

# Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2015 (IFRS)

November 5, 2015  
Sojitz Corporation

## Results Highlights

◆ In the year ending March 31, 2016, the first year of Medium-term Management Plan 2017 – Challenge for Growth, we are currently witnessing modest economic recovery trends in Europe and the United States. Regardless, the economic slowdown in China is casting an air of uncertainty over the global economy as a whole. The Company's net sales (JGAAP) for the first half period ended September 30, 2015, were up year on year due to increased sales in the Aerospace & IT Business Division, a result of higher aircraft-related transactions, and in the Lifestyle Commodities & Materials Division, a result of higher tobacco transaction volumes. Gross profit decreased as a result of lower profit from the Energy Division, which followed from a decline in the price of oil, as well as from the Automotive Division, which was due to a drop in automobile sales stemming from sluggish economic conditions in Russia. Regardless, profit for the period (attributable to the owners of the Company) was up due primarily to a decrease in income tax expenses.

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

Net sales (JGAAP) 2,015.9 billion yen (+71.1 billion yen / +3.7%)

- Increase in net sales in the Aerospace & IT Business Division due to higher aircraft-related transactions
- Increase in net sales in the Lifestyle Commodities & Materials Division due to higher tobacco transaction volumes

Gross profit 91.7 billion yen ((4.5) billion yen / (4.6)%)

- Decrease in gross profit in the Energy Division following a decline in the price of oil
- Decrease in gross profit in the Automotive Division due to a drop in automobile sales stemming from sluggish economic conditions in Russia

Operating profit 16.5 billion yen ((2.4) billion yen / (12.5)%)

- Decrease in operating profit due to lower gross profit

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

20.6 billion yen (+3.9 billion yen / +23.2%)

- Decrease in income tax expenses

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

Sojitz has revised its full-year forecast as follows:

	Initial	As of Nov. 5, 2015
Net sales (JGAAP)	4,400.0 billion yen	⇒ 4,250.0 billion yen
Operating profit	40.5 billion yen	⇒ 40.5 billion yen
Profit before tax	58.5 billion yen	⇒ 58.5 billion yen
Profit for the year (attributable to owners of the Company)	40.0 billion yen	⇒ 40.0 billion yen

◆ Initial assumptions

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

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

Note: Crude oil price assumption in the second half is US\$50/bbl.

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

Interim 4.00 yen per share

Year end 4.00 yen per share (forecast)

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

\*2 Core earnings = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividend received + Share of profit (loss) of investments accounted for using the equity method

\*3 Caution regarding forward-looking statements

This document contains forward-looking statements based on information available to the Company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by those forward-looking statements due to various factors including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

## Consolidated Statements of Profit or Loss

	FY2015 1st Half			FY2014 1st Half		Reasons for the Difference	(Billions of Yen)	
	Results a	1Q Results	2Q Results	Results b	Difference a-b		FY2015 Forecast c	Percentage Achieved a/c
<b>Net sales (JGAAP) *1</b>	2,015.9	1,030.1	985.8	1,944.8	71.1			
<b>Gross profit</b>	91.7	45.5	46.2	96.2	(4.5)			
Gross profit margin	4.55%	4.42%	4.69%	4.95%	(0.40)%			
Selling, general and administrative expenses								
Personnel expenses	(42.1)	(21.4)	(20.7)	(41.2)	(0.9)			
Non-personnel expenses	(32.0)	(15.9)	(16.1)	(32.5)	0.5			
Depreciation	(3.0)	(1.5)	(1.5)	(3.4)	0.4			
Provision of allowance for doubtful accounts	0.2	0.1	0.1	0.5	(0.3)			
(Total selling, general and administrative expenses)	(76.9)	(38.7)	(38.2)	(76.6)	(0.3)			(157.0)
<b>Other income/expenses</b>								
Gain/loss on sale and disposal of fixed assets, net	0.6	0.4	0.2	0.5	0.1			
Impairment loss on fixed assets	(1.9)	(0.9)	(1.0)	(0.4)	(1.5)			
Gain on sale of subsidiaries/associates	1.3	0.4	0.9	0.5	0.8			
Loss on reorganization of subsidiaries/associates	(0.6)	(0.1)	(0.5)	(0.6)	0.0			
Other operating income/expenses	2.3	1.4	0.9	(0.7)	3.0			
(Total other income/expenses)	1.7	1.2	0.5	(0.7)	2.4			(7.5)
<b>Operating profit</b>	16.5	8.0	8.5	18.9	(2.4)			40.5 41%
<b>Financial income/costs</b>								
Interest earned	2.2	1.2	1.0	2.6	(0.4)			
Interest expenses	(8.6)	(4.4)	(4.2)	(10.2)	1.6			
(Interest expenses, net)	(6.4)	(3.2)	(3.2)	(7.6)	1.2			
Dividends received	2.4	1.8	0.6	2.0	0.4			
Other financial income/costs	0.0	0.0	0.0	0.0	0.0			
(Financial income/costs, net)	(4.0)	(1.4)	(2.6)	(5.6)	1.6			(10.0)
Share of profit (loss) of investments accounted for using the equity method	15.2	8.5	6.7	15.0	0.2			28.0
<b>Profit before tax</b>	27.7	15.1	12.6	28.3	(0.6)			58.5 47%
<b>Income tax expenses</b>	(4.7)	(3.2)	(1.5)	(8.4)	3.7	Reversal of deferred tax assets in the previous period in response to tax reforms		(14.0)
<b>Profit for the period (Profit attributable to)</b>	23.0	11.9	11.1	19.9	3.1			44.5 52%
<b>Owners of the Company</b>	20.6	10.6	10.0	16.7	3.9			40.0 52%
Non-controlling interests	2.4	1.3	1.1	3.2	(0.8)			4.5
<b>Revenue</b>	874.1	444.9	429.2	905.2	(31.1)			
<b>Core earnings *2</b>	25.8	13.8	12.0	28.5	(2.7)			66.0

## Comprehensive Income

	FY2015 1st Half			FY2014 1st Half		Factors Affecting Circled Figures
	Results a	1Q Results	2Q Results	Results b	Difference a-b	
<b>Profit for the period</b>	23.0	11.9	11.1	19.9	3.1	
<b>Other comprehensive income</b>	(26.0)	2.2	(28.2)	23.5	(49.5)	
<b>Total comprehensive income for the period</b>	(3.0)	14.1	(17.1)	43.4	(46.4)	
Comprehensive income attributable to:						
<b>Owners of the Company</b>	(3.2)	12.9	(16.1)	39.1	(42.3)	
<b>Non-controlling interests</b>	0.2	1.2	(1.0)	4.3	(4.1)	

## Cash Flows

	FY2015 1st Half			FY2014 1st Half		Factors Affecting Circled Figures
	FY2015 1H Results a	FY2014 1H Results b	Difference a-b	FY2015 1H Results a	FY2014 1H Results b	
<b>Cash flows from operating activities</b>	66.9	7.8	59.1	66.9	7.8	Inflows from business transactions
<b>Cash flows from investing activities</b>	(21.5)	(4.3)	(17.2)	(21.5)	(4.3)	Outflows for capital expenditures in U.S. automobile dealership business and domestic solar power generation businesses
<b>Free cash flows</b>	45.4	3.5	41.9	45.4	3.5	
<b>Cash flows from financing activities</b>	(83.6)	(10.3)	(73.3)	(83.6)	(10.3)	Outflows for repayment of borrowings

