

## Summary of Consolidated Financial Results for the First Half Ended September 30, 2015 (IFRS)

November 5, 2015

### Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

Company representative: Yoji Sato, President & CEO

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

Scheduled filing date of quarterly financial report: November 12, 2015

Scheduled date of delivery of dividends: December 1, 2015

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 Half Ended September 30, 2015 (April 1, 2015 - September 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 half ended September 30, 2015	2,015,907	3.7	16,512	(12.5)	27,728	(2.1)	22,951	15.2	20,612	23.2	(2,955)	-
September 30, 2014	1,944,836	(2.9)	18,868	(11.5)	28,315	7.7	19,928	18.1	16,736	19.6	43,387	(6.2)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first half ended September 30, 2015	16.48	16.48
September 30, 2014	13.38	13.38

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 September 30, 2015	2,160,440	580,588	542,567	25.1
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	-	4.00	-	-	-
March 31, 2016 (forecast)	-	-	-	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	4,250,000	3.5	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 : Yes

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 September 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 September 30, 2015 : 481,232 As of March 31, 2015 : 477,089

3. Average number of outstanding shares during the periods:

For the first half ended September 30, 2015 (accumulative): 1,251,020,056

For the first half ended September 30, 2014 (accumulative): 1,251,029,527

#### \* 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 first half ended September 30, 2015

#### Economic Environment

In the first half ended September 30, 2015, there were modest economic recovery trends in Europe and the United States. Regardless, the strong concern for the economic slowdown in China cast an air of uncertainty over the global economy as a whole.

In the United States, consumer spending gradually increased and 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 and the recently slowing growth in the number of people employed.

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, and there was significant concern regarding the effects of the large influx of refugees from the Middle East and Africa. 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 measures such as the interest rate reduction, the devaluation of the renminbi, and the public investments promotion were instituted to support the economy. However, concern for further economic slowdown spread due to the poor growth in production levels combined with sluggish real estate and manufacturing investment. Another cause for concern was found in the stock market declines, which occurred regardless of repeated measures for improving stock prices.

In Asia, many countries saw decline in exports, primarily to China, and the observed rise in U.S. interest rates drove currency devaluation. These factors caused capital outflows to accelerate in certain countries, further slowing the overall growth of the Asian economy.

In Japan, economic recovery halted temporarily. While strong corporate performance resulted in improvements in the job market, unseasonable weather among other factors caused consumer spending to slow and capital investment also proved stagnant.

#### Financial Performance

Sojitz Corporation's consolidated business results for the first half ended September 30, 2015, are presented below.

Net sales (*)	Net sales were up 3.7% year on year, to ¥2,015,907 million, due to an increase in aircraft-related transactions and higher transaction volumes for tobacco.
Gross profit	Gross profit decreased ¥4,471 million year on year, to ¥91,722 million, following lower profit from the Energy division as a result of a decline in the price of oil.
Operating profit	Operating profit decreased ¥2,356 million year on year, to ¥16,512 million, as a result of the lower gross profit.
Profit before tax	Profit before tax decreased ¥587 million year on year, to ¥27,728 million, as a result of the lower operating profit.

Profit for the period	Profit before tax was down, but profit for the period rose ¥3,023 million year on year, to ¥22,951 million, following lower income tax expenses. Profit for the period (attributable to owners of the Company) increased ¥3,876 million year on year, to ¥20,612 million.
Comprehensive income for the period	Comprehensive loss for the period of ¥2,955 million was recorded, compared with comprehensive income for the period of ¥43,387 million in the previous equivalent period. While profit for the period was up, this increase was outweighed by the impacts of less beneficial foreign currency translation differences for foreign operations. Comprehensive loss (attributable to owners of the Company) of ¥3,188 million was posted, compared with comprehensive income for the period (attributable to owners of the Company) of ¥39,120 million in the previous equivalent period.

\* “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 first half ended September 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 4.3% year on year, to ¥145,397 million, due to a drop in automobile sales in Russia stemming from sluggish economic conditions. Profit for the period (attributable to owners of the Company) of ¥4,144 million was recorded, compared with loss for the period (attributable to owners of the Company) of ¥282 million in the first half ended September 30, 2014, 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 41.6% year on year, to ¥297,146 million, following higher aircraft-related transactions. Profit for the period (attributable to owners of the Company) increased ¥411 million, to ¥1,356 million.

