

Summary of Consolidated Financial Results for the First Quarter Ended June 30, 2014 (IFRS)

August 4, 2014

Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

Company representative: Yoji Sato, President & CEO

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

Scheduled filing date of quarterly financial report: August 13, 2014

Scheduled date of delivery of dividends: -

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 Quarter Ended June 30, 2014 (April 1, 2014 - June 30, 2014)

(1) Consolidated Operating Results

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

	Net sales		Operating profit		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	%	Millions of Yen	%
For the first quarter ended												
June 30, 2014	946,862	(6.0)	9,833	(12.1)	14,864	6.4	10,117	9.3	8,891	11.9	6,805	(73.9)
June 30, 2013	1,007,422	(0.3)	11,184	24.0	13,966	42.7	9,254	15.1	7,944	13.9	26,118	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first quarter ended		
June 30, 2014	7.11	7.11
June 30, 2013	6.35	6.35

Note 1: Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

Note 2: Basic earnings per share and Diluted earnings per share are calculated based on Profit for the period attributable to owners of the Company.

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the Company	Total equity attributable to owners of the Company ratio
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of				
June 30, 2014	2,194,060	499,420	465,905	21.2
March 31, 2014	2,220,236	492,959	459,853	20.7

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, 2014	-	2.00	-	2.00	4.00
March 31, 2015	-	-	-	-	-
March 31, 2015 (forecast)	-	2.50	-	2.50	5.00

Note : Changes in cash dividend forecast : No

3. Consolidated Earnings Forecast for the Year Ending March 31, 2015 (April 1, 2014 - March 31, 2015)

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

	Net sales		Operating profit		Profit before tax		Profit attributable to owners of the Company		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the Year Ending									
March 31, 2015									
Full-year	4,230,000	4.5	40,000	68.8	55,000	24.9	33,000	21.1	26.38

Note 1: Changes in consolidated earnings forecast for the year ending March 31, 2015 : No

Note 2: Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

Note 3: Basic earnings per share is calculated based on profit attributable to owners of the Company.

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 : Yes

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 June 30, 2014: 1,251,499,501 As of March 31, 2014: 1,251,499,501

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

As of June 30, 2014 : 469,835 As of March 31, 2014 : 467,298

3. Average number of outstanding shares during the periods:

For the first quarter ended June 30, 2014 (accumulative): 1,251,030,782

For the first quarter ended June 30, 2013 (accumulative): 1,251,080,381

* Disclosure Regarding Auditing Procedure for Financial Statements

As of the date of disclosure of this earnings results, auditing procedures for financial statements in accordance with the Financial Instruments and Exchange Act are in the process of being implemented.

* 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 Three-Month Period Ended June 30, 2014

Economic Environment

In the three-month period ended June 30, 2014, we witnessed political unrest in certain countries. However, principal financial markets proved relatively stable, and the global economy on the whole experienced a modest recovery trend focused on the United States.

In the United States, the number of people finding employment was up, and consumer spending continued to increase. Activity in the corporate sector was also on the rise. At the same time, the United States gradually scaled back its quantitative easing policy while maintaining its effective zero interest-rate policy, and the economy showed a gradual recovery trend.

The European economy gradually departed from its recession, but recovery was slow. In addition, the European Central Bank announced additional easing measures in the form of a negative interest-rate policy.

In China, government spearheaded infrastructure investment which succeeded in preventing a sharp economic downturn. However, the economic growth rate continued to decelerate amidst a stagnant real estate market and declining capital investment.

Emerging Asian countries were faced with concern for the possible economic repercussions of potential capital outflows resulting from the United States' quantitative easing tapering. Nonetheless, economic growth continued on the back of strong exports.

In Japan, consumer spending experienced some adverse impacts from the consumption tax hike, but the rebound from the demand rush seen before the hike was limited. Conversely, the benefits were felt from the Bank of Japan's significant "Quantitative and Qualitative Monetary Easing" policy and the economic stimulus measures instituted by the government administration headed by Prime Minister Shinzo Abe. The resulting improvements in the job market and wages were the results of the ongoing economic recovery.

