

Financial Results for the First Quarter Ended June 30, 2014 (Reference)

August 4, 2014
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.

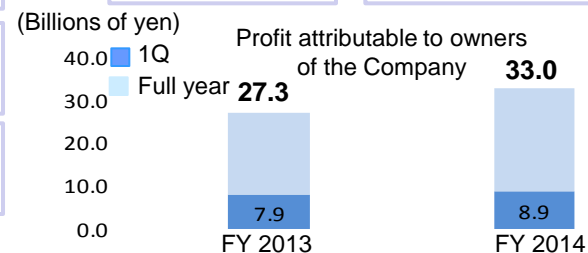
I. Financial Results for the First Quarter and Full Year Forecast of Fiscal Year Ending March 31, 2015



■ Summary of Profit or Loss

Despite a decline in gross profit, profit for the period was up due to an increase in share of profit of investments accounted for using the equity method. Progress is impressive in comparison to full-year forecasts.

(Billions of Yen)	FY2013 3-month Results	FY2014 3-month Results	Difference	FY2014 Forecast	Achieved
Net sales (JGAAP)	1,007.4	946.9	(60.5)	4,230.0	22.4%
Gross profit	50.0	47.2	(2.8)	206.0	22.9%
Operating profit	11.2	9.8	(1.4)	40.0	24.5%
Share of profit (loss) of investments accounted for using the equity method	5.3	7.3	+2.0	26.5	27.5%
Profit before tax	14.0	14.9	+0.9	55.0	27.1%
Profit for the period attributable to owners of the Company	7.9	8.9	+1.0	33.0	27.0%
Comprehensive income attributable to owners of the Company	24.3	5.9	(18.4)		
Core earnings	14.7	14.2	(0.5)		



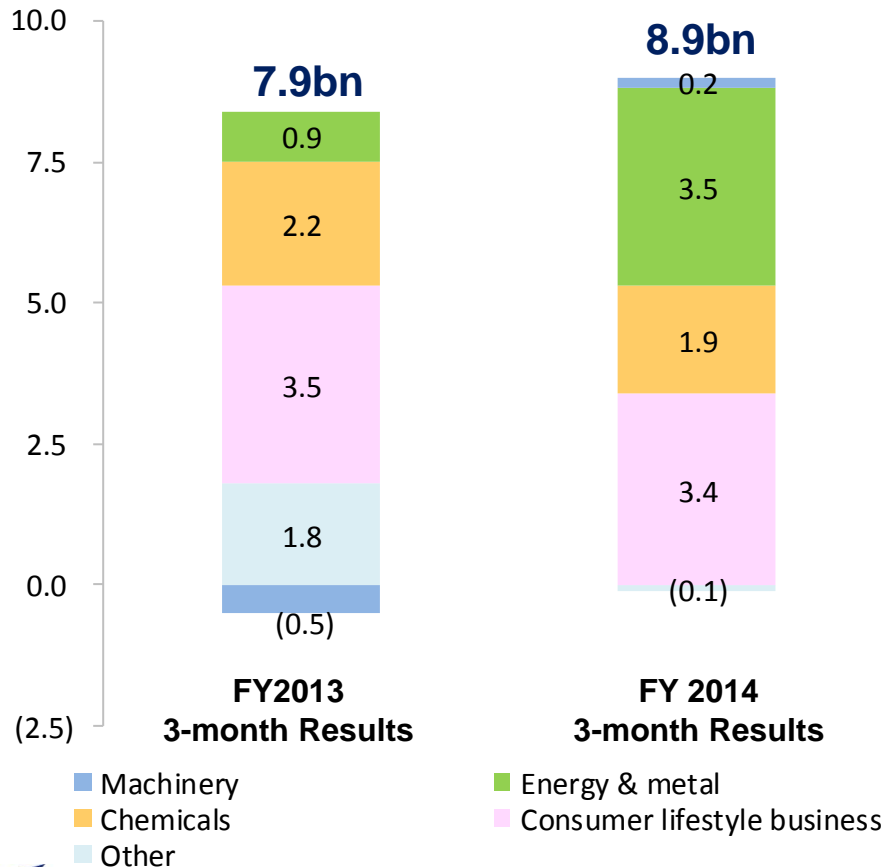
Summary of Profit or Loss

Profit for the period by segment

Overall profit for the period increased because the substantial rise in profit in the Energy & Metal Division offset the declines in the Chemicals Division and the Consumer Lifestyle Business Division

Profit for the period by segment

(Billions of Yen) attributable to owners of the Company



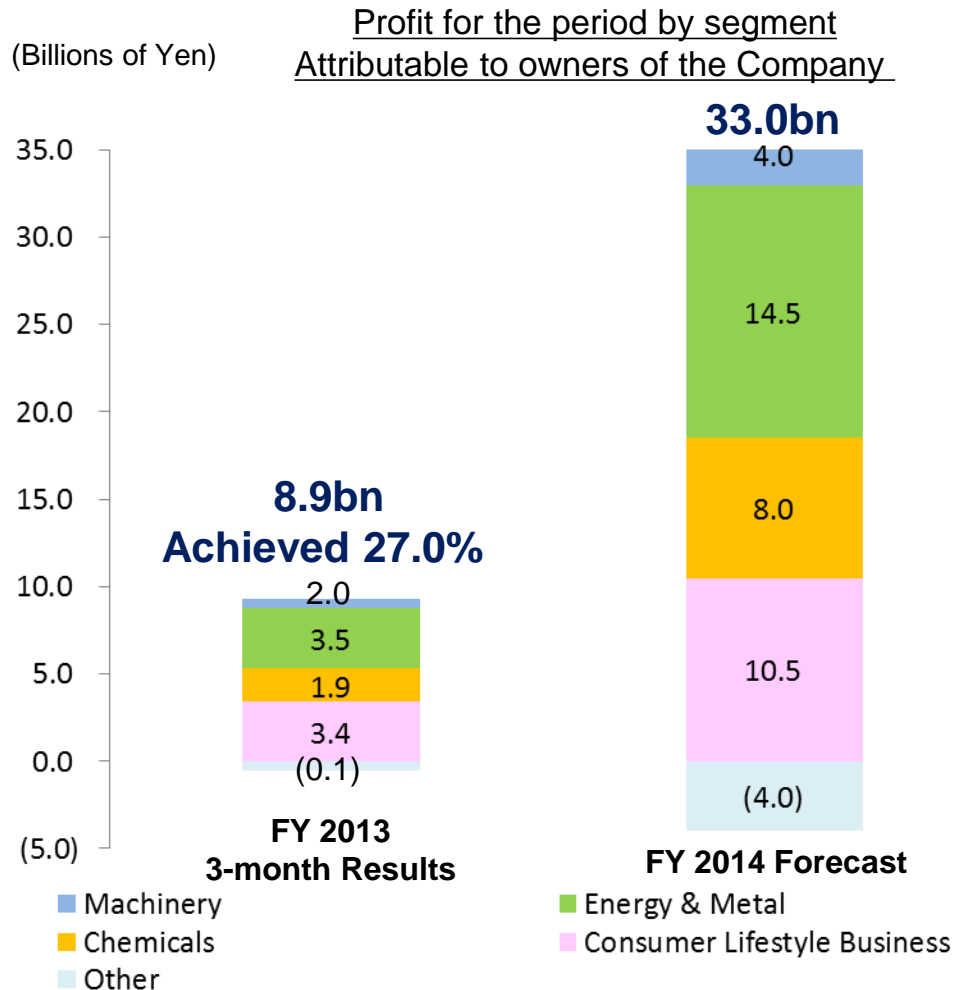
Factor behind year on year change in earnings

- Machinery ¥0.2billion (- YoY)
Gross profit decreased following lower vehicle sales by overseas automotive business subsidiaries, but profit for the period increased due to declines in SG&A expenses and foreign exchange losses.
- Energy and Metal ¥3.5billion (up 288.9% YoY)
Gross profit was down as a result of lower prices for coal. However, profit for the period was up due to the absence of the well abandonment costs recorded in association with certain interests during the three-month period ended June 30, 2013, as well as an increase in share of profit of investments accounted for using the equity method.
- Chemicals ¥1.9billion (down 13.6% YoY)
Both gross profit and profit for the period were down due to fluctuations in market prices for methanol.
- Consumer Lifestyle Business ¥3.4billion (down 2.9% YoY)
Profits were down due to lower transaction volumes in certain fertilizer businesses.
- Others ¥ (0.1)billion (- YoY)
Profits were down due to the absence of the gain on sale of assets recorded in association with asset replacement during the three-month period ended June 30, 2013.