#### Infrastructure & Environment Business

Net sales (JGAAP) decreased 8.2% year on year, to ¥102,626 million, as a result of lower plant-related transactions. Profit for the period (attributable to owners of the Company) was up ¥630 million, to ¥1,234, as a result of an increase in gross profit stemming from higher industrial machinery-related transactions for Asia.

### Energy

Net sales (JGAAP) decreased 14.6% year on year, to ¥66,930 million, due to a decline in the price of oil and lower LNG transactions. Profit for the period (attributable to owners of the Company) was down ¥3,549 million, to ¥113 million.

### Metals & Coal

Net sales (JGAAP) decreased 5.1% year on year, to ¥279,852 million, as a result of a decline in ferroalloy and coal transactions. Gross profit was down, but profit for the period (attributable to owners of the Company) increased ¥20 million, to ¥3,016 million, due to higher share of profit of investments accounted for using the equity method.

### Chemicals

Net sales (JGAAP) decreased 5.2% year on year, to ¥323,295 million, as a result of the deterioration of conditions in markets for chemicals and plastic resins as well as the Company's withdrawal from unprofitable transactions. Profit for the period (attributable to owners of the Company) was up ¥1,141 million, to ¥4,321 million, following a rise in gross profit attributable to higher volumes of petroleum resin transactions in the Americas and of plastic resin transactions in Asia.

### Foods & Agriculture Business

Net sales (JGAAP) increased 5.2%, to ¥216,134 million, following higher grain transactions. Profit for the period (attributable to owners of the Company) decreased ¥758 million, to ¥2,713 million, due to lower earnings from overseas fertilizer businesses as a result of unfavorable weather.

### Lifestyle Commodities & Materials

Net sales (JGAAP) increased 5.1% year on year, to ¥452,897 million, following higher tobacco transaction volumes. Profit for the period (attributable to owners of the Company) decreased ¥619 million, to ¥280 million, due to a decrease in gross profit resulted from lower lumber-related transaction volumes and also due to the recording of impairment loss on fixed assets in an overseas woodchip manufacturing business.

### Retail

Net sales (JGAAP) increased 5.5% year on year, to ¥108,539 million, because of the sale of real estate for resale. Profit for the period (attributable to owners of the Company) increased ¥846 million, to ¥2,884 million.

## (2) Financial Position

### Consolidated Balance Sheet

Total assets on September 30, 2015, stood at ¥2,160,440 million, down ¥136,918 million from March 31, 2015. This decrease was mainly attributable to a decline in trade and other receivables (under current assets) resulted from lower chemicals and automobile-related transactions.

Total liabilities at September 30, 2015, amounted to ¥1,579,851 million, down ¥126,851 million from March 31, 2015, following debt repayment and lower trade and other payables (under current liabilities) resulted from a decrease in metals & coal and chemicals transactions.

Total equity attributable to owners of the Company was ¥542,567 million on September 30, 2015, down ¥8,416 million from March 31, 2015. Decline in other components of equity resulted from foreign currency fluctuation exceeded the accumulation of profit for the period.

Sojitz consequently ended the first half on September 30, 2015, with the current ratio of 162.2%, long-term debt ratio of 77.8%, and the equity ratio\* of 25.1%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥591,884 million on September 30, 2015, a ¥37,673 million decrease from March 31, 2015. The decrease resulted in the Company's net debt equity ratio\* equaling 1.1 times at September 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 first half ended September 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.

Sojitz has continued to maintain two committed credit lines, a ¥100 billion yen line and a US\$300 million multicurrency line, as supplemental sources of procurement flexibility and precautionary liquidity. In addition, during the first half ended September 30, 2015, the Company concluded a new long-term multicurrency note facility agreement with an amount of US\$300 million.

### Consolidated Cash Flows

In the first half ended September 30, 2015, operating activities provided net cash flow of ¥66,923 million, investing activities used net cash of ¥21,547 million, and financing activities used net cash of ¥8,369 million. Sojitz ended the period with cash and cash equivalents of ¥361,312 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 increased ¥59,088 million year on year to ¥66,923 million. Inflows, which included dividends received and decrease in trade and other receivables, exceeded outflows, which included decrease in trade and other payables.

(Cash flows from investing activities)

Net cash used in investing activities was ¥21,547 million, up ¥17,248 million year on year. Investment outlays of payments for the acquisition of U.S. automobile dealership business and 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 ¥8,369 million, up ¥7,334 million year on year. Cash outlays of debt repayment and redemption of bonds exceeded cash inflows from new borrowings.

### (3) Consolidated Earnings Forecast

In light of changes in the operating environment, the forecasts for full-year financial results for the year ending March 31, 2016 projected in May 7, 2015 was revised as follows.

