

# Financial Results for the Year Ended March 31, 2015 (Reference)

**May 7, 2015**  
**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.

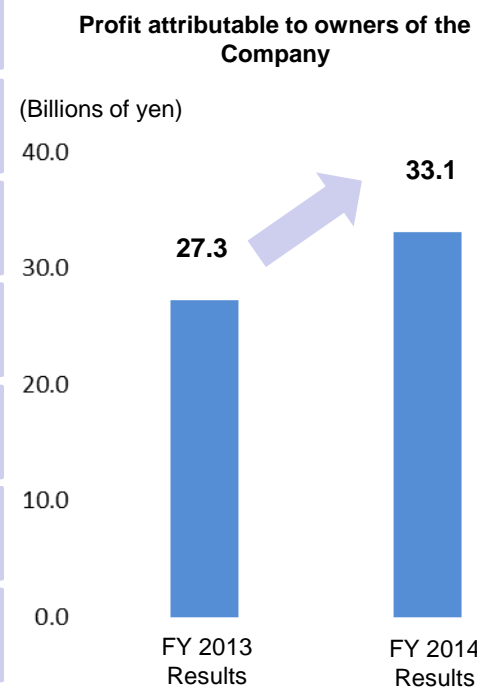
## I. Financial Results for the Year ended March 31, 2015

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## ■ Summary of Profit or Loss

**Profit for the year target achieved, despite impairment losses recorded in ferroalloy and oil interests and, conducting fundamental measures against the foreign currency and inflation in the Central and South American automotive business**

(Billions of Yen)	FY 2013 Results	FY 2014 Results	Difference	Achieved (vs. forecast)
<b>Net sales (JGAAP)</b>	4,046.6	4,105.3	+58.7	97.1%
<b>Gross profit</b>	198.2	197.7	(0.5)	96.0%
<b>Operating profit</b>	23.7	33.6	+9.9	84.0%
<b>Share of profit (loss) of investments accounted for using the equity method</b>	31.0	28.6	(2.4)	107.9%
<b>Profit before tax</b>	44.0	52.6	+8.6	95.6%
<b>Profit for the year attributable to owners of the Company</b>	27.3	33.1	+5.8	100.3%
<b>Comprehensive income attributable to owners of the Company</b>	82.2	107.4	+25.2	—
<b>Core earnings</b>	68.0	66.3	(1.7)	102.0%



## ■ Major Accounting Treatments in the Year Ended March 31, 2015

	Amount	Details	Impacted area
Ferroalloy and nonferrous metal interests	(12.0) Billion yen	Impairment losses	PL
Oil interests	(4.8) Billion yen	Impairment losses	PL
Central and South American Automotive Business*	(11.4) Billion yen	Decrease in translated equity of the subsidiary due to change in the exchange rate	BS

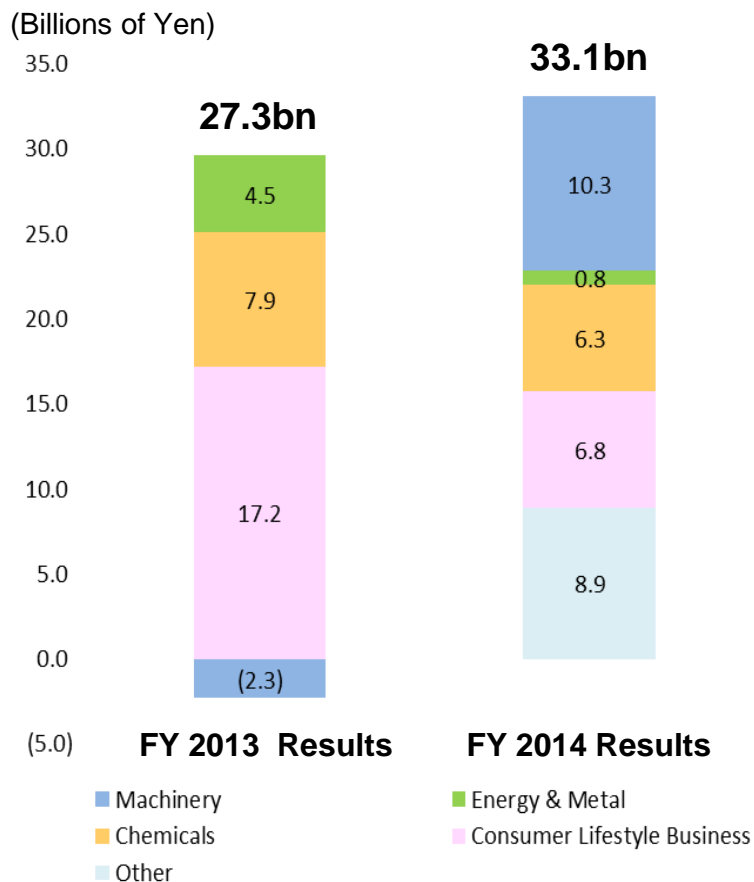
(\*) Loss and provision for loss on dissolution of subsidiaries and affiliates (consisting of allowance for doubtful receivables and impairment on investments) of ¥20.1 billion was recorded on the Company's non-consolidated financial statements

# Summary of Profit or Loss

## Profit for the year by segment

**Increase in overall profit for the year primarily attributable to higher Machinery Division earnings**

Profit for the year by segment attributable to owners of the Company



### Factor behind year on year change in earnings

- **Machinery ¥10.3 billion (- YoY)**

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 ¥0.8 billion (down 82.2% YoY)**

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 ¥6.3 billion (down 20.3% YoY)**

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 ¥6.8 billion (down 60.5% YoY)**

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 ¥8.9 billion (- YoY)**

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.

