

Summary of Consolidated Financial Results for the First Quarter Ended June 30, 2015 (IFRS)

August 4, 2015

Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

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Scheduled filing date of quarterly financial report: August 13, 2015

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, 2015 (April 1, 2015 - June 30, 2015)

(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, 2015	1,030,091	8.8	7,960	(19.0)	15,065	1.4	11,880	17.4	10,598	19.2	14,050	106.5
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)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first quarter ended		
June 30, 2015	8.47	8.47
June 30, 2014	7.11	7.11

Note 1: Net sales above is based on JGAAP, and represents the aggregate value of the transactions for which the Sojitz Group acts as a principal or 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, 2015	2,270,287	599,185	559,489	24.6
March 31, 2015	2,297,358	590,656	550,983	24.0

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, 2015	-	2.50	-	3.50	6.00
March 31, 2016	-	-	-	-	-
March 31, 2016 (forecast)	-	4.00	-	4.00	8.00

Note : Changes in cash dividend forecast : No

3. Consolidated Earnings Forecast for the Year Ending March 31, 2016 (April 1, 2015 - March 31, 2016)

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, 2016									
Full-year	4,400,000	7.2	40,500	20.7	58,500	11.3	40,000	20.9	31.97

Note 1: Changes in consolidated earnings forecast for the year ending March 31, 2016 : No

Note 2: Net sales above is based on JGAAP, and represents the aggregate value of the transactions for which the Sojitz Group acts as a principal or 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 : No

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, 2015: 1,251,499,501 As of March 31, 2015: 1,251,499,501

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

As of June 30, 2015 : 479,637 As of March 31, 2015 : 477,089

3. Average number of outstanding shares during the periods:

For the first quarter ended June 30, 2015 (accumulative): 1,251,021,205

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

* 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, 2015

Economic Environment

In the three-month period ended June 30, 2015, the issues in Greece and economic slowdown in China cast an air of uncertainty over the operating environment. Nevertheless, the overall trend in the global economy was that of modest recovery centered on the United States.

In the United States, consumer spending gradually increased supported by the strong job market. Sales of housing and automobiles also held firm. As a result, the U.S. economy continued to show a modest recovery trend overall, despite the downward pressure placed on the earnings of exporters by the strong U.S. dollar.

In Europe, threats of economic downturn lingered in the form of the residual impacts of the economic sanctions placed on Russia as well as the Greek debt crisis. Nonetheless, the quantitative easing measures of the European Central Bank proved effective, and the European economy continued to experience a gentle recovery.

In China, government-spearheaded financial measures and infrastructure-oriented economic stimulus measures were advanced in accordance with governance policy calling for structural reforms and an emphasis on stable growth. However, these efforts were unable to avert the slump in real estate and manufacturing industry investment. As a result, the economic slowdown in the Chinese economy became even more pronounced.

In Asia, there was a drop in exports to Europe and China and imports were stifled by currency devaluation. In this environment, various countries instituted monetary easing policies while the economies of certain non-resource producing countries were supported by a decline in resource prices. As a result, the Asian economy continued to grow, albeit at a slightly slower pace.

In Japan, the economy displayed a gradual recovery trend. This can be attributed to a myriad of factors, including the improved job market and increased wages stemming from strong corporate performance as well as the nearly complete disappearance of the adverse impacts on consumer spending of the April 2014 consumption tax hike.

Financial Performance

Sojitz Corporation's consolidated business results for the three-month period ended June 30, 2015, are presented below.

Net sales (*)	Net sales were up 8.8% year on year, to ¥1,030,091 million, due to higher transaction volumes for tobacco and an increase in aircraft-related transactions.
Gross profit	Gross profit decreased ¥1,712 million year on year, to ¥45,517 million, following lower profit from the Energy division as a result of a decline in the price of oil.
Operating profit	Operating profit decreased ¥1,873 million year on year, to ¥7,960 million, as a result of the lower gross profit.
Profit before tax	Despite the decrease in operating profit, profit before tax rose ¥201 million year on year, to ¥15,065 million, due to an increase in share of profit of investments accounted for using the equity method.

