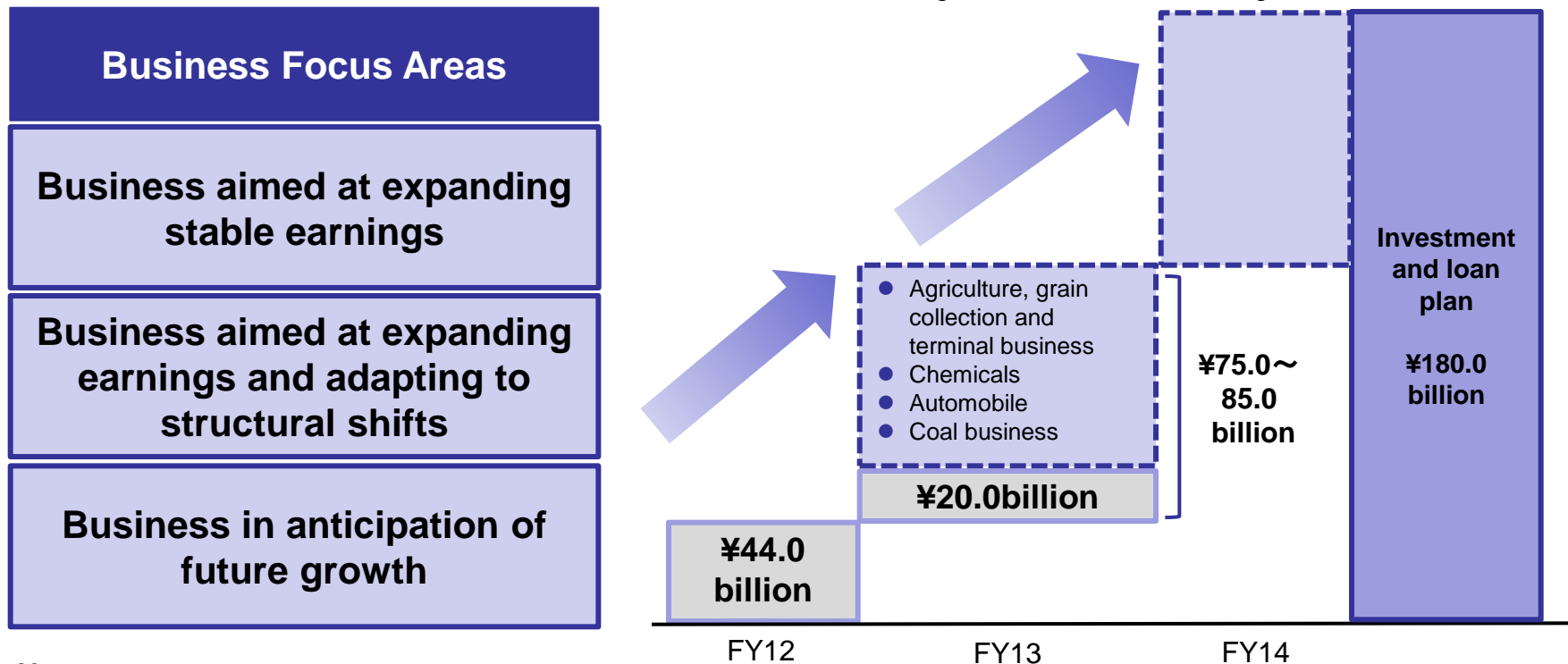
Leading share in Thailand, the Philippines, and Vietnam  
◆ Overseas industrial Park  
Business expansion in Vietnam, Indonesia, and India

# ■ Progress of the Medium-term Management Plan 2014 –Investment and Loan Plan –

**While accelerating investments and loans,  
improve the quality of assets by continuing with asset replacement**

- Invest in high-quality projects in emerging market economies, including Asia, Africa, and South America, mainly in business focus areas.
- Flexibly consider investments, using a structure that rapidly adjusts to environmental change.
- Accelerate income accumulation in the current Medium-term Management Plan.

Investment and loan plan  
during the Medium-term Management Plan 2014



# Progress of the Medium-term Management Plan 2014 — New Projects —

## Solar Power Business



Solar power generating facility in Mixdorf, Germany



**Construct a portfolio capable of generating stable earnings through long-term electricity sales contracts with fixed prices and periods**

- Participate in a mega solar business utilizing photovoltaic panels with a total capacity of 106MW at four locations, Rokkasho-mura, Kamikita-gun, Aomori Prefecture; Shari-gun, Hokkaido; Chita-gun, Aichi Prefecture; and Kuma-gun, Kumamoto Prefecture, with a total project cost of approximately ¥35.0 billion
- Sequentially commence construction of plants, conclude contracts to sell electricity at ¥42/kWh (tax included) for 20 years after commencement of operations
- Develop this business together with Sojitz's existing solar power business in Mixdorf, Germany, grow the renewable energy production business into a core business

## Agriculture, Grain Collection, and Terminal Business



Artist rendition of CGG's port terminal after completion



**Reinforce agriculture and grain value chains between South America and Asia, aim to achieve grain trading volume of 10 million tons**