Financial Performance

Sojitz Corporation's consolidated business results for the three-month period ended June 30, 2014, are presented below.

Net sales (*)	Net sales decreased 6.0% year on year, to ¥946,862 million, due to lower transaction volumes for tobacco and wheat as well as declines in plant and ship transactions.
Gross profit	Gross profit decreased ¥2,725 million, to ¥47,229 million, as a result of lower profit from overseas automotive and fertilizer businesses.
Operating profit	Operating profit was down ¥1,351 million, to ¥9,833 million, following the decline in gross profit.
Profit before tax	Profit before tax rose ¥898 million, to ¥14,864 million, due to an increase in share of profit of investments accounted for using the equity method, which effectively counteracted the decline in operating profit.
Profit for the period	Consolidated profit for the period was ¥10,107 million after deduction of ¥4,746 million in income tax expenses from the ¥14,864 million in profit before tax. Profit for the period (attributable to owners of the Company) increased ¥947 million year on year, to ¥8,891 million.

Comprehensive income for the period Comprehensive income for the period was ¥6,805 million, representing a year-on-year decrease of ¥19,313 million. This was largely attributable to less-beneficial foreign-currency translation differences for foreign operations in the wake of the yen appreciation, which offset growth in profit for the period. Comprehensive income for the period (attributable to owners of the Company) totaled ¥5,944 million, representing a year-on-year decrease of ¥18,354 million.

* “Net sales” is calculated based on Japanese generally accepted accounting practices (JGAAP), and represents the total amount of the transactions in which the Group took part as the business operator and those in which the Group took part as an agent.

Results for the three-month period ended June 30, 2014, are summarized by segment below.

Effective April 1, 2014, the aircraft leasing business, previously included in Other, was transferred to the Machinery Division.

Machinery Division

Net sales (JGAAP) decreased 5.0% year on year, to ¥225,148 million, as a result of declines in plant and ship transactions. However, due to an improvement in the balance of other income and expenses, the Machinery Division recorded profit for the period (attributable to owners of the Company) of ¥192 million, compared with loss for the period (attributable to owners of the Company) of ¥505 million a year earlier.

Energy & Metal

Net sales (JGAAP) slightly decreased 0.4% year on year, to ¥183,563 million as the increase in ferroalloy transactions was counteracted by a decline in oil transactions. Profit for the period (attributable to owners of the Company) rose ¥2,570 million, to ¥3,455 million, following an increase in share of profit of investments accounted for using the equity method.

Chemicals

Net sales (JGAAP) grew 10.4% year on year, to ¥171,711 million, largely as a result of increased transactions in Asia. Profit for the period (attributable to owners of the Company) decreased ¥376 million year on year, to ¥1,853 million, as a result of the lower gross profit margin stemming from the fluctuations in market prices for methanol.

Consumer Lifestyle Business

Net sales (JGAAP) decreased 11.2% year on year, to ¥351,917 million, as a result of lower transaction volumes for tobacco and wheat. Profit for the period (attributable to the owners of the Company) decreased ¥106 million year on year, to ¥3,441 million.

Other

Net sales (JGAAP) decreased 57.7% year on year, to ¥14,520 million, due to the rebound from the sale of real estate held for resale during the three-month period ended June 30, 2013. Profit for the period (attributable to owners of the Company) decreased ¥1,745 million year on year, to ¥803 million.

(2) Financial Position

Consolidated Balance Sheet

Total assets on June 30, 2014, stood at ¥2,194,060 million, down ¥26,176 million from March 31, 2014. Property, plant and equipment and goodwill increased due to the acquisition of a U.S. automotive dealership business, and other investments rose following the acquisition of a domestic real estate investment trust company. However, these increases were offset by a decline in assets as held for sale and a decrease in cash and cash equivalent following a rise in new business investments as well as a temporary increase in settlement of trade payables in the Consumer Lifestyle Business.