Profit for the period	Consolidated profit for the period was ¥11,880 million after deduction of ¥3,184 million in income tax expenses from the ¥15,065 million in profit before tax. Profit for the period (attributable to owners of the Company) increased ¥1,707 million year on year, to ¥10,598 million.
Comprehensive income for the period	Comprehensive income for the period was ¥14,050 million, representing a year-on-year increase of ¥7,245 million. This was largely attributable to the growth in profit for the period as well as more beneficial foreign currency translation differences for foreign operations. Comprehensive income for the period (attributable to owners of the Company) totaled ¥12,893 million, an increase of ¥6,949 million year on year.

* “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, 2015, are summarized by segment below.

Effective April 1, 2015, the Group underwent organizational reforms to create a system that includes the previous product-based organizational structure and also reflects the functions of these departments and the industries in which they operate. Through these reforms, the previous system (consisting of nine units under four divisions) was reworked into a nine division system.

Automotive

Net sales (JGAAP) decreased 8.7% year on year, to ¥68,555 million, due to reduced automobile sales in Russia. Profit for the period (attributable to owners of the Company) grew ¥2,651 million, to ¥3,612 million, as the increase in share of profit of investments accounted for using the equity method compensated for the decline in gross profit.

Aerospace & IT Business

Net sales (JGAAP) increased 50.1% year on year, to ¥143,558 million, following higher aircraft-related transactions. Profit for the period (attributable to owners of the Company) of ¥868 million was recorded, compared with loss for the period (attributable to owners of the Company) of ¥731 million in the three-month period ended June 30, 2014.

Infrastructure & Environment Business

Net sales (JGAAP) decreased 2.7% year on year, to ¥52,956 million, as a result of lower plant-related transactions. Profit for the period (attributable to owners of the Company) of ¥203 million was recorded, compared with loss for the period (attributable to owners of the Company) of ¥45 million in the three-month period ended June 30, 2014, as a result of an increase in gross profit stemming from higher industrial machinery-related transactions.

Energy

Net sales (JGAAP) decreased 10.2% year on year, to ¥36,906 million, due to lower LNG transactions and a decline in the price of oil. Profit for the period (attributable to owners of the Company) was down ¥2,179 million, to ¥63 million.

Metals & Coal

Net sales (JGAAP) rose 3.8% year on year, to ¥147,955 million, as the increase in non-ferrous and precious metals transactions offset the decline in ferroalloy transactions. Gross profit was up, but profit for the period (attributable to owners of the Company) decreased ¥396 million, to ¥695 million, due to lower share of profit of investments accounted for using the equity method.

Chemicals

Net sales (JGAAP) decreased 3.4% year on year, to ¥165,983 million, as a result of a decline in chemical and plastic resin transactions following the end of unprofitable transactions. Profit for the period (attributable to owners of the Company) was up ¥631 million, to ¥2,482 million, following a rise in gross profit attributable to higher transactions volumes in the Americas and Asia and the benefits of yen depreciation.

Foods & Agriculture Business

Net sales (JGAAP) increased 22.3%, to ¥126,206 million, following higher grain transactions. Profit for the period (attributable to owners of the Company) decreased ¥564 million, to ¥1,263 million, due to lower earnings from overseas fertilizer businesses as a result of unfavorable weather.

Lifestyle Commodities & Materials

Net sales (JGAAP) increased 10.1% year on year, to ¥223,097 million, following higher tobacco transaction volumes. Loss for the period (attributable to owners of the Company) of ¥304 million was recorded, compared with profit for the period (attributable to owners of the Company) of ¥560 million in the three-month period ended June 30, 2014, due to a decrease in gross profit resulted from lower lumber-related transaction volumes and sales prices and also due to the recording of impairment loss on fixed assets.

Retail

Net sales (JGAAP) increased 1.8% year on year, to ¥52,006 million, because of a rise in meat transactions. Profit for the period (attributable to owners of the Company) decreased ¥151 million, to ¥1,036 million, due to the absence of the gain on sale of real estate recorded in the three-month period ended June 30, 2014.

(2) Financial Position

Consolidated Balance Sheet

Total assets on June 30, 2015, stood at ¥2,270,287 million, down ¥27,071 million from March 31, 2015. This decrease was mainly attributable to a decline in trade and other receivables (under current assets) resulted from lower automobile, chemical, and plant-related transactions.