FY2014 Forecast

Profit for the year by segment

Progress is impressive in comparison to forecasts



Future Outlook

- Machinery ¥0.2billion (Achieved 5.0%)
Aircraft-related businesses are expected to continue seeing strong performance, but caution is necessary with regard to the potential impacts of currency devaluation risks on automotive business in Central and South America.
- Energy and Metal ¥3.5billion (Achieved 24.1%)
Progress is impressive in comparison to forecasts.
- Chemicals ¥1.9billion (Achieved 23.8%)
Despite the negative impacts of fluctuations in market prices for methanol, performance is generally in line with projection because of solid plastic resin transactions centered on Asia.
- Consumer Lifestyle Business ¥3.4billion (Achieved 32.4%)
Progress is impressive in comparison to full-year forecasts due to the solid performance of overseas industrial park businesses.
- Others ¥ (0.1)billion (Achieved -)
Progress is generally in line with projections.

■ Summary of Balance Sheets

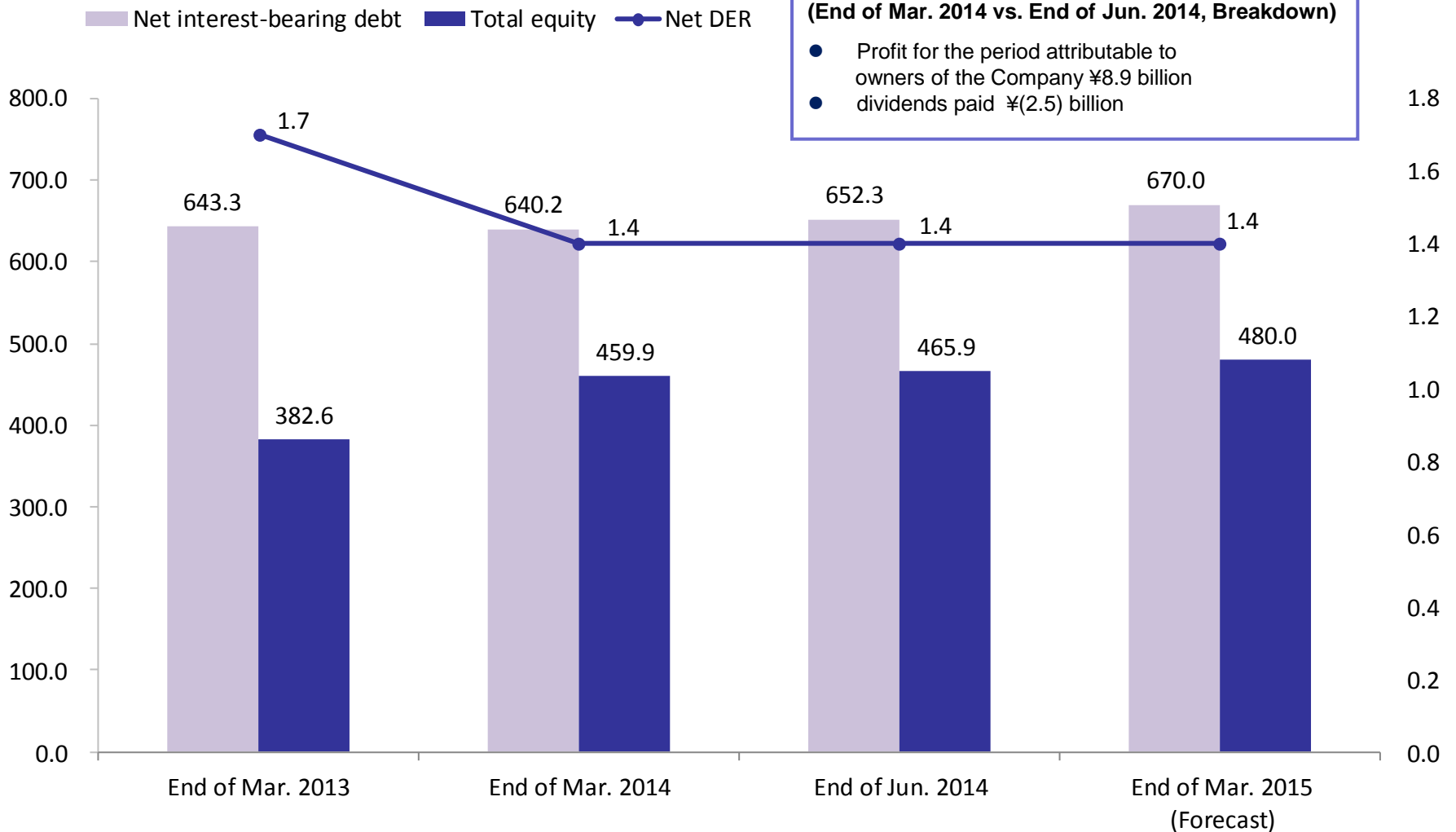
Total equity steadily increasing on earnings accumulation

(Billions of Yen)	End of Mar. 2014	End of Jun. 2014	Difference	End of Mar. 2015 (Forecast)
Total assets	2,220.2	2,194.1	(26.1)	2,260.0
Total equity	459.9	465.9	+6.0	480.0
Risk assets vs. Total equity	350.0 0.8 times	330.0 0.7 times	(20.0) (0.1) times	—
Current ratio	162.8%	171.4%	+8.6%	—
Long-term debt ratio	78.7%	80.7%	+2.0%	—
Equity ratio	20.7%	21.2%	+0.5%	21.2%
Net interest- bearing debt	640.2	652.3	+12.1	670.0
Net DER (Times)	1.4	1.4	+0.0	1.4

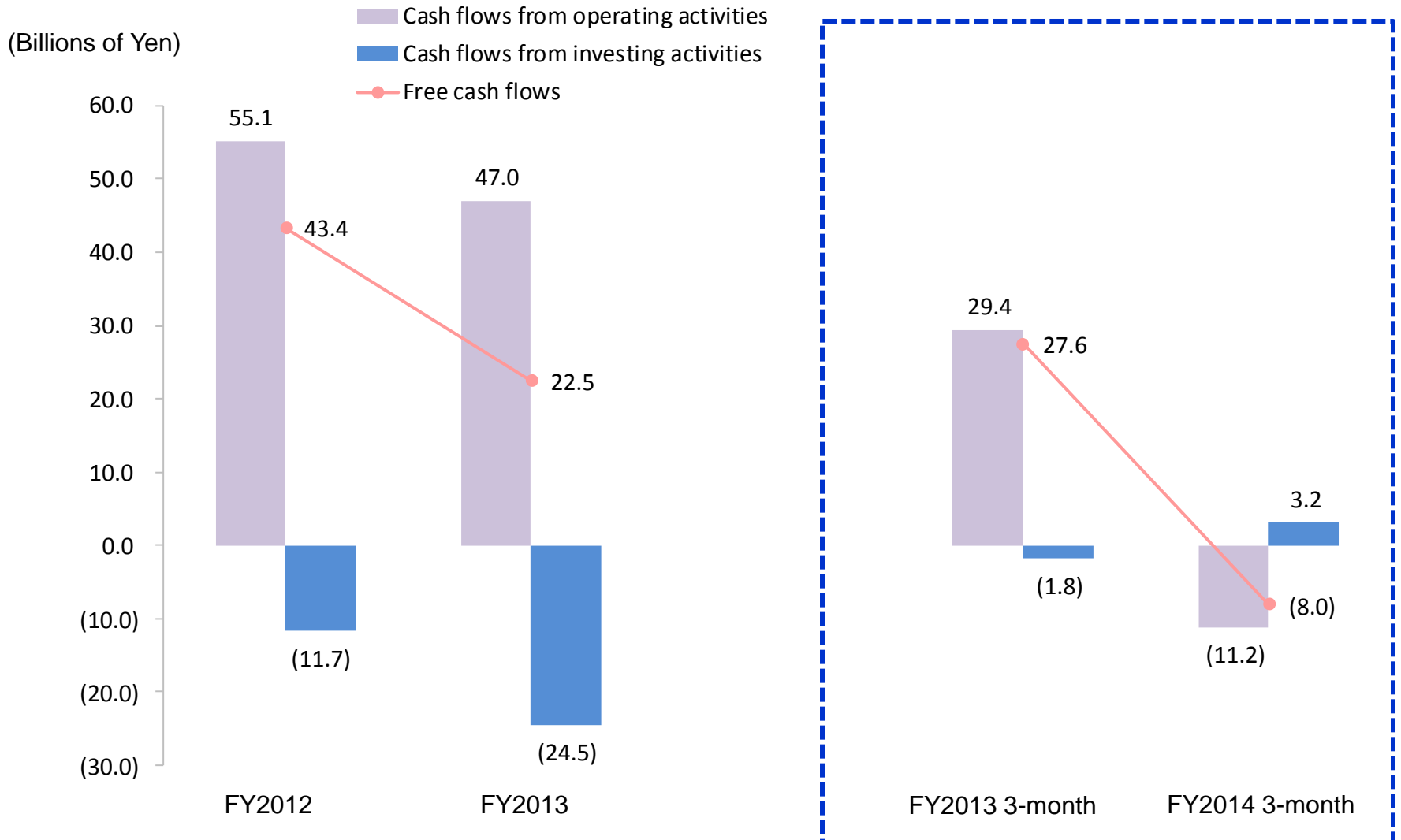
Net Interest-bearing Debt, Total Equity, and Net DER