Consolidated liabilities at June 30, 2014, amounted to ¥1,694,639 million, down ¥32,638 million from March 31, 2014. This decrease was primarily the result of a decline in trade and other payables following lower transaction volumes for tobacco and wheat.

Total equity attributable to the owners of the Company was ¥465,905 million on June 30, 2014, up ¥6,052 million from March 31, 2014. This was largely due to the accumulation of profit for the period, which counteracted a decrease in other components of equity resulted primarily from exchange rate movements.

Sojitz consequently ended the first quarter with a current ratio of 171.4%, long-term debt ratio 80.7% and an equity ratio (*) of 21.2%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥652,314 million at June 30, 2014, a ¥12,058 million increase from March 31, 2014. The Company's net debt equity ratio (*) stayed 1.4 times at June 30, 2014.

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

In terms of funding, Sojitz is committed to a basic financial strategy of maintaining and enhancing the stability of its capital structure in accordance with Medium-term Management Plan 2014. Sojitz is endeavoring to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and building a stable funding structure by maintaining the current long-term debt ratio.

As one source of long-term funding, in 2014, Sojitz issued straight bonds in the amount of ¥10 billion in April with a maturity period of eight years and another ¥10 billion in June with a maturity period of ten years, the longest bond maturity period to date for the Company. Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional issues whenever advantageous opportunities to do so arise.

Additionally, Sojitz maintains two committed credit lines, a ¥100 billion yen line and a US\$300 million multicurrency line, as supplemental sources of precautionary liquidity.

Consolidated Cash Flows

In the three-month period ended June 30, 2014, operating activities used net cash of ¥11,210 million, investing activities provided net cash of ¥3,228 million, and financing activities used net cash of ¥4,329 million. Sojitz ended the period with cash and cash equivalents of ¥406,915 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 ¥11,210 million, compared with net cash provided by operating activities of ¥29,419 million in the three-month period ended June 30, 2013. Cash inlays including

profit for the period were outweighed by outflows such as a decrease in trade and other payables following a temporary increase in settlement of trade payables in the Consumer Lifestyle Business.

(Cash flows from investing activities)

Net cash provided by investing activities totaled ¥3,228 million, compared with net cash used in operating activities of ¥1,785 million in the three-month period ended June 30, 2013. Investment outlays included payments for the acquisition of a U.S. automotive dealership business as well as capital expenditures related to solar power generation businesses. However, these outlays were exceeded by investment inflows, sources of which included sales of investment property.

(Cash flows from financing activities)

Net cash used in financing activities was ¥4,329 billion, down ¥11,429 million year on year. Cash outlays to repay debt exceeded cash inflows from new borrowings and bond issuance.

(3) Consolidated Earnings Forecast

The Company's consolidated earnings forecast is based on the following assumptions.

Exchange rate (annual average JPY/USD rate): ¥100

Crude oil price (Brent) (annual average): US\$100/bbl

Caution regarding Forward-looking Statements

The forecasts appearing above constitute forward-looking statements. They are 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.

2. Summary information (other)

(1) Changes in major subsidiaries during the period

None

(2) Accounting policy changes, accounting estimate changes, and restatements

(Change in accounting policies as mandated by IFRS)

Effective from the three-month period ended June 30, 2014, the Company mandatorily adopted the following accounting standards and interpretations.

IFRSs.	Title	Summaries of new IFRSs/amendments
IAS 32	Financial Instruments: Presentation	Offsetting Financial Assets and Financial Liabilities

The above standard is applied in accordance with transitional treatment measures and its adoption will have no material impact on the Company's consolidated performance.

3. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position as of June 30, 2014 and March 31, 2014

(In millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and cash equivalents	420,658	406,915
Time deposits	4,362	4,549
Trade and other receivables	524,826	519,351
Derivative financial assets	5,185	4,146
Inventories	301,979	300,145
Income tax receivables	4,907	6,722
Other current assets	46,759	50,312
Subtotal	1,308,680	1,292,143
Assets held for sale	13,143	1,989
Total current assets	1,321,824	1,294,133
Non-current assets		
Property, plant and equipment	213,934	217,852
Goodwill	46,264	50,684
Intangible assets	60,958	60,147
Investment property	25,334	21,234
Investments accounted for using the equity method	336,761	333,704
Trade and other receivables	60,310	52,087
Other investments	133,625	143,671
Derivative financial assets	209	202
Other non-current assets	9,683	9,185
Deferred tax assets	11,329	11,155
Total non-current assets	898,411	899,926
Total assets	2,220,236	2,194,060
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	514,585	482,400
Bonds and borrowings	227,216	205,479
Derivative financial assets	6,400	5,296
Income tax payables	8,038	3,833
Provisions	1,207	1,081
Other current liabilities	54,402	56,799
Total current liabilities	811,850	754,890
Non-current liabilities		
Bonds and borrowings	838,060	858,299
Trade and other payables	10,463	9,769
Derivative financial assets	1,721	2,285
Retirement benefits liabilities	16,917	17,094
Provisions	20,798	21,401
Other non-current liabilities	7,321	7,129
Deferred tax liabilities	20,143	23,768
Total non-current liabilities	915,426	939,748
Total liabilities	1,727,277	1,694,639
Equity		
Share capital	160,339	160,339
Capital surplus	146,515	146,515
Treasury stock	(157)	(158)
Other components of equity	119,617	116,615
Retained earnings	33,538	42,592
Total equity attributable to owners of the Company	459,853	465,905
Non-controlling interests	33,105	33,514
Total equity	492,959	499,420
Total liabilities and equity	2,220,236	2,194,060

(2) Consolidated Statements of Profit or Loss
for the First Quarter Ended June 30, 2014 and 2013

(In millions of yen)

	FY 2013 First Quarter (From April 1, 2013 To June 30, 2013)	FY 2014 First Quarter (From April 1, 2014 To June 30, 2014)
Revenue		
Sales of goods	439,194	431,664
Sales of service and others	20,496	19,733
Total revenue	459,690	451,397
Cost of sales	(409,736)	(404,168)
Gross profit	49,954	47,229
Selling, general and administrative expenses	(38,017)	(37,995)
Other income (expenses)		
Gain (loss) on disposal of fixed assets, net	(110)	295
Impairment loss on fixed assets	(229)	(181)
Gain on sale of subsidiaries/associates	66	142
Loss on reorganization of subsidiaries/associates	(167)	(87)
Other operating income	3,054	2,280
Other operating expenses	(3,365)	(1,848)
Total other income (expenses)	(752)	599
Operating profit	11,184	9,833
Financial income		
Interests earned	1,385	1,397
Dividends received	1,279	1,419
Other financial income	10	—
Total financial income	2,674	2,816
Financial costs		
Interest expenses	(5,151)	(5,065)
Other financial costs	—	(5)
Total financial costs	(5,151)	(5,070)
Share of profit (loss) of investments accounted for using the equity method	5,258	7,284
Profit before tax	13,966	14,864
Income tax expenses	(4,712)	(4,746)
Profit for the period	9,254	10,117
Profit for the period attributable to:		
Owners of the Company	7,944	8,891
Non-controlling interests	1,309	1,226
Total	9,254	10,117
Net sales*	1,007,422	946,862

* Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

(3) Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the First Quarter ended June 30, 2014 and 2013

(In millions of yen)

