

# Financial Results for the Second Quarter Ended September 30, 2015

**November 5, 2015**  
**Sojitz Corporation**

# Index

I. Financial Results for the Second Quarter and Full Year Forecast of Fiscal Year Ending March 31, 2016

II. Progress of Medium-term Management Plan 2017

【Supplemental Data】

I. Segment Information


II. Summary of Financial Results

## 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 Second Quarter and Full Year Forecast of Fiscal Year Ending March 31, 2016



# Summary of Profit or Loss

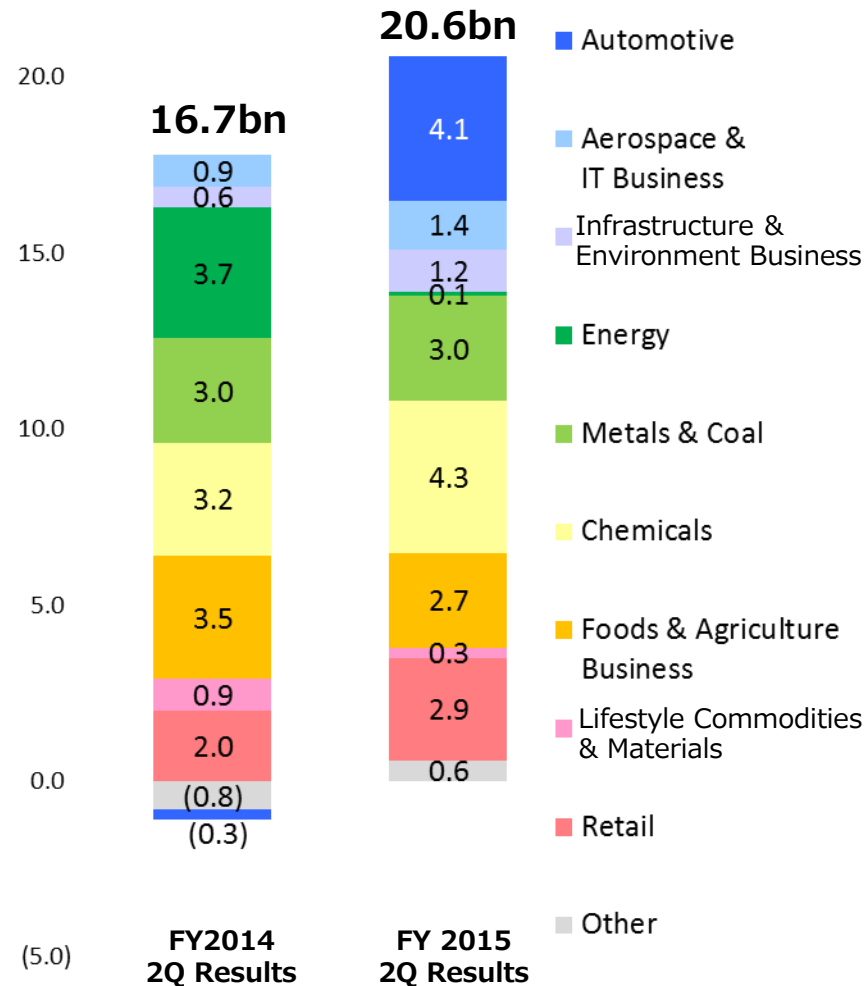
(Billions of Yen)	FY2014 2Q Results	FY2015 2Q Results	Difference	FY2015 Initial Forecast	FY2015 Forecast (Nov. 5, '15)	Achieved
Net sales (JGAAP)	1,944.8	2,015.9	+71.1	4,400.0	4,250.0	47%
Gross profit	96.2	91.7	(4.5)	215.0	205.0	45%
Operating profit	18.9	16.5	(2.4)	40.5	40.5	41%
Share of profit (loss) of investments accounted for using the equity method	15.0	15.2	+0.2	28.0	28.0	54%
Profit before tax	28.3	27.7	(0.6)	58.5	58.5	47%
Income tax expenses	(8.4)	(4.7)	+3.7	(14.0)	(14.0)	—
Profit for the period attributable to owners of the Company	16.7	20.6	+3.9	40.0	40.0	52%
Core earnings	28.5	25.8	(2.7)	66.0	66.0	—

# Summary of Profit or Loss

## Profit for the period by segment

Profit for the period

(attributable to owners of the Company) by segment  
(Billions of Yen)

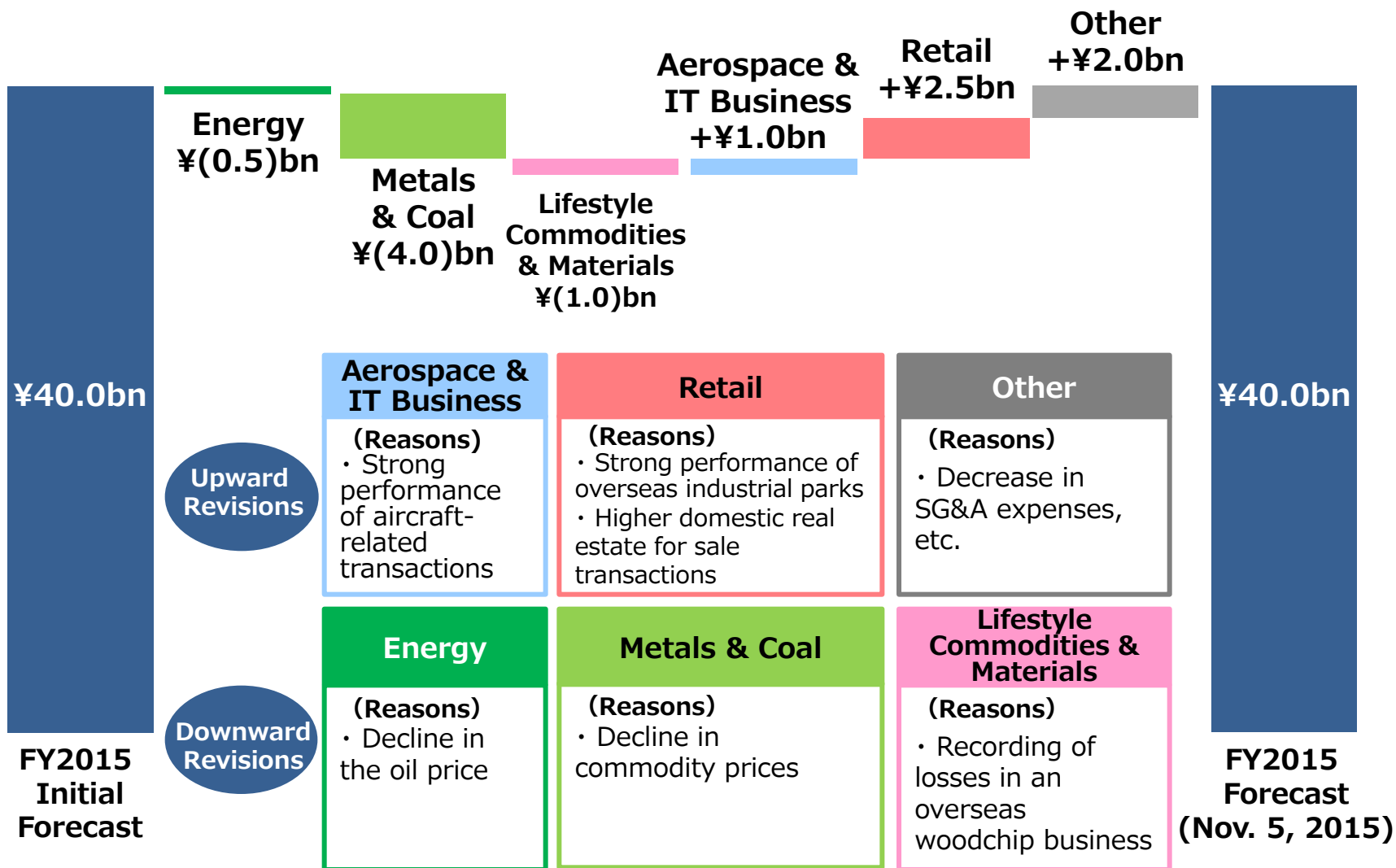


### Factor behind year on year change in earnings

- Automotive ¥4.1 billion (– YoY)**  
 Increased as strong performance of automobile business in the Philippines offset the impacts of decreased automobile sales in Russia.
- Aerospace & IT Business ¥1.4 billion (up 56% YoY)**  
 Increased due to strong performance of aircraft-related operations.
- Infrastructure & Environment Business ¥1.2billion (up 100% YoY)**  
 Increased due to higher industrial machinery-related transactions in Asia.
- Energy ¥0.1 billion (down 97% YoY)**  
 Decreased due to the impacts of a decline in the oil price.
- Metals & Coal ¥3.0 billion (Relatively unchanged YoY)**  
 Relatively unchanged year on year as the increase in steel-related business offset commodity price declines.
- Chemicals ¥4.3 billion (up 34% YoY)**  
 Increased due to higher transaction volumes in the Americas and Asia.
- Foods & Agriculture Business ¥2.7 billion (down 23% YoY)**  
 Decreased due to lower sales volumes in overseas fertilizer business as a result of unfavorable weather.
- Lifestyle Commodities & Materials ¥0.3 billion (down 67% YoY)**  
 Decreased due to lower lumber-related transaction volumes and the recording of losses in an overseas woodchip business.
- Retail ¥2.9 billion (up 45% YoY)**  
 Increased due to strong performance of overseas industrial park business and higher domestic real estate for sale transactions.
- Other ¥0.6 billion (– YoY)**  
 Decrease in income tax expenses.