## Consolidated Statements of Financial Position

	Sep. 30, 2015			Mar. 31, 2015		Reasons for the Difference
	d	e	Difference d-e	d	e	
<b>Current assets</b>	1,202.5	1,323.5	(121.0)			
Cash and cash equivalents	361.3	403.7	(42.4)			
Time deposits	7.4	5.5	1.9			
Trade and other receivables	500.5	559.3	(58.8)			Decrease due to lower chemicals and automobile transactions
Inventories	263.6	270.3	(6.7)			
Other current assets	69.7	84.7	(15.0)			
<b>Non-current assets</b>	957.9	973.9	(16.0)			
Property, plant and equipment	213.7	217.9	(4.2)			Increase due to acquisition of U.S. automobile dealership business
Goodwill	56.0	50.2	5.8			
Intangible assets	49.5	53.9	(4.4)			
Investment property	18.8	19.5	(0.7)			
Investments accounted for using the equity method and other investments	560.7	568.9	(8.2)			Decrease due to fluctuations in stock prices and foreign exchange rates
Other non-current assets	59.2	63.5	(4.3)			
<b>Total assets</b>	2,160.4	2,297.4	(137.0)			
<b>Current liabilities</b>	741.5	780.7	(39.2)			
Trade and other payables	458.6	490.9	(32.3)			Decrease due to lower chemical and ferroalloy transactions
Bonds and borrowings	212.8	208.4	4.4			
Other current liabilities	70.1	81.4	(11.3)			
<b>Non-current liabilities</b>	838.3	926.1	(87.8)			
Bonds and borrowings	747.8	830.4	(82.6)			Decrease due to repayment of borrowings
Retirement benefits liabilities	18.0	17.9	0.1			
Other non-current liabilities	72.5	77.8	(5.3)			
<b>Total liabilities</b>	1,579.8	1,706.8	(127.0)			
Share capital	160.3	160.3	-			
Capital surplus	146.5	146.5	0.0			
Treasury stock	(0.2)	(0.2)	0.0			
Other components of equity	169.6	194.6	(25.0)			Decrease due to changes in foreign exchange rates
Retained earnings	66.4	49.7	16.7			Profit for the period +20.6, dividends (4.4)
Total equity attributable to owners of the Company	542.6	550.9	(8.3)			
Non-controlling interests	38.0	39.7	(1.7)			
<b>Total equity</b>	580.6	590.6	(10.0)			
<b>Total liabilities and equity</b>	2,160.4	2,297.4	(137.0)			
Gross interest-bearing debt	960.6	1,038.8	(78.2)			
Net interest-bearing debt	591.9	629.6	(37.7)			
Net debt/equity ratio (times) *	1.09	1.14	(0.05)			
Equity ratio *	25.1%	24.0%	1.1%			
Current ratio	162.2%	169.5%	(7.3)%			
Long-term debt ratio	77.8%	79.9%	(2.1)%			

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

## Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2015 (IFRS) - Supplementary Material

November 5, 2015

Sojitz Corporation

(Billions of Yen)

(Billions of Yen)

### Operating Results

	FY2015 1H Results	FY2014 1H Results	Difference	FY2015 Forecast (Nov. 5, 2015)	Percentage Achieved
<b>Net sales (JGAAP) *1</b>	<b>2,015.9</b>	<b>1,944.8</b>	+ 71.1	<b>4,250.0</b>	47%
<b>Gross profit</b>	<b>91.7</b>	<b>96.2</b>	(4.5)	<b>205.0</b>	45%
Gross profit margin	(4.55%)	(4.95%)	((0.40)%)	(4.82%)	
Selling, general and administrative expenses	(76.9)	(76.6)	(0.3)	(157.0)	
Other income/expenses	1.7	(0.7)	+ 2.4	(7.5)	
<b>Operating profit</b>	<b>16.5</b>	<b>18.9</b>	(2.4)	<b>40.5</b>	41%
Financial income/costs	(4.0)	(5.6)	+ 1.6	(10.0)	
Share of profit (loss) of investments accounted for using the equity method	15.2	15.0	+ 0.2	28.0	
<b>Profit before tax</b>	<b>27.7</b>	<b>28.3</b>	(0.6)	<b>58.5</b>	47%
<b>Profit for the period</b>	<b>23.0</b>	<b>19.9</b>	+ 3.1	<b>44.5</b>	52%
(Profit attributable to)					
<b>Owners of the Company</b>	<b>20.6</b>	<b>16.7</b>	+ 3.9	<b>40.0</b>	52%
Non-controlling interests	<b>2.4</b>	<b>3.2</b>	(0.8)	4.5	
Core earnings *2	25.8	28.5	(2.7)	66.0	
Revenue	874.1	905.2	(31.1)		
Comprehensive income attributable to owners of the Company	(3.2)	39.1	(42.3)		

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

\*2 Core earnings = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividends received + Share of profit (loss) of investments accounted for using the equity method

#### Caution regarding forward-looking statements

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(Billions of Yen)

### Financial Position

	Sep. 30, 2015	Mar. 31, 2015	Difference	FY2015 Forecast (Nov. 5, 2015)
<b>Total assets</b>	<b>2,160.4</b>	<b>2,297.4</b>	(137.0)	<b>2,300.0</b>
<b>Total equity *3</b>	<b>542.6</b>	<b>550.9</b>	(8.3)	<b>560.0</b>
<b>Equity ratio</b>	<b>25.1%</b>	<b>24.0%</b>	+ 1.1%	<b>24.3%</b>
<b>Net interest-bearing debt</b>	<b>591.9</b>	<b>629.6</b>	(37.7)	<b>650.0</b>
<b>Net D/E ratio (times)</b>	<b>1.09</b>	<b>1.14</b>	(0.05)	<b>1.20</b>
<b>Risk assets</b>	<b>330.0</b>	<b>320.0</b>	+10.0	-
<b>Ratio of risk assets to equity (times)</b>	<b>0.6</b>	<b>0.6</b>	0.0	-

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

### Segment Performance [Gross Profit]

	FY2015 1H	FY2014 1H	Difference	FY2015 Forecast (Nov. 5, '15)	FY2015 Initial Forecast
<b>Auto-motive</b>	11.7	13.2	(1.5)	30.0	30.0
<b>Aerospace &amp; IT Business</b>	11.6	11.7	(0.1)	28.0	28.0
<b>Infrastructure &amp; Environment Business</b>	8.8	7.5	+1.3	20.0	20.0
<b>Energy</b>	1.2	4.1	(2.9)	3.0	5.0
<b>Metals &amp; Coal</b>	6.4	7.1	(0.7)	11.0	16.0
<b>Chemicals</b>	20.4	19.4	+1.0	46.0	46.0
<b>Foods &amp; Agriculture Business</b>	10.8	12.5	(1.7)	20.0	22.0
<b>Lifestyle Commodities &amp; Materials</b>	9.2	9.4	(0.2)	20.0	22.0
<b>Retail</b>	9.7	9.0	+0.7	22.0	20.0
<b>Other</b>	1.9	2.3	(0.4)	5.0	6.0
<b>Total</b>	<b>91.7</b>	<b>96.2</b>	<b>(4.5)</b>	<b>205.0</b>	<b>215.0</b>