## ■ Summary of Balance Sheets

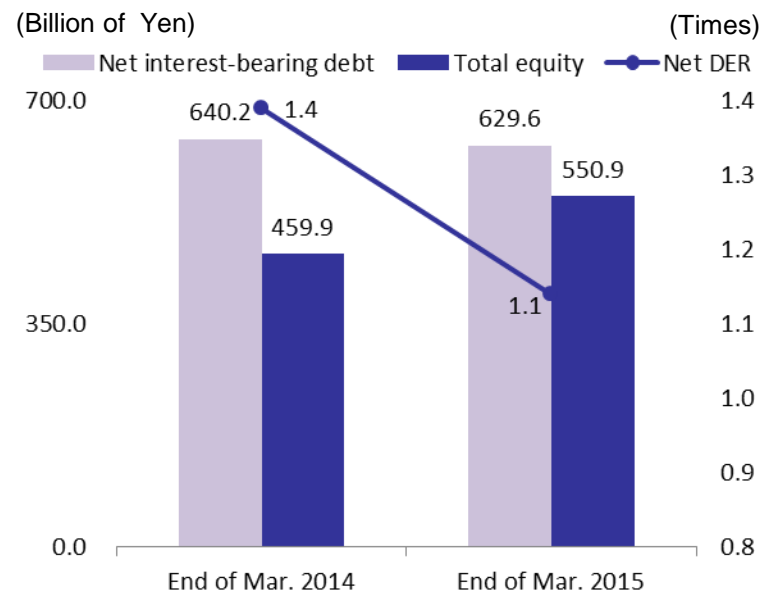
### Total equity showed steady improvement

(Billions of Yen)	End of Mar. 2014	End of Mar. 2015	Difference
<b>Total assets</b>	2,220.2	2,297.4	+ 77.2
<b>Total equity</b>	459.9	550.9	+91.0
<b>Risk assets vs. Total equity</b>	350.0 0.8 times	320.0 0.6 times	(30.0) (0.2) times
<b>Current ratio</b>	162.8%	169.5%	+6.7%
<b>Long-term debt ratio</b>	78.7%	79.9%	+1.2%
<b>Equity ratio</b>	20.7%	24.0%	+3.3%
<b>Net interest-bearing debt</b>	640.2	629.6	(10.6)
<b>Net DER (Times)</b>	1.4	1.1	(0.3)

### Changes in total equity

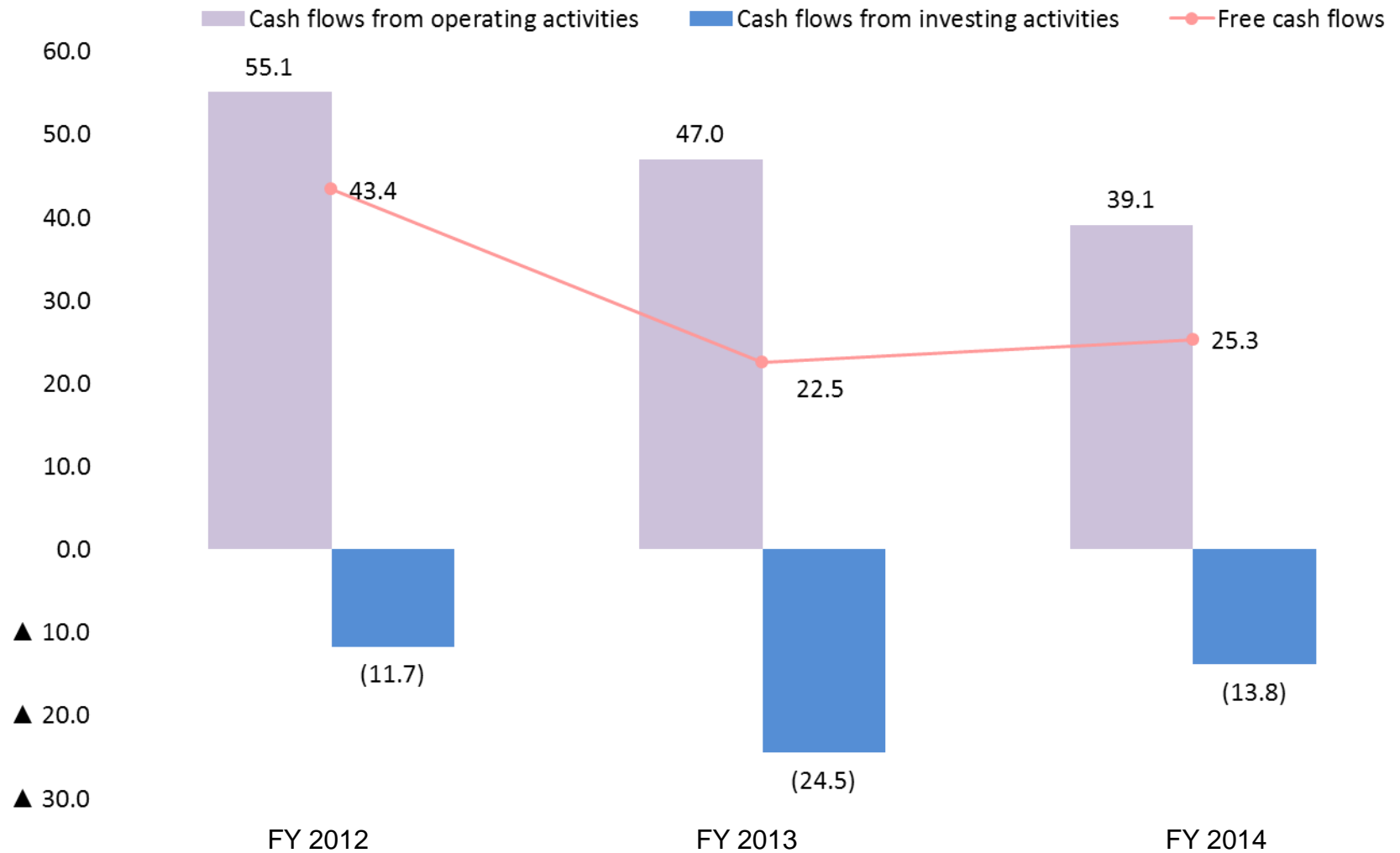
(End of Mar. 2014 vs. end of Mar. 2015, breakdown)