Total liabilities at June 30, 2015, amounted to ¥1,671,101 million, down ¥35,601 million from March 31, 2015, following lower trade and other payables (under current liabilities) resulted from a decrease in plant-related and coal transactions.

Total equity attributable to owners of the Company was ¥559,489 million on June 30, 2015, up ¥8,506 million from March 31, 2015. This was largely due to the accumulation of profit for the period.

Sojitz consequently, on June 30, 2015, the current ratio was 165.8%, the long-term debt ratio was 76.3%, and the equity ratio* was 24.6%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥634,127 million on June 30, 2015, a ¥4,570 million increase from March 31, 2015. The increase resulted in the Company's net debt equity ratio* equaling 1.1 times at June 30, 2015.

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

Under Medium-term Management Plan 2017, which began in the year ending March 31, 2016, the Sojitz Group will continue to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz will endeavor to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level.

While straight bonds are viewed as one possible source of long-term funding, no such bonds were issued during the three-month period ended June 30, 2015. Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional issues whenever the timing and associated costs prove advantageous.

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, 2015, operating activities provided net cash flow of ¥6,705 million, investing activities used net cash of ¥6,650 million, and financing activities used net cash of ¥8,651 million. Sojitz ended the period with cash and cash equivalents of ¥397,258 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥6,705 million, compared with net cash used in operating activities of ¥11,210 million in the three-month period ended June 30, 2014. Operating cash outflows included an increase in inventories, but outflows were outweighed by inflows including dividends

received and operating transactions.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥6,650 million, compared with net cash provided by investing activities of ¥3,228 million in the three-month period ended June 30, 2014. Investment outlays of payments for the capital expenditures related to domestic solar power generation businesses exceeded investment inflows, such as gains on sales of aircraft

(Cash flows from financing activities)

Net cash used in financing activities was ¥8,651 million, up ¥4,322 million year on year. Cash outlays to repay debt and issue dividends exceeded cash inflows from new borrowings.

(3) Consolidated Earnings Forecast

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

Exchange rate (annual average JPY/USD rate): ¥120

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

3. Group Business Operations

Sojitz Group is engaged in a wide range of businesses on a global basis as a general trading company. Our main businesses are trading, import, and export of products, domestic and overseas manufacture and sale of a diverse array of products, provision of services in Japan and overseas, planning and organizing of various projects, investment in diversified business areas, and financial activities.

The Group consists of 400 consolidated subsidiaries and equity method associates, including 293 consolidated subsidiaries and 107 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 252 companies consisting of 185 consolidated subsidiaries and 67 equity method associates.)

Effective April 1, 2015, the Group underwent organizational reforms to create a system that includes the previous product-based organizational structure and also reflects the functions of these departments and the industries in which they operate. Through these reforms, the previous system (consisting of nine units under four divisions) was reworked into a nine division system.

The following table lists our products, services, and main subsidiaries and affiliates by industry segment.