# Revised Full Year Forecast of Fiscal Year Ending March 31, 2016

## Profit for the period by segment



# FY2015 Revised Forecast Profit for the year by segment

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

(Billions of Yen)

	FY2015 2Q Results	FY2015 Initial Forecast	FY2015 Forecast (Nov. 5, '15)
Automotive	4.1	5.5	<b>5.5</b>
Aerospace & IT Business	1.4	3.0	<b>4.0</b>
Infrastructure & Environment Business	1.2	4.0	<b>4.0</b>
Energy	0.1	1.5	<b>1.0</b>
Metals & Coal	3.0	9.5	<b>5.5</b>
Chemicals	4.3	9.0	<b>9.0</b>
Foods & Agriculture Business	2.7	4.0	<b>4.0</b>
Lifestyle Commodities & Materials	0.3	3.5	<b>2.5</b>
Retail	2.9	2.0	<b>4.5</b>
Other	0.6	(2.0)	<b>0.0</b>
<b>Total</b>	<b>20.6</b>	<b>40.0</b>	<b>40.0</b>

## Future Outlook

- **Automotive ¥4.1 billion**

Progress is in line with forecasts because the strong strides toward targets were stifled by the decline in automobile sales in Russia

- **Aerospace & IT Business ¥1.4 billion**

Initial forecasts have been revised to reflect the strong performance of aircraft-related operations.

- **Infrastructure & Environment Business ¥1.2 billion**

Progress is in line with forecasts as plant-related earnings are expected during the second half of the fiscal year.

- **Energy ¥0.1 billion**

Initial forecasts were revised to account for the drop in the price of oil, but earnings from LNG-related businesses are expected during the second half of the fiscal year.

- **Metals & Coal ¥3.0 billion**

Initial forecasts were revised to account for commodity price declines.

- **Chemicals ¥4.3 billion**

Progress is in line with forecasts

- **Foods & Agriculture Business ¥2.7 billion**

Progress is in line with forecasts as the benefits of cost reductions offset the lower sale volumes in fertilizer businesses resulted from unseasonable weather.

- **Lifestyle Commodities & Materials ¥0.3 billion**

Initial forecasts have been revised to reflect the losses associated with overseas woodchip manufacturing businesses, but a rise in textile transaction volumes is anticipated to occur during the second half of the fiscal year.

- **Retail ¥2.9 billion**

Initial forecasts have been revised in light of strong performance in overseas industrial park businesses and solid transactions of domestic real estate held for sales projected to be seen during the second half of the fiscal year.

- **Other ¥0.6 billion**

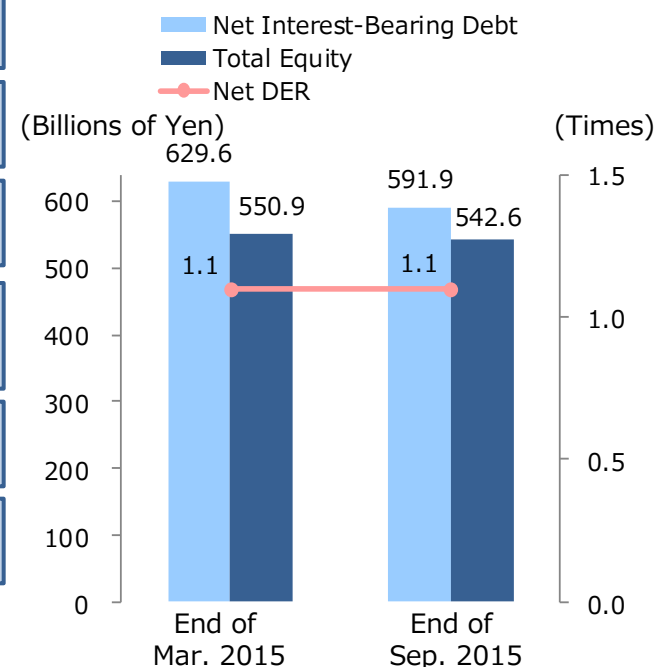
Initial forecasts have been revised out of anticipation for projected decreases in SG&A expenses.

# Summary of Balance Sheets

(Billions of Yen)	End of Mar. 2015	End of Sep. 2015	Difference	End of Mar. 2016 Initial Forecast	End of Mar. 2016 Forecast (Nov. 5, '15)
Total assets	2,297.4	2,160.4	(137.0)	2,400.0	2,300.0
Total equity*	550.9	542.6	(8.3)	580.0	560.0
Equity ratio	24.0%	25.1%	+1.1%	24.2%	24.3%
Net interest-bearing debt	629.6	591.9	(37.7)	680.0	650.0
Net DER (Times)	1.1	1.1	—	1.2	1.2
Risk assets vs. Total equity	320.0 0.6 times	330.0 0.6 times	+10.0 ±0.0times	—	—
Current ratio	169.5%	162.2%	(7.3)%	—	—
Long-term debt ratio	79.9%	77.8%	(2.1)%	—	—

## Changes in Total Equity (End of Mar. 2015 vs. End of Sep. 2015, Breakdown)

- Profit for the period attributable to owners of the Company ¥+20.6 billion
- Dividends paid ¥(4.4) billion
- Changes due to fluctuations in foreign exchange rates ¥(25.0) billion



(\*) "Total equity attributable to owners of the Company" is recognized as "Total equity" above, and is also used in the denominator of the "Net DER" and the numerator of the "Equity ratio".

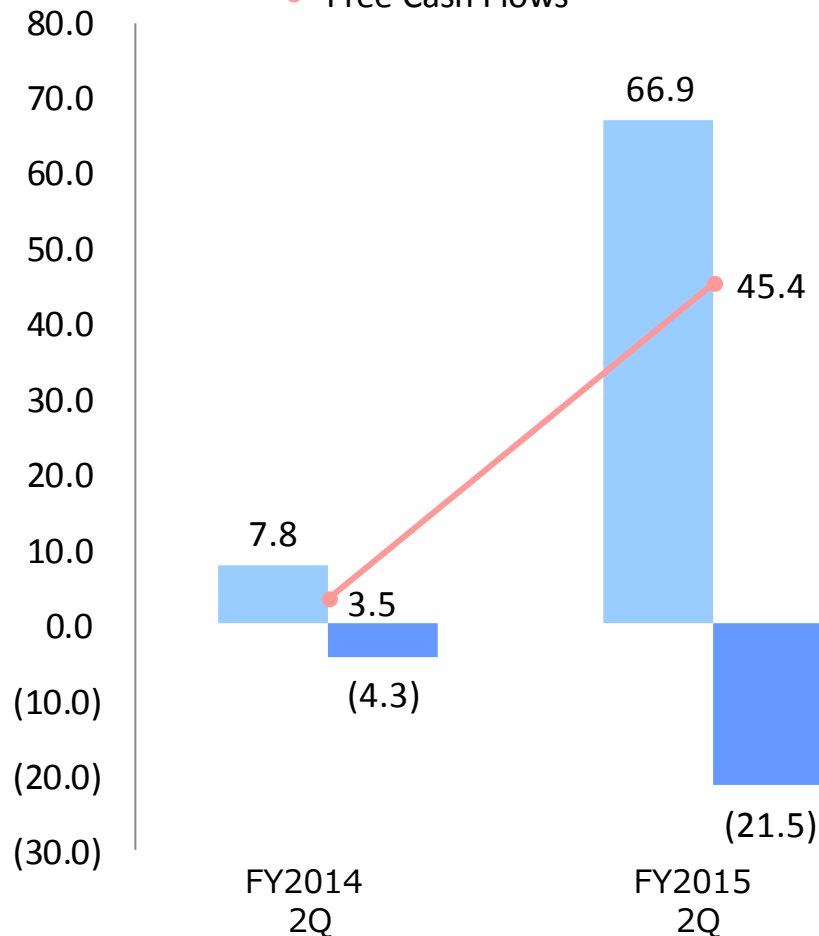


# Summary of Cash Flows

(Billions of Yen) ■ Cash Flows from Operating Activities

■ Cash Flows from Investing Activities

—●— Free Cash Flows



## Cash Flows from Operating Activities

Net cash provided by operating activities ¥66.9 billion reflecting operating revenues as well as the recovery of receivables by the Automotive Division and the Lifestyle Commodities & Materials Division

## Cash Flows from Investing Activities

Net cash used in investing activities ¥21.5 billion as outlays for investments and loans outweighed inflows from asset replacement

(Investments & Loans)

- Automobile Dealership in the U.S.A.
- Domestic Solar Power Generation Business Etc.