- Profit for the year attributable to owners of the Company ¥33.1 billion
- Dividends paid ¥(5.6) billion, etc.
- Changes due to fluctuations in stock prices and foreign exchange rates ¥75.0 billion



# Summary of Free Cash Flows

(Billions of Yen)





# ■ Mid-term Management Plan 2014 - Asset Replacement -

## Improve asset quality to strengthen earnings capacity

### Asset Replacement Results (FY 2012 – FY 2014)

	FY2012 Results	FY2013 Results	FY2014 Results	Total
Investment & Loan	¥44.0bn	¥54.0bn	¥57.0bn	¥155.0bn
Asset Reduction	¥81.0bn	¥49.0bn	¥48.0bn	¥178.0bn
Collection of Funds	¥47.0bn	¥55.0bn	¥51.0bn	¥153.0bn

#### Asset reduction: ¥178.0bn (FY 2012 – FY 2014 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 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: ¥155.0bn (FY 2012 – FY 2014 total)

##### Machinery

- ✓ Middle Eastern IPP projects
- ✓ African desalination business
- ✓ 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

## II. Full Year Forecast of Fiscal Year Ending March 31, 2016

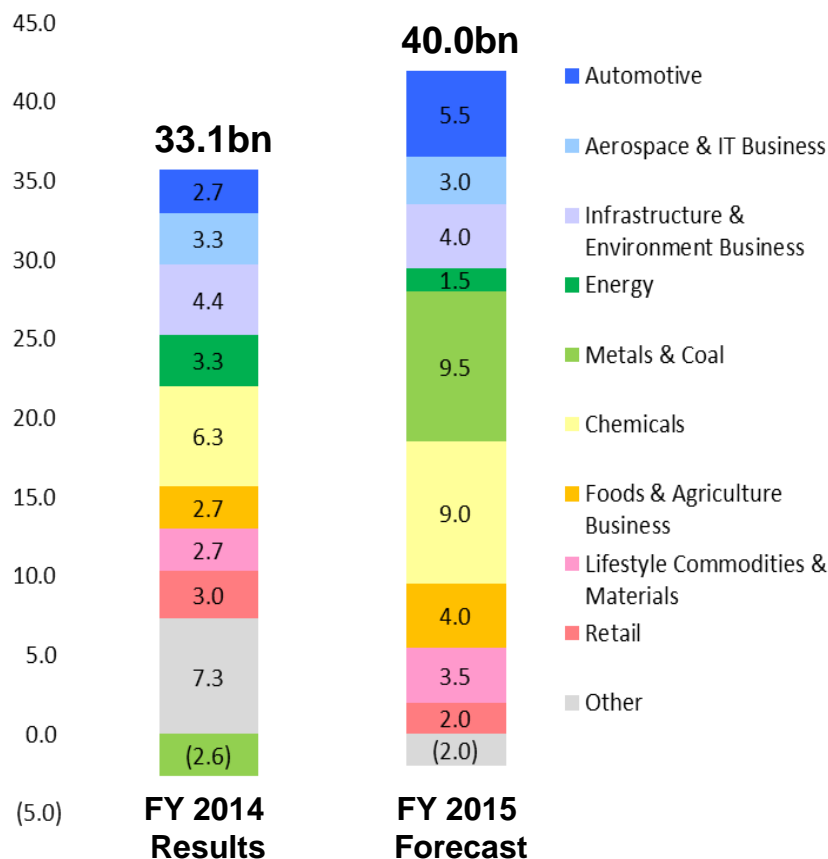
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# FY2015 Forecast

## Profit for the year by Divisions

Profit for the year by Divisions  
attributable to owners of the Company

(Billions of Yen)



(\*) 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 Outlook

### ● Automotive ¥5.5bn

Losses in Central and South American automotive business are expected to decline while new investments and loans generate increased profits.

### ● Aerospace & IT Business ¥3.0bn

Transactions in new aircraft-related businesses are forecast to increase.

### ● Infrastructure & Environment ¥4.0bn

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 ¥1.5bn

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 ¥9.5bn

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 ¥9.0bn

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 ¥4.0bn

Profits are forecast to increase due to improvements in the performance of grain businesses.

### ● Lifestyle Commodities & Materials ¥3.5bn

Lumber-related transactions and other existing businesses are forecast to recover from the slump experienced in the year ended March 31, 2015.

### ● Retail ¥2.0bn

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 ¥(2.0)bn

Costs related to asset replacement are expected.

# Commodity Prices, Foreign Exchange, and Interest Rate

	FY 2013 Results (Annual Avg.)	FY 2014 Results (Annual Avg.)	FY 2015 Initial Assumption (Annual Avg.)	Latest (As of April 30, 2015)
Crude oil (Brent)*1	\$107.5/bbl	\$85.5/bbl	\$60/bbl	\$66.8/bbl
Thermal Coal *2	\$89.5/t	\$72.3/t	\$68/t	\$67.8/t
Molybdenum	\$10.0/lb	\$11.0/lb	\$8.5/lb	\$7.6/lb
Nickel *3	\$6.8/lb	\$7.7/lb	\$7.0/lb	\$6.3/lb
Exchange rate*4	¥100.5/\$	¥110.6/\$	¥120/\$	¥119.0/\$
Interest rate (TIBOR)	0.23%	0.20%	0.20%	0.17%

\*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 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.