(Billions of Yen)

(Times)



Summary of Free Cash Flows



■ Progress of Mid-term Management Plan 2014

- Asset Replacement -

Improve asset quality to strengthen earnings capacity

Asset Replacement Results (FY 2012 – FY 2014 1Q)

	FY2012 Results	FY2013 Results	FY2014 1Q Results	Total
Investment & Loan	44.0bn	54.0bn	21.0bn	119.0bn
Asset Reduction	81.0bn	49.0bn	27.0bn	157.0bn
Collection of Funds	47.0bn	55.0bn	27.0bn	129.0bn

FY2014 Investment & Loan Plan ¥85.0bn



Mid-term Management Plan 2014
Investment & Loan plan ¥180.0bn

Asset reduction: ¥157.0bn
(FY 2012 – FY 2014 1Q total)

Machinery

- ✓ Sale of stock holdings related to overseas machinery companies
- ✓ Sale of ship holdings
- ✓ Sale of aircraft held for leasing purposes

Energy & Metal

- ✓ Divestment of petroleum product sales subsidiary
- ✓ Sale of portion of Australian coal interests
- ✓ Exclusion of bioethanol production company from consolidation

Other

- ✓ Sale of unprofitable real estate in Japan (Shopping centers, office buildings, etc.)

Stock holdings

Ship and aircraft holdings

Real estate in Japan

Resource-related interests

Other

Machinery

Energy & Metal

Chemicals

Consumer Lifestyle Business

Other

Investments and loans: ¥119.0bn
(FY 2012 – FY 2014 1Q total)

Machinery

- ✓ Middle Eastern IPP projects
- ✓ African desalination businesses
- ✓ Domestic solar power generation businesses
- ✓ Acquisition of U.S. automobile dealer

Energy & Metal

- ✓ Acquisition of new coal interests in Indonesia
- ✓ Expansion of resource interests

Chemicals

- ✓ Acquisition of new barite interests in Mexico
- ✓ Indian industrial salt business

Consumer Lifestyle Business

- ✓ Agriculture, grain collection, and terminal business in Brazil

Commodity Prices, Foreign Exchange, and Interest Rate

	FY2013 Results (Annual Average)	FY2014 Assumptions (Annual Average)	FY2014 3-months Results (Apr.-Jun. Avg.)	Latest (As of July 31)
Crude oil (Brent)*1	\$107.5/bbl	\$100/bbl	\$109.7/bbl	\$106.0/bbl
Thermal Coal *2	\$89.5/t	\$82/t	\$81.8/t	\$69.1/t
Molybdenum	\$10.0/lb	\$10/lb	\$13.6/lb	\$13.1/lb
Nickel *3	\$6.8/lb	\$7/lb	Jan.- Mar. Avg. \$6.6/lb	\$8.5/lb
Exchange rate*4	¥100.5/\$	¥100/\$	¥101.9/\$	¥102.9/\$
Interest rate (TIBOR) *5	0.23%	0.22%	0.21%	0.21%

*1 Impact of fluctuations in the crude oil price on earnings: A \$1/bbl change alters profit for the year (attributable to owners of the Company) by approx. ¥0.1 billion annually.

*2 Actual thermal coal prices are the general trading prices based on market data.

*3 The price assumptions of nickel is based on the annual average from Jan. to Dec.

*4 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.4 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.2 billion annually, and total equity by approx. ¥2.0 billion.

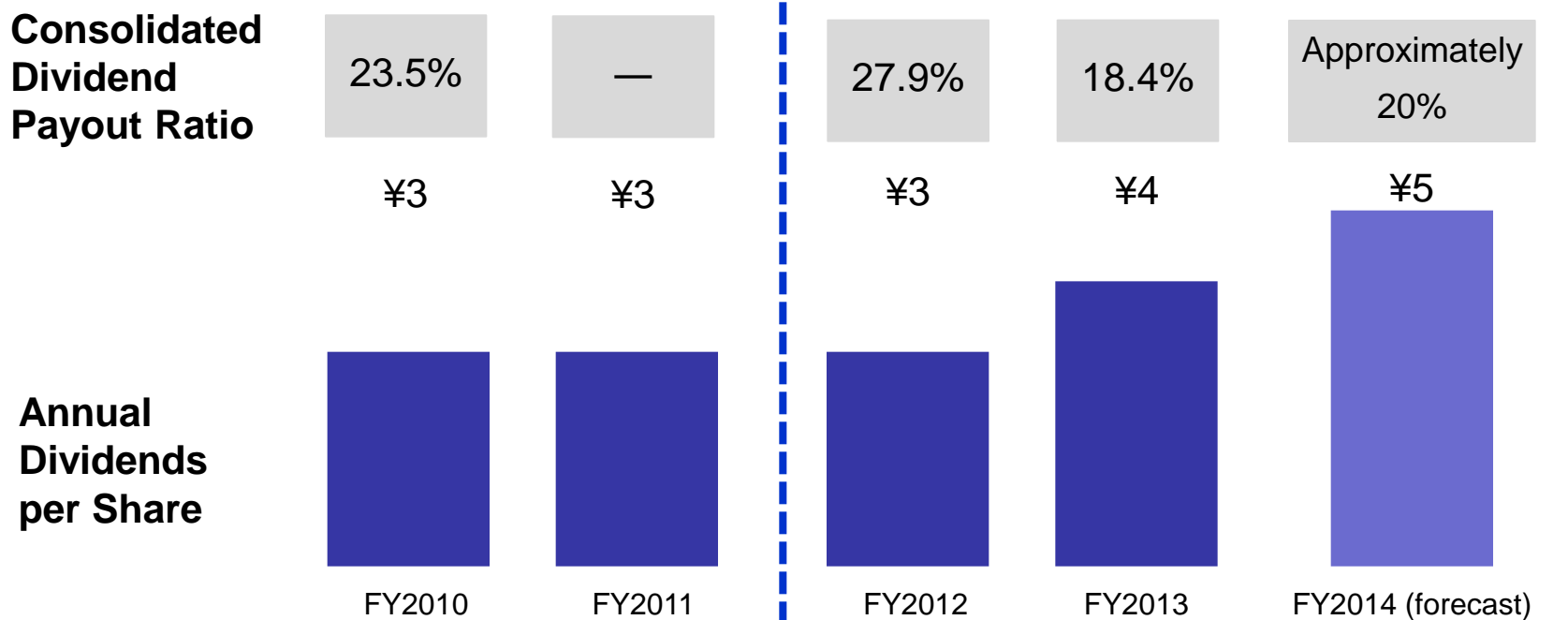
*5 Interest rate sensitivity: Every 100 basis point movement in interest rates equates to approximately ¥3.0bn per fiscal year.