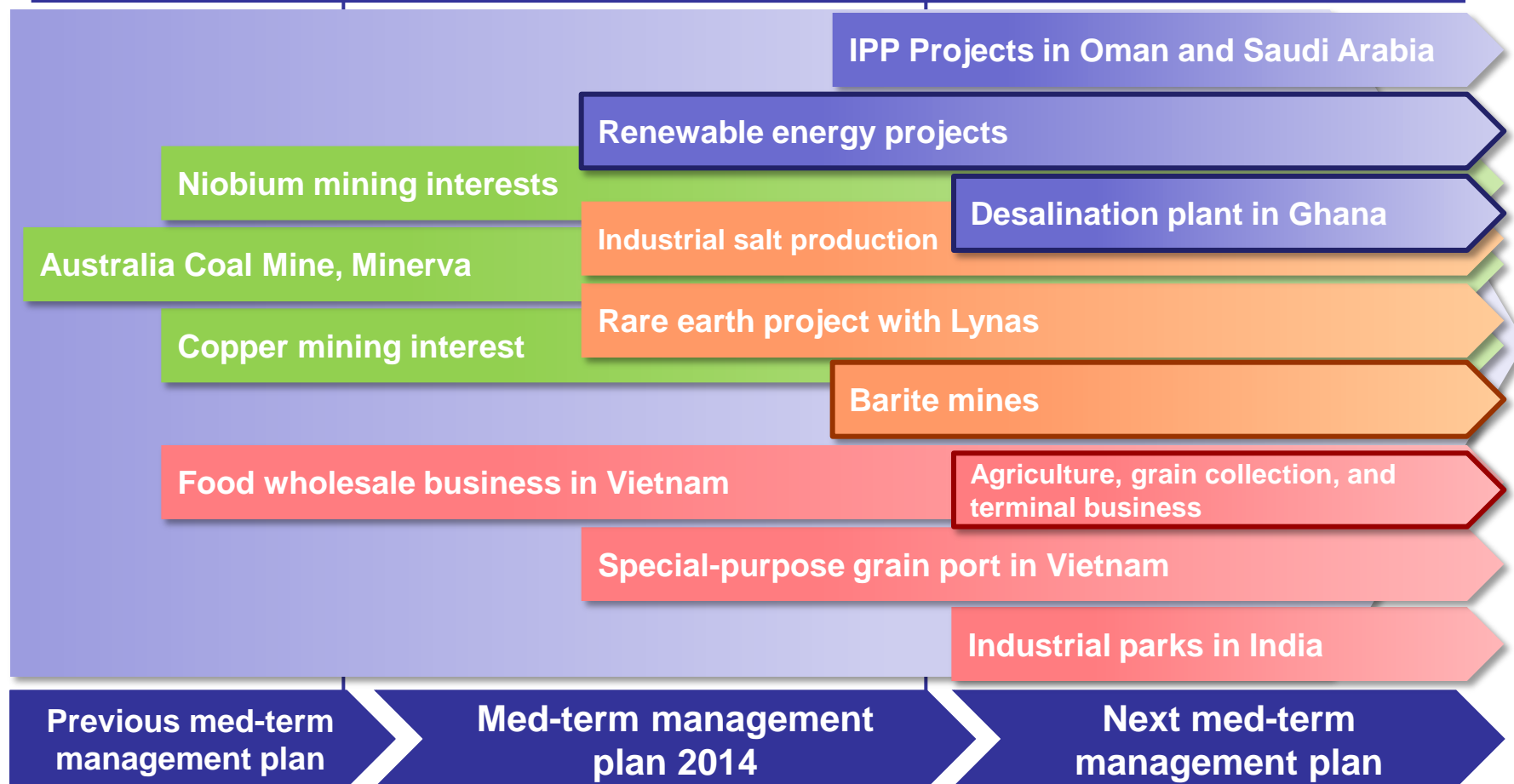
- Invest in the CGG Group, which possesses 150,000 ha of agricultural land and collects 2 million tons of grains annually
- Utilize Itaquí Port in northern Brazil to resolve issue of frequent long-term departure delays in Brazil, shorten sailing route to Asia, and subsequently ensure competitiveness
- Link operations to the businesses of flour producer in Vietnam, which owns the largest special-purpose grain port in ASEAN, and other operators in Asia, aim to achieve a total grain trading volume of 10 million tons for the entire Sojitz Group by 2020



# ■ Medium-term Management Plan 2014 - Timing for Revenue Contributions -

**Full-fledged contribution of new investments conducted under Med-term Management Plan 2014 to begin during 2015, in conjunction with the start of the next med-term management plan**

(Timing for start of revenue contribution: ■ Machinery ■ Energy & Metal ■ Chemicals ■ Consumer Lifestyle Business)

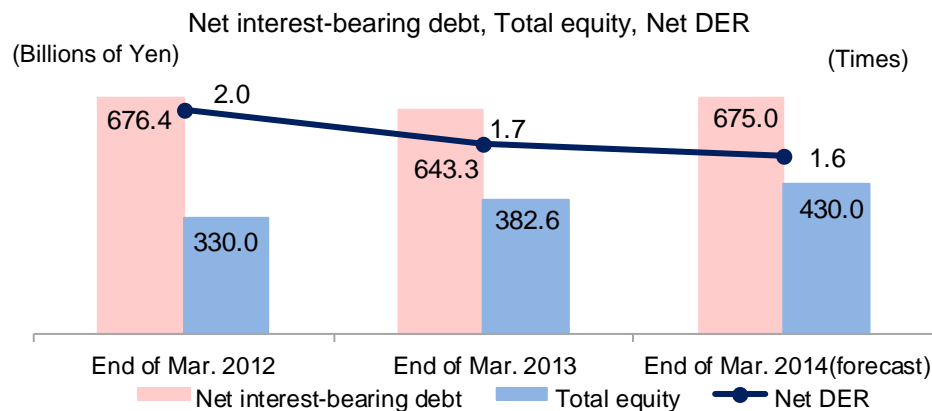
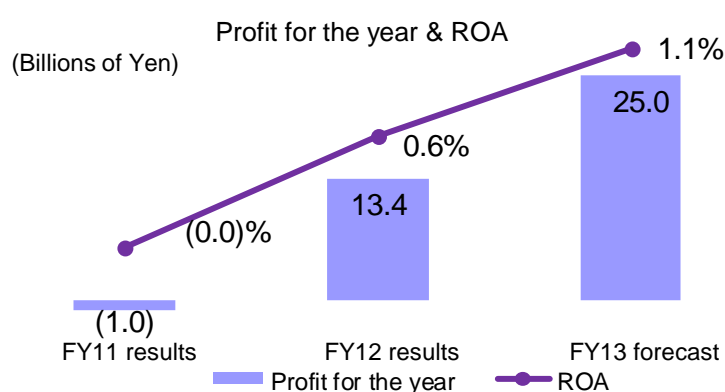


\*Investments conducted under Med-term management plan 2014 indicated by bold borders

# ■ Medium-term Management Plan 2014

## - Quantitative Targets -

(Billions of Yen)	FY2012 Results	FY 2013 Initial Forecast (May 8, 2013)	FY 2013 Revised Forecast (Nov. 6, 2013)	<JGAAP(Reference)> FY2014 Plan
* Attributable to owners of the Company				
<b>Profit for the year *</b>	13.4	25.0	25.0	45.0
<b>Total assets</b>	2,150.1	2,210.0	2,210.0	2,120.0
<b>Net interest-bearing debt</b>	643.3	695.0	675.0	670.0
<b>Total equity</b>	382.6	410.0	430.0	380.0
<b>Net DER</b>	1.7 times	1.7 times	1.6 times	2 times or lower
<b>ROA</b>	0.6%	1.1%	1.1%	2.0% or higher