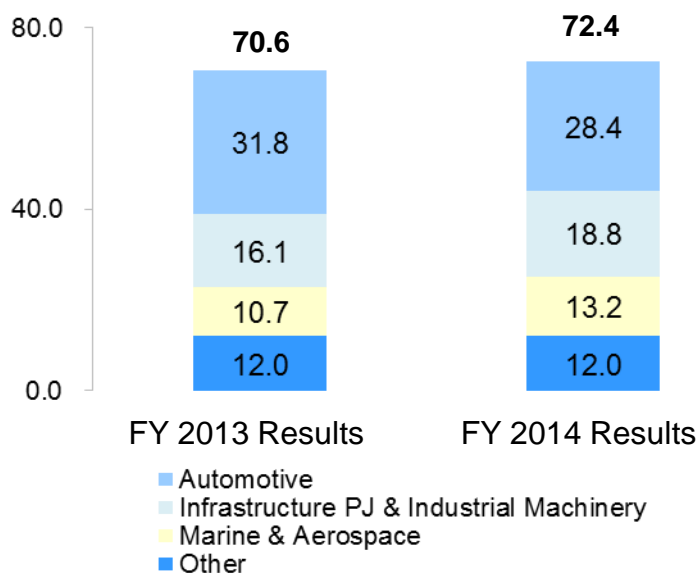
## 【Supplemental Data I.】 Segment Information

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# Machinery

(Billions of Yen)

## Gross profit by Unit



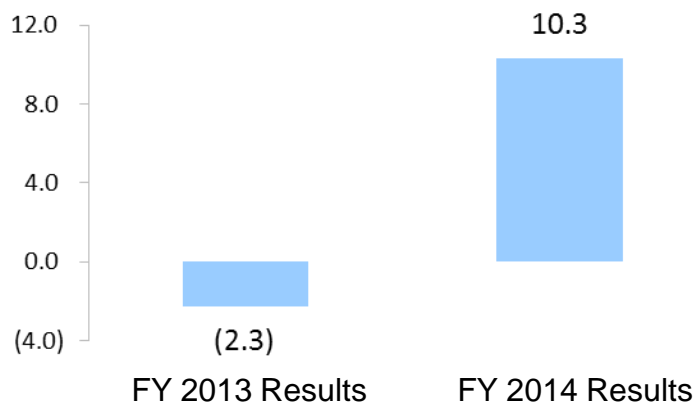
## FY 2014 Results (Supplements)

### Profit for the Year\* ¥10.3bn

- **Automotive Unit**  
Profit for the year increased due to the absence of losses recorded in the Central and South American automotive business during the previous fiscal year.
- **Infrastructure Project & Industrial Machinery Unit**  
Profit for the year was up due to higher plant-related transactions.
- **Marine & Aerospace Unit**  
Profit for the year was up following higher aircraft-related transactions such as used aircraft sales.

(Billions of Yen)

## Profit for the Year\*

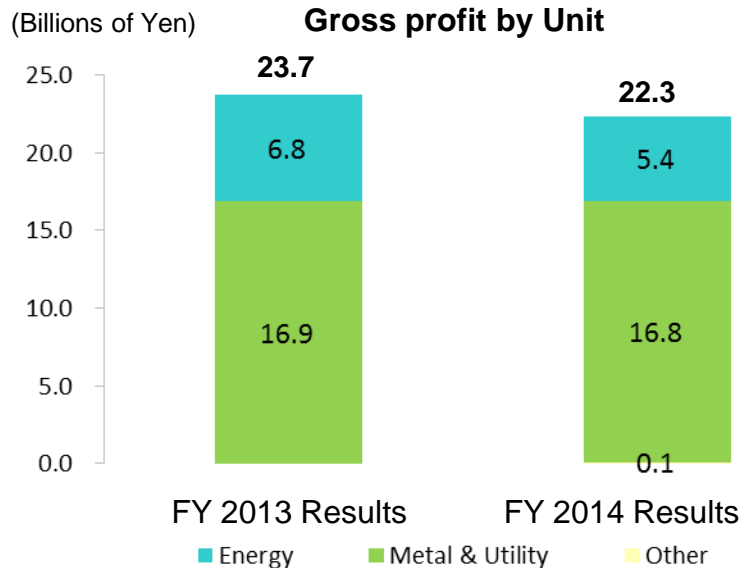


(Billions of Yen)

	FY 2013 Results	FY 2014 Results
Gross profit	70.6	72.4
Operating income	2.9	17.0
Share of profit of investments accounted for using the equity method	3.4	3.9
Profit for the year*	(2.3)	10.3
Total assets	444.1	460.5

(\*) Profit attributable to owners of the Company

# Energy & Metal



## FY 2014 Results (Supplements)

### Profit for the Year\* ¥0.8bn

- Energy Unit  
Profit for the year was down due to the impairment losses recorded with regard to oil fields following the impacts of the drop in crude oil prices.
- Metal & Utility Unit  
Profit for the year was down due to the drop in coal prices and impairment losses recorded with regard to certain ferroalloy interests.