## Free Cash Flows

Free cash flow positive ¥+45.4 billion  
Up ¥41.9 billion YoY due to rise in net cash provided by operating activities

# Commodity Prices, Foreign Exchange, and Interest Rate

	FY2014 Results (Annual Avg.)	FY2015 Initial Assumptions (Annual Avg.)	FY2015 2Q Results (Apr.-Sep. Avg.)	Latest Data (As of October 30, 2015)
Crude oil (Brent)*1	\$85.5/bbl	\$60/bbl	\$57.4/bbl	\$49.6/bbl
Thermal Coal *2	\$72.3/t	\$68/t	\$63.4/t	\$51.9/t
Exchange rate *3	¥110.6/US\$	¥120/US\$	¥121.7/US\$	¥120.9/US\$
Interest rate (TIBOR)	0.20%	0.20%	0.17%	0.17%

\*1 Impact of fluctuations in the crude oil price on earnings: A US\$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 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.3 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.1 billion annually, and total equity by approx. ¥2.0 billion.

## II. Progress of Medium-term Management Plan 2017

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# Operating Environment

## When Medium-Term Management Plan 2017 Was Formulated

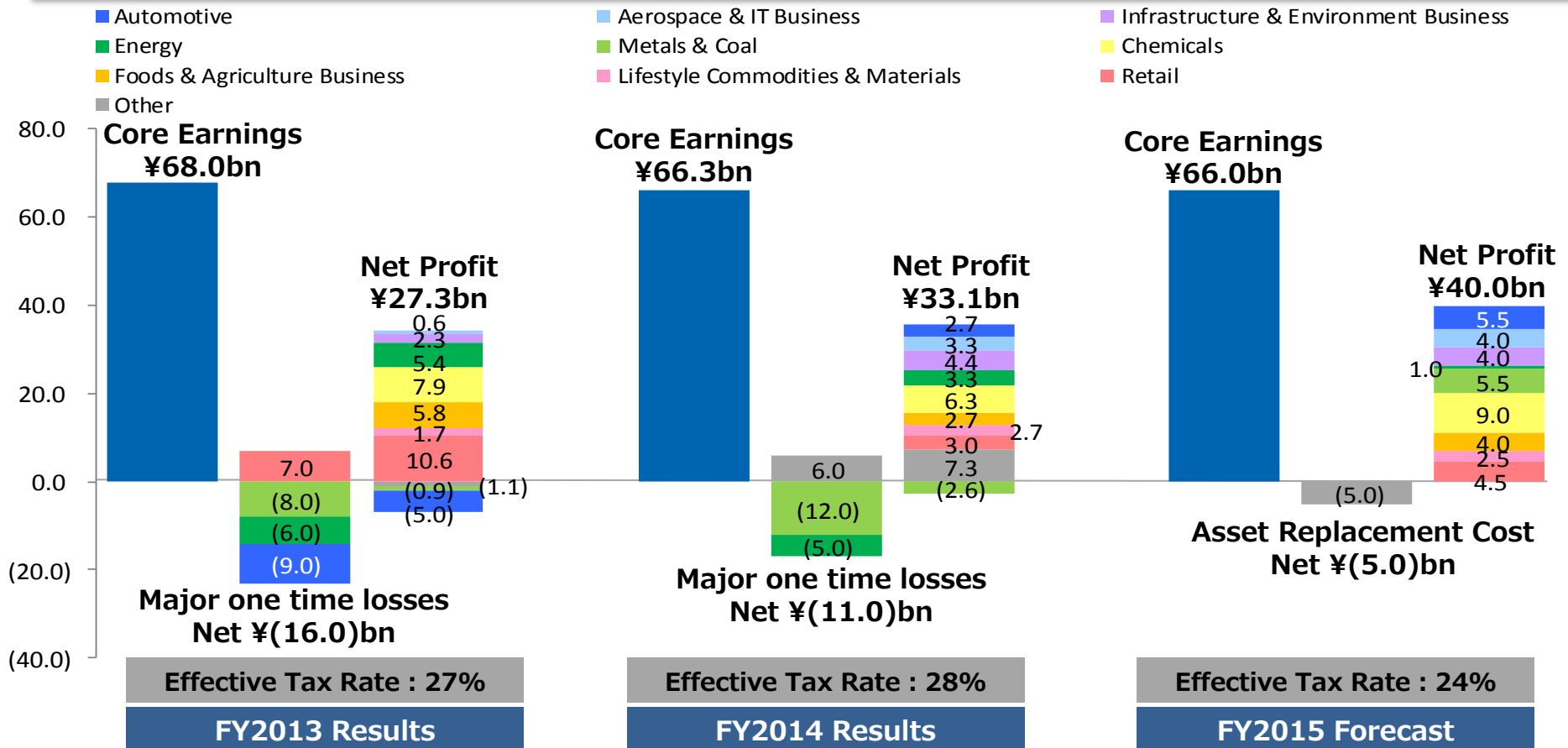
- Americas : Solid, ongoing recovery trend anticipated, impacts of monetary tightening warranting caution
- Asia : Growth in ASEAN and other emerging countries, economic slowdown in China, and concern regarding impacts of U.S. interest rate hikes
- Japan : Gradual economic recovery expected to continue with certain degree of economic slowdown following consumption tax hike

## Current Conditions

- Americas : Modest recovery trend expected to continue, but impacts of monetary tightening warrant caution
- Asia : Ever-more pronounced economic slowdown in China with decelerating growth rates in ASEAN and other emerging countries
- Japan : Gradual economic recovery expected to continue together with certain degree of economic slowdown resulted from consumption tax hike

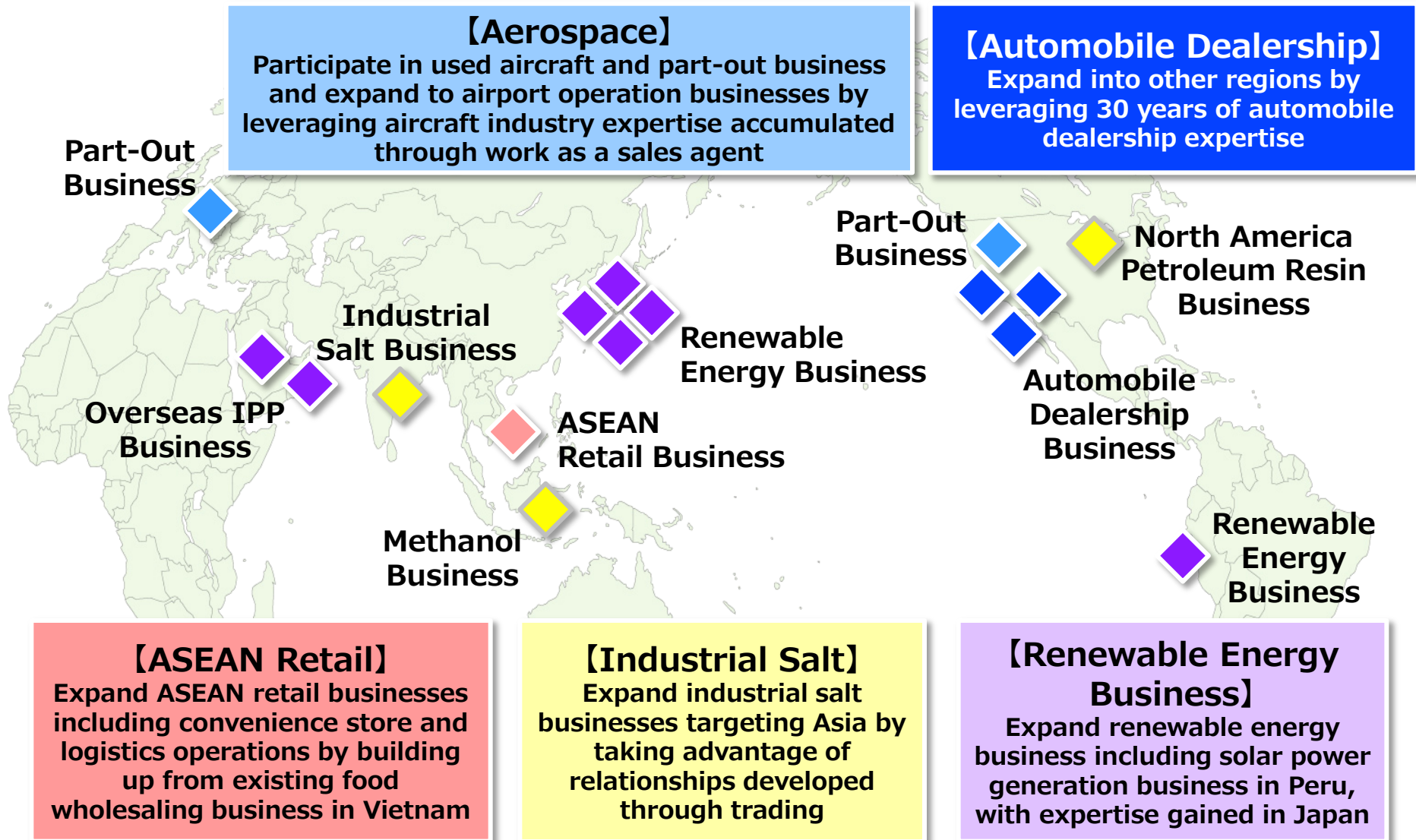
# Foundations for Stable Earnings

Foundations for generating stable earnings established through asset portfolio reorganization conducted up until the last fiscal year. Full-year profit for the year forecast to reach ¥40.0 billion due to decrease in tax expenses.