### Segment Performance [Profit for the Period (Attributable to Owners of the Company)]

	FY2015 1H	FY2014 1H	Difference	Main Factors Behind Differences	FY2015 Forecast (Nov. 5, '15)	FY2015 Initial Forecast	FY2015 Current Position and Outlook
<b>Auto-motive</b>	4.1	(0.3)	+4.4	Increased as strong performance of automobile business in the Philippines offset the impacts of decreased automobile sales in Russia.	5.5	5.5	Progress is in line with forecasts because the strong strides toward targets were stifled by the decline in automobile sales in Russia.
<b>Aerospace &amp; IT Business</b>	1.4	0.9	+0.5	Increased due to strong performance of aircraft-related operations.	4.0	3.0	Initial forecasts have been revised to reflect the strong performance of aircraft-related operations.
<b>Infrastructure &amp; Environment Business</b>	1.2	0.6	+0.6	Increased due to higher industrial machinery-related transactions in Asia.	4.0	4.0	Progress is in line with forecasts as plant-related earnings are expected during the second half of the fiscal year.
<b>Energy</b>	0.1	3.7	(3.6)	Decreased due to the impacts of a decline in the oil price.	1.0	1.5	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.
<b>Metals &amp; Coal</b>	3.0	3.0	0.0	Relatively unchanged year on year as increase in steel-related businesses offset commodity price declines.	5.5	9.5	Initial forecasts were revised to account for commodity price declines.
<b>Chemicals</b>	4.3	3.2	+1.1	Increased due to higher transaction volumes in the Americas and Asia.	9.0	9.0	Progress in line with forecasts
<b>Foods &amp; Agriculture Business</b>	2.7	3.5	(0.8)	Decreased due to lower sales volumes in overseas fertilizer businesses as a result of unfavorable weather.	4.0	4.0	Progress is in line with forecasts as the benefits of cost reductions offset the lower sale volumes in fertilizer businesses resulted from unseasonable weather.
<b>Lifestyle Commodities &amp; Materials</b>	0.3	0.9	(0.6)	Decreased due to lower lumber-related transaction volumes and the recording of loss in an overseas woodchip business.	2.5	3.5	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.
<b>Retail</b>	2.9	2.0	+0.9	Increased due to strong performance of overseas industrial park business and higher domestic real estate for sale transactions.	4.5	2.0	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.
<b>Other</b>	0.6	(0.8)	+1.4	Decrease in income tax expenses.	0.0	(2.0)	Initial forecasts have been revised out of anticipation for projected decreases in SG&A expenses.
<b>Total</b>	<b>20.6</b>	<b>16.7</b>	<b>+3.9</b>		<b>40.0</b>	<b>40.0</b>	

### Commodity Prices and Exchange Rates

	FY2015 Initial Assumption (Annual Avg.)	FY2015 Results (Apr. - Sep. '15 Avg.)	Latest Data (As of Oct. 30, 2015)
<b>Crude oil (Brent) **1</b>	\$60/bbl	\$57.4/bbl	\$49.6/bbl
<b>Thermal coal **2</b>	\$68/t	\$63.4/t	\$51.9/t
<b>Exchange rate **3</b>	¥120/US\$	¥121.7/US\$	¥120.9/US\$

\*\*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.

\*\*2 Actual thermal coal prices are the general trading price 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 annually.

## 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 Companys' 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.

# 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

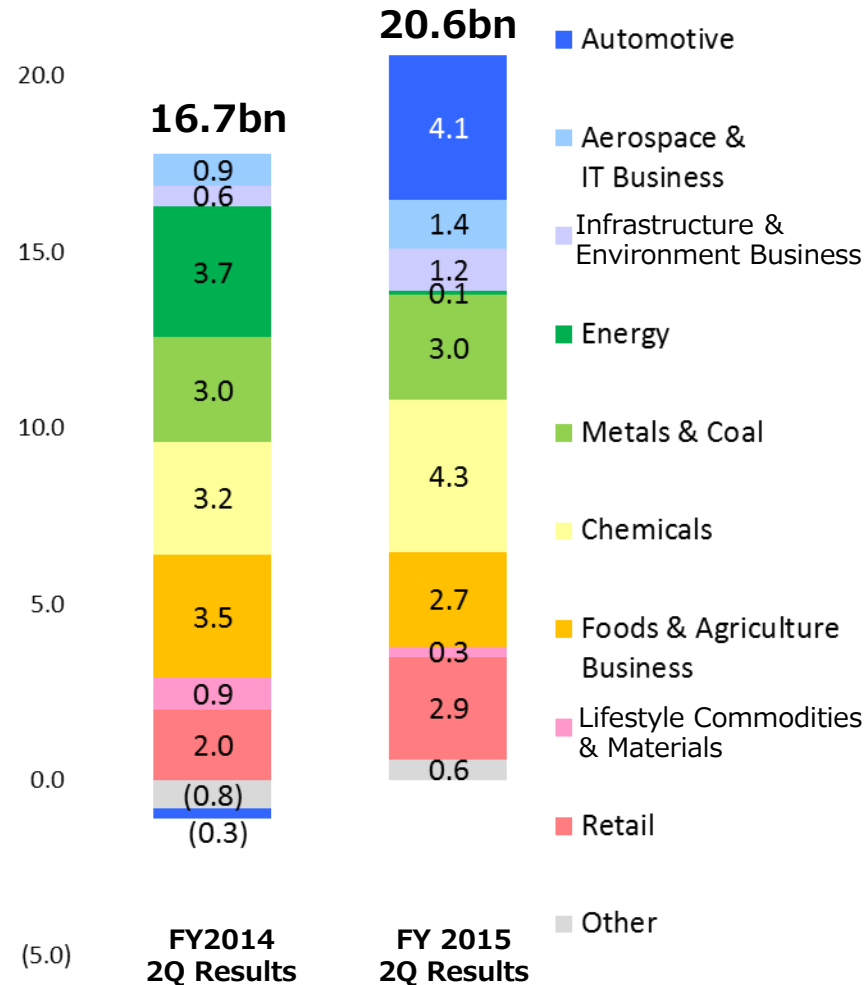
(Billions of Yen)	FY2014 2Q Results	FY2015 2Q Results	Difference	FY2015 Initial Forecast	FY2015 Forecast (Nov. 5, '15)	Achieved
Net sales (JGAAP)	1,944.8	2,015.9	+71.1	4,400.0	4,250.0	47%
Gross profit	96.2	91.7	(4.5)	215.0	205.0	45%
Operating profit	18.9	16.5	(2.4)	40.5	40.5	41%
Share of profit (loss) 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)