(Billions of Yen)

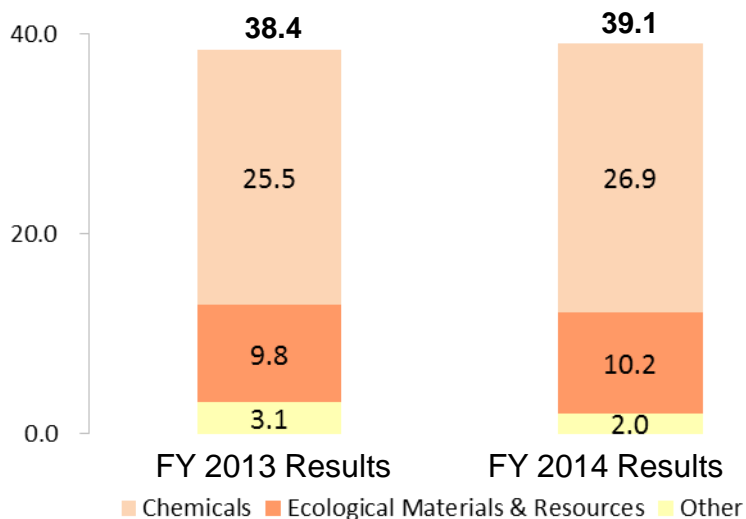
	FY 2013 Results	FY 2014 Results
Gross profit	23.7	22.3
Operating income	(11.2)	(17.9)
Share of profit of investments accounted for using the equity method	16.2	21.4
Profit for the year*	4.5	0.8
Total assets	590.8	623.0

(\*) Profit attributable to owners of the Company

# Chemicals

(Billions of Yen)

## Gross profit by Unit



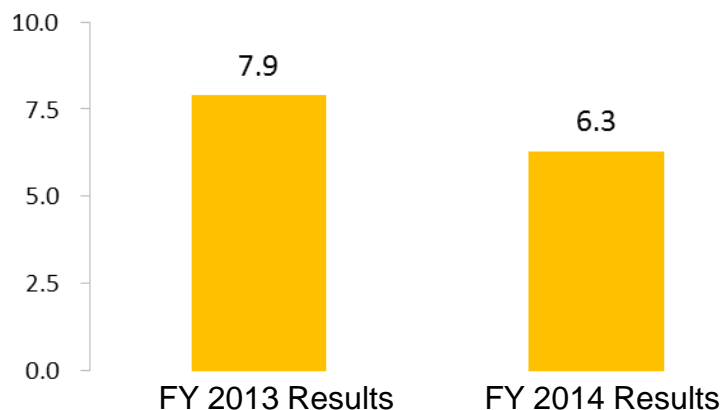
## FY 2014 Results (Supplements)

### Profit for the Year\* ¥6.3bn

- Chemicals Unit  
Profit for the year was relatively unchanged year on year by the solid performance of chemicals and plastic resins in Asia.
- Ecological Materials & Resources Unit  
Profit for the year was down as a result of losses recorded related to the withdrawal from a business with low profitability.

(Billions of Yen)

## Profit for the Year\*



(Billions of Yen)

	FY 2013 Results	FY 2014 Results
Gross profit	38.4	39.1
Operating income	14.0	11.9
Share of profit of investments accounted for using the equity method	0.6	0.6
<b>Profit for the year*</b>	<b>7.9</b>	<b>6.3</b>
Total assets	280.3	290.1

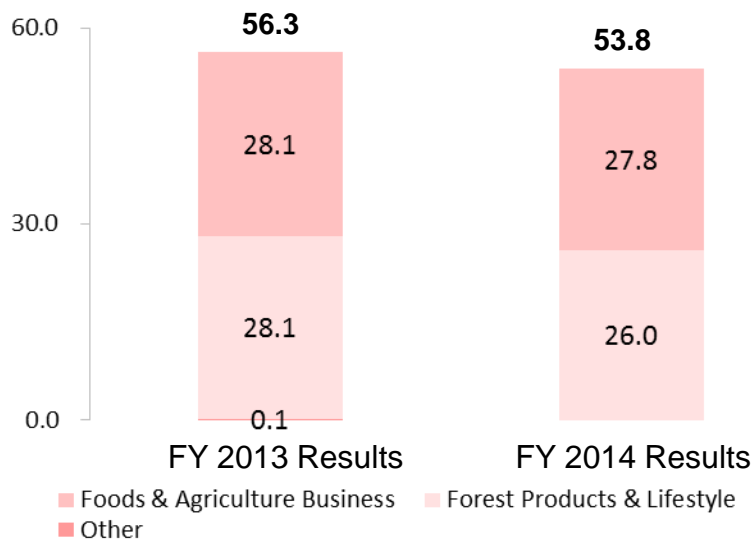
(\*) Profit attributable to owners of the Company



# Consumer Lifestyle Business

(Billions of Yen)

## Gross profit by Unit



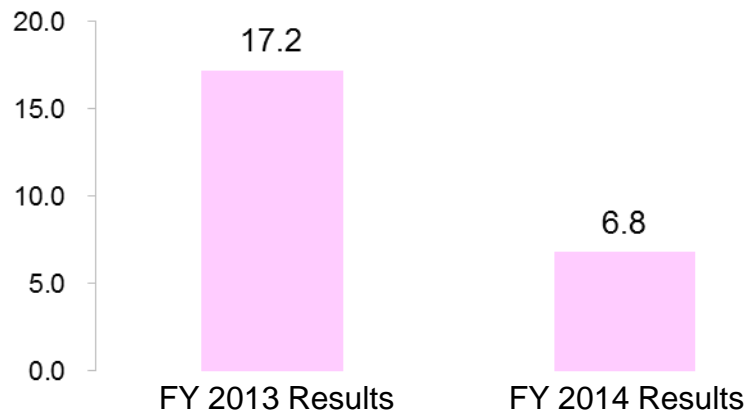
## FY 2014 Results (Supplements)

### Profit for the Year\* ¥6.8bn

- Foods & Agriculture Business Unit  
Profit for the year decreased as the brisk performance of food-related businesses was outweighed by the impacts of the rebound from the impressive performance seen in overseas fertilizer businesses during the previous fiscal year.
- Forest Product & Lifestyle Unit  
Profit for the year was down following lower lumber-related transaction volumes and a decline in share of profit of investments accounted for using the equity method.

