

Highlights of Consolidated Financial Results for the Year ended March 31, 2015 (IFRS)

May 7, 2015
Sojitz Corporation

Results Highlights

◆ In the year ended March 31, 2015, the final year of Medium-term Management Plan 2014: Change for Challenge, we witnessed political unrest in certain countries and regions, and factors such as this caused concern for the possibility of an economic downturn. However, the global economy on the whole experienced a modest recovery trend focused on the United States. Sojitz's net sales (JGAAP) for the year ended March 31, 2015, were up due to a rise in revenues in the Machinery Division following an increase in plant- and aircraft-related transactions. This increase outweighed the decline in revenues in the Consumer Lifestyle Business Division that stemmed from lower transaction volumes for tobacco.

Gross profit was down as a result of lower earnings from the Consumer Lifestyle Business Division due in a part to a decline in the profits from overseas fertilizer businesses. However, profit for the year attributable to owners of the Company rose because of an improvement in the balance of other income and expenses.

(Figures in parentheses are year-on-year changes)

Net sales (JGAAP) 4,105.3 billion yen (+58.7 billion yen / +1.5%)

- Increase in net sales in the Machinery Division due to higher plant- and aircraft-related transactions

- Decrease in net sales in the Consumer Lifestyle Business Division due to lower transaction volumes for tobacco

Gross profit 197.7 billion yen ((0.5) billion yen / (0.3%))

- Decrease in gross profit in the Consumer Lifestyle Business Division due to lower profits from overseas fertilizer businesses

- Increase in gross profit in the Machinery Division due to the acquisition of a U.S. automobile dealership business and higher aircraft-related transactions

Operating profit 33.6 billion yen (+9.9 billion yen / +41.6%)

- Increase in operating profit for the year because the improved balance of other income and expenses offset the decline in gross profit

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

33.1 billion yen (+5.8 billion yen / +21.4%)

- Increase in operating profit

◆ Cash dividend per share for the fiscal year ended March 31, 2015

Year-end 3.50 yen per share

Full year 6.00 yen per share

◆ Earnings forecast for the fiscal year ending March 31, 2016

Net sales (JGAAP) 4,400.0 billion yen

Operating profit 40.5 billion yen

Profit before tax 58.5 billion yen

Profit for the year (attributable to owners of the Company) 40.0 billion yen

(Assumptions)

Exchange rate (annual average: JPY/US\$) : 120

Crude oil price (US\$/BBL) : 60 (Brent)

◆ Cash dividend per share for the fiscal year ending March 31, 2016

Interim 4.00 yen per share (forecast)

Year-end 4.00 yen per share (forecast)

*1 Net sales (JGAAP) is a measure generally used by Japanese general trading companies and represents the aggregate value of the transactions for which the Group acts as a principal or agent. It is not to be construed as equivalent to, or a substitute for, revenues under IFRS.

*2 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

*3 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.