As of June 30, 2015

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries : 13 Number of equity method associates: 4	Completely built-up (CBU) vehicle export; wholesale and retail; local vehicle assembly, manufacturing and sales, automobile and motorcycle components; tire sales	- Sojitz Automotive & Engineering, Inc. (automobile and motorcycle components; tire sales; Subsidiary) - Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary) - Mitsubishi Motors Philippines Corporation (Import, assembly and sale of Mitsubishi automobiles; Equity method associate)
Aerospace & IT Business Number of consolidated subsidiaries : 57 Number of equity method associates: 6	Aero business (Commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business, airport business); Marine business (New building, second-hand ships, ship chartering, ship equipment, ship owning); IT business (Sales and maintenance of communications and IT equipment; systems integration / software development and sales / data centers, cloud services, and managed services / Business Process Outsourcing (BPO), Internet of Things (IOT)-related business)	- Sojitz Aerospace Corporation (Import, export and sale of aero-related and defense-related equipment; Subsidiary) - Sojitz Marine & Engineering Corporation (Sale, purchase and charter brokerage of ships, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary) - Nissho Electronics Corporation (IT systems, network services; Subsidiary) - SAKURA Internet Inc. (Internet data center operator; Subsidiary) * - Sojitz Systems Corporation (System Integration; Subsidiary)
Infrastructure & Environment Business Number of consolidated subsidiaries : 36 Number of equity method associates: 16	Infrastructure & Environment (Renewable energy, transportation, water business, IPP projects); Energy Projects (IPP and IWPP projects, power plant EPC business); Plant Projects (Plant business (steel, fertilizer & chemical, energy)); Industrial Machinery and Bearings (Industrial machinery, surface mounters, bearings)	- Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary) - Mirai Power (Kamikita Rokkasho) Corporation (Solar power generation project; Subsidiary) - Blue Horizon Power International Ltd. (Investment in power generation projects; Subsidiary) - First Technology China Ltd. (Sales and service of surface-mounting machines and semiconductor-related equipment; Subsidiary)
Energy Number of consolidated subsidiaries : 10 Number of equity method associates: 6	Oil and gas; petroleum products; LNG; nuclear fuels; nuclear power-related equipment and machinery; floating production storage and offloading units; LNG-related businesses	- Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary) - Sojitz Energy Venture Inc. (Oil and gas development; Subsidiary) - Sojitz Energy Project Ltd. (Oil and gas development; Subsidiary) - LNG Japan Corporation (LNG business and related investments and loans; Equity method associate)
Metals & Coal Number of consolidated subsidiaries : 31 Number of equity method associates: 17	Coal; iron ore; ferroalloys (nickel, molybdenum, vanadium, other rare metals), ores, alumina, aluminum, copper, zinc, tin, precious metals, ceramics and minerals; coke; carbon products; infrastructure businesses; steel-related business	- Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary) - Sojitz Coal Resources Pty Ltd. (Investment in coal mines; Subsidiary) - Sojitz Resources (Australia) Pty. Ltd. (Production of alumina; Subsidiary) - Sojitz Moolarben Resources, Pty. Ltd. (Investment in coal mines; Subsidiary) - Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Equity method associate) - Coral Bay Nickel Corporation (Production and sale of nickel and cobalt mixed sulfide; Equity method associate) - Japan Alumina Associates (Australia) Pty. Ltd. (Production of alumina; Equity method associate) - Cariboo Copper Corporation (Investment in copper mine; Equity method associate)
Chemicals Number of consolidated subsidiaries : 29 Number of equity method associates: 15	Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; cosmetics; foodstuff additives; rare earths; commodity resins; raw materials for plastics including engineering plastics; films and sheets for industry, packaging, and foodstuffs; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; fiber materials and products for use in industrial supplies	- Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary) - Pla Matels Corporation (Trading and sale of plastics and related products; Subsidiary) * - Sojitz Cosmetics Corporation (Development, product planning and sale of cosmetics; Subsidiary) - P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary)
Foods & Agriculture Business Number of consolidated subsidiaries : 15 Number of equity method associates: 10	Grains; flour; oils and fats; oil stuff; feed materials; marine products; processed seafood; sweets; raw ingredients for sweets; coffee beans; sugar; other foodstuffs and raw ingredients; compound chemical fertilizers	- Thai Central Chemical Public Co., Ltd (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) - Atlas Fertilizer Corporation (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) - Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) * - CGG Trading S.A. (Grain collection in Brazil; Equity method associate)
Lifestyle Commodities & Materials Number of consolidated subsidiaries : 18 Number of equity method associates: 9	Cotton and synthetic fabrics; non-woven fabrics; knitted fabrics and products; raw materials for textiles; clothing; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; building materials; afforestation; manufacture and sale of wood chips; imported tobacco	- Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary) - Daichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary) - Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) - JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Equity method associate) *
Retail Number of consolidated subsidiaries : 18 Number of equity method associates: 7	Aquaculture products; processed aquaculture products; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; sugar; other foodstuffs and raw ingredients; overseas industrial park businesses; real estate-related businesses (investment, dealing, leasing, management, etc.); administration of commercial facilities; apparel; interior accessories; bedclothes and home fashion-related products; nursery items; general commodities	- Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary) - Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary) - Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary) - Sojitz General Property Management Corporation (Condominium and office building management, real estate agency services; Subsidiary) - Sojitz New Urban Development Corporation (Development and consignment sales of newly constructed condominiums, real estate brokerage, development and ownership of rental apartments, sale of residential-related products; Subsidiary) - PT. Puradelta Lestari (New city development including industrial parks; Equity method associate)
Other Number of consolidated subsidiaries : 17 Number of equity method associates: 5	Administration, domestic branches, logistics and insurance services	- Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary) - Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary) - Sojitz Insurance Agency Corporation (Insurance agency services; Subsidiary) - Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary) - Sojitz Research Institute (Research and consulting; Subsidiary) - Sojitz Tourist Corporation (Travel agency; Subsidiary)
Overseas branches Number of consolidated subsidiaries : 49 Number of equity method associates: 12	We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.	- Sojitz Corporation of America (Subsidiary) - Sojitz Europe plc (Subsidiary) - Sojitz Asia Pte. Ltd (Subsidiary) - Sojitz (Hong Kong) Ltd. (Subsidiary) - Sojitz (China) Co., Ltd. (Subsidiary)