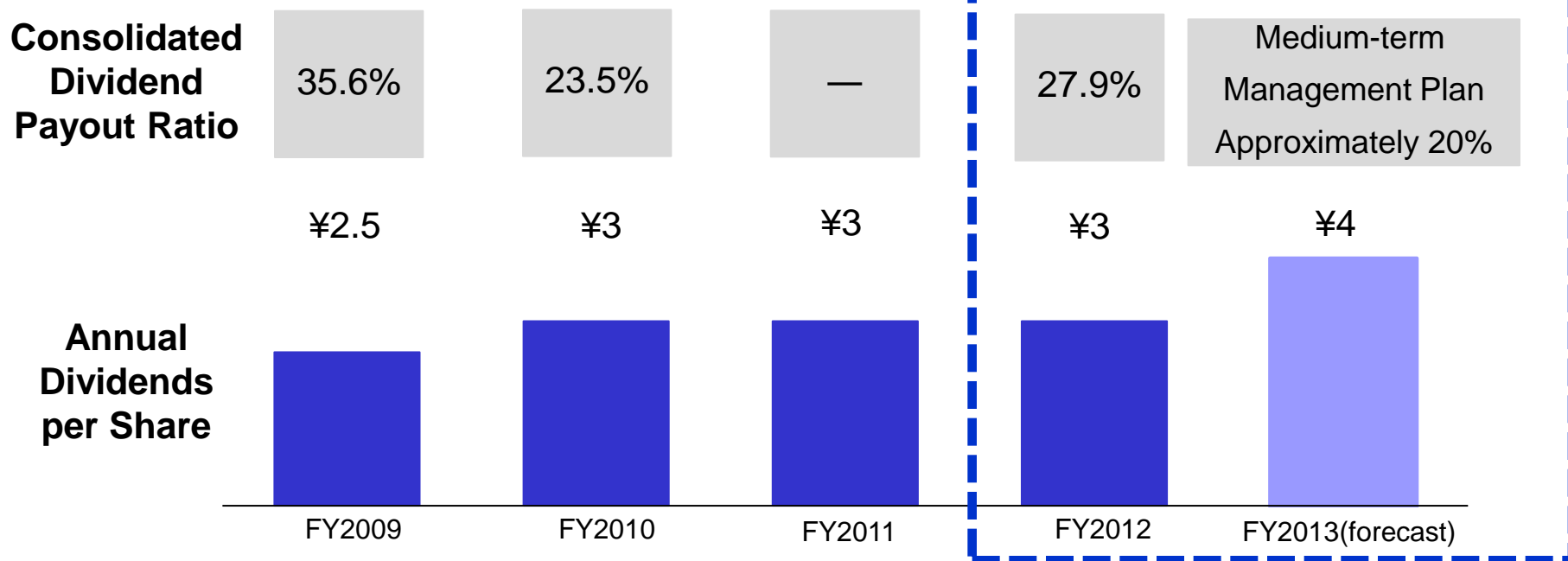
## III. Dividends

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## ■ Dividend Policy

### Basic dividend policy

Sojitz recognizes that paying stable, continuous dividends is an important management priority, together with enhancing shareholder value and boosting competitiveness by accumulating and effectively utilizing retained earnings



Note: Under IFRS, the consolidated payout ratio is calculated using profit for the year attributable to owners of the Company and the number of common shares outstanding at fiscal year-end.

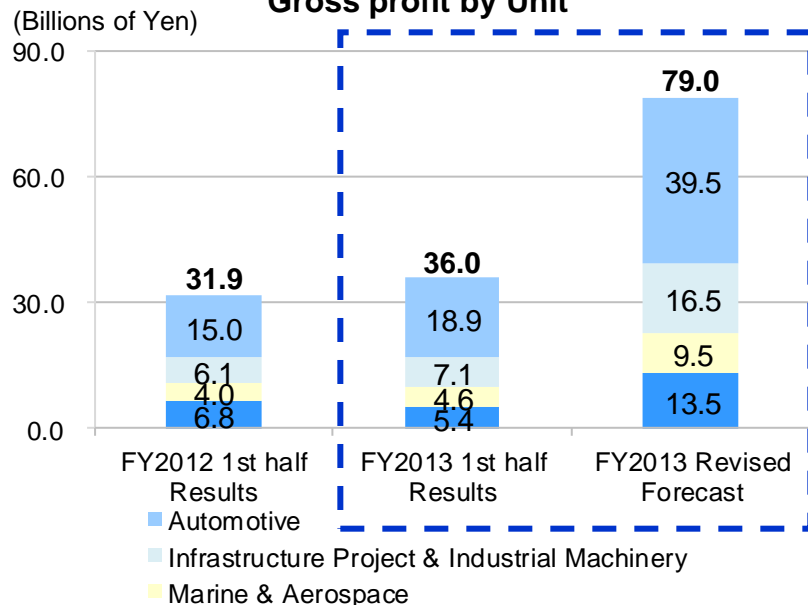
# Supplemental Data I. Segment Information

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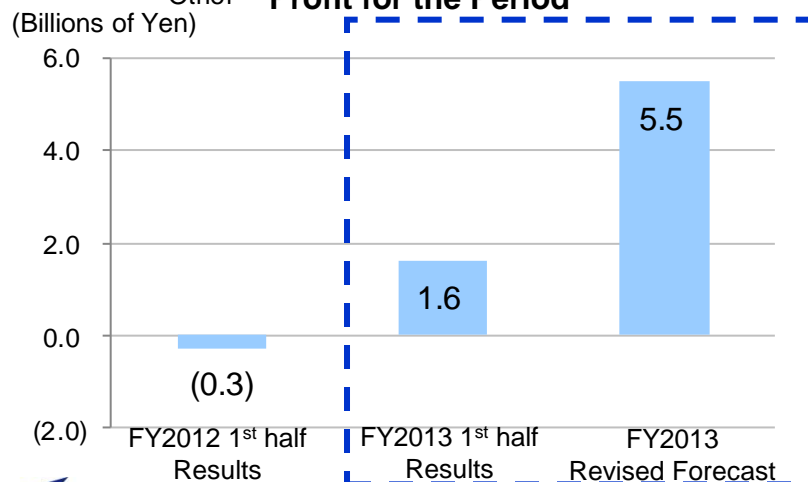