Consolidated Statements of Profit or Loss

				(Billions of Yen)			
	FY2014 Results a	FY2013 Results b	Difference a-b	Reasons for the difference	FY2014 Forecast c	Percentage Achieved a/c	FY2015 Forecast
Net sales (JGAAP) *1	4,105.3	4,046.6	58.7	Net sales (JGAAP): change in segment Machinery +125.7 Energy & Metal (4.7) Chemicals +31.4 Consumer Lifestyle Business (76.7)	4,230.0	97%	4,400.0
Gross profit	197.7	198.2	-0.5	Gross profit: change in segment Machinery +1.8 Energy & Metal (1.4) Chemicals +0.7 Consumer Lifestyle Business (2.5)	206.0	96%	215.0
Gross profit margin	4.82%	4.90%	(0.08)%		(4.87%)		(4.89%)
Selling, general and administrative expenses							
Personnel expenses	(81.6)	(79.5)	(2.1)				
Non-personnel expenses	(62.7)	(64.7)	2.0				
Depreciation	(6.0)	(6.3)	0.3				
Provision of allowance for doubtful accounts	0.5	(1.1)	1.6				
(Total selling, general and administrative expenses)	(149.8)	(151.6)	1.8		(156.0)		(167.0)
Other income/expenses							
Gain/loss on sale and disposal of fixed assets, net	1.1	6.1	(5.0)				
Impairment loss on fixed assets	(17.4)	(19.5)	2.1	Impairment of ferroalloy and oil field interests			
Gain on sale of subsidiaries/associates	1.8	1.7	0.1				
Loss on reorganization of subsidiaries/associates	(2.1)	(2.7)	0.6				
Other operating income/expenses	2.3	(8.5)	10.8	Decreases in losses regard to overseas automotive subsidiary			
(Total other income/expenses)	(14.3)	(22.9)	8.6		(10.0)		(7.5)
Operating profit	33.6	23.7	9.9		40.0	84%	40.5
Financial income/costs							
Interest earned	4.8	5.4	(0.6)				
Interest expenses	(19.0)	(19.9)	0.9				
(Interest expenses, net)	(14.2)	(14.5)	0.3				
Dividends received	4.5	3.8	0.7				
Other financial income/costs	0.1	0.0	0.1				
(Financial income/costs, net)	(9.6)	(10.7)	1.1		(11.5)		(10.0)
Share of profit (loss) of investments accounted for using the equity method	28.6	31.0	(2.4)		26.5		28.0
Profit before tax	52.6	44.0	8.6		55.0	96%	58.5
Income tax expenses	(14.9)	(11.9)	(3.0)		(17.5)		(14.0)
Profit for the year	37.7	32.1	5.6		37.5	101%	44.5
(Profit attributable to)							
Owners of the Company	33.1	27.3	5.8		33.0	100%	40.0
Non-controlling interests	4.6	4.8	(0.2)		4.5		4.5
Revenue	1,809.7	1,803.1	6.6				
Core earnings *2	66.3	68.0	(1.7)		65.0		66.0

Comprehensive Income

	(Billions of Yen)		
	FY2014 Results a	FY2013 Results b	Difference a-b
Profit for the year	37.7	32.1	5.6
Other comprehensive income	77.3	56.4	20.9
Total comprehensive income for the year	115.0	88.5	26.5
Comprehensive income attributable to:			
Owners of the Company	107.4	82.2	25.2
Non-controlling interests	7.6	6.3	1.3

Cash Flows

	(Billions of Yen)	
	FY2014 Results	FY2013 Results
Cash flows from operating activities	39.1	47.0
Cash flows from investing activities	(13.8)	(24.5)
Free cash flows	25.3	22.5
Cash flows from financing activities	(42.6)	(30.9)
Cash and cash equivalents at the end of the year	403.7	420.7

Consolidated Statements of Financial Position

	(Billions of Yen)			Reasons for the difference
	Mar. 31, 2015 d	Mar. 31, 2014 e	Difference d-e	
Current assets	1323.5	1321.8	1.7	
Cash and cash equivalents	403.7	420.7	(17.0)	
Time deposits	5.5	4.4	1.1	
Trade and other receivables	559.3	524.8	34.5	Increase due to higher transactions for automobiles and soybeans
Inventories	270.3	302.0	(31.7)	Decrease due to lower procurement volume of tobacco
Other current assets	84.7	69.9	14.8	
Non-current assets	973.9	898.4	75.5	
Property, plant and equipment	217.9	213.9	4.0	Increase due to rise in assets for domestic solar power generation businesses
Goodwill	50.2	46.3	3.9	
Intangible assets	53.9	61.0	(7.1)	Decrease following impairment losses related to ferroalloy interests
Investment property	19.5	25.3	(5.8)	
Investments accounted for using the equity method	568.9	470.4	98.5	Increase due to rise in share of profit of investments accounted for using the equity method and change in stock prices
Other non-current assets	63.5	81.5	(18.0)	
Total assets	2,297.4	2,220.2	77.2	
Current liabilities	780.7	811.8	(31.1)	
Trade and other payables	490.9	514.6	(23.7)	Decrease due to lower procurement volume of tobacco
Bonds and borrowings	208.4	227.2	(18.8)	Decrease due to repayment
Other current liabilities	81.4	70.0	11.4	
Non-current liabilities	926.1	915.4	10.7	
Bonds and borrowings	830.4	838.1	(7.7)	Decrease due to transference of certain bonds and borrowings to current liabilities
Retirement benefits liabilities	17.9	16.9	1.0	
Other non-current liabilities	77.8	60.4	17.4	
Total liabilities	1,706.8	1,727.2	(20.4)	
Share capital	160.3	160.3	-	
Capital surplus	146.5	146.5	0.0	
Treasury stock	(0.2)	(0.1)	(0.1)	
Other components of equity	194.6	119.6	75.0	Increase due to change in stock prices and foreign exchange rates
Retained earnings	49.7	33.6	16.1	Profit for the year +33.1, Hyperinflation (11.8), dividends (5.6)
Total equity attributable to owners of the Company	550.9	459.9	91.0	
Non-controlling interests	39.7	33.1	6.6	
Total equity	590.6	493.0	97.6	
Total liabilities and equity	2,297.4	2,220.2	77.2	