(*) The following four companies are listed in the Japanese stock market as of June 30, 2015: JALUX Inc. (TSE 1st section), Fuji Nihon Seito Corporation (TSE 2nd section), SAKURA Internet Inc. (Mothers), and Pla Matels Corporation (JASDAQ).

4. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(In Millions of Yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and cash equivalents	403,748	397,258
Time deposits	5,464	6,478
Trade and other receivables	559,291	524,179
Derivative financial assets	6,977	7,487
Inventories	270,274	284,315
Income tax receivables	3,712	7,035
Other current assets	63,122	67,041
Subtotal	1,312,591	1,293,795
Assets held for sale	10,905	—
Total current assets	1,323,497	1,293,795
Non-current assets		
Property, plant and equipment	217,912	219,730
Goodwill	50,164	50,243
Intangible assets	53,882	53,865
Investment property	19,459	19,451
Investments accounted for using the equity method	394,055	395,243
Trade and other receivables	45,017	44,887
Other investments	174,791	176,284
Derivative financial assets	1,865	155
Other non-current assets	7,483	7,642
Deferred tax assets	9,227	8,987
Total non-current assets	973,860	976,491
Total assets	2,297,358	2,270,287
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	490,865	466,831
Bonds and borrowings	208,360	245,562
Derivative financial liabilities	8,803	6,349
Income tax payables	7,570	4,543
Provisions	4,271	3,727
Other current liabilities	53,807	53,297
Subtotal	773,678	780,311
Liabilities directly related to assets held for sale	6,860	—
Total current liabilities	780,538	780,311
Non-current liabilities		
Bonds and borrowings	830,409	792,301
Trade and other payables	9,545	9,945
Derivative financial liabilities	2,942	2,794
Retirement benefits liabilities	17,943	18,108
Provisions	25,098	25,811
Other non-current liabilities	7,591	7,575
Deferred tax liabilities	32,631	34,254
Total non-current liabilities	926,163	890,790
Total liabilities	1,706,702	1,671,101
Equity		
Share capital	160,339	160,339
Capital surplus	146,515	146,515
Treasury stock	(159)	(160)
Other components of equity	194,557	196,084
Retained earnings	49,731	56,710
Total equity attributable to owners of the Company	550,983	559,489
Non-controlling interests	39,672	39,695
Total equity	590,656	599,185
Total liabilities and equity	2,297,358	2,270,287

(2) Consolidated Statements of Profit or Loss

(In Millions of Yen)