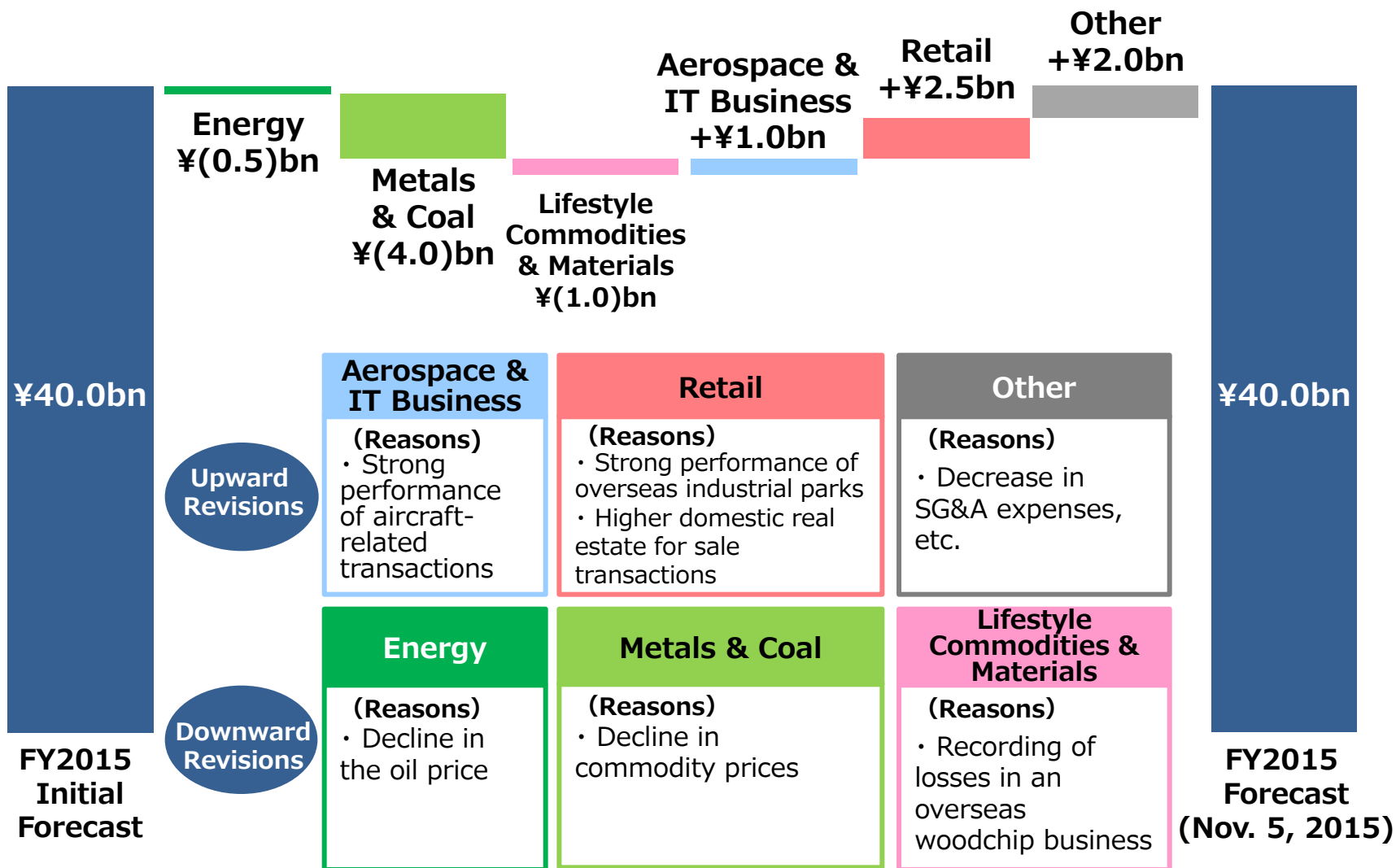


### Factor behind year on year change in earnings

- 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 ¥1.2 billion (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**

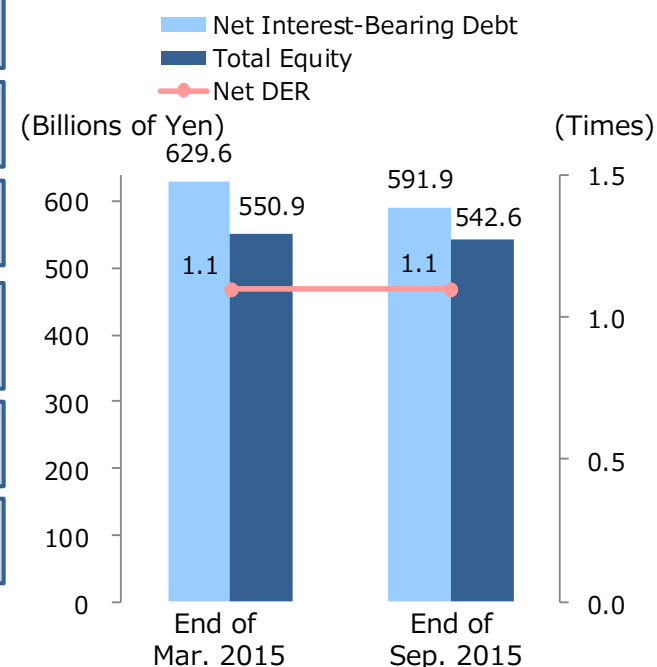
Initial forecasts have been revised out of anticipation for projected decreases in SG&A expenses.

# 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



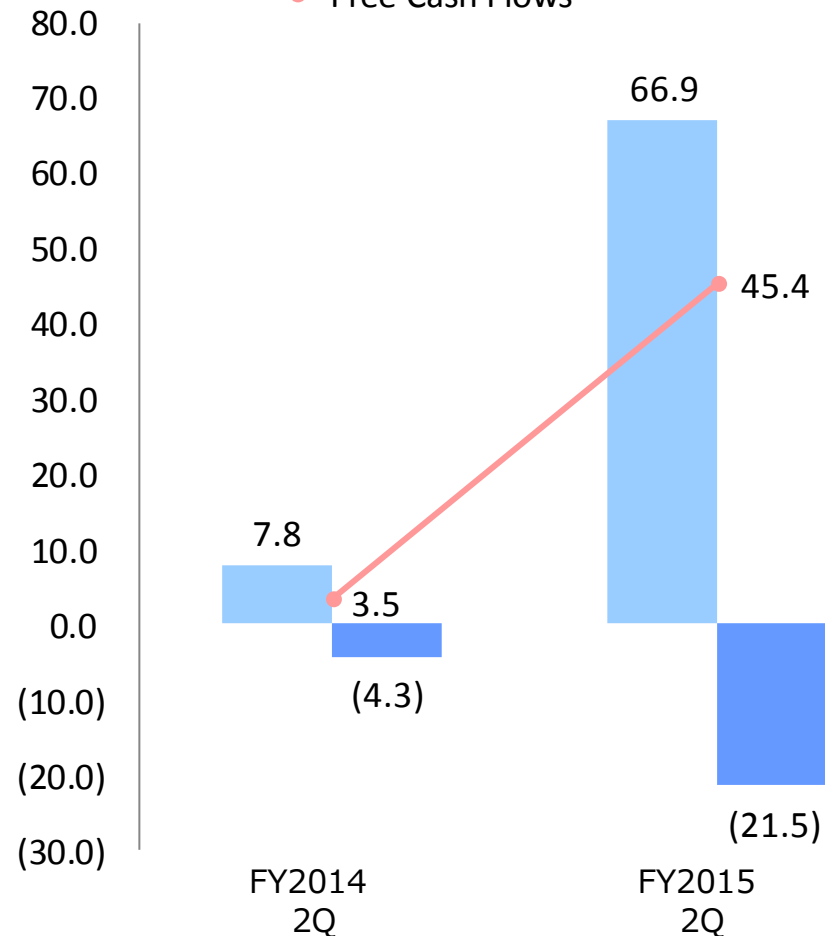
(\*) "Total equity attributable to owners of the Company" is recognized as "Total equity" above, and is also used in the denominator of the "Net DER" and the numerator of the "Equity ratio".