Gross interest-bearing debt	1,038.8	1,065.3	(26.5)
Net interest-bearing debt	629.6	640.2	(10.6)
Net debt/equity ratio (times)*	1.14	1.39	(0.25)
Equity ratio *	24.0%	20.7%	3.3%
Current ratio	169.5%	162.8%	6.7%
Long-term debt ratio	79.9%	78.7%	1.2%

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

Highlights of Consolidated Financial Results for the Year Ended March 31, 2015 (IFRS) - Supplementary Material (1)

May 7, 2015
Sojitz Corporation

(Billions of Yen)

Operating Results

	FY 2014 Results	FY 2013 Results	Difference	FY 2014 Forecast (Feb. 5, 2015)	Percentage Achieved (vs Forecast)
Net sales (JGAAP) *1	4,105.3	4,046.6	+ 58.7	4,230.0	97.1%
Gross profit	197.7	198.2	(0.5)	206.0	96.0%
Gross profit margin	(4.82%)	(4.90%)	((0.08)%)	(4.87%)	
Machinery	72.4	70.6	+ 1.8	77.0	94.0%
Energy & Metal	22.3	23.7	(1.4)	22.0	101.4%
Chemicals	39.1	38.4	+ 0.7	39.0	100.3%
Consumer Lifestyle Business	53.8	56.3	(2.5)	58.0	92.8%
Other	10.1	9.2	+ 0.9	10.0	101.0%
Selling, general and administrative expenses	(149.8)	(151.6)	+ 1.8	(156.0)	
Other income/expenses	(14.3)	(22.9)	+ 8.6	(10.0)	
Operating profit	33.6	23.7	+ 9.9	40.0	84.0%
Financial income/costs	(9.6)	(10.7)	+ 1.1	(11.5)	
Share of profit (loss) of investments accounted for using the equity method	28.6	31.0	(2.4)	26.5	
Profit before tax	52.6	44.0	+ 8.6	55.0	95.6%
Profit for the year	37.7	32.1	+ 5.6	37.5	100.5%
Attributable to owners of the Company	33.1	27.3	+ 5.8	33.0	100.3%
Machinery	10.3	(2.3)	+ 12.6	5.0	206.0%
Energy & Metal	0.8	4.5	(3.7)	14.5	5.5%
Chemicals	6.3	7.9	(1.6)	7.0	90.0%
Consumer Lifestyle Business	6.8	17.2	(10.4)	8.5	80.0%
Other	8.9	0.0	+ 8.9	(2.0)	-
Non-controlling interests	4.6	4.8	(0.2)	4.5	
Core earnings *2	66.3	68.0	(1.7)	65.0	
Revenue	1,809.7	1,803.1	+ 6.6		
Comprehensive income attributable to owners of the Company	107.4	82.2	+ 25.2		

*1 Net sales (JGAAP) is a measure generally used by Japanese general trading companies and represents the aggregate value of the transactions for which the Group acts as a principal or agent. It is not to be construed as equivalent to, or a substitute for, revenues under IFRS.