Net sales (*1)	4,250 billion yen (Decreased (150) billion yen ((3.4)% compared to initial forecast)
Gross profit (*2)	205 billion yen (Decreased (10) billion yen ((4.7)% compared to initial forecast)
Operating profit	40.5 billion yen (Unchanged from initial forecast)
Profit before tax	58.5 billion yen (Unchanged from initial forecast)
Profit for the year attributable to owners of the Company	40.0 billion yen (Unchanged from initial 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) (second half average): US\$50/bbl

(\*1) Net sales is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

(\*2) Full-year forecast for gross profit was not previously disclosed. However it was additionally disclosed for convenience to evaluate the Companies' performances through the consolidated financial statement.

The deceleration of economic growth in China and other emerging countries is resulting in market conditions that are much worse than initially anticipated for certain products, and the operating environment remains opaque as a result.

In light of these changes in the operating environment, the Company instituted a revision to its full-year financial results forecasts for the year ending March 31, 2016, choosing to lower its initial forecasts for full-year net sales (JGAAP) and gross profit. Although the Company projects solid domestic transactions of real estate held for sales purposes in the Retail Division, the decision for this downward revision was made in consideration of poor market conditions, including the falling prices of coal in the Metals & Coal Division and of oil in the Energy Division.

However, selling, general and administrative expenses are anticipated to decline than initially expected, and

the Company has thus chosen not to revise its full-year forecasts for operating profit, profit before tax, and profit for the year (attributable to owners of the Company).

#### 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 404 consolidated subsidiaries and equity method associates, including 295 consolidated subsidiaries and 109 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 253 companies consisting of 184 consolidated subsidiaries and 69 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 September 30, 2015

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries : 16 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 : 33 Number of equity method associates: 18	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 Tbk (New city development including industrial parks; Equity method associate)
Other Number of consolidated subsidiaries : 19 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 September 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 September 30, 2015
<b>Assets</b>		
Current assets		
Cash and cash equivalents	403,748	361,312
Time deposits	5,464	7,407
Trade and other receivables	559,291	500,394
Derivative financial assets	6,977	7,332
Inventories	270,274	263,640
Income tax receivables	3,712	4,436
Other current assets	63,122	56,302
Subtotal	1,312,591	1,200,826
Assets held for sale	10,905	1,704
Total current assets	1,323,497	1,202,530
Non-current assets		
Property, plant and equipment	217,912	213,666
Goodwill	50,164	55,958
Intangible assets	53,882	49,468
Investment property	19,459	18,793
Investments accounted for using the equity method	394,055	397,674
Trade and other receivables	45,017	44,425
Other investments	174,791	163,025
Derivative financial assets	1,865	243
Other non-current assets	7,483	5,830
Deferred tax assets	9,227	8,823
Total non-current assets	973,860	957,909
Total assets	2,297,358	2,160,440
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	490,865	458,696
Bonds and borrowings	208,360	212,775
Derivative financial liabilities	8,803	4,734
Income tax payables	7,570	5,406
Provisions	4,271	3,968
Other current liabilities	53,807	55,986
Subtotal	773,678	741,568
Liabilities directly related to assets held for sale	6,860	—
Total current liabilities	780,538	741,568
Non-current liabilities		
Bonds and borrowings	830,409	747,828
Trade and other payables	9,545	9,857
Derivative financial liabilities	2,942	3,405
Retirement benefits liabilities	17,943	17,988
Provisions	25,098	24,489
Other non-current liabilities	7,591	7,087
Deferred tax liabilities	32,631	27,626
Total non-current liabilities	926,163	838,283
Total liabilities	1,706,702	1,579,851
Equity		
Share capital	160,339	160,339
Capital surplus	146,515	146,515
Treasury stock	(159)	(160)
Other components of equity	194,557	196,590
Retained earnings	49,731	66,282
Total equity attributable to owners of the Company	550,983	542,567
Non-controlling interests	39,672	38,021
Total equity	590,656	580,588
Total liabilities and equity	2,297,358	2,160,440

## (2) Consolidated Statements of Profit or Loss

(In millions of yen)