	FY 2014 First Quarter (From April 1, 2014 To June 30, 2014)	FY 2015 First Quarter (From April 1, 2015 To June 30, 2015)
Revenue		
Sales of goods	431,664	423,701
Sales of services and others	19,733	21,236
Total revenue	451,397	444,937
Cost of sales	(404,168)	(399,419)
Gross profit	47,229	45,517
Selling, general and administrative expenses	(37,995)	(38,707)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	295	375
Impairment loss on fixed assets	(181)	(919)
Gain on sale of subsidiaries/associates	142	370
Loss on reorganization of subsidiaries/associates	(87)	(86)
Other operating income	2,280	3,041
Other operating expenses	(1,848)	(1,629)
Total other income (expenses)	599	1,150
Operating profit	9,833	7,960
Financial income		
Interest earned	1,397	1,196
Dividends received	1,419	1,793
Other financial income	—	24
Total financial income	2,816	3,014
Financial costs		
Interest expenses	(5,065)	(4,421)
Other financial costs	(5)	—
Total financial costs	(5,070)	(4,421)
Share of profit (loss) of investments accounted for using the equity method	7,284	8,511
Profit before tax	14,864	15,065
Income tax expenses	(4,746)	(3,184)
Profit for the period	10,117	11,880
Profit for the period attributable to:		
Owners of the Company	8,891	10,598
Non-controlling interests	1,226	1,282
Total	10,117	11,880
Net sales *	946,862	1,030,091

* Net sales above is based on JGAAP, and represents the aggregate value of the transactions for which the Sojitz Group acts as a principal or agent.

(3) Consolidated Statements of Profit or Loss and other Comprehensive Income

(In Millions of Yen)

	FY 2014 First Quarter (From April 1, 2014 To June 30, 2014)	FY 2015 First Quarter (From April 1, 2015 To June 30, 2015)
Profit for the period	10,117	11,880
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3,827	2,021
Remeasurements of defined benefit pension plans	0	(43)
Total items that will not be reclassified to profit or loss	3,827	1,977
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(6,081)	500
Cash flow hedges	(1,058)	(309)
Total items that may be reclassified subsequently to profit or loss	(7,140)	191
Other comprehensive income for the period, net of tax	(3,312)	2,169
Total comprehensive income for the period	6,805	14,050
Total comprehensive income for the period attributable to:		
Owners of the Company	5,944	12,893
Non-controlling interests	860	1,156
Total	6,805	14,050

(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, 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
Balance as of April 1, 2015	160,339	146,515	(159)	91,540	106,604	(3,586)	—	194,557	49,731	550,983	39,672	590,656
Profit for the period									10,598	10,598	1,282	11,880
Other comprehensive income				820	2,003	(485)	(43)	2,295		2,295	(125)	2,169
Total comprehensive income for the period	—	—	—	820	2,003	(485)	(43)	2,295	10,598	12,893	1,156	14,050
Purchase of treasury stock		(0)	(0)							(0)		(0)
Dividends									(4,378)	(4,378)	(374)	(4,753)
Change in ownership interests in subsidiaries without loss/acquisition of control									(8)	(8)	(18)	(27)
Reclassification from other components of equity to retained earnings					(811)		43	(767)	767	—		—
Other changes									(0)	(0)	(739)	(739)
Total contributions by and distributions to owners of the Company	—	(0)	(0)	—	(811)	—	43	(767)	(3,619)	(4,387)	(1,133)	(5,521)
Balance as of June 30, 2015	160,339	146,515	(160)	92,360	107,796	(4,071)	—	196,084	56,710	559,489	39,695	599,185

(5) Consolidated Statements of Cash Flows

(In Millions of Yen)