(Note) Figures for FY2014 and FY2013 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.

# Progress of Medium-term Management Plan 2017



**【Aerospace】**  
 Participate in used aircraft and part-out business and expand to airport operation businesses by leveraging aircraft industry expertise accumulated through work as a sales agent

**【Automobile Dealership】**  
 Expand into other regions by leveraging 30 years of automobile dealership expertise

**【ASEAN Retail】**  
 Expand ASEAN retail businesses including convenience store and logistics operations by building up from existing food wholesaling business in Vietnam

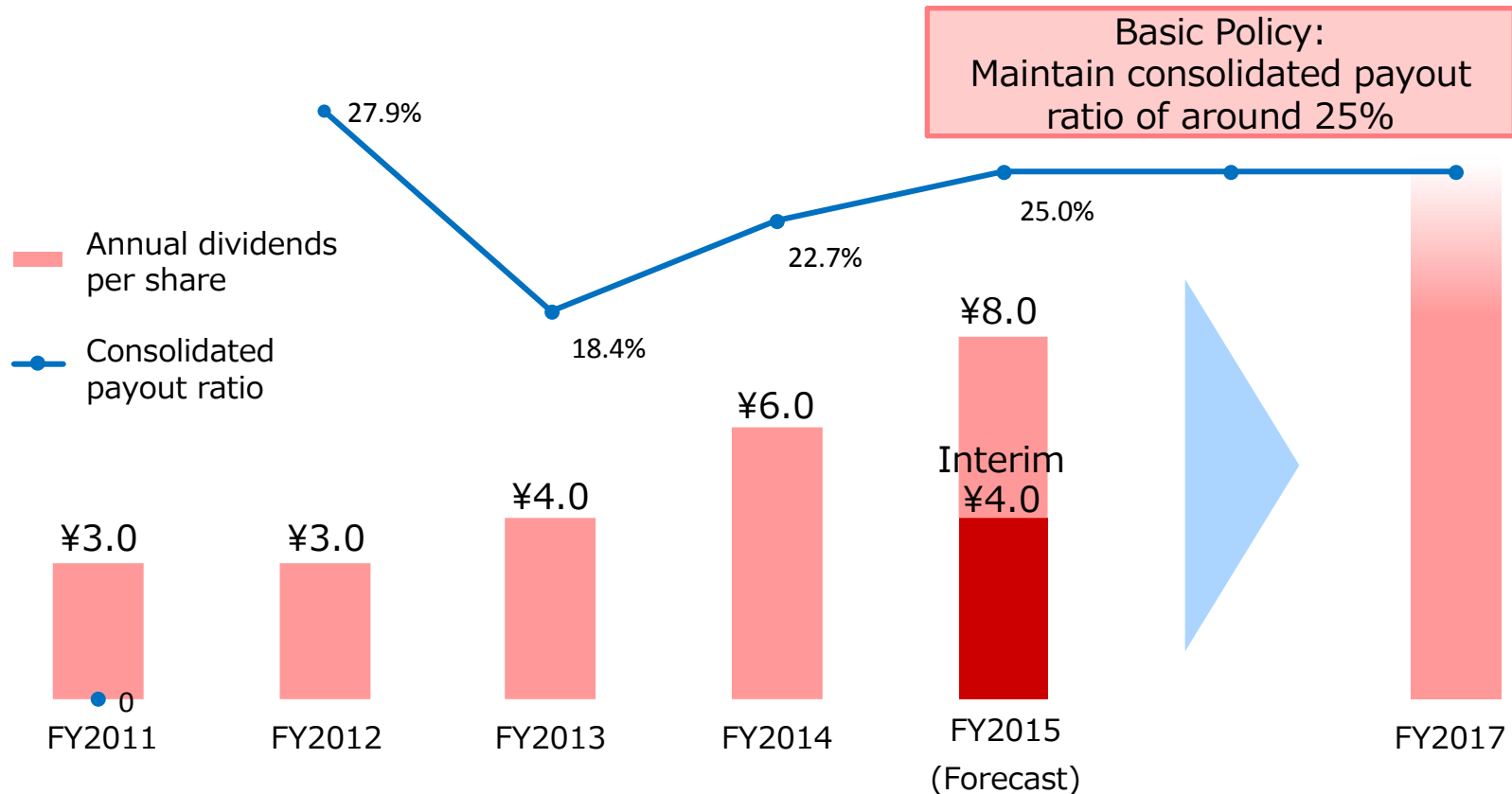
**【Industrial Salt】**  
 Expand industrial salt businesses targeting Asia by taking advantage of relationships developed through trading

**【Renewable Energy Business】**  
 Expand renewable energy business including solar power generation business in Peru, with expertise gained in Japan

# Dividends

## Basic Dividend Policy

Sojitz recognizes that paying stable, continuous dividends is a management priority, together with enhancing shareholder value and boosting competitiveness through the accumulation and effective use of retained earnings.



# 【Supplemental Data】

## I. Segment Information

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# Automotive

## FY2015 Current Position and Outlook

### Profit for the Period (attributable to owners of the Company)

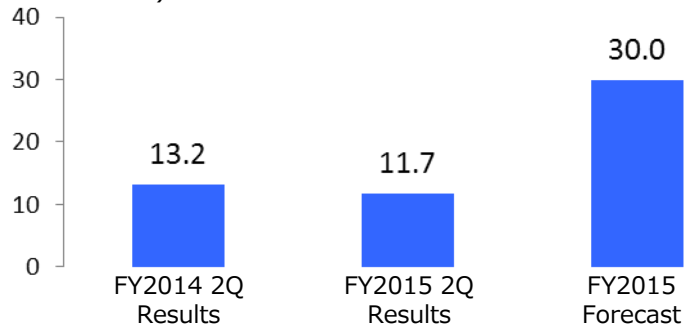
#### FY2015 2Q Results ¥4.1bn (FY2015 Forecast ¥5.5bn)

Progress is in line with forecasts because the strong strides toward targets were stifled by the decline in automobile sales in Russia.



### Gross profit

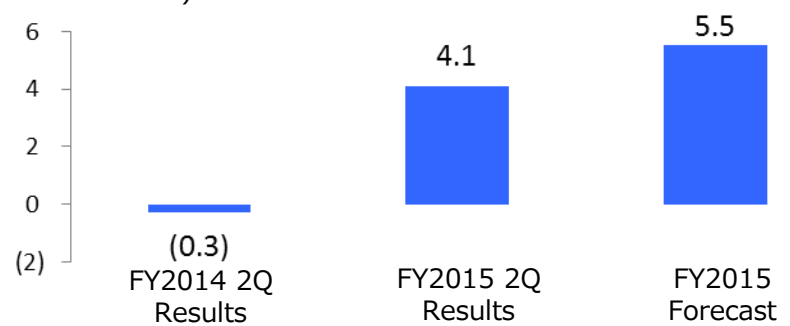
(Billions of Yen)



### Profit for the Period

(attributable to owners of the Company)

(Billions of Yen)



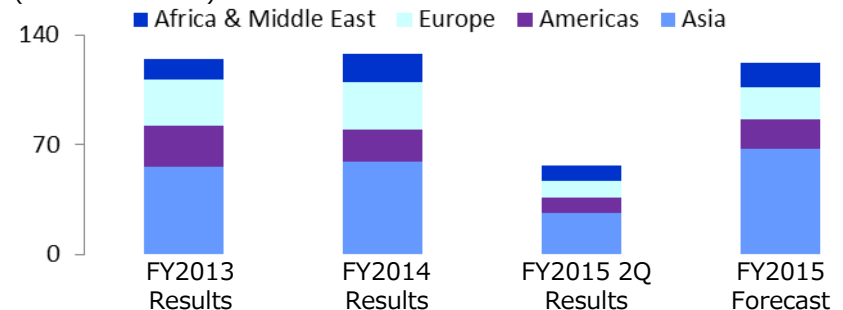
### FY 2015 2Q Results

(Billions of Yen)

	FY2014 2Q Results	FY2015 2Q Results
Gross Profit	13.2	11.7
Operating Income	0.2	1.6
Share of profit of investments accounted for using the equity method	0.9	3.9
Profit for the period (attributable to owners of the Company)	(0.3)	4.1
	End of Mar. 2015	End of Sep. 2015
Total Assets	134.3	124.3

### Automobile Sales Volume

(Thousand Units)



# Aerospace & IT Business

## FY2015 Current Position and Outlook

**Profit for the Period (attributable to owners of the Company)**

**FY2015 2Q Results ¥1.4bn**

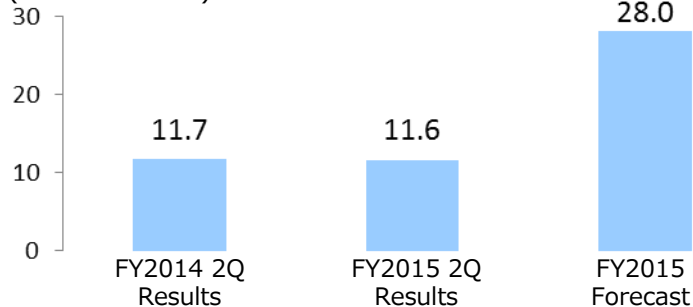
**(FY2015 Initial Forecast ¥3.0bn ⇒ Revised Forecast ¥4.0bn)**

Initial forecasts have been revised to reflect the strong performance of aircraft-related operations.