# Machinery

### Gross profit by Unit



### Profit for the Period\*



## Future Outlook

**Profit for the Period\* FY 2013 1<sup>st</sup>-half Results ¥1.6 billion**  
**(Initial Full-year Target ¥5.5 billion → Unchanged)**

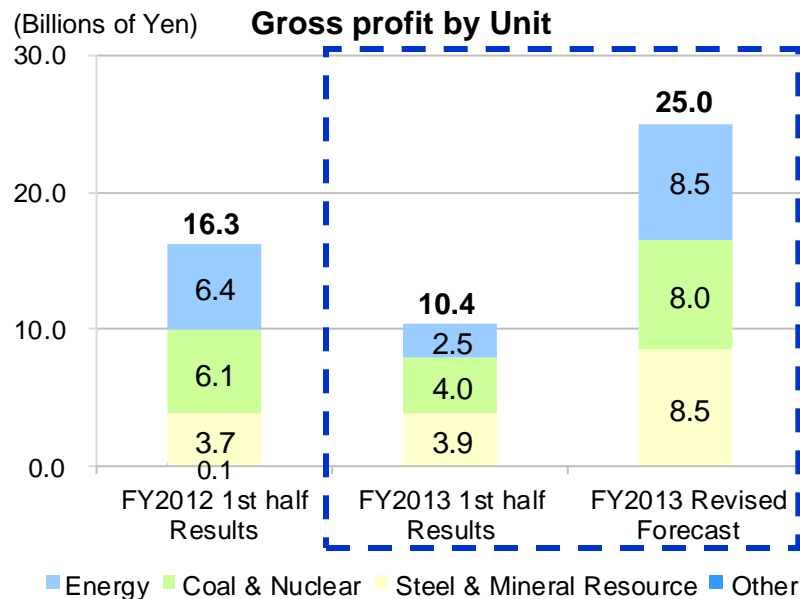
- Automotive Unit  
Firm performance in overseas automotive businesses
- Infrastructure Project & Industrial Machinery Unit  
Favorable operating environment, recording of plant projects anticipated for the 2<sup>nd</sup> half
- Marine & Aerospace Unit  
Ongoing sluggish conditions in the maritime market, progress poor

## FY 2013 1H Results (Supplements)

	FY 2012 1H Results	FY 2013 1H Results	FY 2013 Revised Forecast
Gross profit	31.9	36.0	79.0
Operating income	3.5	4.3	-
Share of profit of investments accounted for using the equity method	1.5	1.7	-
Profit for the period*	(0.3)	1.6	5.5
Total assets	-	416.0	-

(\*) Profit attributable to owners of the Company

# Energy & Metal

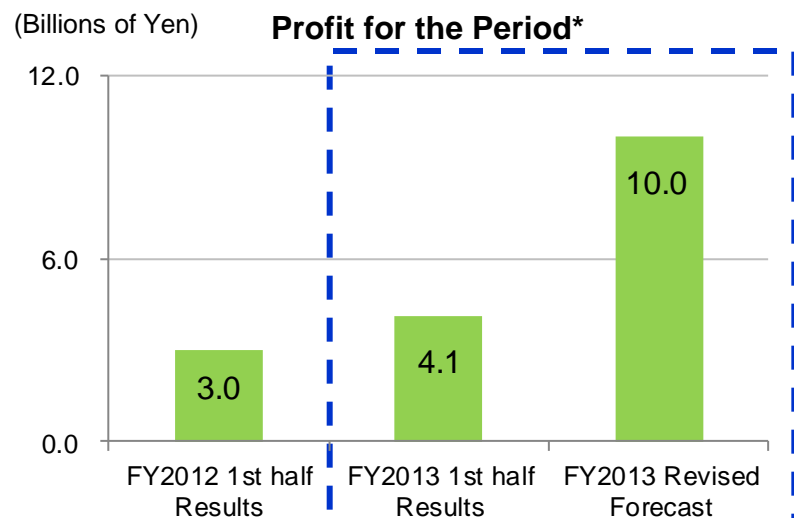


## Future Outlook

### Project for the Period\* FY2013 1<sup>st</sup>-half Results ¥4.1 billion

(Initial Full-year Target ¥16.0 billion ⇒ Revised Full-Year Target ¥10.0 billion)

- Energy Unit  
Targets revised in consideration of increased costs associated with energy interests
- Coal & Nuclear Unit  
Bearish coal market, but strong performance due to increased sales volume and reduced costs
- Steel & Mineral Resources Unit  
Targets revised in consideration of lower prices for mineral resources



## FY 2013 1H Results (Supplements)

(Billions of Yen)

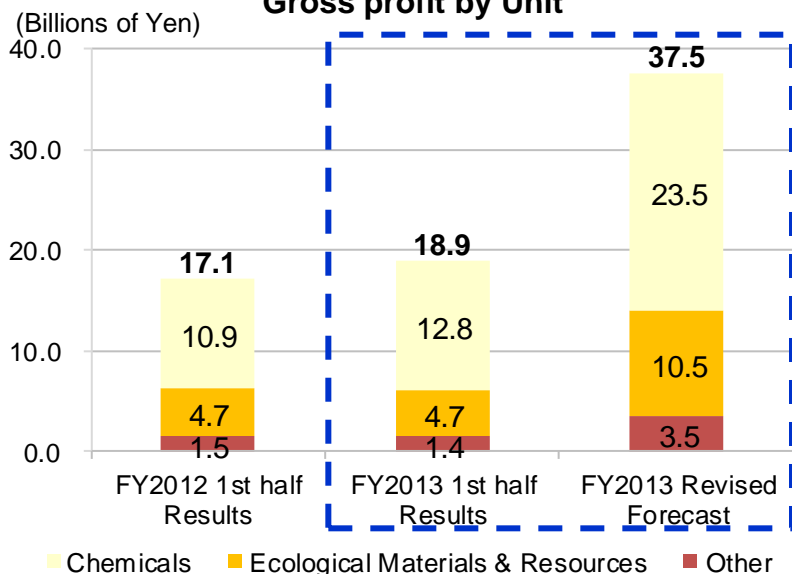
	FY 2012 1H Results	FY 2013 1H Results	FY 2013 Revised Forecast
Gross profit	16.3	10.4	25.0
Operating income	3.7	(1.4)	-
Share of profit of investments accounted for using the equity method	3.8	6.7	-
Profit for the period*	3.0	4.1	10.0
Total assets	-	569.6	-