II. Dividends

■ Dividend Policy

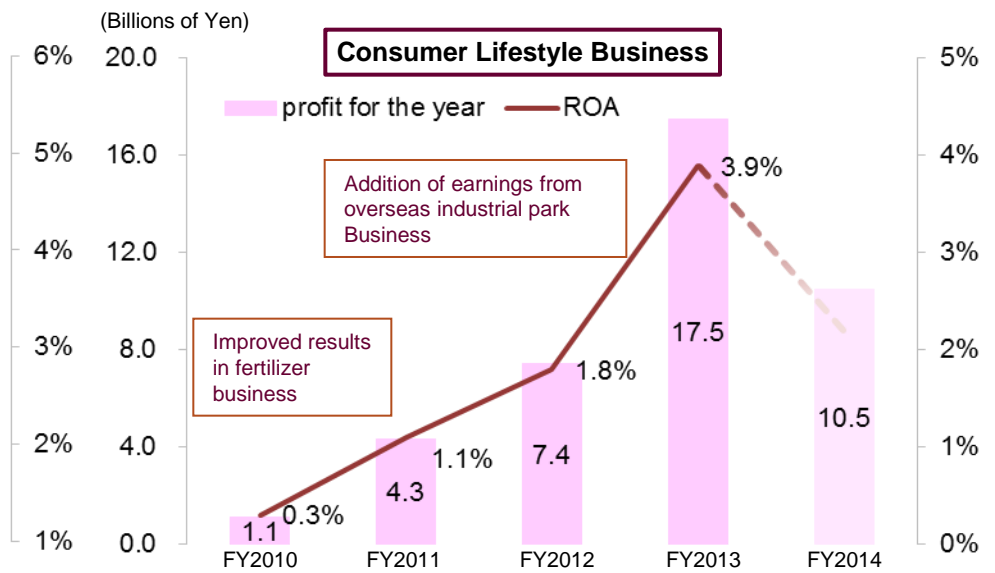
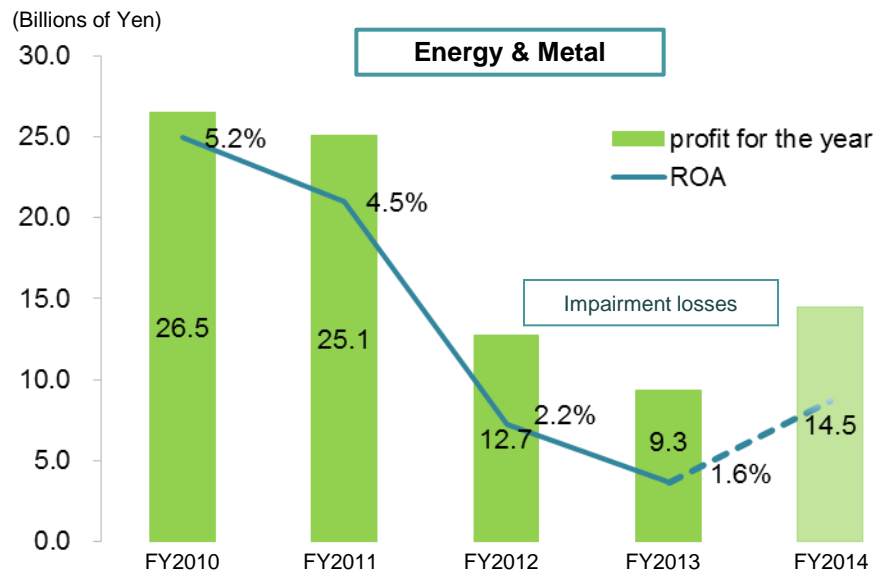
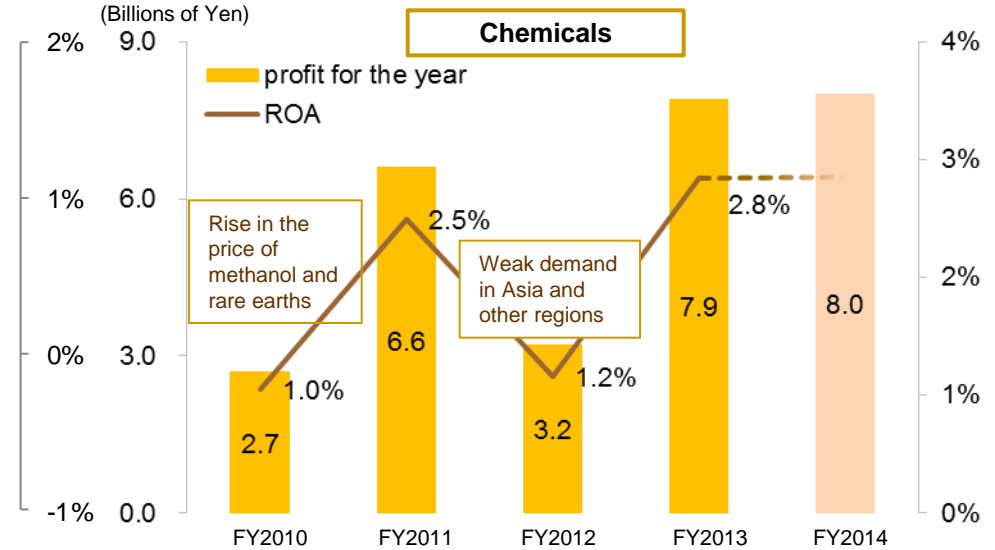
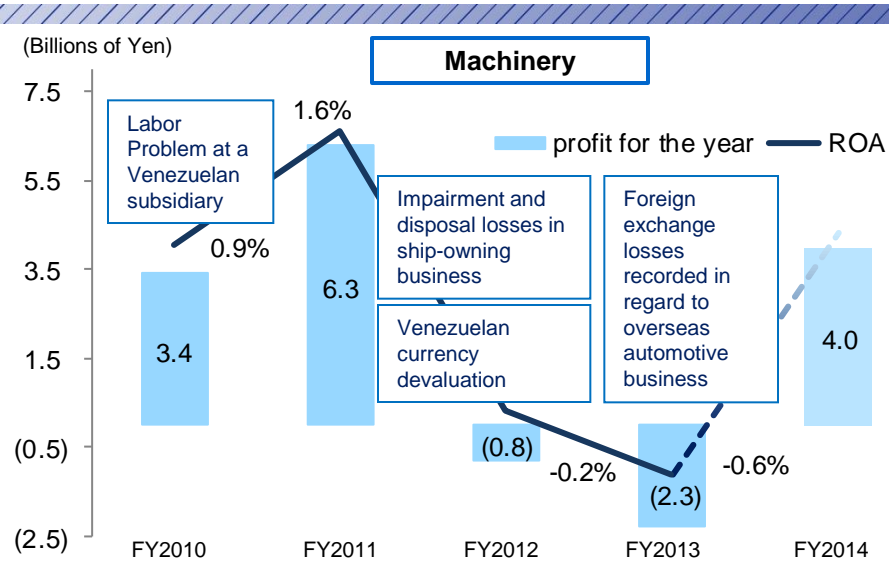
Basic dividend policy

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

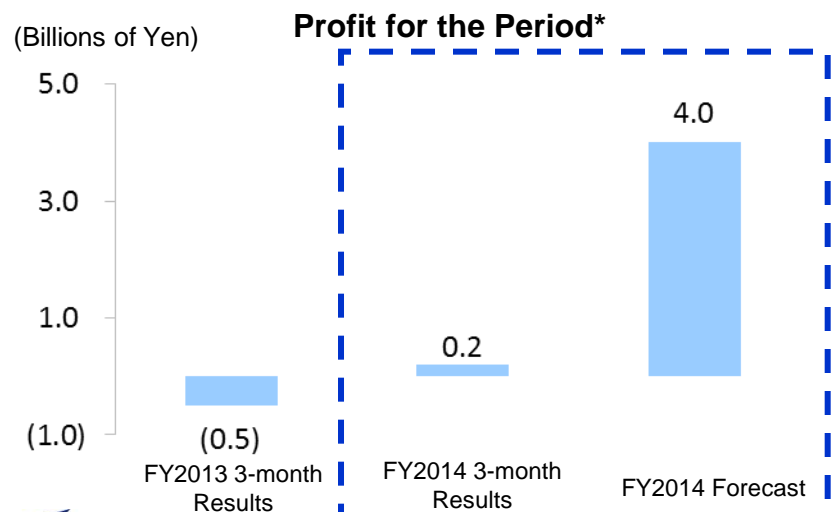
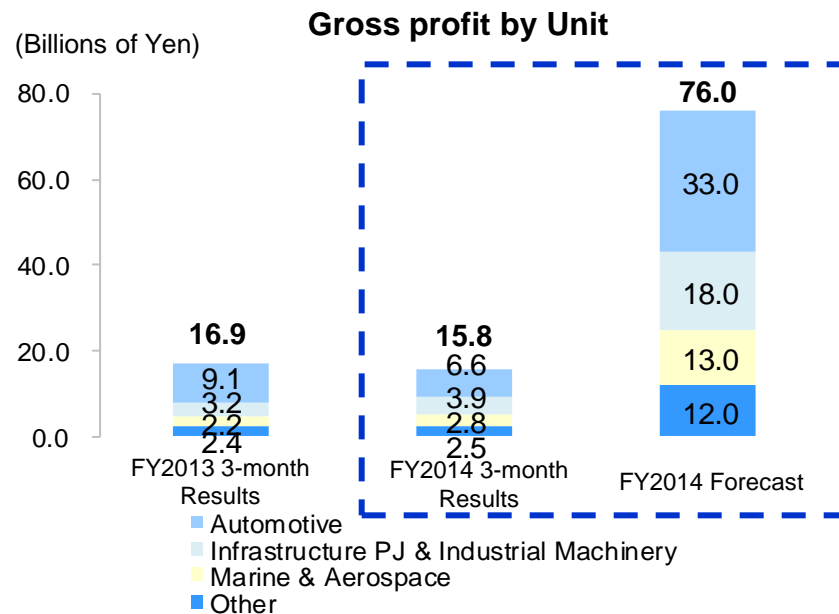