	FY 2013 First Quarter (From April 1, 2013 To June 30, 2013)	FY 2014 First Quarter (From April 1, 2014 To June 30, 2014)
Profit for the period	9,254	10,117
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	6,917	3,827
Remeasurements of defined benefit pension plans	(144)	0
Total items that will not be reclassified to profit or loss	6,773	3,827
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	12,251	(6,081)
Cash flow hedges	(2,160)	(1,058)
Total items that may be reclassified subsequently to profit or loss	10,091	(7,140)
Other comprehensive income for the period, net of tax	16,864	(3,312)
Total comprehensive income for the period	26,118	6,805
Total comprehensive income for the period attributable to:		
Owners of the Company	24,298	5,944
Non-controlling interests	1,820	860
Total	26,118	6,805

(4) Consolidated Statements of Changes in Equity

(In millions of yen)

	Attributable to owners of the Company									Non-controlling interests	Total equity	
	Share capital	Capital surplus	Treasury stock	Other components of equity					Retained earnings			Total equity attributable to owners of the Company
				Foreign currency translation differences for foreign operations	Financial assets measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2013	160,339	146,518	(148)	20,038	44,332	(1,543)	—	62,826	13,053	382,589	28,709	411,298
Profit for the period									7,944	7,944	1,309	9,254
Other comprehensive income				11,794	6,902	(2,198)	(144)	16,353		16,353	510	16,864
Total comprehensive income for the period	—	—	—	11,794	6,902	(2,198)	(144)	16,353	7,944	24,298	1,820	26,118
Purchase of treasury stock		(0)	(0)							(0)		(0)
Dividends									(1,876)	(1,876)	(259)	(2,135)
Change in ownership interests in subsidiaries without loss/acquisition of control									4	4	(4)	(0)
Reclassification from other components of equity to retained earnings					(335)		144	(190)	190	—		—
Other changes									2,484	2,484	(72)	2,411
Total contributions by and distributions to owners of the Company	—	(0)	(0)	—	(335)	—	144	(190)	802	611	(335)	275
Balance as of June 30, 2013	160,339	146,518	(149)	31,832	50,899	(3,742)	—	78,989	21,800	407,498	30,194	437,693
Balance as of April 1, 2014	160,339	146,515	(157)	59,373	60,687	(443)	—	119,617	33,538	459,853	33,105	492,959
Profit for the period									8,891	8,891	1,226	10,117
Other comprehensive income				(5,771)	3,784	(960)	0	(2,946)		(2,946)	(366)	(3,312)
Total comprehensive income for the period	—	—	—	(5,771)	3,784	(960)	0	(2,946)	8,891	5,944	860	6,805
Purchase of treasury stock		(0)	(0)							(0)		(0)
Dividends									(2,502)	(2,502)	(321)	(2,823)
Change in ownership interests in subsidiaries without loss/acquisition of control									10	10	(31)	(21)
Reclassification from other components of equity to retained earnings					(54)		(0)	(55)	55	—		—
Other changes									2,599	2,599	(98)	2,501
Total contributions by and distributions to owners of the Company	—	(0)	(0)	—	(54)	—	(0)	(55)	163	107	(451)	(344)
Balance as of June 30, 2014	160,339	146,515	(158)	53,601	64,417	(1,403)	—	116,615	42,592	465,905	33,514	499,420

(5) Consolidated Statements of Cash Flows

(In millions of yen)