*2 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

(Billions of Yen)

Financial Position

	Mar. 31, 2015	Mar. 31, 2014	Difference	FY 2014 Forecast (Feb. 5, 2015)
Total assets	2,297.4	2,220.2	+ 77.2	2,350.0
Total equity *3	550.9	459.9	+ 91.0	550.0
Equity ratio	24.0%	20.7%	+ 3.3%	23.4%
Net interest-bearing debt	629.6	640.2	(10.6)	620.0
Net D/E ratio (times)	1.14	1.39	(0.25)	1.13
Risk assets	320.0	350.0	(30.0)	-
Ratio of risk assets to equity (times)	0.6	0.8	(0.2)	-

*3 The "Total equity attributable to owners of the Company" is recognized as "Total equity" in bold letters above, and is also used in the denominator of the "Net D/E ratio" and the numerator of the "Equity ratio".

*4 Caution regarding forward-looking statements

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Main Factors Behind Year on Year Changes

● Machinery Division

• Gross profit rose as plant-related and used aircraft sales and other aircraft-related transactions increased. Profit for the year showed a substantial increase due to the absence of losses recorded in the Central and South American automotive business in the previous fiscal year.

● Energy & Metal Division

• Gross profit decreased due to the negative impacts of the drop in prices for crude oil and coal. Profit for the year was also down as a result of recording impairment losses with regard to ferroalloy and oil interests.

● Chemicals Division

• Gross profit increased as a result of higher transaction volumes for plastic resins and the benefits of the depreciated yen. However, profit for the year was down as a result of loss recorded in relation to withdrawing from an unprofitable business.

● Consumer Lifestyle Business Division

• Gross profit was down due to lower lumber-related transaction volumes, and profit for the year decreased due in part to a decline in share of profit of investments accounted for using the equity method.

● Other

• Gross profit increased due to contributions from real estate related businesses including real estate investment trust operations. Profit for the year showed substantial growth due to a one-time income related to a liquidation of an affiliated company.

Main Factors Behind Differences between Results and Forecast for FY2014

● Machinery Division

• Profit for the year greatly exceeded full-year forecasts due in part to the large quantity of plant-related and used aircraft sales and other aircraft-related transactions. Another contribution came from the fact that the loss incurred in the Central and South American automotive business was less than initially expected.

● Energy & Metal Division

• Despite the strong performance of a steel product-related affiliate and an LNG-related affiliate in the first half of the fiscal year, profit for the year fell significantly below full-year forecasts as a result of recording impairment losses in the fourth quarter with regard to ferroalloy and oil interests, due to a drop in prices of crude oil, coal and ferroalloys in the second half of the fiscal year.

● Chemicals Division

• Gross profit increased as a result of higher transaction volumes for chemicals and plastic resins in Asia. However, profit for the year fell below full-year forecasts as a result of the impact of recording a loss in relation to withdrawing from an unprofitable business.

● Consumer Lifestyle Business Division

• Despite the brisk performance of food-related businesses and overseas fertilizer businesses, profit for the year was lower than projected in full-year forecasts as a result of a slump in lumber-related transactions.

● Other

• Profit for the year greatly exceeded full-year forecasts due to higher real estate-related revenues coupled with a one-time income related to the liquidation of an affiliated company.

Commodity Prices and Exchange Rates

	FY 2013 Results (Annual Avg.)	FY 2014 Results (Annual Avg.)	FY 2014 Results (Jan.-Mar. '15 Avg.)
Crude oil (Brent) **1	\$107.5/bbl	\$85.5/bbl	\$53.9/bbl
Thermal coal **2	\$89.5/t	\$72.3/t	\$65.6/t
Molybdenum	\$10.0/lb	\$11.0/lb	\$8.5/lb
Nickel **3	\$6.8/lb	\$7.7/lb	\$7.2/lb
Exchange rate **4	¥100.5/\$	¥110.6/\$	¥119.2/\$

**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.

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

**3 The price assumptions of nickel are 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 annually.

Highlights of Consolidated Financial Results for the Year Ended March 31, 2015 (IFRS) - Supplementary Material (2)

May 7, 2015
Sojitz Corporation

Business Performance

(Billions of Yen)