## Gross profit

(Billions of Yen)



## FY 2015 2Q Results

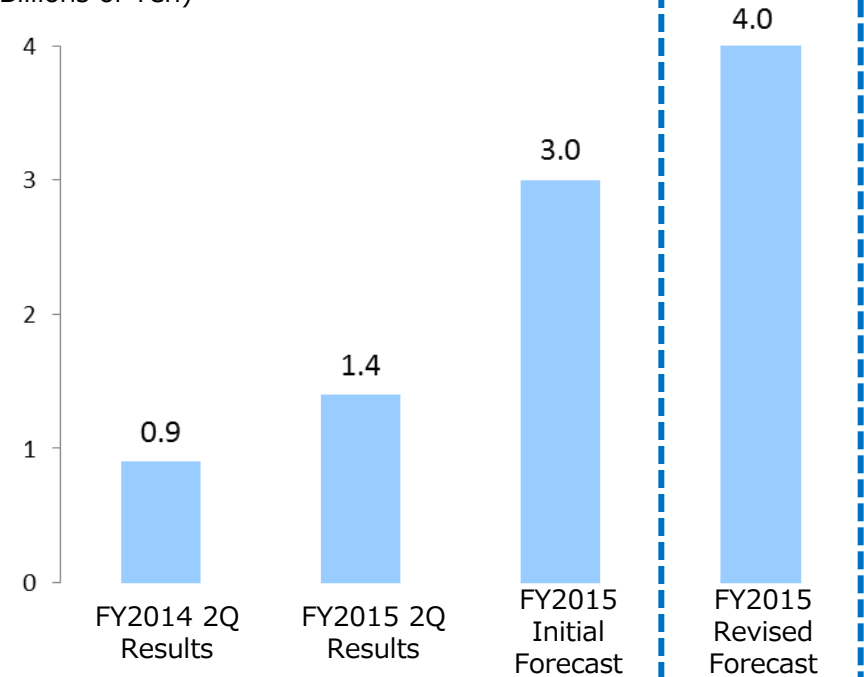
(Billions of Yen)

	FY2014 2Q Results	FY2015 2Q Results
Gross Profit	11.7	11.6
Operating Income	2.5	2.0
Share of profit of investments accounted for using the equity method	0.1	0.2
Profit for the period (attributable to owners of the Company)	0.9	1.4
	End of Mar. 2015	End of Sep. 2015
Total Assets	170.4	162.8

## Profit for the Period

(attributable to owners of the Company)

(Billions of Yen)



# Infrastructure & Environment Business

## FY2015 Current Position and Outlook

### Profit for the Period (attributable to owners of the Company)

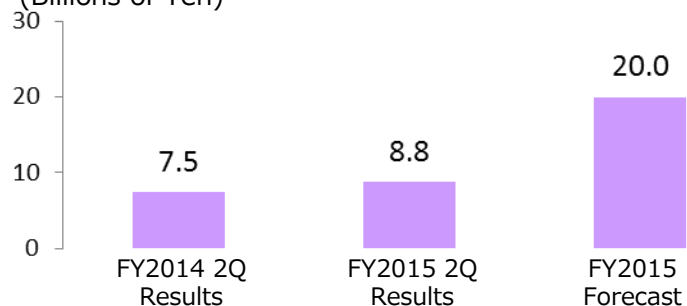
#### FY2015 2Q Results ¥1.2bn (FY2015 Forecast ¥4.0bn)

Progress is in line with forecasts as plant-related earnings are expected during the second half of the fiscal year.



### Gross profit

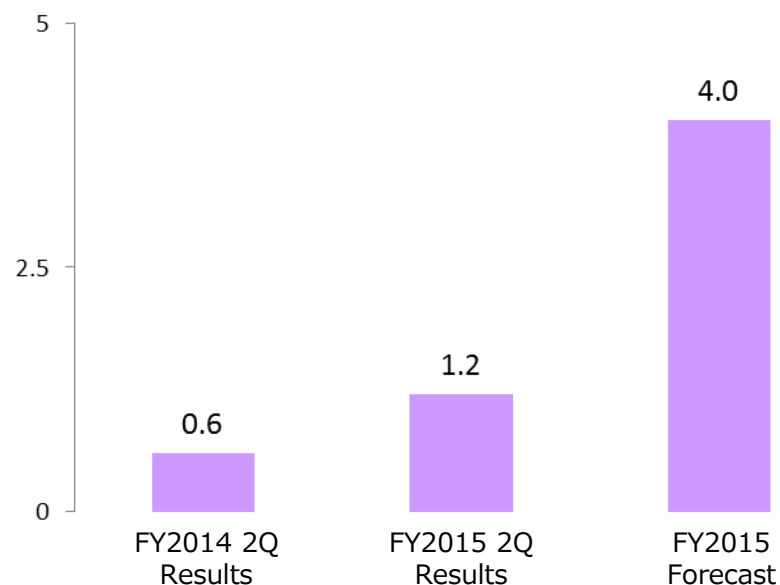
(Billions of Yen)



### Profit for the Period

#### (attributable to owners of the Company)

(Billions of Yen)



### FY 2015 2Q Results

(Billions of Yen)

	FY2014 2Q Results	FY2015 2Q Results
Gross Profit	7.5	8.8
Operating Income	0.6	1.4
Share of profit of investments accounted for using the equity method	1.0	0.8
Profit for the period (attributable to owners of the Company)	0.6	1.2
	End of Mar. 2015	End of Sep. 2015
Total Assets	156.0	157.0

# Energy

## FY2015 Current Position and Outlook

### Profit for the Period (attributable to owners of the Company)

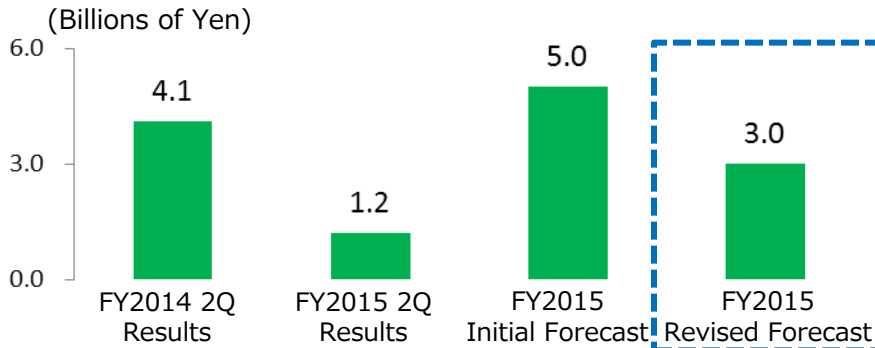
#### FY2015 2Q Results ¥0.1bn

#### (FY2015 Initial Forecast ¥1.5bn ⇒ Revised Forecast ¥1.0bn)

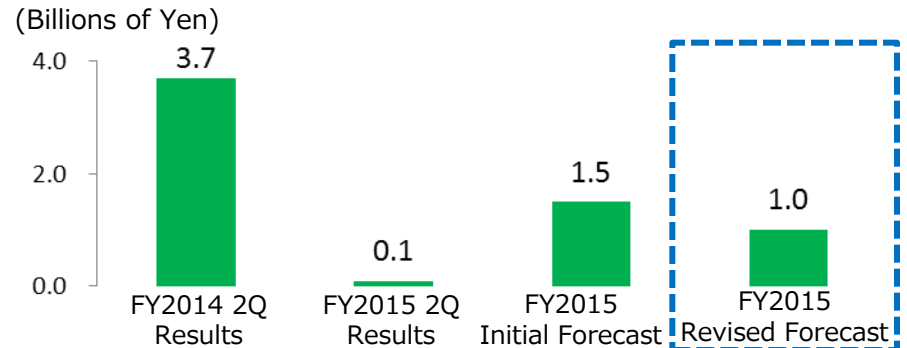
Initial forecasts were revised to account for the drop in the price of oil, but earnings from LNG-related businesses are expected during the second half of the fiscal year.