# 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

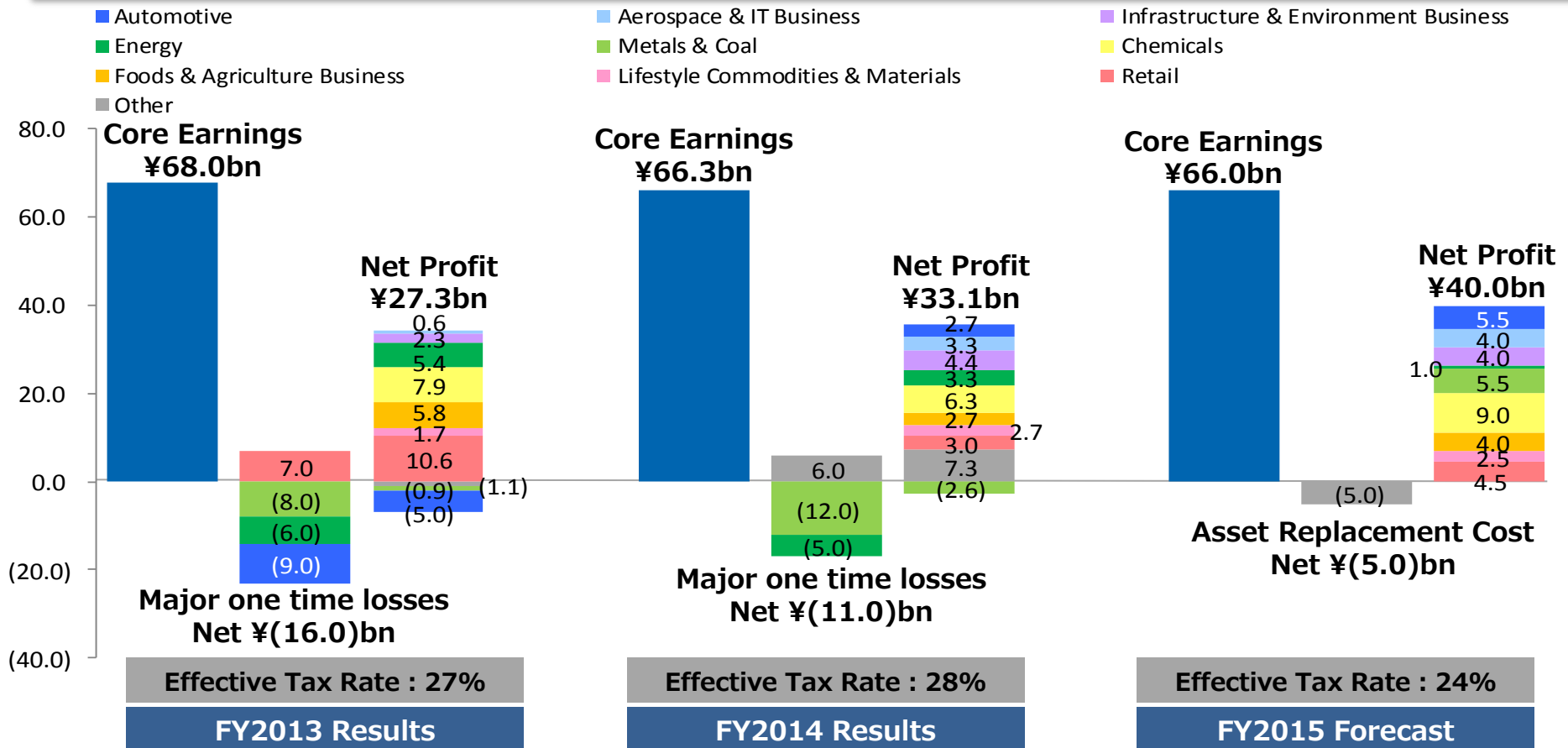
- Americas : Solid, ongoing recovery trend anticipated, impacts of monetary tightening warranting caution
- Asia : Growth in ASEAN and other emerging countries, economic slowdown in China, and concern regarding impacts of U.S. interest rate hikes
- Japan : Gradual economic recovery expected to continue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