(Billions of Yen)

## Profit for the Year\*



(Billions of Yen)

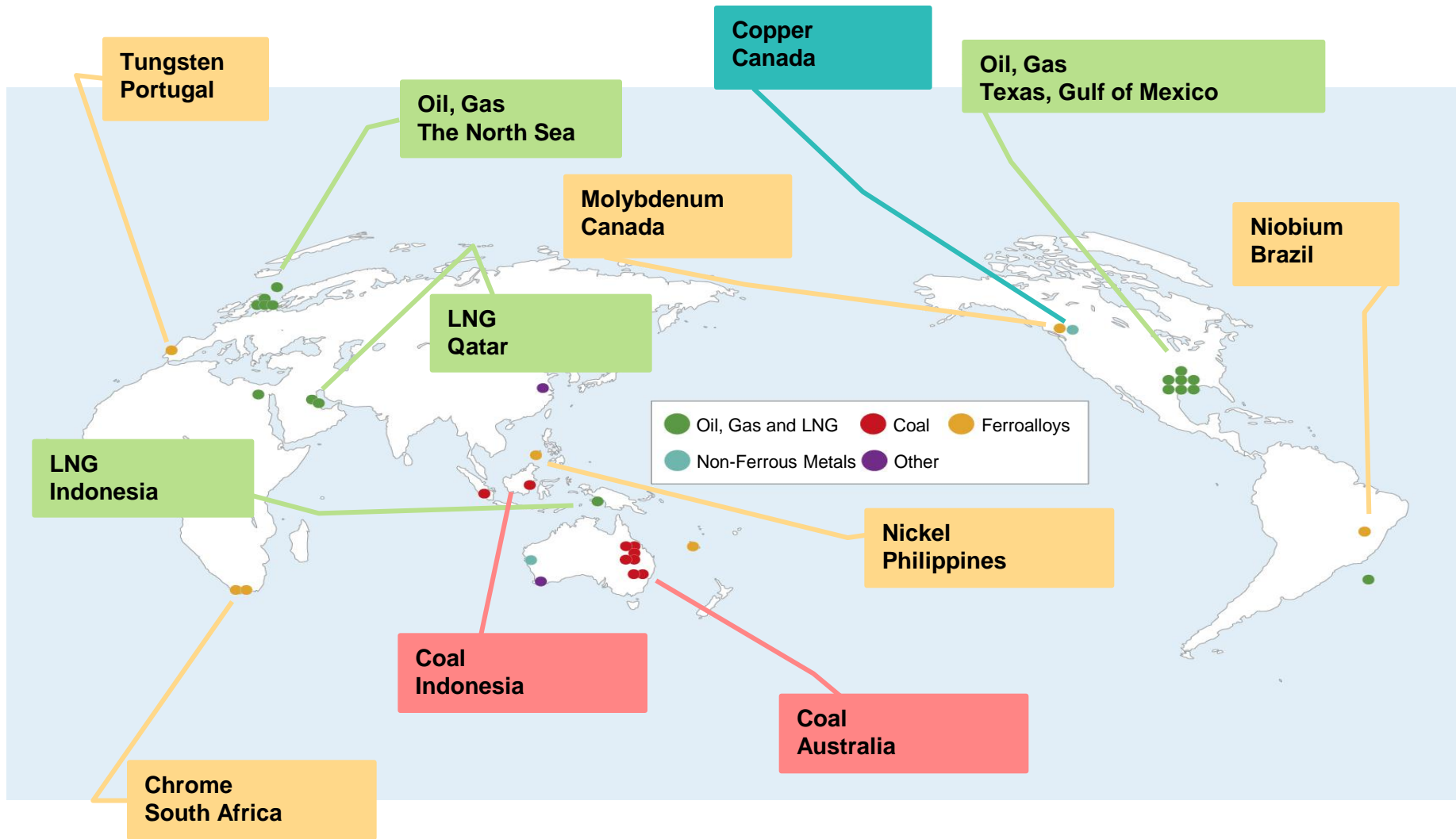
	FY 2013 Results	FY 2014 Results
Gross profit	56.3	53.8
Operating income	17.5	13.8
Share of profit of investments accounted for using the equity method	10.4	2.6
Profit for the year*	17.2	6.8
Total assets	478.4	491.3