### Gross profit



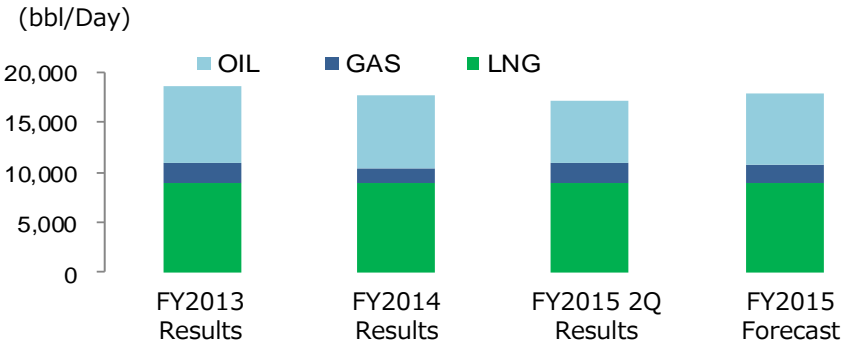
### Profit for the Period (attributable to owners of the Company)



### FY 2015 2Q Results

(Billions of Yen)	FY2014 2Q Results	FY2015 2Q Results
Gross Profit	4.1	1.2
Operating Income	0.6	(1.4)
Share of profit of investments accounted for using the equity method	4.2	1.3
Profit for the period (attributable to owners of the Company)	3.7	0.1
	End of Mar. 2015	End of Sep. 2015
Total Assets	163.3	158.6

### Share of Production Volume for Oil, Gas and LNG



# Metals & Coal

## FY2015 Current Position and Outlook

**Profit for the Period (attributable to owners of the Company)**

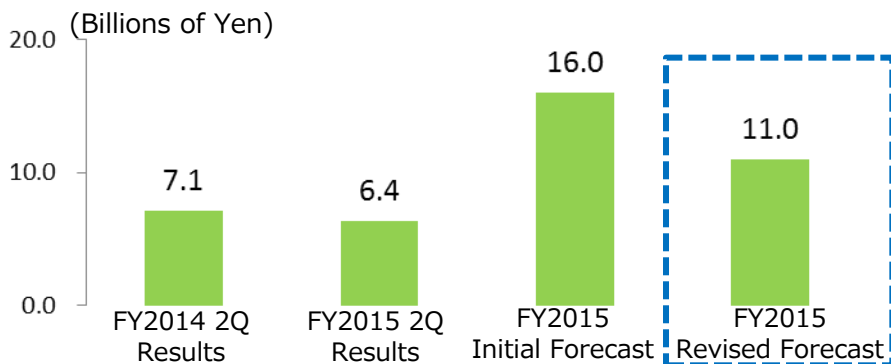
**FY2015 2Q Results ¥3.0bn**

**(FY2015 Initial Forecast ¥9.5bn ⇒ Revised Forecast ¥5.5bn)**

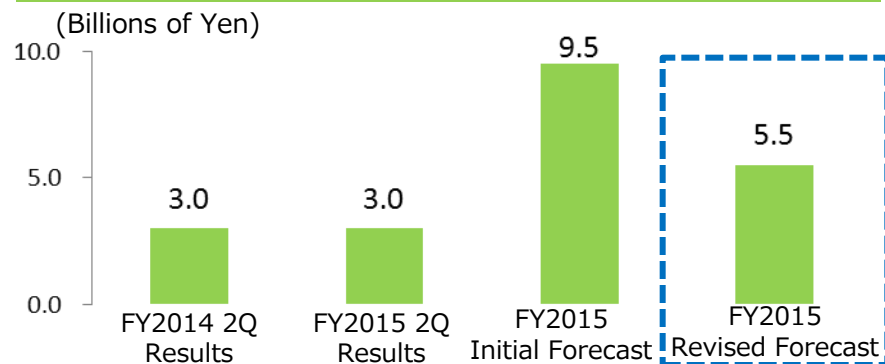
Initial forecasts were revised to account for commodity price declines.



### Gross profit



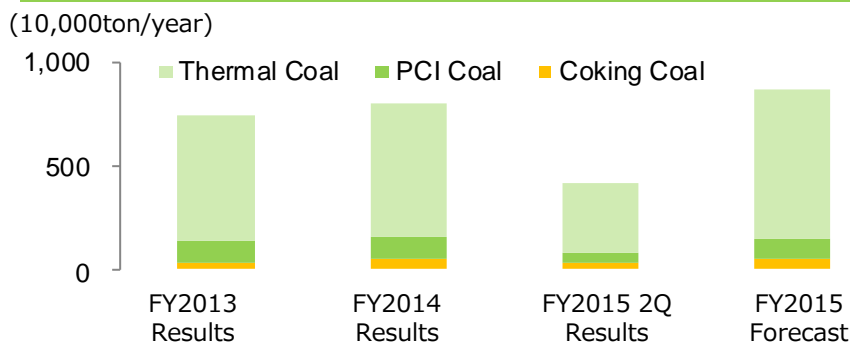
### Profit for the Period (attributable to owners of the Company)



### FY 2015 2Q Results

(Billions of Yen)	FY2014 2Q Results	FY2015 2Q Results
Gross Profit	7.1	6.4
Operating Income	(1.1)	(0.7)
Share of profit of investments accounted for using the equity method	5.6	5.8
Profit for the period (attributable to owners of the Company)	3.0	3.0
	End of Mar. 2015	End of Sep. 2015
Total Assets	459.7	431.4

### Sales Volume for Coal



# Chemicals

## FY2015 Current Position and Outlook

**Profit for the Period (attributable to owners of the Company)**

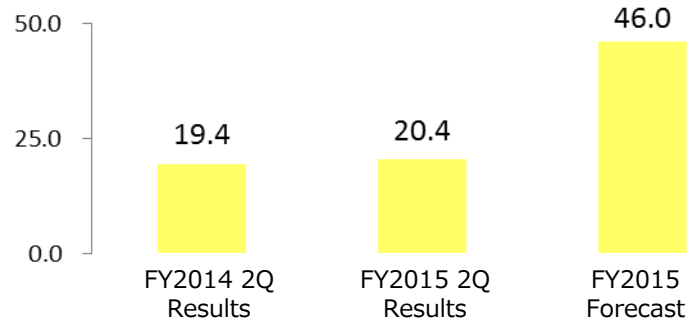
**FY2015 2Q Results ¥4.3bn (FY2015 Forecast ¥9.0bn)**

Progress is in line with forecasts.



### Gross profit

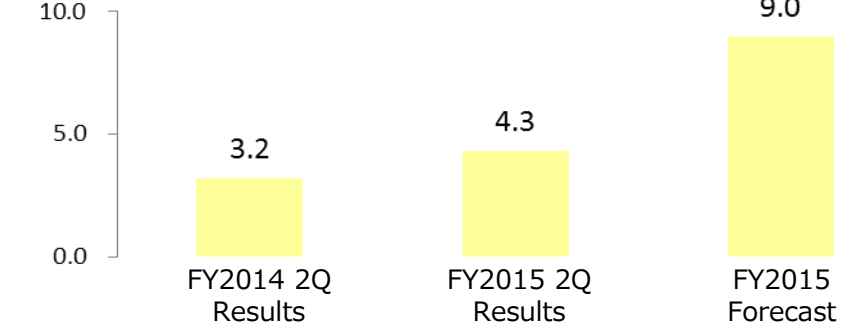
(Billions of Yen)



### Profit for the Period

(attributable to owners of the Company)

(Billions of Yen)



### FY 2015 2Q Results

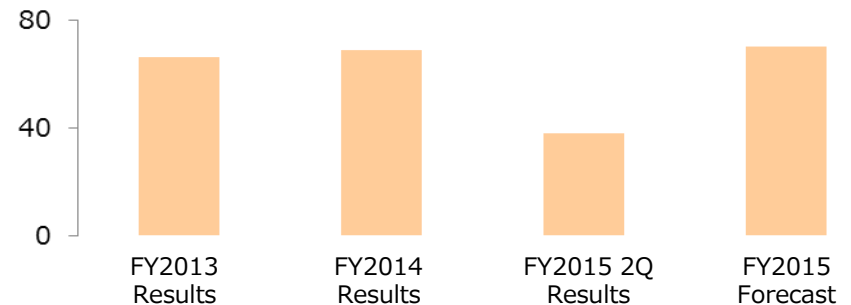
(Billions of Yen)

	FY2014 2Q Results	FY2015 2Q Results
Gross Profit	19.4	20.4
Operating Income	6.2	6.5
Share of profit of investments accounted for using the equity method	0.3	0.6
Profit for the period (attributable to owners of the Company)	3.2	4.3
	End of Mar. 2015	End of Sep. 2015
Total Assets	290.1	270.0

### Sales Volume for Methanol

(PT. Kaltim Methanol Industri)

(10,000ton/year)



# Foods & Agriculture Business

## FY2015 Current Position and Outlook

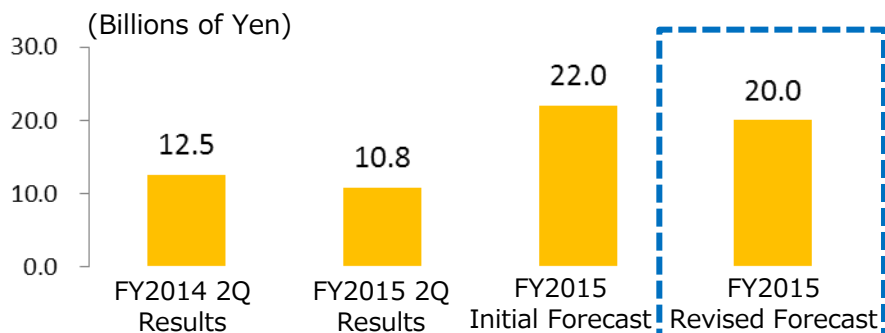
### Profit for the Period (attributable to owners of the Company)

#### FY2015 2Q Results ¥2.7bn (FY2015 Forecast ¥4.0bn)

Progress is in line with forecasts as the benefits of cost reductions offset the lower sale volumes in fertilizer businesses resulted from unseasonable weather.