(\*) Profit attributable to owners of the Company

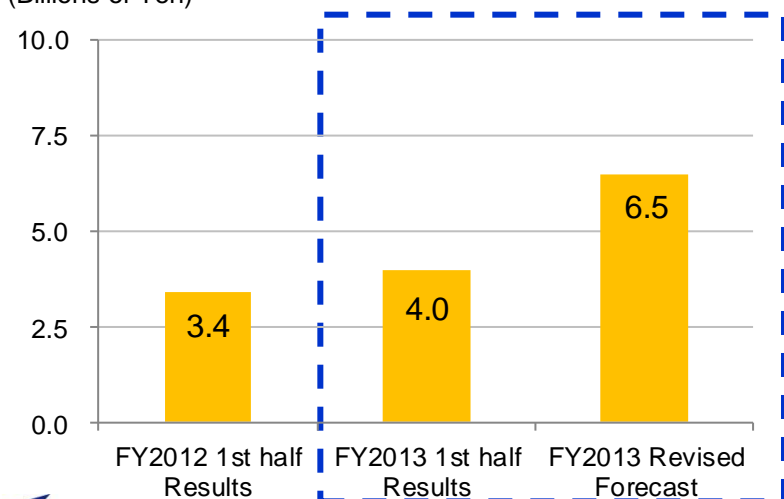


# Chemicals

**Gross profit by Unit**



**Profit for the Period\***



## Future Outlook

**Profit for the Period\* FY2013 1<sup>st</sup>-Half Results ¥4.0 billion**

**Initial Full-year Target ¥5.5 billion ⇒ Revised Full-year Target ¥6.5 billion**

- Chemicals Unit  
Targets revised in consideration of the solid volume of transactions related to chemicals in Asia
- Ecological Materials & Resources Unit  
Lower demand for certain products, but performance generally in line with forecasts due to yen depreciation

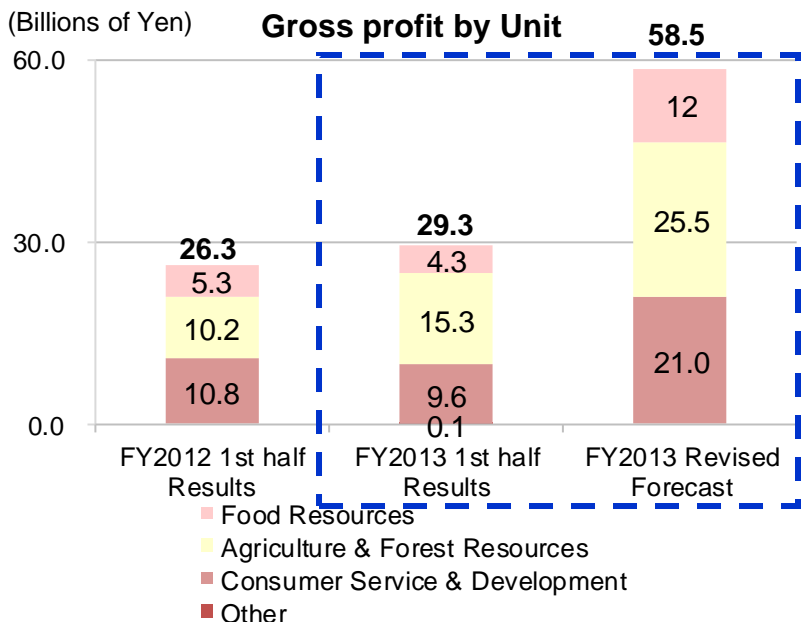
## FY 2013 1H Results (Supplements)

(Billions of Yen)

	FY 2012 1H Results	FY 2013 1H Results	FY 2013 Revised Forecast
Gross profit	17.1	18.9	37.5
Operating income	5.2	7.0	-
Share of profit of investments accounted for using the equity method	0.5	0.3	-
Profit for the period*	3.4	4.0	6.5
Total assets	-	269.0	-

(\*) Profit attributable to owners of the Company

# Consumer Lifestyle Business

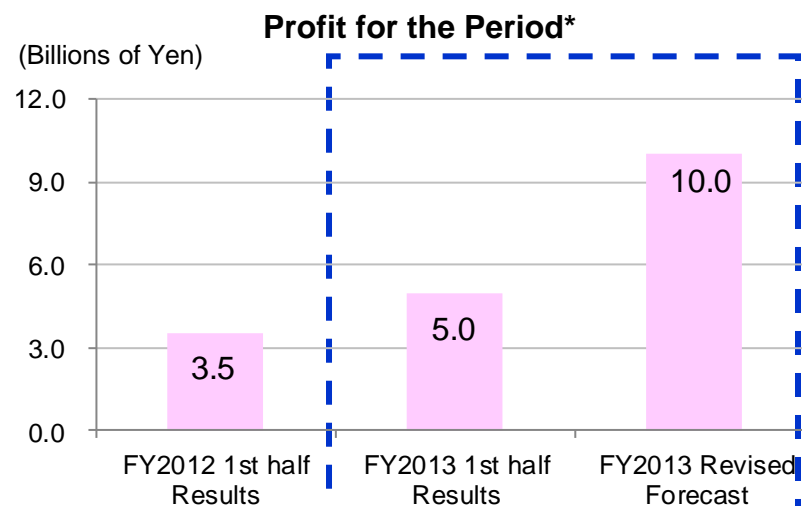


## Future Outlook

**Profit for the Period\* FY2013 1st-Half Results ¥5.0billion**

**Initial Full-year Target ¥8.5billion⇒Revised Full-year Target ¥10.0 billion**

- Food Resources Unit  
Higher transaction volumes projected for 2<sup>nd</sup> half
- Agriculture & Forest Resources Unit  
Targets revised in consideration of strong performance in overseas fertilizer businesses and the solid volume of transactions related to timber products
- Consumer Service & Development Unit  
Strong performance projected centered on the overseas industrial park business



## FY 2013 1H Results (Supplements)

(Billions of Yen)

	FY 2012 1H Results	FY 2013 1H Results	FY 2013 Revised Forecast
Gross profit	26.3	29.3	58.5
Operating income	7.9	9.3	-
Share of profit of investments accounted for using the equity method	0.8	1.7	-
Profit for the period*	3.5	5.0	10.0
Total assets	-	436.0	-