	FY 2014 Results	FY 2015 Forecast	Difference
Net sales (JGAAP) *1	4,105.3	4,400.0	+ 294.7
Gross profit	197.7	215.0	+ 17.3
Gross profit margin	(4.82%)	(4.89%)	(+0.07%)
Selling, general and administrative expenses	(149.8)	(167.0)	(17.2)
Other income/expenses	(14.3)	(7.5)	+ 6.8
Operating profit	33.6	40.5	+ 6.9
Financial income/costs	(9.6)	(10.0)	(0.4)
Share of profit (loss) of investments accounted for using the equity method	28.6	28.0	(0.6)
Profit before tax	52.6	58.5	+ 5.9
Profit for the year	37.7	44.5	+ 6.8
Attributable to owners of the Company	33.1	40.0	+ 6.9
Non-controlling interests	4.6	4.5	(0.1)
Core earnings *2	66.3	66.0	(0.3)

*1 Net sales (JGAAP) is a measure generally used by Japanese general trading companies and represents the aggregate value of the transactions for which the Group acts as a principal or agent. It is not to be construed as equivalent to, or a substitute for, revenues under IFRS.

*2 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

Segment Information

(Billions of Yen)

Current Segment <Nine Divisions>	Profit for the year*4	Profit for the year*4
	FY 2014 Results *5	FY 2015 Forecast
Automotive	2.7	5.5
Aerospace & IT Business	3.3	3.0
Infrastructure & Environment Business	4.4	4.0
Energy	3.3	1.5
Metals & Coal	(2.6)	9.5
Chemicals	6.3	9.0
Foods & Agriculture Business	2.7	4.0
Lifestyle Commodities & Materials	2.7	3.5
Retail	3.0	2.0
Other	7.3	(2.0)
Total	33.1	40.0

*4 Profit attributable to owners of the Company

*5 Figures for FY2014 use performance figures from the former organizational structure (4 divisions and Other) that have been restated to match the new organizational structure (9 divisions and Other) using simple calculations, and may therefore differ from figures disclosed in the future.

FY 2015 Current Position and Outlook

Automotive	• Losses in Central and South American automotive business are expected to decline while new investments and loans generate increased profits.
Aerospace & IT Business	• Transactions in new aircraft-related businesses are forecast to increase.
Infrastructure & Environment Business	• New businesses, such as renewable energy-related businesses and transportation and infrastructure-related businesses, are expected to generate increased profits. In addition, new investments and loans are forecast to be implemented.
Energy	• The impairment losses recorded with regard to certain oil interests in the year ended March 31, 2015 will be absent, but the performance of an LNG-related affiliate will be impacted by the drop in crude oil prices.
Metals & Coal	• The impairment losses recorded with regard to ferroalloy interests in the year ended March 31, 2015 will be absent, and certain nonferrous metal interests will see improved performance.
Chemicals	• Higher chemical and plastic resin transactions in Asia and the Americas are expected along with increased profits from previously implemented investments and loans.
Foods & Agriculture Business	• Profits are forecast to increase due to improvements in the performance of grain businesses.
Lifestyle Commodities & Materials	• Lumber-related transactions and other existing businesses are forecast to recover from the slump experienced in the year ended March 31, 2015.
Retail	• Food-related businesses are expected to see increased profits, but performance will be impacted by the rebound from the gain on sale of investment property recorded in the year ended March 31, 2015.
Other	• Costs related to asset replacement are expected.

Financial Position

(Billions of Yen)

	Mar. 31, 2015	Mar. 31, 2016 Forecast	Difference
Total assets	2,297.4	2,400.0	+ 102.6
Total equity *3	550.9	580.0	+ 29.1
Equity ratio	24.0%	24.2%	+ 0.2%
Net interest-bearing debt	629.6	680.0	+ 50.4
Net D/E ratio (times)	1.14	1.20	+ 0.06
Risk assets	320.0	-	-
Ratio of risk assets to equity (times)	0.6	-	-

*3 The "Total equity attributable to owners of the Company" is recognized as "Total equity" in bold letters above, and is also used in the denominator of the "Net D/E ratio" and the numerator of the "Equity ratio".