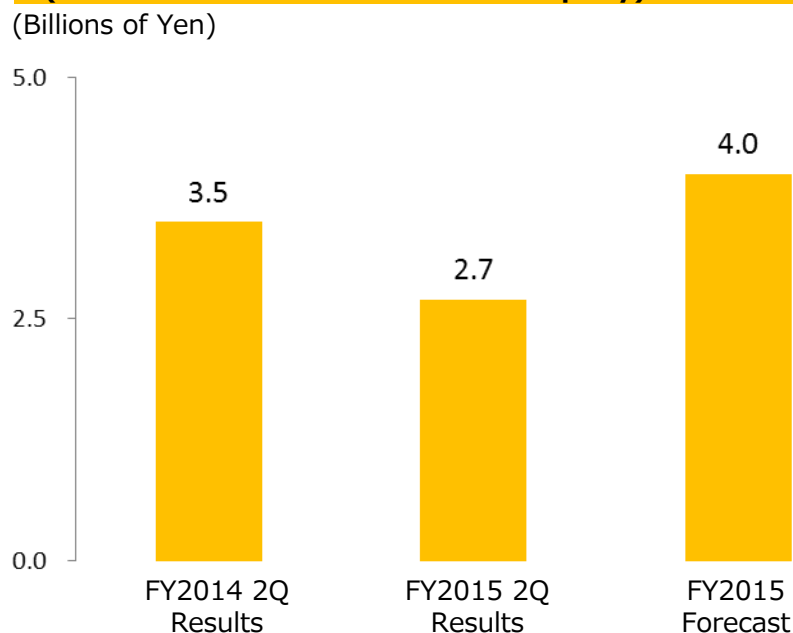
### Gross profit



### FY 2015 2Q Results

(Billions of Yen)	FY2014 2Q Results	FY2015 2Q Results
Gross Profit	12.5	10.8
Operating Income	6.0	5.3
Share of profit of investments accounted for using the equity method	0.8	0.4
Profit for the period (attributable to owners of the Company)	3.5	2.7
	End of Mar. 2015	End of Sep. 2015
Total Assets	162.0	134.6

### Profit for the Period (attributable to owners of the Company)





# Lifestyle Commodities & Materials

## FY2015 Current Position and Outlook

**Profit for the Period (attributable to owners of the Company)**

**FY2015 2Q Results ¥0.3bn**

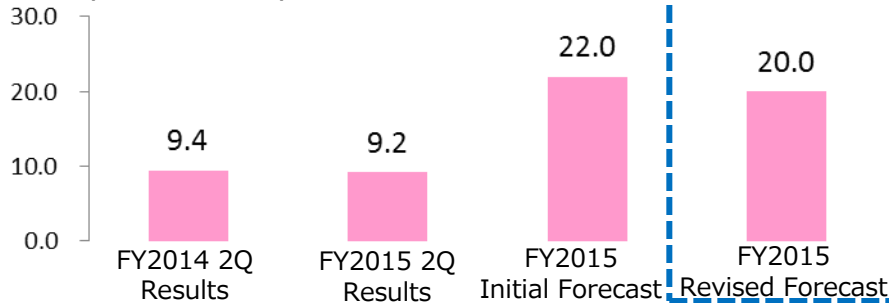
**(FY2015 Initial Forecast ¥3.5bn ⇒ Revised Forecast ¥2.5bn)**

Initial forecasts have been revised to reflect the losses associated with overseas woodchip manufacturing businesses, but a rise in textile transaction volumes is anticipated to occur during the second half of the fiscal year.



### Gross profit

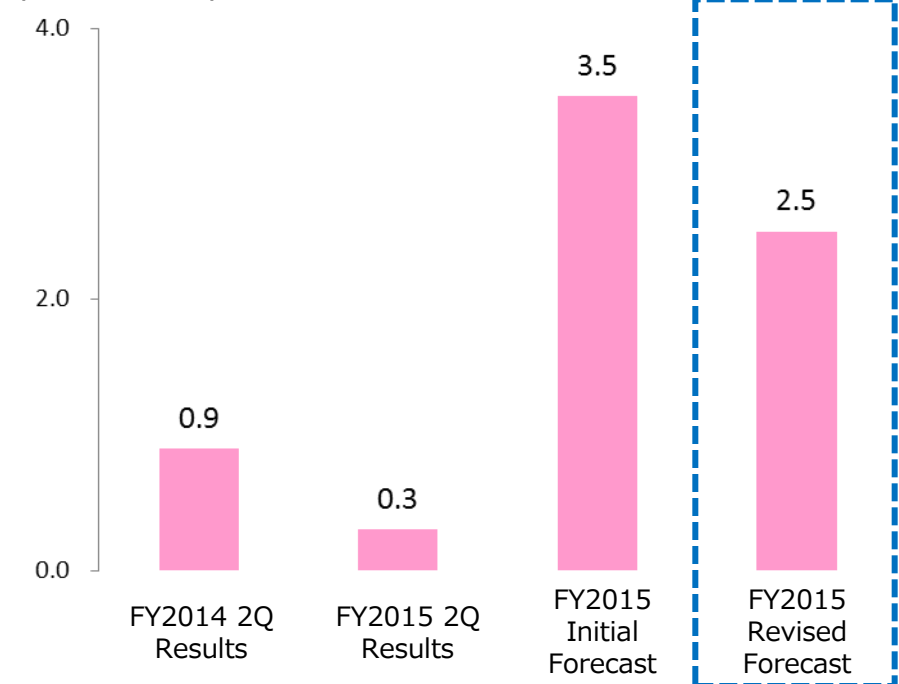
(Billions of Yen)



### Profit for the Period

(attributable to owners of the Company)

(Billions of Yen)



### FY 2015 2Q Results

(Billions of Yen)

	FY2014 2Q Results	FY2015 2Q Results
Gross Profit	9.4	9.2
Operating Income	1.9	0.9
Share of profit of investments accounted for using the equity method	0.2	0.6
Profit for the period (attributable to owners of the Company)	0.9	0.3
	End of Mar. 2015	End of Sep. 2015
Total Assets	222.5	225.8