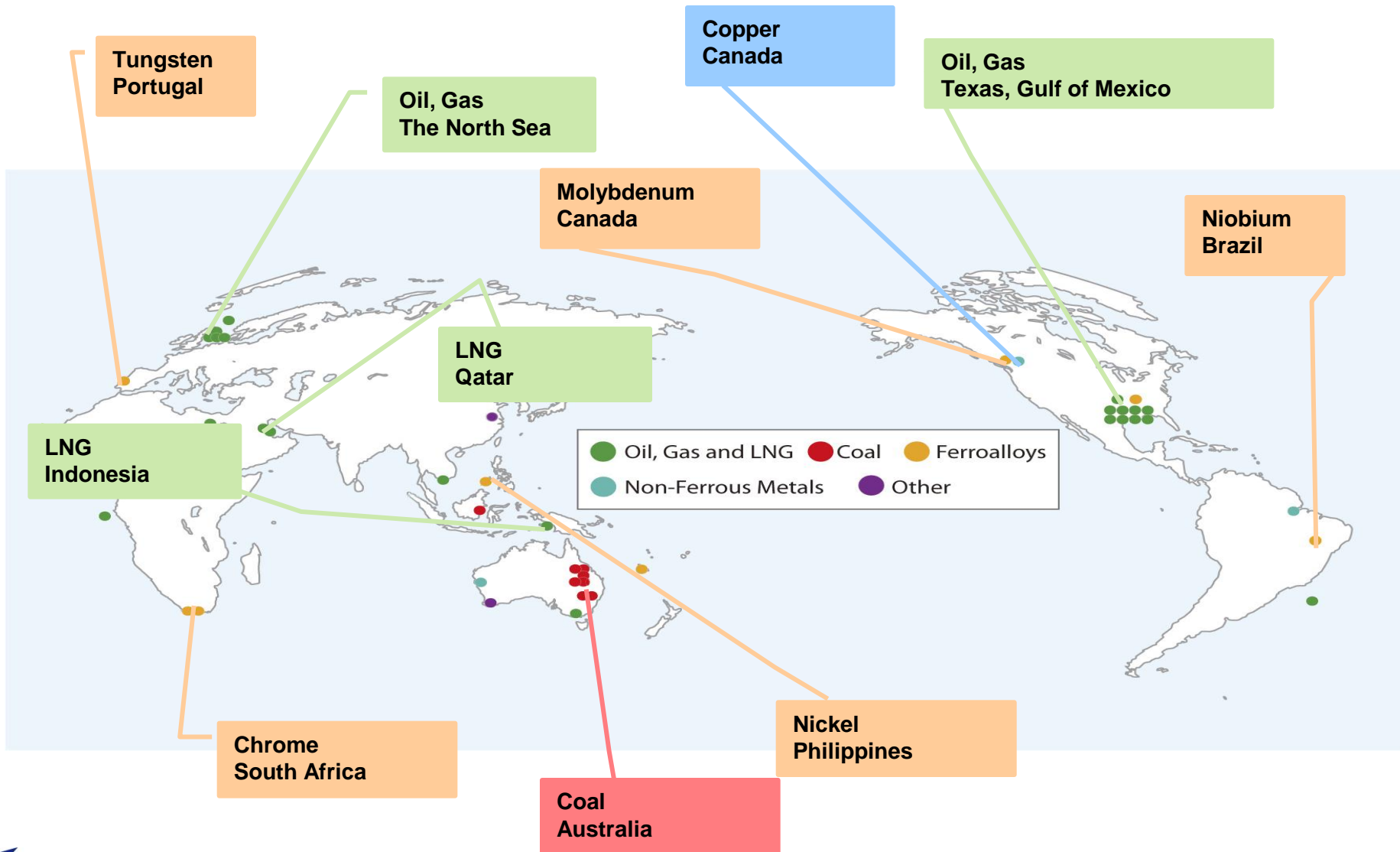
(\*) Profit attributable to owners of the Company