III. Segment Information

Profit for the year, ROA by segment



Machinery



Main Subsidiaries Profit Statement (Gross profit & Profit for the period)

(Billions of Yen)

	(Gross profit)		(Profit for the period)	
	FY2013 3-month Results	FY2014 3-month Results	FY2013 3-month Results	FY2014 3-month Results
MMC Automotriz S.A.	3.3	(0.1)	1.0	(0.7)
Sojitz Machinery Corporation	0.8	0.9	0.0	0.0
Nissho Electronics Corporation	1.6	1.6	(0.9)	(0.6)

Figures in the above table are based on the financial statements prepared by each company.

FY 2014 3-month Results (Supplements)

(Billions of Yen)

	FY 2013 1Q Results	FY 2014 1Q Results	FY 2014 Forecast
Gross profit	16.9	15.8	76.0
Operating income	1.1	1.8	-
Share of profit of investments accounted for using the equity method	0.8	0.8	-
Profit for the period*	(0.5)	0.2	4.0
Total assets	-	451.3	-

Future Outlook

Profit for the Period* FY2014 3-month Results ¥0.2 billion

(Achieved 5.0%)

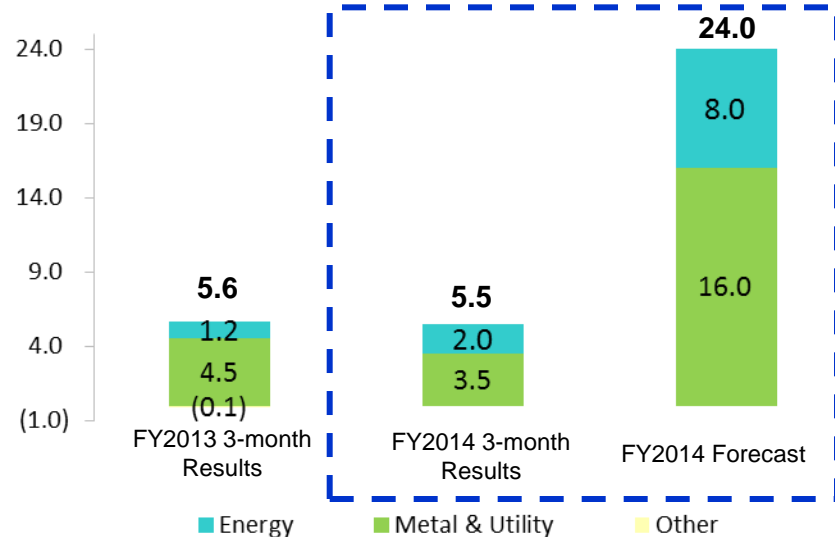
- Aircraft-related businesses are expected to continue seeing strong performance, but caution is necessary with regard to the potential impacts of currency devaluation risks on automotive business in Central and South America.

(*) Profit attributable to owners of the Company

Energy & Metal

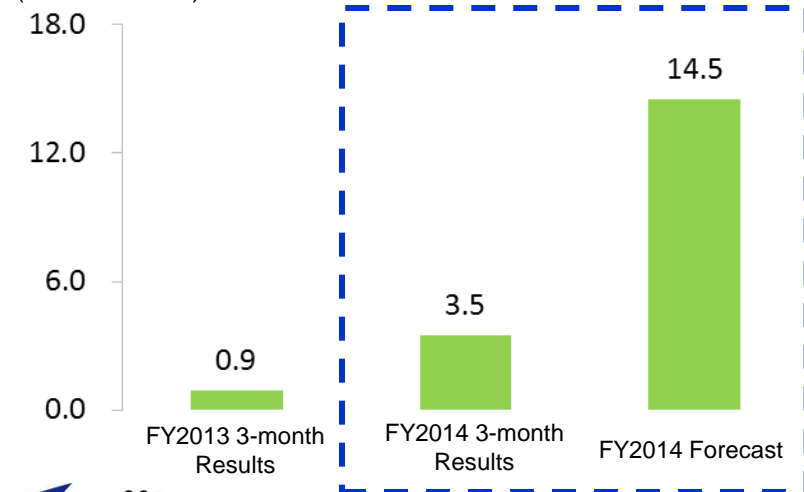
(Billions of Yen)

Gross profit by Unit



(Billions of Yen)

Profit for the Period*



Main Subsidiaries Profit Statement (Gross profit & Profit for the period)

(Billions of Yen)

	(Gross profit)		(Profit for the period)	
	FY2013 3-month Results	FY2014 3-month Results	FY2013 3-month Results	FY2014 3-month Results
Sojitz Coal Resources Pty. Ltd.	0.9	0.2	0.6	(0.1)
Sojitz Energy Venture Inc.	0.3	0.5	(0.7)	0.2
Sojitz Moly Resources, Inc.	(0.4)	0.0	(0.4)	(0.2)

Figures in the above table are based on the financial statements prepared by each company.

FY 2014 3-month Results (Supplements)

(Billions of Yen)

	FY 2013 1Q Results	FY 2014 1Q Results	FY 2014 Forecast
Gross profit	5.6	5.5	24.0
Operating income	(0.9)	(0.2)	-
Share of profit of investments accounted for using the equity method	2.9	4.8	-
Profit for the period*	0.9	3.5	14.5
Total assets	-	584.6	-

Future Outlook

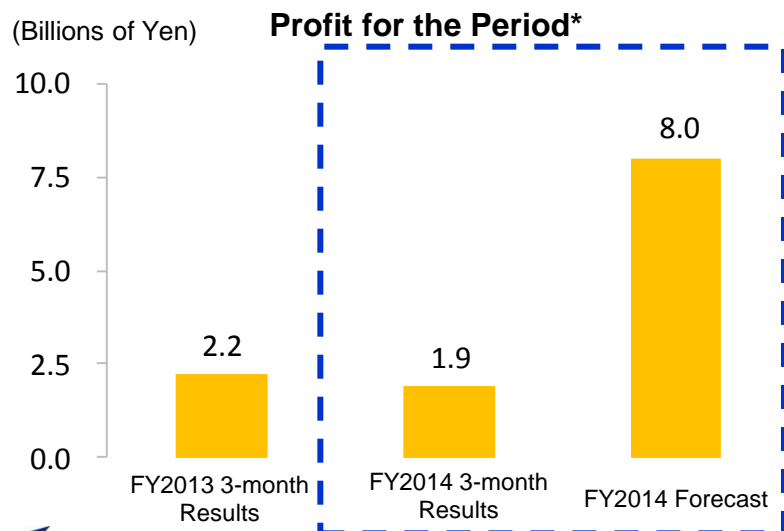
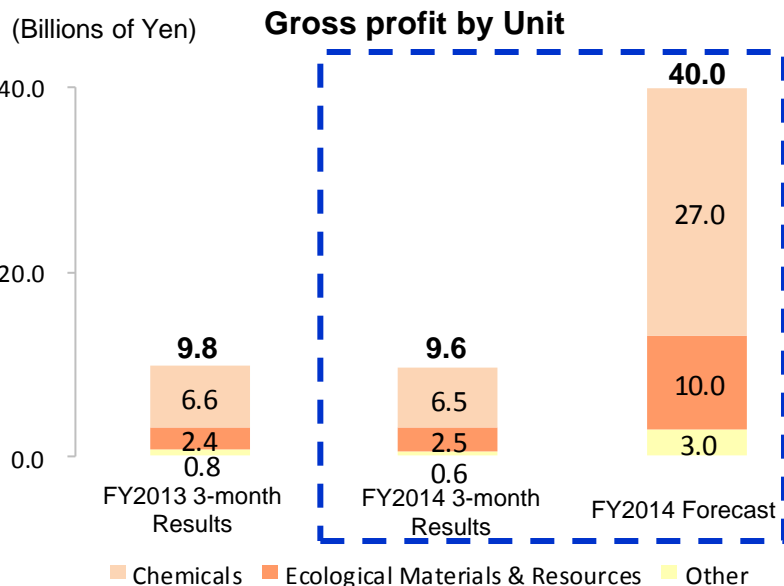
Profit for the Period* FY2014 3-month Results ¥3.5 billion

(Achieved 24.1%)

- Progress is impressive in comparison to forecasts.