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Commodity Prices and Exchange Rates

	FY 2015 Initial Assumption (Annual Avg.)	Latest (As of Apr. 30, 2015)
Crude oil (Brent) **1	\$60/bbl	\$66.8/bbl
Thermal coal **2	\$68/t	\$67.8/t
Molybdenum	\$8.5/lb	\$7.6/lb
Nickel **3	\$7.0/lb	\$6.3/lb
Exchange rate **4	¥120/\$	¥119.0/\$

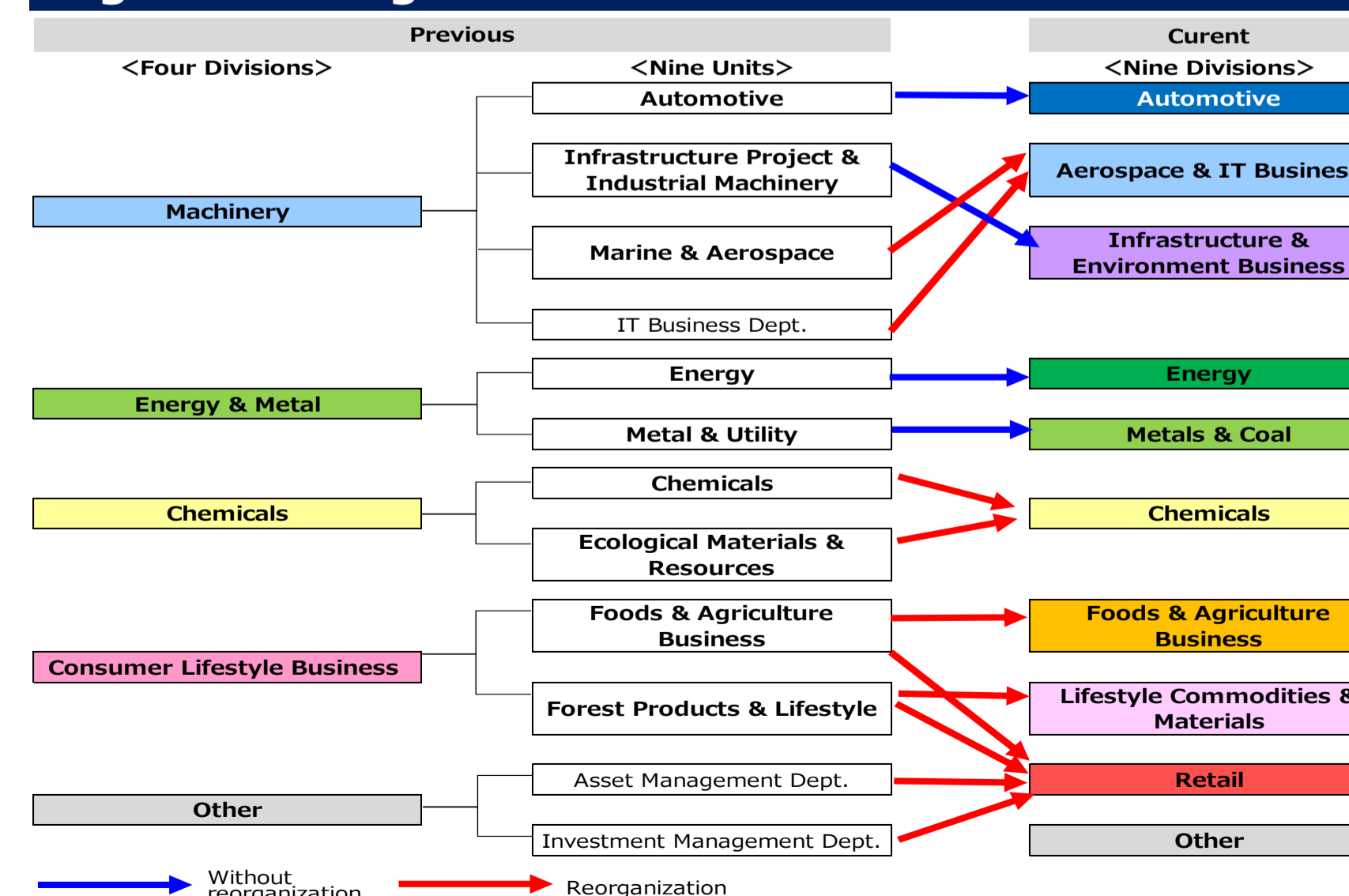
**1 Impact of fluctuations in the crude oil price on earnings: A \$1/bbl change alters profit for the year (attributable to owners of the Company) by approx. ¥0.1 billion.

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**3 The price assumptions of nickel are 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 annually.

Segment Reorganization



* The above changes reflect major organizational reforms