# Supplemental Data II. Energy & Mineral Resources

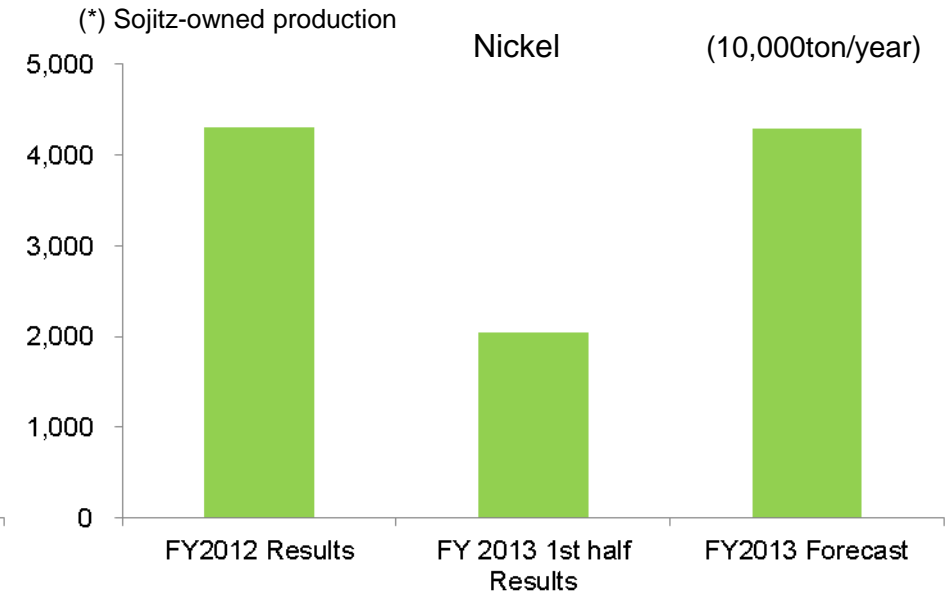
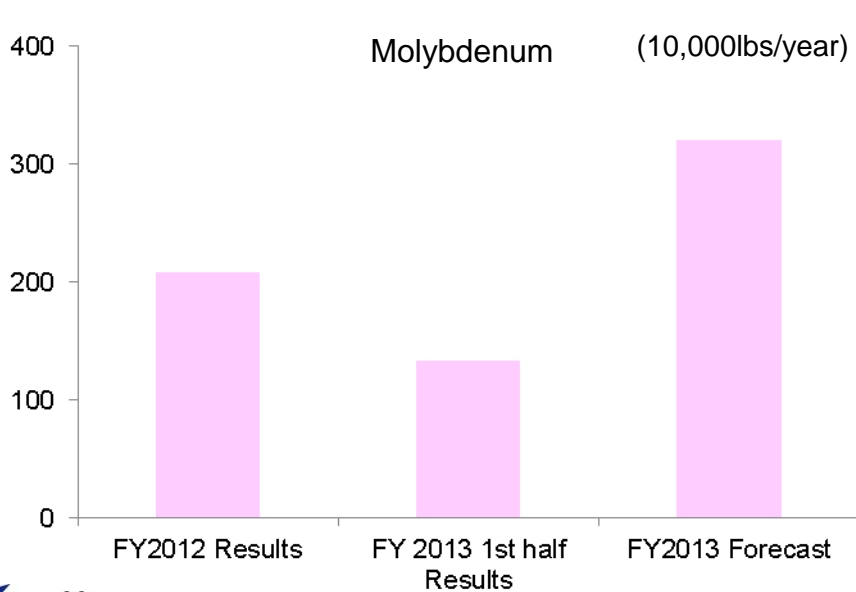
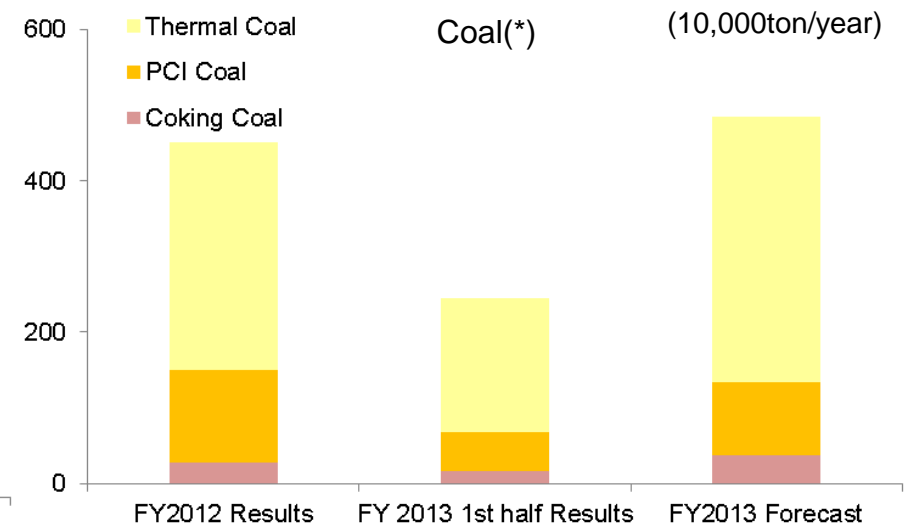
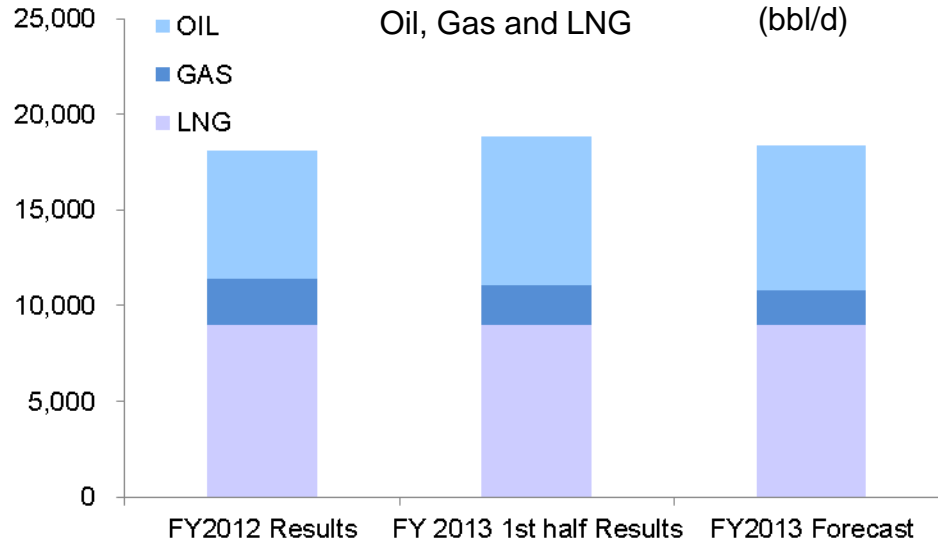




# Overview of Major Interests



# Share of Production Volume from Major Interests



## Supplemental Data III. Summary of Financial Results

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## ■ Summary of Profit or Loss (IFRS)

(Billions of Yen)	FY2011 Results	FY2012 Results	FY2013 1H Results
<b>Net sales (JGAAP)</b>	4,321.7	3,934.5	2,002.2
<b>Gross profit</b>	217.1	187.2	99.5
<b>Operating profit</b>	57.5	25.5	21.3
<b>Profit before tax</b>	58.5	28.1	26.3
Profit for the year attributable to owners of the Company	(1.0)	13.4	14.0
<b>Core earnings</b>	65.8	38.5	29.1
(Reference)			
<b>ROA</b>	(0.0%)	0.6%	—
<b>ROE</b>	(0.3%)	3.8%	—

## ■ Summary of Balance Sheets (IFRS)

(Billions of Yen)	Apr.1, 2011	End of Mar. 2012	End of Mar. 2013	End of Sep. 2013
<b>Total assets</b>	2,170.1	2,190.7	2,150.1	2,165.5
<b>Total equity(*)</b>	346.3	330.0	382.6	427.6
<b>Risk assets (Vs. Total equity)</b>	330.0 (1.0 times)	330.0 (1.0 times)	340.0 (0.9 times)	340.0 (0.8 times)
<b>Current ratio(%)</b>	149%	143%	152%	164%
<b>Long-term debt ratio (%)</b>	77%	73%	76%	80%
<b>Equity ratio(%)</b>	16.0%	15.1%	17.8%	19.7%
<b>Net interest- bearing debt</b>	697.2	676.4	643.3	616.3
<b>Net DER (Times)</b>	2.0	2.0	1.7	1.4