(*) Profit attributable to owners of the Company

Chemicals



Main Subsidiaries Profit Statement (Gross profit & Profit for the period)

(Billions of Yen)

	(Gross profit)		(Profit for the period)	
	FY2013 3-month Results	FY2014 3-month Results	FY2013 3-month Results	FY2014 3-month Results
P.T. Kaltim Methanol Industri	1.3	0.8	0.8	0.4
Sojitz Pla-Net Holdings, Inc.	2.2	2.5	(0.2)	0.1

Figures in the above table are based on the financial statements prepared by each company.

FY 2014 3-month Results (Supplements)

(Billions of Yen)

	FY 2013 1Q Results	FY 2014 1Q Results	FY 2014 Forecast
Gross profit	9.8	9.6	40.0
Operating income	3.7	3.2	-
Share of profit of investments accounted for using the equity method	0.1	0.2	-
Profit for the period*	2.2	1.9	8.0
Total assets	-	281.8	-

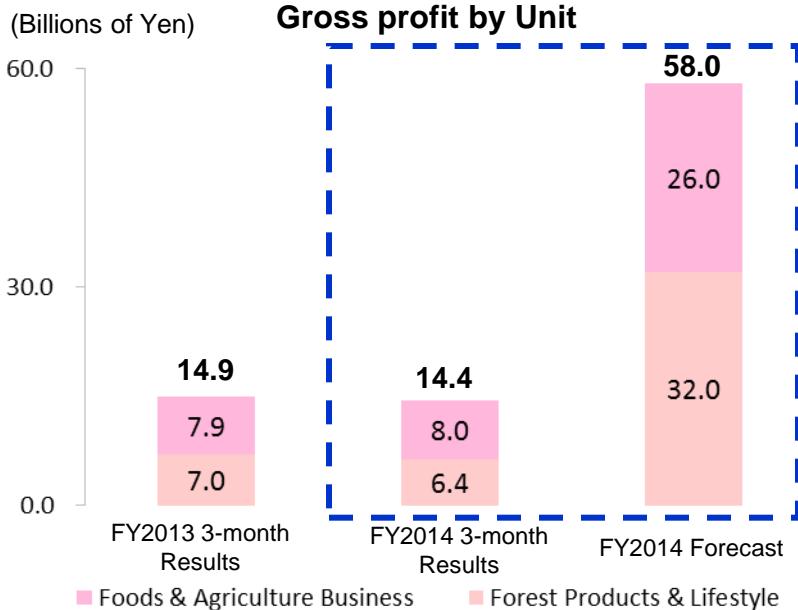
Future Outlook

**Profit for the Period* FY2014 3-month Results ¥1.9billion
(Achieved 23.8%)**

- Despite the negative impacts of fluctuations in market prices for methanol, performance is generally in line with projection because of solid plastic resin transactions centered on Asia.

(*) Profit attributable to owners of the Company

Consumer Lifestyle Business



Main Subsidiaries Profit Statement (Gross profit & Profit for the period)

(Billions of Yen)

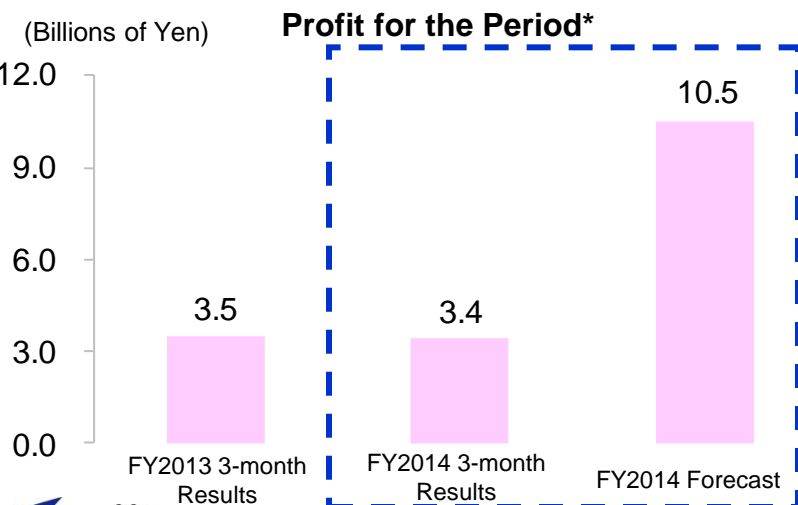
	(Gross profit)		(Profit for the period)	
	FY2013 3-month Results	FY2014 3-month Results	FY2013 3-month Results	FY2014 3-month Results
Sojitz Foods Corporation	1.5	1.7	0.2	0.3
Sojitz Building Materials Corporation	2.0	1.5	0.5	0.1
Sojitz Infinity Inc.	1.1	1.1	0.0	0.0

Figures in the above table are based on the financial statements prepared by each company.

FY 2014 3-month Results (Supplements)

(Billions of Yen)

	FY 2013 1Q Results	FY 2014 1Q Results	FY 2014 Forecast
Gross profit	14.9	14.4	58.0
Operating income	5.4	4.6	-
Share of profit of investments accounted for using the equity method	1.0	1.4	-
Profit for the period*	3.5	3.4	10.5
Total assets	-	464.3	-



Future Outlook

**Profit for the Period* FY2014 3-month Results ¥3.4 billion
(Achieved 32.4%)**

- Progress is impressive in comparison to full-year forecasts due to the solid performance of overseas industrial park businesses.