# Retail

## FY2015 Current Position and Outlook

**Profit for the Period (attributable to owners of the Company)**

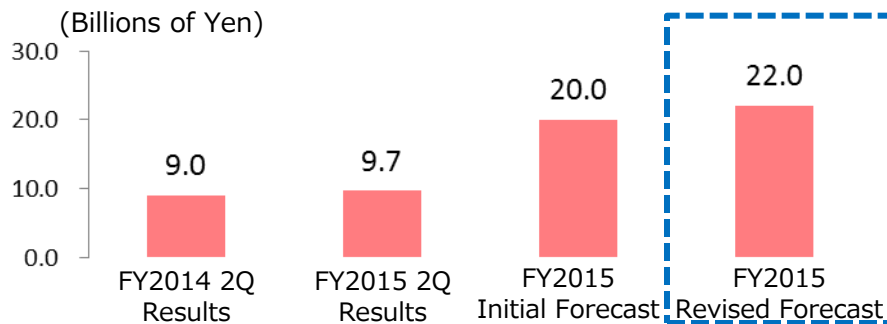
**FY2015 2Q Results ¥2.9bn**

**(FY2015 Initial Forecast ¥2.0bn ⇒ Revised Forecast ¥4.5bn)**

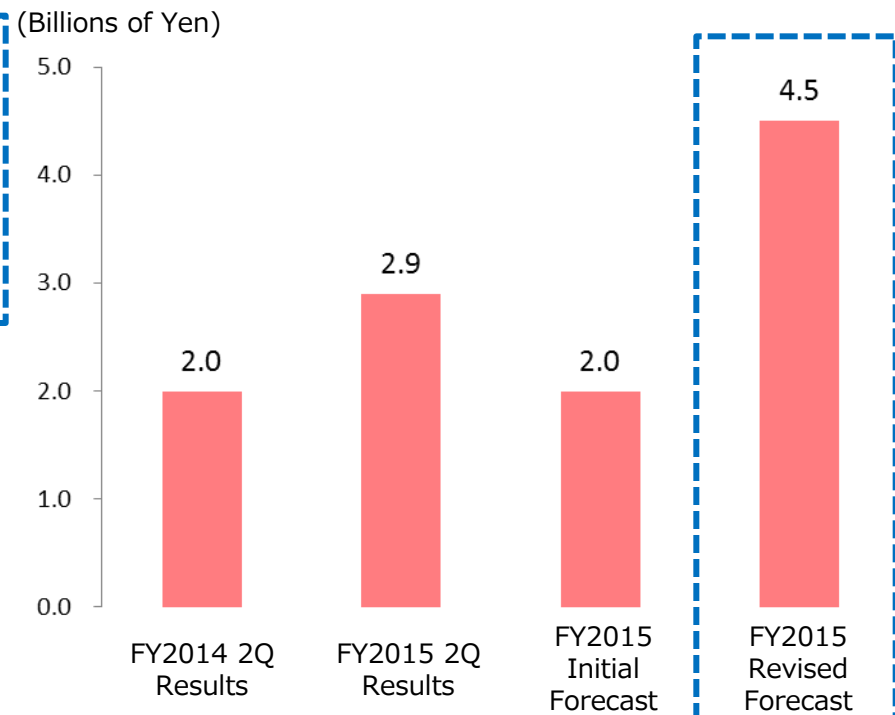
Initial forecasts have been revised in light of strong performance in overseas industrial park businesses and solid transactions of domestic real estate held for sales projected to be seen during the second half of the fiscal year.



### Gross profit



### Profit for the Period (attributable to owners of the Company)



### FY 2015 2Q Results

(Billions of Yen)	FY2014 2Q Results	FY2015 2Q Results
Gross Profit	9.0	9.7
Operating Income	1.7	2.4
Share of profit of investments accounted for using the equity method	1.8	1.8
Profit for the period (attributable to owners of the Company)	2.0	2.9
	End of Mar. 2015	End of Sep. 2015
Total Assets	162.2	147.4

【Supplemental Data】

II. Summary of Financial Results

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# Summary of Profit or Loss (Results)

(Billions of Yen)	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015 2Q
Net sales (JGAAP)	4,972.1	5,218.2	5,771.0	5,166.2	3,844.4	4,014.6	4,321.7	3,934.5	4,046.6	4,105.3	2,015.9
Gross profit	242.2	254.5	277.7	235.6	178.2	192.7	217.1	187.2	198.2	197.7	91.7
Operating profit	76.2	77.9	92.4	52.0	16.1	37.5	57.5	25.5	23.7	33.6	16.5
Share of profit (loss) of investments accounted for using the equity method	19.2	23.8	28.9	2.5	9.2	19.3	16.3	15.8	31.0	28.6	15.2
Profit before tax	69.4	88.1	88.4	37.1	18.9	39.3	58.5	28.1	44.0	52.6	27.7
Profit for the year attributable to owners of the Company	43.7	58.8	62.7	19.0	8.8	16.0	(1.0)	13.4	27.3	33.1	20.6
Core earnings	78.5	89.8	110.7	48.3	14.4	41.9	65.8	38.5	68.0	66.3	25.8
(Reference)											
ROA	1.8%	2.3%	2.4%	0.8%	0.4%	0.7%	(0.0)%	0.6%	1.2%	1.5%	–
ROE	12.4%	12.8%	13.0%	4.8%	2.6%	4.7%	(0.3)%	3.8%	6.5%	6.5%	–

(\*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for FY2005 through FY2010.

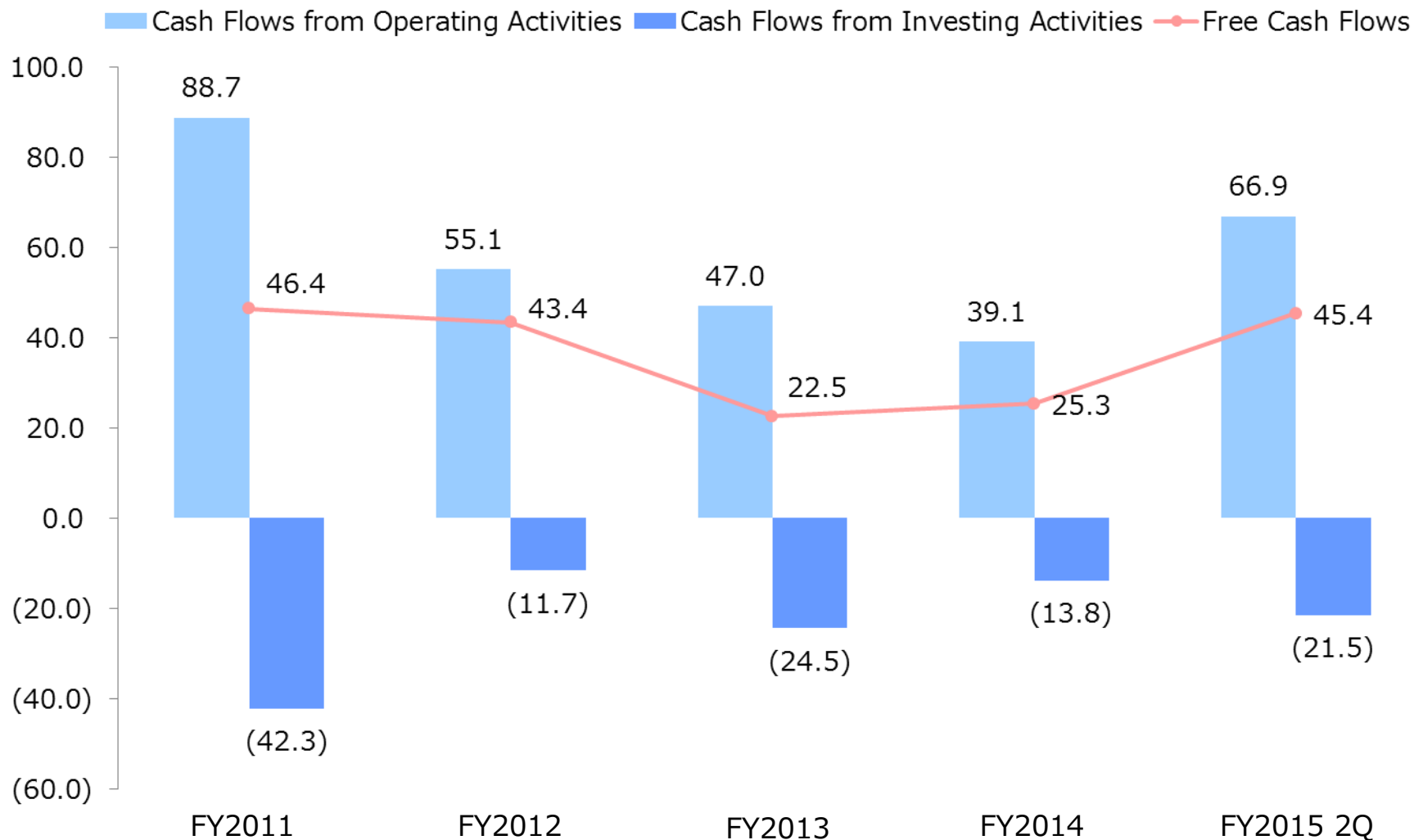
# Summary of Balance Sheets (Results)

(Billions of Yen)	End of Mar. 2006	End of Mar. 2007	End of Mar. 2008	End of Mar. 2009	End of Mar. 2010	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Sep. 2015
Total assets	2,521.7	2,619.5	2,669.4	2,313.0	2,160.9	2,117.0	2,190.7	2,150.1	2,220.2	2,297.4	2,160.4
Total equity	427.0	488.6	476.0	319.0	352.4	330.0	330.0	382.6	459.9	550.9	542.6
Equity ratio	16.9%	18.7%	17.8%	13.8%	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.1%
Net interest-bearing debt	864.4	846.1	918.9	865.3	737.8	700.6	676.4	643.3	640.2	629.6	591.9
Net DER (times)	2.0	1.7	1.9	2.7	2.1	2.1	2.0	1.7	1.4	1.1	1.1
Risk assets (vs. Total equity, times)	290.0 0.7	280.0 0.6	380.0 0.8	350.0 1.1	320.0 0.9	310.0 0.9	330.0 1.0	340.0 0.9	350.0 0.8	320.0 0.6	330.0 0.6
Current ratio	106.6%	132.4%	121.1%	141.7%	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	162.2%
Long-term debt ratio	41.3%	61.1%	54.0%	66.7%	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	77.8%

(\*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for End of Mar. 2006 through 2011. Under JGAAP, Total equity is calculated as Total net assets – Minority interests.

# Summary of Free Cash Flows (Results)

(Billions of Yen)





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