(\*) Total equity attributable to owners of the Company

## ■ Summary of Profit or Loss (JGAAP)

(Billions of Yen)	FY2007 Results	FY2008 Results	FY2009 Results	FY2010 Results	FY2011 Results(*)	FY2012 Results
<b>Net sales</b>	5,771.0	5,166.2	3,844.4	4,014.6	4,494.2	3,955.9
<b>Gross profit</b>	277.7	235.6	178.2	192.7	231.6	192.1
<b>Operating income</b>	92.4	52.0	16.1	37.5	64.5	33.3
<b>Ordinary income</b>	101.5	33.6	13.7	45.3	62.2	34.5
<b>Net income</b>	62.7	19.0	8.8	16.0	(3.6)	14.3
<b>Core earnings</b>	101.7	48.3	14.4	41.9	65.0	35.4
(Reference)						
<b>ROA</b>	2.4%	0.8%	0.4%	0.7%	(0.2%)	0.7%
<b>ROE</b>	13.0%	4.8%	2.6%	4.7%	(1.1%)	4.3%

(\*) A fifteen-month accounting period was applied for the significant overseas consolidated subsidiaries which underwent a change in their fiscal year end date, results on a twelve-month basis disregarding the change in the fiscal year end date are also stated as a reference point.

## ■ Summary of Balance Sheets (JGAAP)

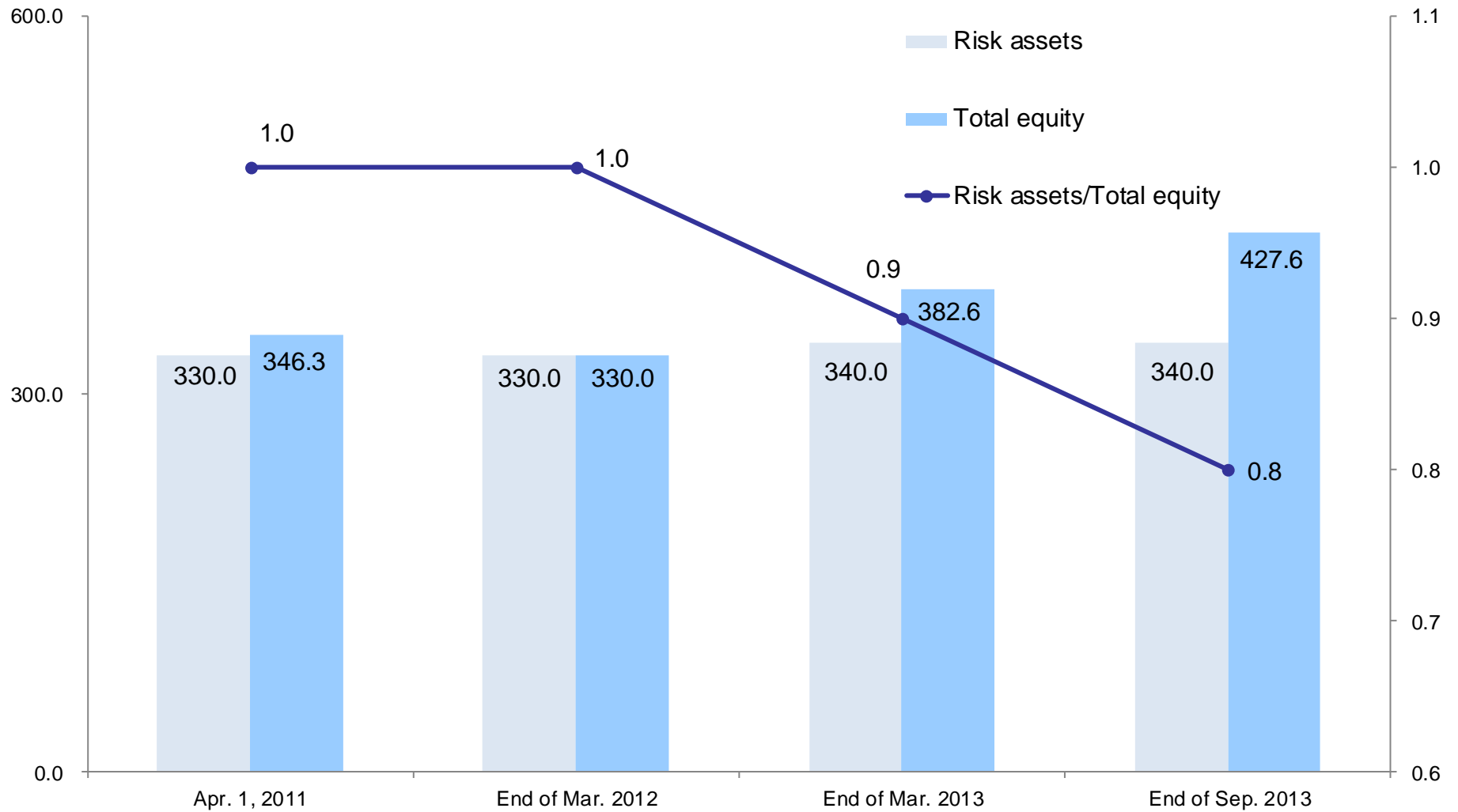
(Billions of Yen)	End of Mar. 2008	End of Mar. 2009	End of Mar. 2010	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013
<b>Total assets</b>	2,669.4	2,313.0	2,160.9	2,117.0	2,120.6	2,086.4
<b>Total equity(*) (Total net assets)</b>	476.0 (520.3)	319.0 (355.5)	352.4 (377.4)	330.0 (355.5)	305.9 (330.5)	353.5 (382.5)
<b>Risk assets (vs. Equity)</b>	380.0 (0.8 times)	350.0 (1.1 times)	320.0 (0.9 times)	310.0 (0.9 times)	300.0 (1.0 times)	300.0 (0.8 times)
<b>Current ratio (%)</b>	121%	142%	153%	142%	137%	147%
<b>Long-term debt (%)</b>	54%	67%	74%	72%	71%	74%
<b>Equity ratio(%)</b>	17.8%	13.8%	16.3%	15.6%	14.4%	16.9%
<b>Net Interest- bearing debt</b>	918.9	865.3	737.8	700.6	647.8	616.2
<b>Net DER(times) Net D/E ratio based on total net assets</b>	1.9 (1.8)	2.7 (2.4)	2.1 (2.0)	2.1 (2.0)	2.1 (2.0)	1.7 (1.6)

\* Total equity = Total net assets – Minority interests

# Risk Assets and Total Equity (IFRS)

(Billions of Yen)

(Times)





***sojitz***

***New way, New value***