(\*) Profit attributable to owners of the Company

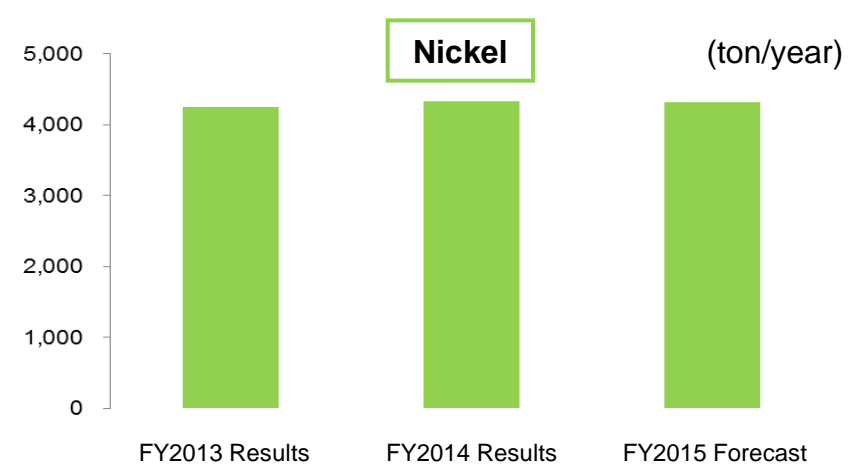
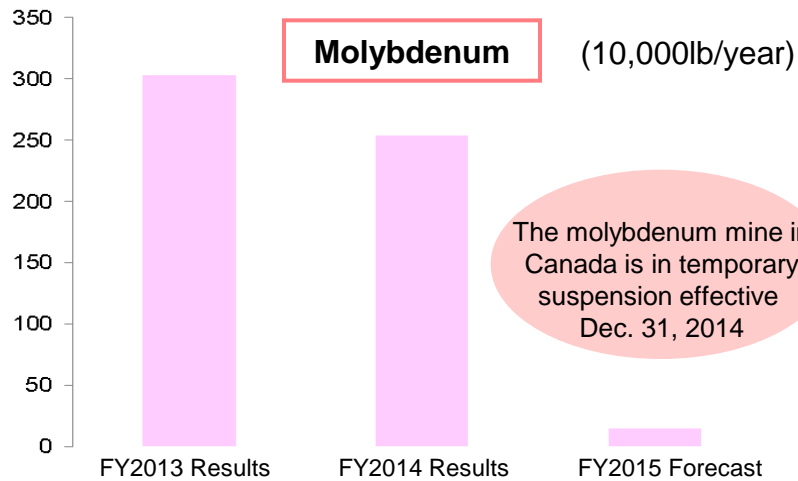
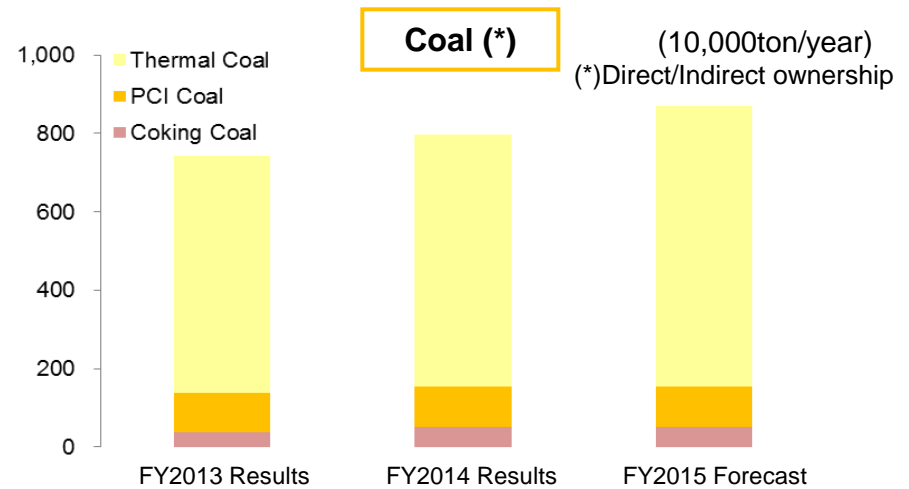
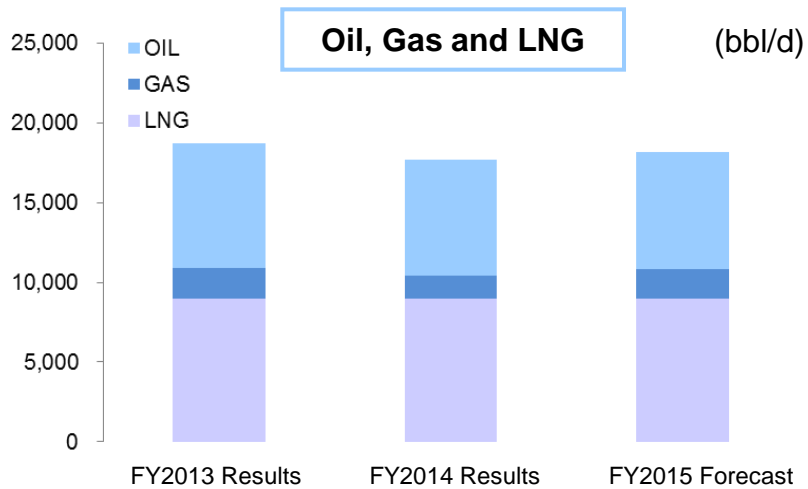
## 【Supplemental Data II.】Energy & Mineral Resources