	FY 2013 First Quarter (From April 1, 2013 To June 30, 2013)	FY 2014 First Quarter (From April 1, 2014 To June 30, 2014)
Cash flows from operating activities		
Profit for the period	9,254	10,117
Depreciation and amortization	9,660	8,305
Impairment loss on fixed assets	229	181
Finance (income) costs	2,477	2,254
Share of (profit) loss of investments accounted for using the equity method	(5,258)	(7,284)
(Gain) loss on sale and disposal of fixed assets, net	110	(295)
Income tax expense	4,712	4,746
(Increase) decrease in trade and other receivables	(1,126)	5,301
(Increase) decrease in inventories	5,589	3,405
Increase (decrease) in trade and other payables	9,679	(33,610)
Increase (decrease) in retirement benefits liabilities	99	247
Others	(2,389)	(1,459)
Subtotal	33,038	(8,090)
Interests earned	1,148	1,305
Dividends received	6,722	7,320
Interests paid	(4,266)	(3,909)
Income taxes paid	(7,222)	(7,836)
Net cash provided (used) by/in operating activities	29,419	(11,210)
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,388)	(9,228)
Proceeds from sale of property, plant and equipment	300	187
Purchase of intangible assets	(876)	(1,083)
(Increase) decrease in short-term loans receivable	(224)	(249)
Payment for long-term loans receivable	(850)	(1,110)
Collection of long-term loans receivable	2,274	49
Net proceeds from (payments for) acquisition of subsidiaries	—	(5,222)
Net proceeds from (payments for) sale of subsidiaries	194	271
Purchase of investments	(981)	(4,758)
Proceeds from sale of investments	1,847	583
Others	1,919	23,791
Net cash provided (used) by/in investing activities	(1,785)	3,228
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	565	(14,162)
Proceeds from long-term borrowings	26,318	11,384
Repayment of long-term borrowings	(40,207)	(17,523)
Proceeds from issuance of bonds	19,927	19,875
Redemption of bonds	(20,000)	—
Payment for acquisition of subsidiaries' interests from non-controlling interest holders	(0)	(20)
Purchase of treasury stock	(0)	(0)
Dividends paid	(1,876)	(2,502)
Dividends paid to non-controlling interest holders	(259)	(321)
Others	(225)	(1,059)
Net cash provided (used) by/in financing activities	(15,758)	(4,329)
Net increase (decrease) in cash and cash equivalents	11,876	(12,311)
Cash and cash equivalents at the beginning of the period	424,371	420,658
Effect of exchange rate changes on cash and cash equivalents	4,197	(1,431)
Cash and cash equivalents at the end of the period	440,445	406,915

(6) Segment information

For the first quarter ended June 30, 2013 (April 1, 2013 - June 30, 2013)

(In millions of yen)

	Reportable segments					Others	Reconciliations	Consolidated
	Machinery	Energy & Metal	Chemicals	Consumer Lifestyle Business	Total			
Revenue								
External revenue	90,472	111,658	93,242	131,731	427,105	32,585	—	459,690
Inter-segment revenue	388	—	2	0	390	72	(463)	—
Total revenue	90,861	111,658	93,244	131,732	427,496	32,657	(463)	459,690
Segment profit (loss)	(505)	885	2,229	3,547	6,157	2,548	(760)	7,944
Net sales*								
External net sales	237,034	184,355	155,564	396,144	973,097	34,324	—	1,007,422

Segment profit (loss) is reconciled based on the profit for the period attributable to owners of the Company under the consolidated statements of profit and loss.

Reconciliation of segment loss of (760) 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 (943) million yen, and unallocated dividend income and others of 183 million yen.

For the first quarter ended June 30, 2014 (April 1, 2014 – June 30, 2014)

(In millions of yen)

	Reportable segments					Others	Reconciliations	Consolidated
	Machinery	Energy & Metal	Chemicals	Consumer Lifestyle Business	Total			
Revenue								
External revenue	85,863	111,066	106,430	135,052	438,413	12,984	—	451,397
Inter-segment revenue	379	—	2	1	383	77	(460)	—
Total revenue	86,243	111,066	106,432	135,053	438,796	13,061	(460)	451,397
Segment profit (loss)	192	3,455	1,853	3,441	8,942	803	(853)	8,891
Net sales*								
External net sales	225,148	183,563	171,711	351,917	932,341	14,520	—	946,862

Segment profit (loss) is reconciled based on the profit for the period attributable to owners of the Company under the consolidated statements of profit and loss.

Reconciliation of segment loss of (853) 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 (1,255) million yen, and unallocated dividend income and others of 402 million yen.

* Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

Changes in segmentation

The aircraft leasing business, previously included in Other, was transferred to the Machinery Division. The purpose of this reorganization is to consolidate aircraft-related operations in order to strengthen these businesses and expand the range of opportunities they face.