	FY 2014 First Quarter (From April 1, 2014 To June 30, 2014)	FY 2015 First Quarter (From April 1, 2015 To June 30, 2015)
Cash flows from operating activities		
Profit for the period	10,117	11,880
Depreciation and amortization	8,305	8,260
Impairment loss on fixed assets	181	919
Finance (income) costs	2,254	1,406
Share of (profit) loss of investments accounted for using the equity method	(7,284)	(8,511)
(Gain) loss on disposal of fixed assets, net	(295)	(375)
Income tax expenses	4,746	3,184
(Increase) decrease in trade and other receivables	5,301	40,150
(Increase) decrease in inventories	3,405	(13,064)
Increase (decrease) in trade and other payables	(33,610)	(26,806)
Increase (decrease) in retirement benefits liabilities	247	51
Others	(1,459)	(7,958)
Subtotal	(8,090)	9,137
Interest earned	1,305	1,240
Dividends received	7,320	7,961
Interest paid	(3,909)	(3,324)
Income tax paid	(7,836)	(8,309)
Net cash provided (used) by/in operating activities	(11,210)	6,705
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,228)	(9,750)
Proceeds from sale of property, plant and equipment	187	3,126
Purchase of intangible assets	(1,083)	(947)
(Increase) decrease in short-term loans receivable	(249)	788
Payment for long-term loans receivable	(1,110)	(786)
Collection of long-term loans receivable	49	348
Net proceeds from (payments for) acquisition of subsidiaries	(5,222)	(44)
Net proceeds from (payments for) sale of subsidiaries	271	(566)
Purchase of investments	(4,758)	(1,124)
Proceeds from sale of investments	583	2,619
Others	23,791	(311)
Net cash provided (used) by/in investing activities	3,228	(6,650)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(14,162)	4,446
Proceeds from long-term borrowings	11,384	23,481
Repayment of long-term borrowings	(17,523)	(31,260)
Proceeds from issuance of bonds	19,875	—
Payment for acquisition of subsidiaries' interests from non-controlling interest holders	(20)	(18)
Purchase of treasury stock	(0)	(0)
Dividends paid	(2,502)	(4,378)
Dividends paid to non-controlling interest holders	(321)	(374)
Others	(1,059)	(546)
Net cash provided (used) by/in financing activities	(4,329)	(8,651)
Net increase (decrease) in cash and cash equivalents	(12,311)	(8,596)
Cash and cash equivalents at the beginning of the period	420,658	403,748
Effect of exchange rate changes on cash and cash equivalents	(1,431)	2,105
Cash and cash equivalents at the end of the period	406,915	397,258

(6) Segment information

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

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	44,820	18,296	22,780	32,580	78,502	106,416	59,689
Inter-segment revenue	1	384	0	0	2	23	2
Total revenue	44,821	18,680	22,781	32,580	78,504	106,440	59,691
Segment profit (loss)	961	(731)	(45)	2,242	1,091	1,851	1,827
Net sales (Note)							
External	75,107	95,640	54,433	41,085	142,494	171,738	103,189

	Reportable segments			Others	Reconciliations	Consolidated
	Lifestyle Commodities & Materials	Retail	Total			
Revenue						
External revenue	46,686	33,761	443,532	7,865	—	451,397
Inter-segment revenue	0	116	532	74	(606)	—
Total revenue	46,687	33,877	444,064	7,939	(606)	451,397
Segment profit (loss)	560	1,187	8,944	661	(714)	8,891

Net sales (Note)						
External	202,656	51,101	937,448	9,414	—	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 (714) 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 (1,150) million yen, and unallocated dividend income and others of 436 million yen.

For the first quarter ended June 30, 2015 (April 1, 2015 – June 30, 2015)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	31,430	16,266	24,102	19,080	80,025	108,002	72,987
Inter-segment revenue	2	414	1	2	—	5	44
Total revenue	31,433	16,681	24,103	19,083	80,025	108,007	73,031
Segment profit (loss)	3,612	868	203	63	695	2,482	1,263
Net sales (Note)							
External	68,555	143,558	52,956	36,906	147,955	165,983	126,206

	Reportable segments			Others	Reconciliations	Consolidated
	Lifestyle Commodities & Materials	Retail	Total			
Revenue						
External revenue	45,411	35,426	432,734	12,203	—	444,937
Inter-segment revenue	34	115	620	118	(738)	—
Total revenue	45,445	35,542	433,354	12,321	(738)	444,937
Segment profit (loss)	(304)	1,036	9,919	469	209	10,598

Net sales (Note)						
External	223,097	52,006	1,017,226	12,864	—	1,030,091

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 profit of 209 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 (47) million yen, and unallocated dividend income and others of 256 million yen.

Note: 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.

(Changes in reporting segments)

Effective April 1, 2015, the Group underwent organizational reforms to create a system that includes the previous product -based organizational structure and also reflects the functions of these departments and the industries in which they operate. Through these reforms, the previous system (consisting of nine units under four divisions) was reworked into a nine division system. These reforms have also resulted in a change in reportable segments. Segment information for the three-month period ended June 30, 2014, has been restated to reflect the reportable segments after this change.

In addition, the internally decided method for allocating income tax expenses to reportable segments was changed in the year ended March 31, 2014. Figures for segment profit (loss) for each segment in the first quarter period ended June 30, 2014, have been restated to reflect this change.