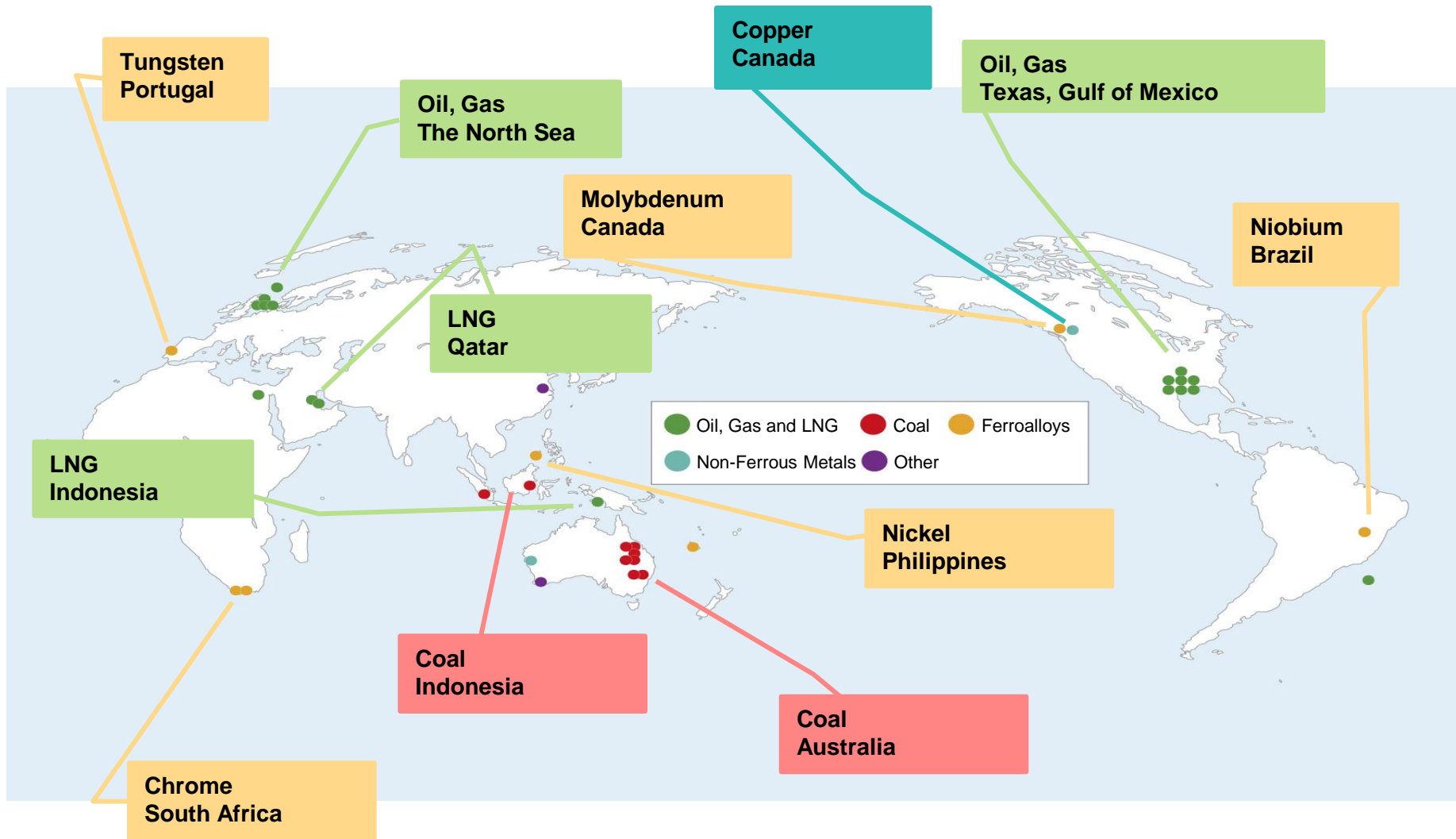
(*) Profit attributable to owners of the Company

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

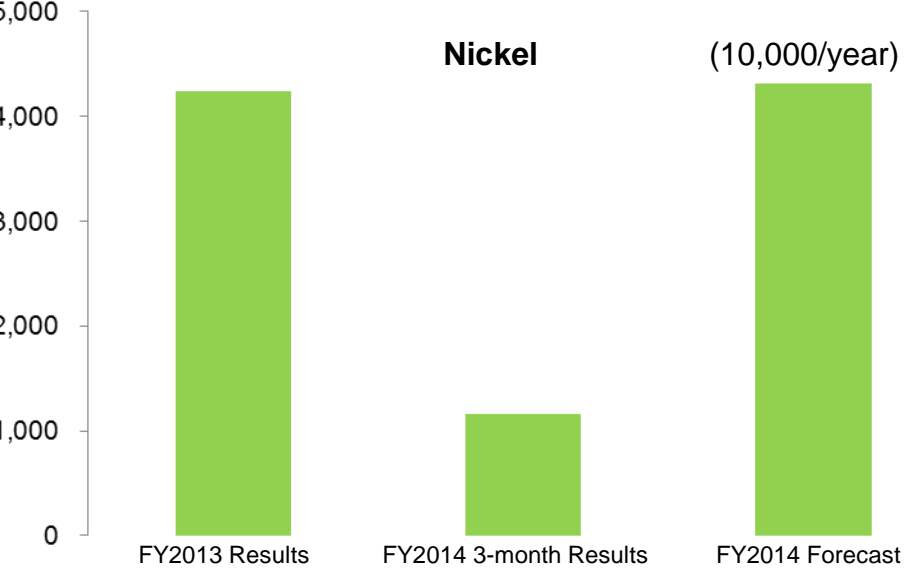
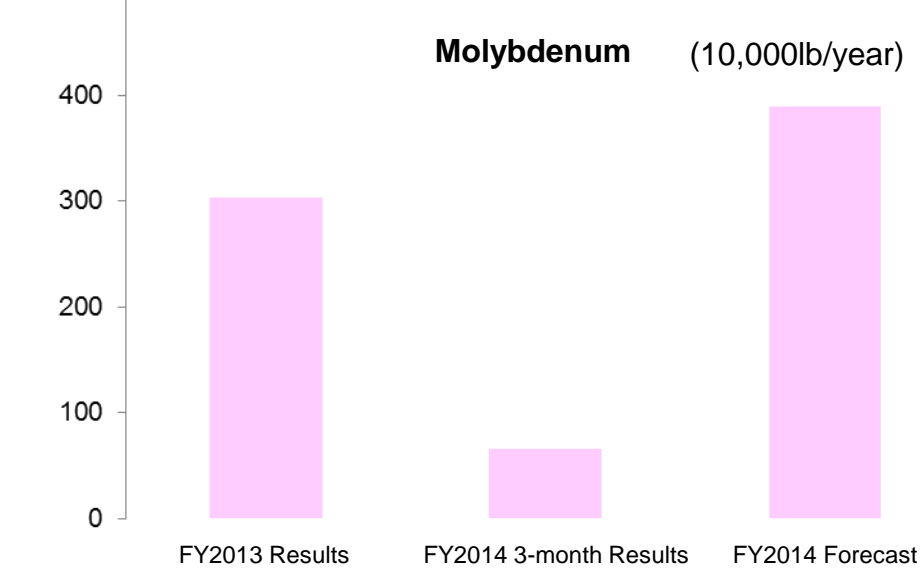
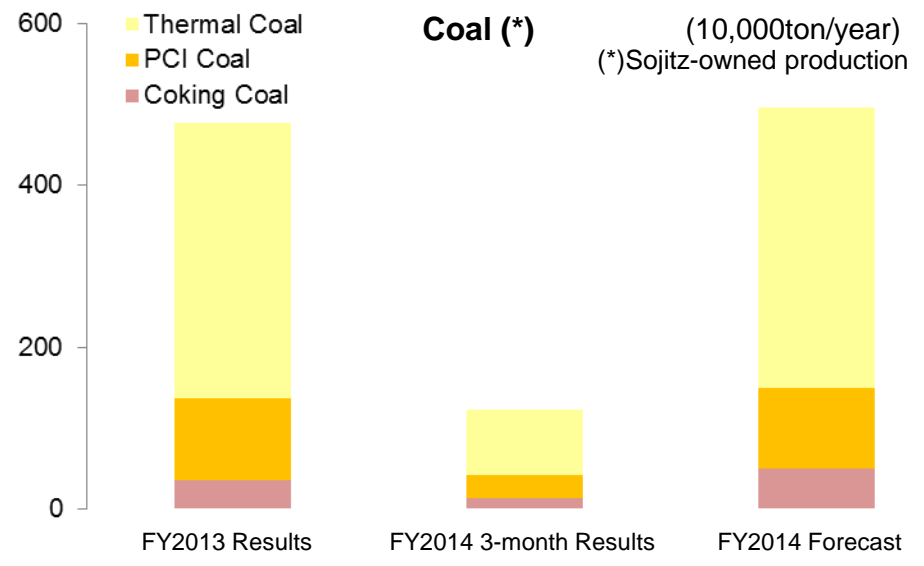
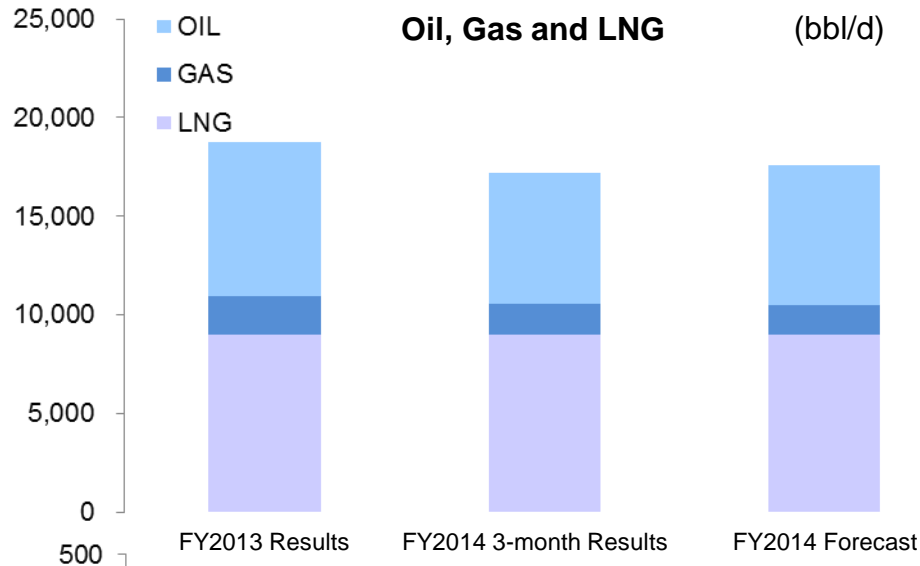
(Billions of yen)	FY 2013 1Q	FY 2013 2Q	FY 2013 3Q	FY 2013 4Q	FY 2013	FY 2014 1Q
Machinery	(0.5)	2.1	3.7	(7.6)	(2.3)	0.2
Energy & Metal	0.9	3.2	(1.0)	6.2	9.3	3.5
Chemicals	2.2	1.8	1.7	2.2	7.9	1.9
Consumer Lifestyle Business	3.5	1.5	2.0	10.5	17.5	3.4
Other	1.8	(2.5)	0.5	(4.9)	(5.1)	(0.1)
Total	7.9	6.1	6.9	6.4	27.3	8.9