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# 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 Results	FY2014 Results
<b>Net sales (JGAAP)</b>	4,321.7	3,934.5	4,046.6	4,105.3
<b>Gross profit</b>	217.1	187.2	198.2	197.7
<b>Operating profit</b>	57.5	25.5	23.7	33.6
Share of profit (loss) of investments accounted for using the equity method	16.3	15.8	31.0	28.6
<b>Profit before tax</b>	58.5	28.1	44.0	52.6
Profit for the year attributable to owners of the Company	(1.0)	13.4	27.3	33.1
Comprehensive income attributable to owners of the Company	(16.2)	56.1	82.2	107.4
<b>Core earnings</b>	65.8	38.5	68.0	66.3
(Reference)				
<b>ROA</b>	(0.0)%	0.6%	1.2%	1.5%
<b>ROE</b>	(0.3)%	3.8%	6.5%	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 Mar. 2015
<b>Total assets</b>	2,170.1	2,190.7	2,150.1	2,220.2	2,297.4
<b>Total equity</b>	346.3	330.0	382.6	459.9	550.9
<b>Risk assets (vs. Total equity)</b>	330.0 1.0 times	330.0 1.0 times	340.0 0.9 times	350.0 0.8 times	320.0 0.6 times
<b>Current ratio</b>	148.6%	142.5%	152.1%	162.8%	169.5%
<b>Long-term debt ratio</b>	77.0%	73.3%	76.0%	78.7%	79.9%
<b>Equity ratio</b>	16.0%	15.1%	17.8%	20.7%	24.0%
<b>Net interest- bearing debt</b>	697.2	676.4	643.3	640.2	629.6
<b>Net DER</b>	2.0 times	2.0 times	1.7 times	1.4 times	1.1 times

## ■ 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



## ■ Summary of Balance Sheets (JGAAP)

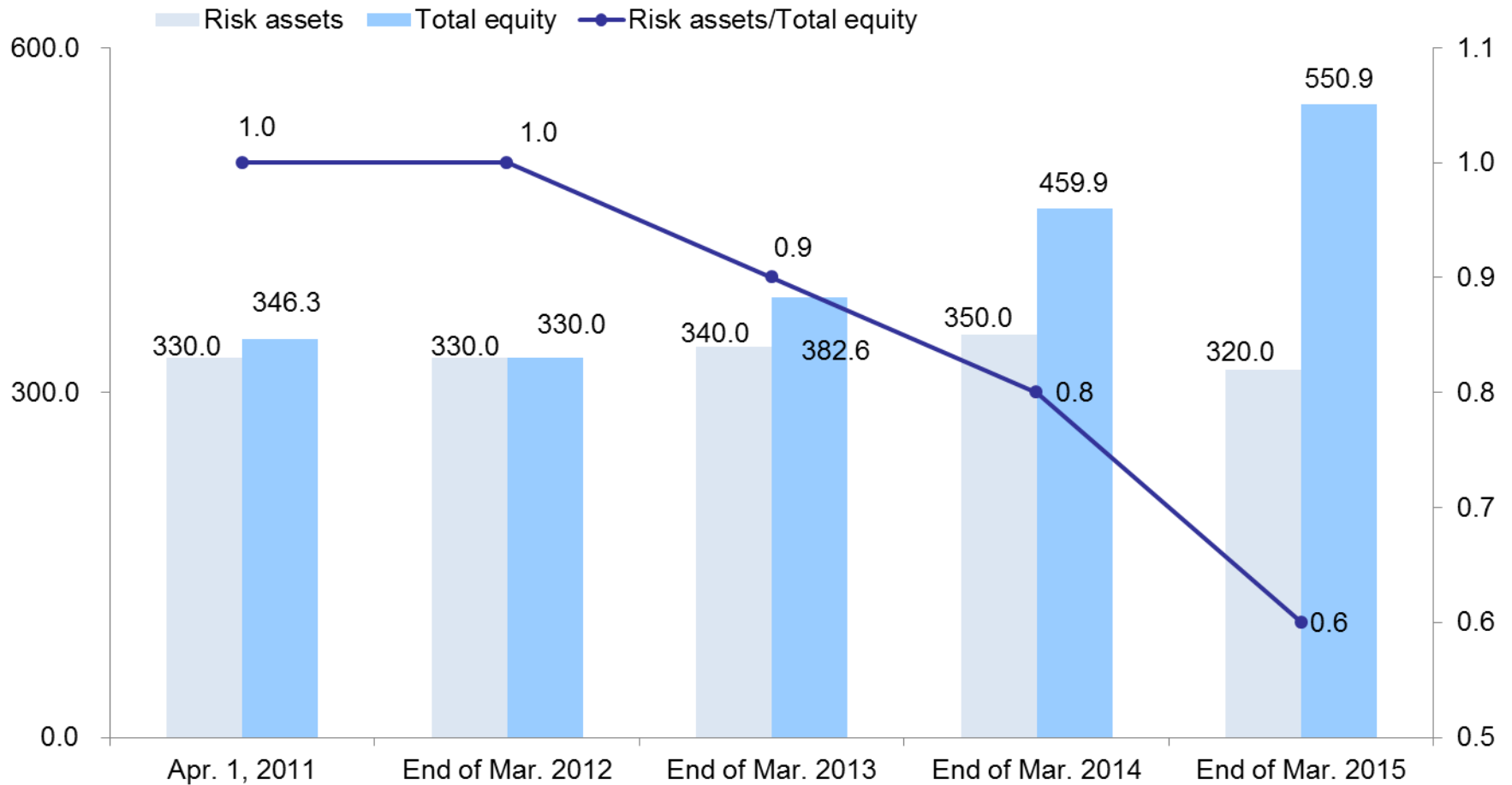
(Billions of Yen)	End of Mar. 2008	End of Mar. 2009	End of Mar. 2010	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013
<b>Total assets</b>	2,669.4	2,313.0	2,160.9	2,117.0	2,120.6	2,086.4
<b>Total equity(*) (Total net assets)</b>	476.0 (520.3)	319.0 (355.5)	352.4 (377.4)	330.0 (355.5)	305.9 (330.5)	353.5 (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>	121.1%	141.7%	152.7%	142.2%	137.0%	147.2%
<b>Long-term debt ratio</b>	54.0%	66.7%	74.3%	72.3%	70.7%	73.9%
<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 Net DE ratio based on total net assets</b>	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)

(Billions of Yen)

(Times)





***sojitz***

***New way, New value***