	For the 1st Half Ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	For the 1st Half Ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Revenue		
Sales of goods	864,603	829,751
Sales of service and others	40,578	44,386
Total revenue	905,181	874,138
Cost of sales	(808,988)	(782,416)
Gross profit	96,193	91,722
Selling, general and administrative expenses	(76,647)	(76,864)
Other income(expenses)		
Gain(loss)on sale and disposal of fixed assets, net	532	585
Impairment loss on fixed assets	(357)	(1,919)
Gain on sale of subsidiaries/associates	537	1,256
Loss on reorganization of subsidiaries/associates	(662)	(645)
Other operating income	6,113	5,792
Other operating expenses	(6,841)	(3,415)
Total other income(expenses)	(677)	1,654
Operating profit	18,868	16,512
Financial income		
Interests earned	2,607	2,134
Dividends received	2,004	2,449
Other financial income	41	—
Total financial income	4,653	4,583
Financial costs		
Interest expenses	(10,243)	(8,577)
Other financial costs	—	(3)
Total financial costs	(10,243)	(8,581)
Share of profit(loss)of investments accounted for using the equity method	15,037	15,213
Profit before tax	28,315	27,728
Income tax expenses	(8,386)	(4,776)
Profit for the period	19,928	22,951
Profit for the period attributable to:		
Owners of the Company	16,736	20,612
Non-controlling interests	3,191	2,339
Total	19,928	22,951
Net sales*	1,944,836	2,015,907

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

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

(In Millions of Yen)

	For the 1st Half Ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	For the 1st Half Ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Profit for the period	19,928	22,951
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	17,333	1,041
Remeasurements of defined benefit pension plans	(28)	(110)
Total items that will not be reclassified to profit or loss	17,305	931
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	7,907	(25,241)
Cash flow hedges	(1,753)	(1,596)
Total items that may be reclassified subsequently to profit or loss	6,153	(26,838)
Other comprehensive income for the period, net of tax	23,458	(25,907)
Total comprehensive income for the period	43,387	(2,955)
Total comprehensive income for the period attributable to:		
Owners of the Company	39,120	(3,188)
Non-controlling interests	4,267	232
Total	43,387	(2,955)

## (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									16,736	16,736	3,191	19,928
Other comprehensive income				6,851	17,234	(1,674)	(28)	22,383		22,383	1,075	23,458
Total comprehensive income for the period	—	—	—	6,851	17,234	(1,674)	(28)	22,383	16,736	39,120	4,267	43,387
Purchase of treasury stock		(0)	(0)							(1)		(1)
Dividends									(2,502)	(2,502)	(382)	(2,884)
Change in ownership interests in subsidiaries without loss/acquisition of control				479		(27)		451	527	979	1,800	2,780
Reclassification from other components of equity to retained earnings					(557)		28	(528)	528	—		—
Other changes									3,581	3,581	(70)	3,511
Total contributions by and distributions to owners of the Company	—	(0)	(0)	479	(557)	(27)	28	(76)	2,135	2,057	1,347	3,405
Balance as of September 30, 2014	160,339	146,515	(158)	66,704	77,364	(2,145)	—	141,923	52,411	501,031	38,720	539,751
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									20,612	20,612	2,339	22,951
Other comprehensive income				(22,883)	991	(1,799)	(110)	(23,801)		(23,801)	(2,106)	(25,907)
Total comprehensive income for the period	—	—	—	(22,883)	991	(1,799)	(110)	(23,801)	20,612	(3,188)	232	(2,955)
Purchase of treasury stock		(0)	(1)							(1)		(1)
Dividends									(4,378)	(4,378)	(636)	(5,014)
Change in ownership interests in subsidiaries without loss/acquisition of control				48		7		56	145	201	(540)	(339)
Reclassification from other components of equity to retained earnings					(1,331)		110	(1,221)	1,221	—		—
Other changes									(1,049)	(1,049)	(706)	(1,756)
Total contributions by and distributions to owners of the Company	—	(0)	(1)	48	(1,331)	7	110	(1,165)	(4,061)	(5,228)	(1,883)	(7,111)
Balance as of September 30, 2015	160,339	146,515	(160)	68,705	106,264	(5,379)	—	169,590	66,282	542,567	38,021	580,588

## (5) Consolidated Statements of Cash Flows

(In millions of yen)