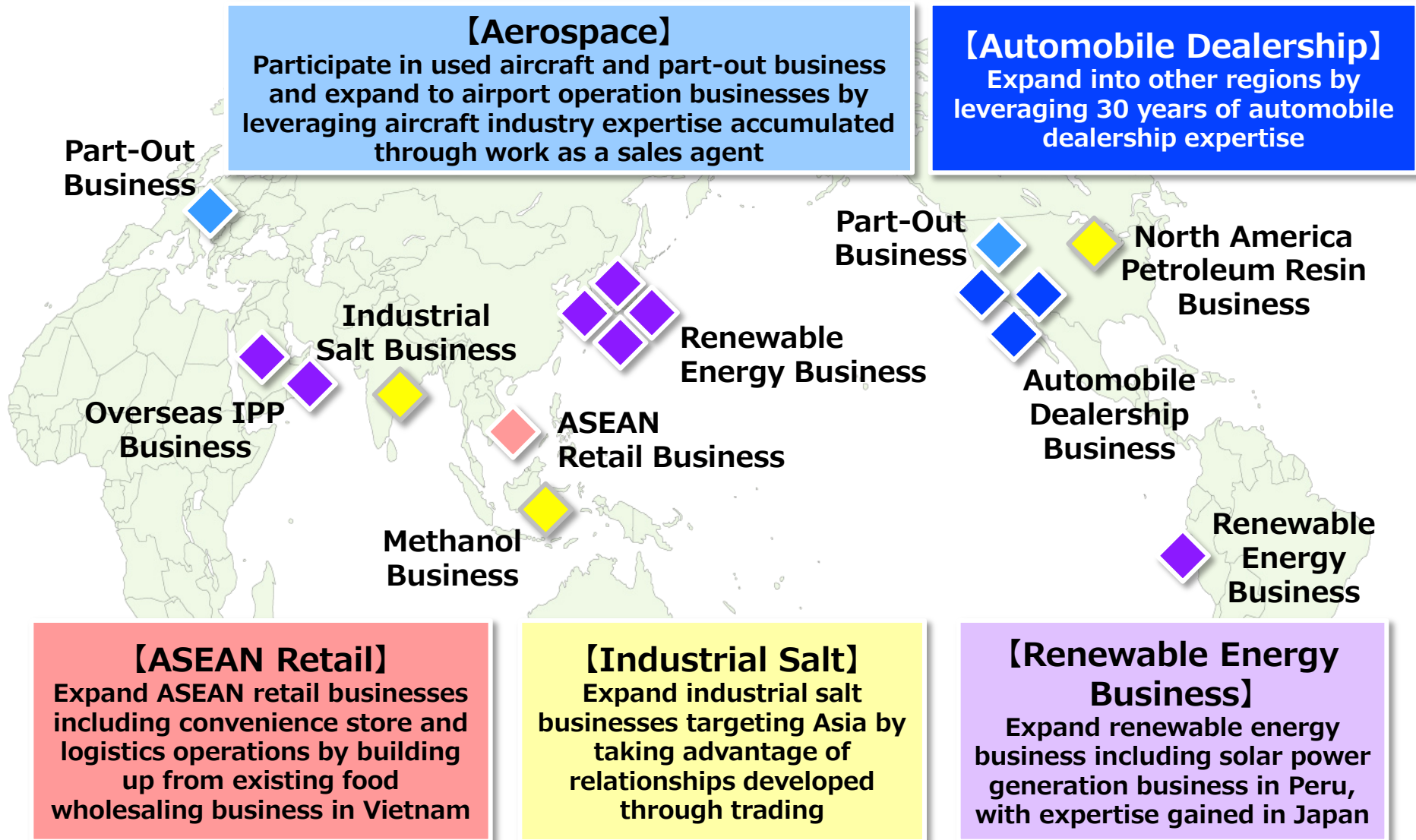
# Foundations for Stable Earnings

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

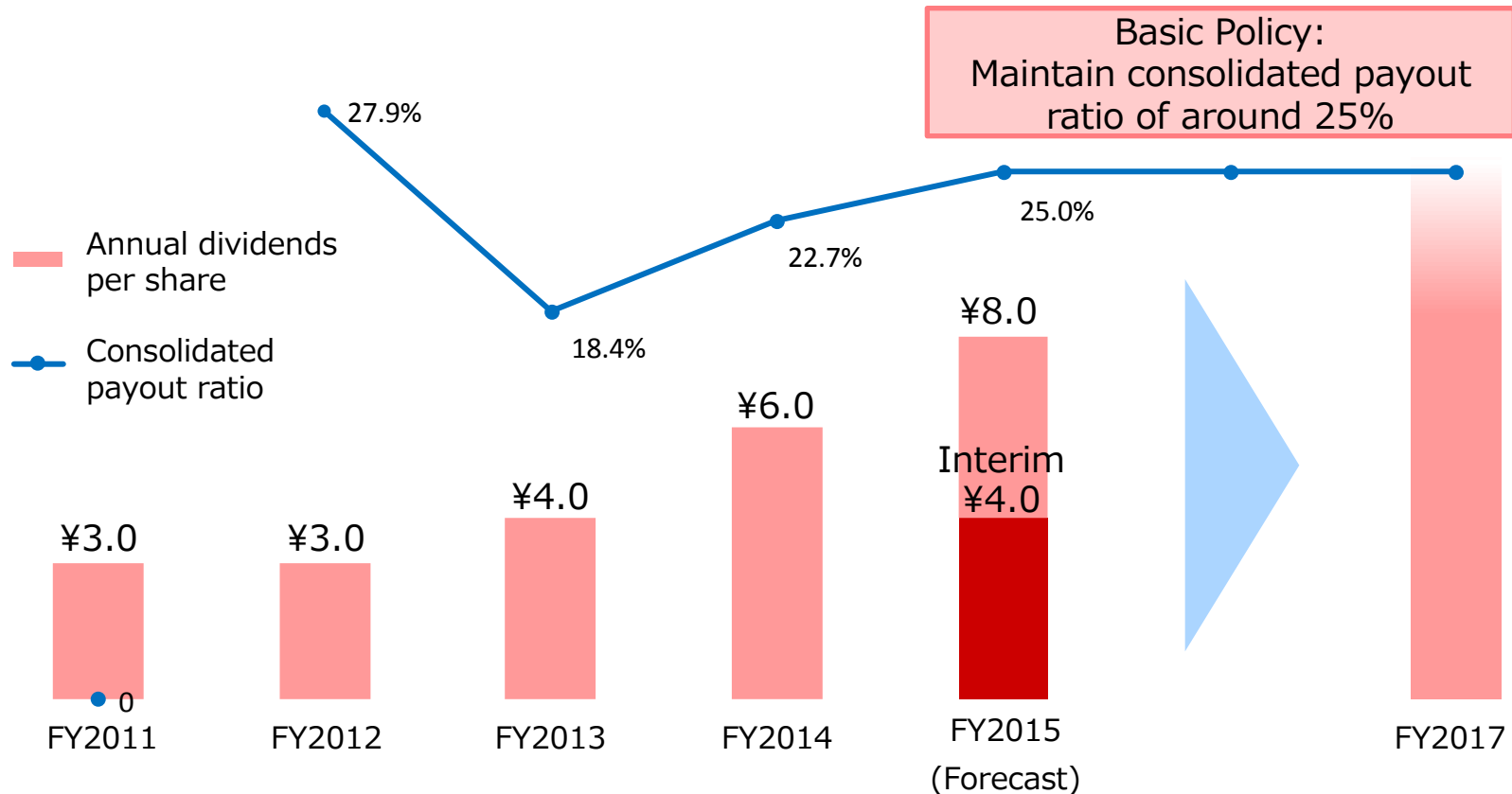
**【Renewable Energy Business】**  
Expand renewable energy business including solar power generation business in Peru, with expertise gained in Japan



# 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)

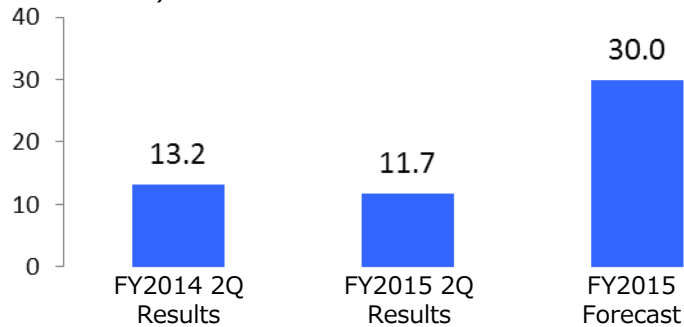
#### FY2015 2Q Results ¥4.1bn (FY2015 Forecast ¥5.5bn)

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



### Gross profit

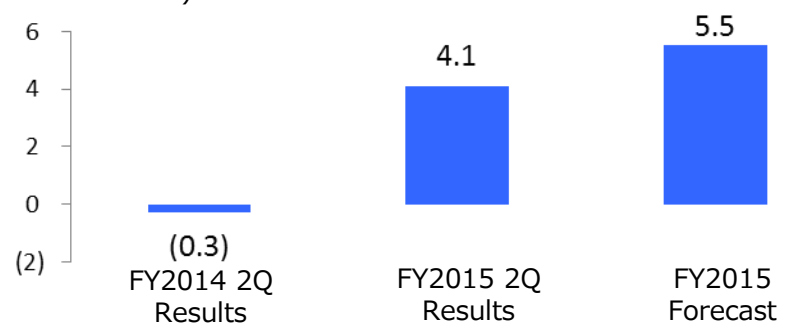
(Billions of Yen)



### Profit for the Period

(attributable to owners of the Company)

(Billions of Yen)