IV. Energy & Mineral Resources

Overview of Major Interests



Share of Production Volume from Major Interests



V. Summary of Financial Results

■ Summary of Profit or Loss (IFRS)

(Billions of Yen)	FY2011 Results	FY2012 Results	FY2013 Results	FY2014 3-month Results
Net sales (JGAAP)	4,321.7	3,934.5	4,046.6	946.9
Gross profit	217.1	187.2	198.2	47.2
Operating profit	57.5	25.5	23.7	9.8
Share of profit (loss) of investments accounted for using the equity method	16.3	15.8	31.0	7.3
Profit before tax	58.5	28.1	44.0	14.9
Profit for the year attributable to owners of the Company	(1.0)	13.4	27.3	8.9
Comprehensive income attributable to owners of the Company	(16.2)	56.1	82.2	5.9
Core earnings	65.8	38.5	68.0	14.2
(Reference)				
ROA	(0.0)%	0.6%	1.2%	—
ROE	(0.3)%	3.8%	6.5%	—

■ Summary of Balance Sheets (IFRS)

(Billions of Yen)	Apr. 1, 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Jun. 2014
Total assets	2,170.1	2,190.7	2,150.1	2,220.2	2,194.1
Total equity	346.3	330.0	382.6	459.9	465.9
Risk assets (vs. Total equity)	330.0 (1.0 times)	330.0 (1.0 times)	340.0 (0.9 times)	350.0 (0.8 times)	330.0 (0.7 times)
Current ratio	148.6%	142.5%	152.1%	162.8%	171.4%
Long-term debt ratio	77.0%	73.3%	76.0%	78.7%	80.7%
Equity ratio	16.0%	15.1%	17.8%	20.7%	21.2%
Net interest- bearing debt	697.2	676.4	643.3	640.2	652.3
Net DER	2.0 times	2.0 times	1.7 times	1.4 times	1.4 times

■ Summary of Profit or Loss (JGAAP)

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

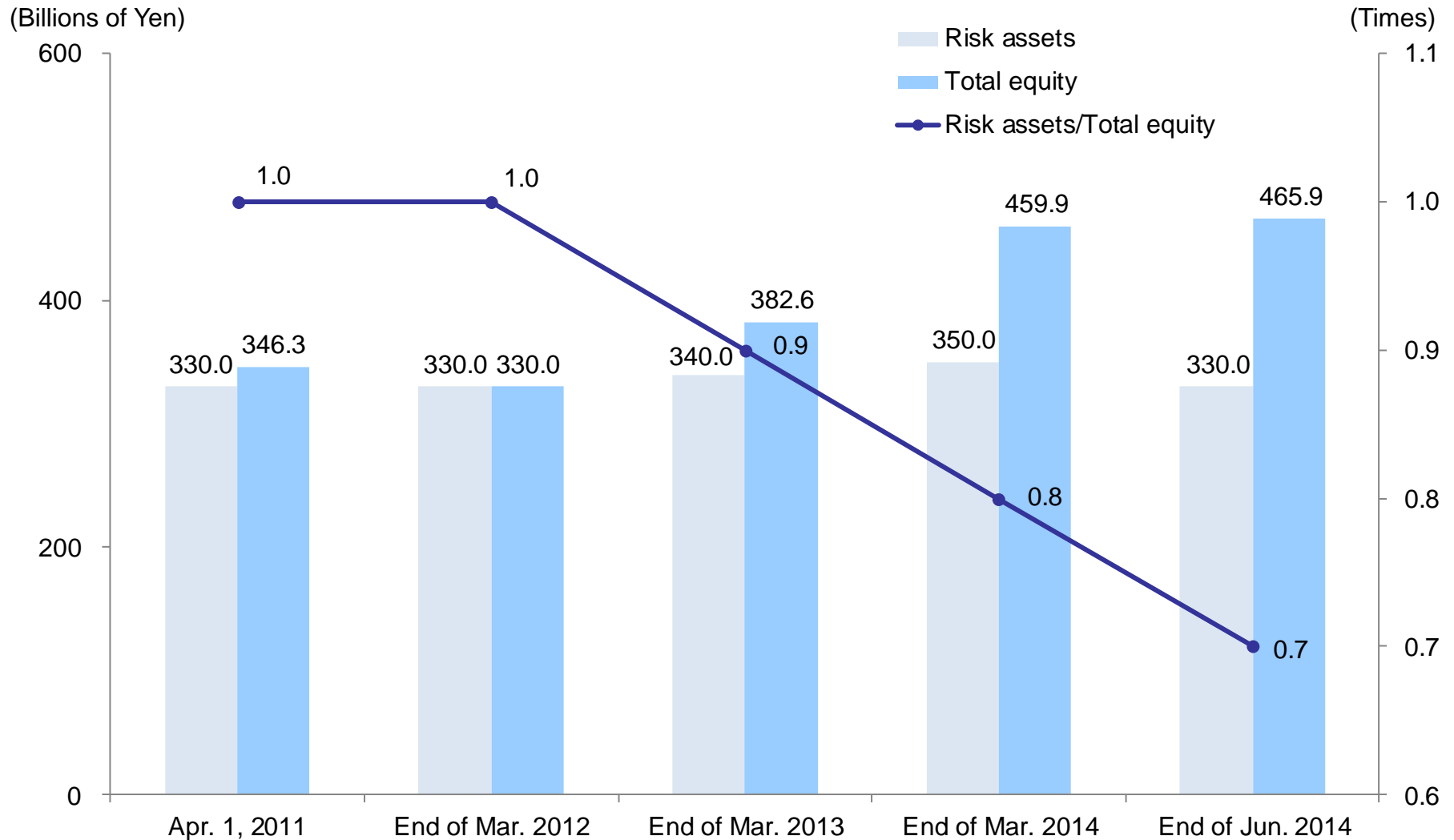
(*) A fifteen-month accounting period was applied for the significant overseas consolidated subsidiaries which underwent a change in their fiscal year end date

■ 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
Total assets	2,669.4	2,313.0	2,160.9	2,117.0	2,120.6	2,086.4
Total equity(*) (Total net assets)	476.0 (520.3)	319.0 (355.5)	352.4 (377.4)	330.0 (355.5)	305.9 (330.5)	353.5 (382.5)
Risk assets (vs. Equity)	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)
Current ratio	121.1%	141.7%	152.7%	142.2%	137.0%	147.2%
Long-term debt ratio	54.0%	66.7%	74.3%	72.3%	70.7%	73.9%
Equity ratio	17.8%	13.8%	16.3%	15.6%	14.4%	16.9%
Net interest- bearing debt	918.9	865.3	737.8	700.6	647.8	616.2
Net DER Net DE ratio based on total net assets	1.9 times (1.8 times)	2.7 times (2.4 times)	2.1 times (2.0 times)	2.1 times (2.0 times)	2.1 times (2.0 times)	1.7 times (1.6 times)

(*) Total equity = Total net assets – Minority interests

Risk Assets and Total Equity (IFRS)





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New way, New value