	For the 1st Half Ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	For the 1st Half Ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
<b>Cash flows from operating activities</b>		
Profit for the period	19,928	22,951
Depreciation and amortization	16,939	15,752
Impairment loss of fixed assets	357	1,919
Finance (income) costs	5,590	3,997
Share of (profit) loss of investments accounted for using the equity method	(15,037)	(15,213)
(Gain) loss on sale of fixed assets	(532)	(585)
Income tax expenses	8,386	4,776
(Increase) decrease in trade and other receivables	(861)	58,160
(Increase) decrease in inventories	(5,258)	4,185
Increase (decrease) in trade and other payables	(23,488)	(29,352)
Increase (decrease) in retirement benefits liabilities	468	84
Others	6,402	4,174
Subtotal	12,895	70,851
Interests earned	2,526	2,118
Dividends received	9,631	10,214
Interests paid	(10,125)	(8,499)
Income taxes paid	(7,092)	(7,760)
Net cash provided (used) by/in operating activities	7,835	66,923
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(18,067)	(15,761)
Proceeds from sale of property, plant and equipment	286	3,801
Purchase of intangible assets	(1,672)	(2,107)
(Increase) decrease in short-term loans receivable	(1,049)	69
Payment for long-term loans receivable	(1,914)	(2,361)
Collection of long-term loans receivable	59	343
Purchase of subsidiaries	(5,222)	(6,726)
Proceeds from (payments for) sale of subsidiaries	81	(566)
Purchase of investments	(5,019)	(1,367)
Proceeds from sale of investments	4,226	5,105
Others	23,991	(1,977)
Net cash provided (used) by/in investing activities	(4,299)	(21,547)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term debts and commercial papers	(18,267)	(18,525)
Proceeds from long-term borrowings	63,516	25,422
Repayment of long-term borrowings	(73,639)	(74,127)
Proceeds from issuance of bonds	29,820	—
Redemption of bonds	(10,000)	(10,000)
Proceeds from sale of subsidiaries interests to non-controlling interest holders	—	5
Payment for acquisition of subsidiaries interests from non-controlling interest holders	(129)	(18)
Proceeds from non-controlling interest holders	3,064	—
Purchase of treasury stock	(1)	(1)
Dividends paid	(2,502)	(4,378)
Dividends paid to non-controlling interest holders	(382)	(636)
Others	(1,783)	(1,348)
Net cash provided (used) by/in financing activities	(10,305)	(83,609)
Net increase (decrease) in cash and cash equivalents	(6,770)	(38,233)
Cash and cash equivalents at the beginning of the period	420,658	403,748
Effect of exchange rate changes on cash and cash equivalents	4,016	(4,202)
Cash and cash equivalents at the end of the period	417,905	361,312

## (6) Segment information

For the first half ended September 30, 2014 (April 1, 2014 - September 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	85,641	39,456	50,941	66,292	156,230	209,625	120,572
Inter-segment revenue	3	725	1	1	4	61	4
Total revenue	85,645	40,181	50,943	66,293	156,235	209,687	120,576
Segment profit (loss)	(282)	945	604	3,662	2,996	3,180	3,471
Net sales (Note)							
External	151,871	209,779	111,853	78,410	294,893	340,854	205,385

	Reportable segments			Others	Reconciliations	Consolidated
	Lifestyle Commodities & Materials	Retail	Total			
Revenue						
External revenue	89,453	71,135	889,349	15,831	—	905,181
Inter-segment revenue	30	223	1,056	168	(1,224)	—
Total revenue	89,483	71,358	890,406	16,000	(1,224)	905,181
Segment profit (loss)	899	2,038	17,516	1,265	(2,045)	16,736

Net sales (Note)						
External	430,828	102,838	1,926,717	18,119	—	1,944,836

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 (2,045) 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 (2,549) million yen, and unallocated dividend income and others of 504 million yen.

For the first half ended September 30, 2015 (April 1, 2015 – September 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	64,865	35,619	53,323	38,903	157,800	210,527	126,117
Inter-segment revenue	12	829	9	5	1	10	6
Total revenue	64,878	36,449	53,332	38,909	157,801	210,537	126,123
Segment profit (loss)	4,144	1,356	1,234	113	3,016	4,321	2,713
Net sales (Note)							
External	145,397	297,146	102,626	66,930	279,852	323,295	216,134

	Reportable segments			Others	Reconciliations	Consolidated
	Lifestyle Commodities & Materials	Retail	Total			
Revenue						
External revenue	88,871	76,111	852,140	21,997	—	874,138
Inter-segment revenue	172	241	1,288	250	(1,539)	—
Total revenue	89,043	76,353	853,429	22,248	(1,539)	874,138
Segment profit (loss)	280	2,884	20,067	513	32	20,162

Net sales (Note)						
External	452,897	108,539	1,992,820	23,086	—	2,015,907

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 32 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 (292) million yen, and unallocated dividend income and others of 324 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 first half ended September 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 half ended September 30, 2014, have been restated to reflect this change.