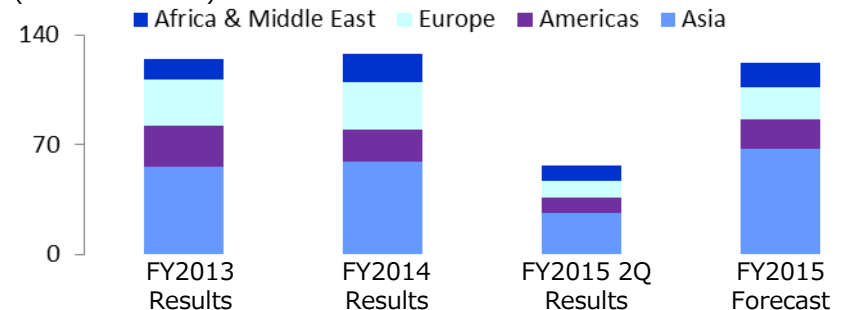
### FY 2015 2Q Results

(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**

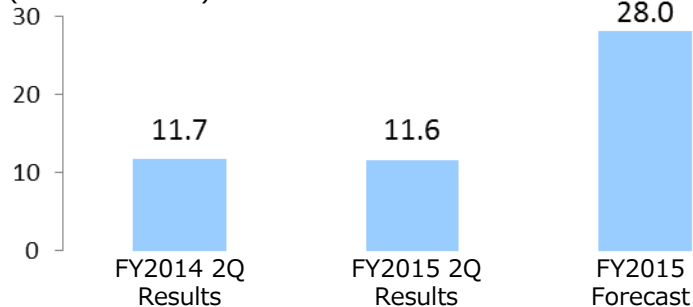
**(FY2015 Initial Forecast ¥3.0bn ⇒ Revised Forecast ¥4.0bn)**

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



## Gross profit

(Billions of Yen)



## FY 2015 2Q Results

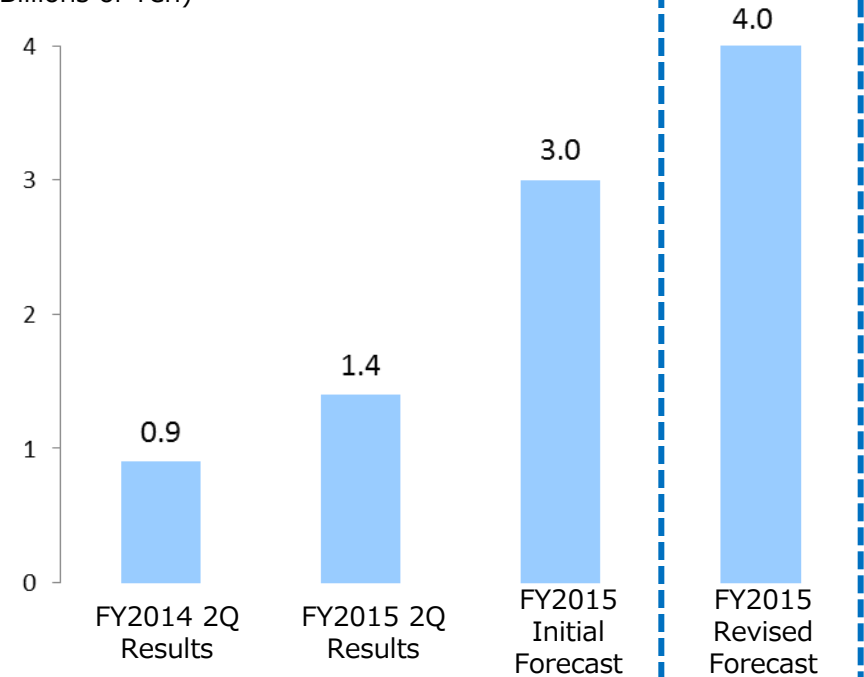
(Billions of Yen)

	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)

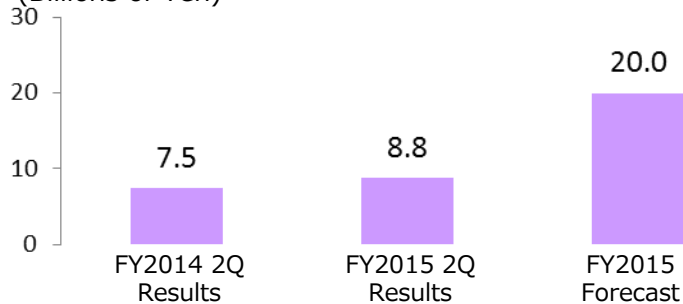
#### FY2015 2Q Results ¥1.2bn (FY2015 Forecast ¥4.0bn)

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)



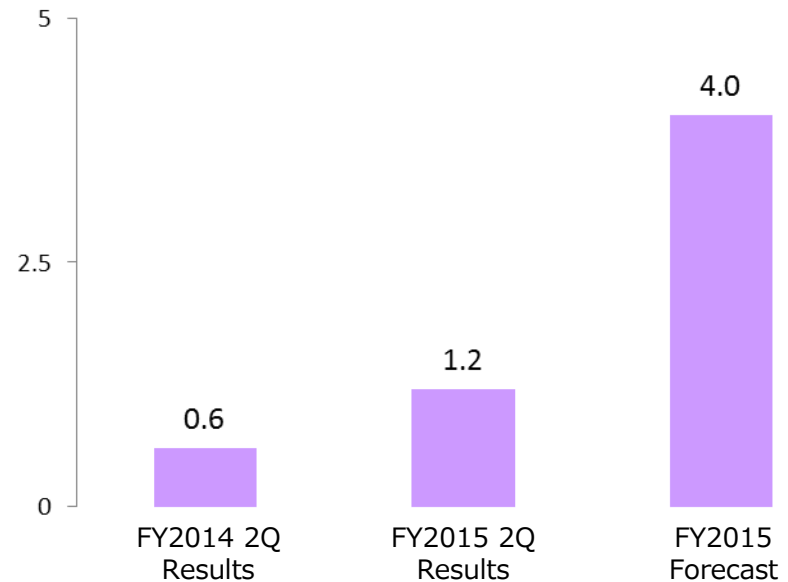
### FY 2015 2Q Results

(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

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

(Billions of Yen)



# Energy

## FY2015 Current Position and Outlook

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

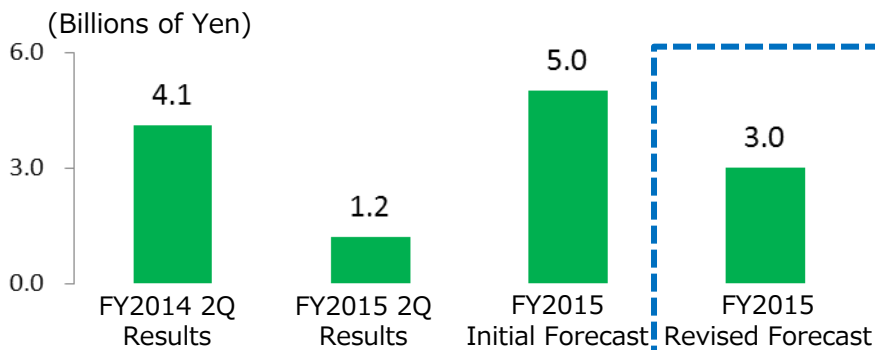
#### FY2015 2Q Results ¥0.1bn

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

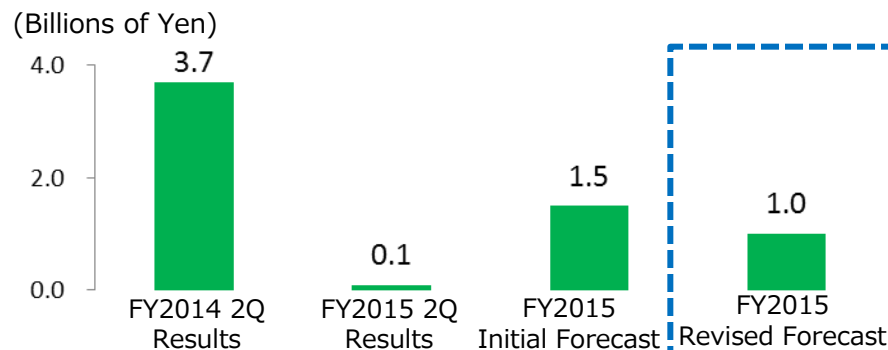
Initial forecasts were revised to account for the drop in the price of oil, but earnings from LNG-related businesses are expected during the second half of the fiscal year.



### Gross profit



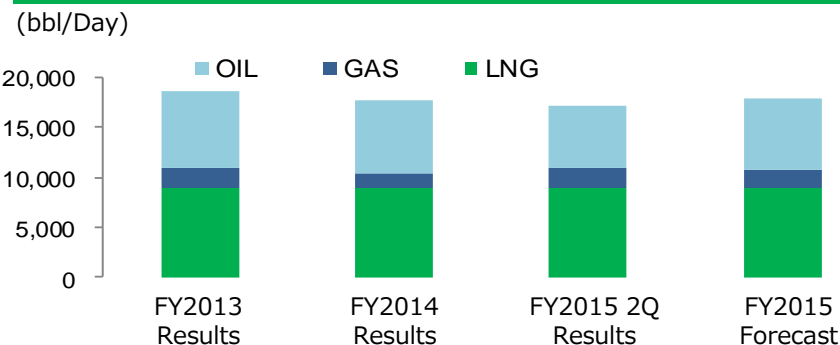
### Profit for the Period (attributable to owners of the Company)



### 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)**

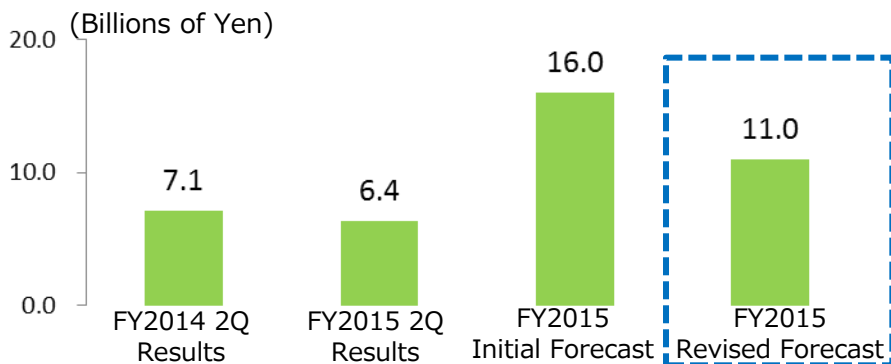
**FY2015 2Q Results ¥3.0bn**

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

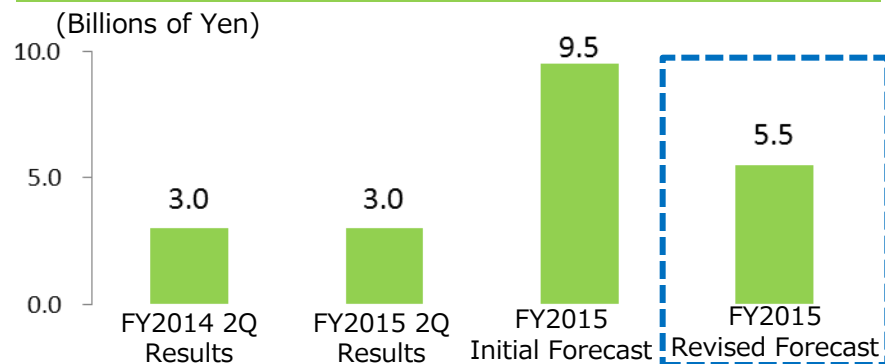
Initial forecasts were revised to account for commodity price declines.



### Gross profit



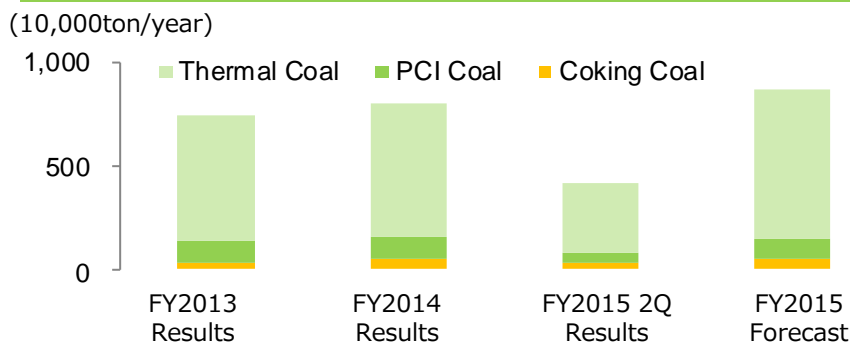
### Profit for the Period (attributable to owners of the Company)



### 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)**

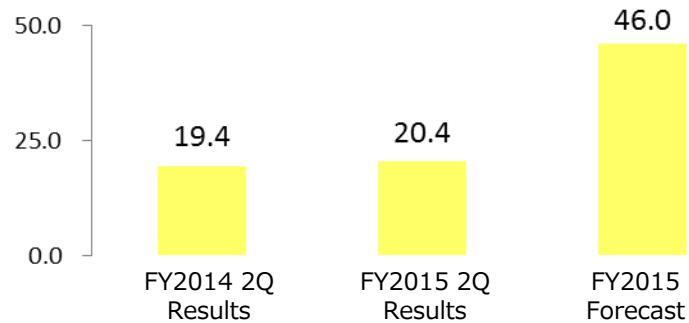
**FY2015 2Q Results ¥4.3bn (FY2015 Forecast ¥9.0bn)**

Progress is in line with forecasts.



### Gross profit

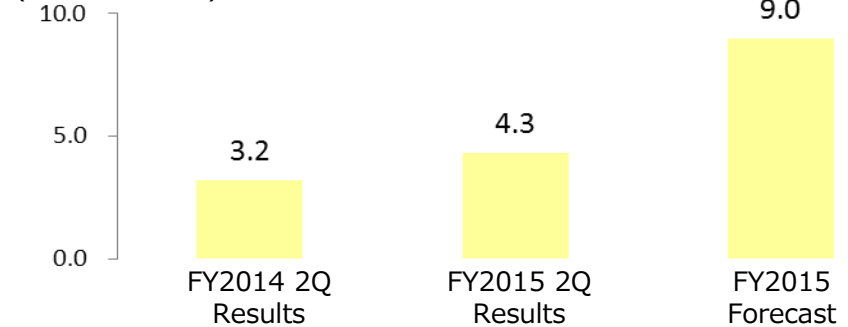
(Billions of Yen)



### Profit for the Period

(attributable to owners of the Company)

(Billions of Yen)



### FY 2015 2Q Results

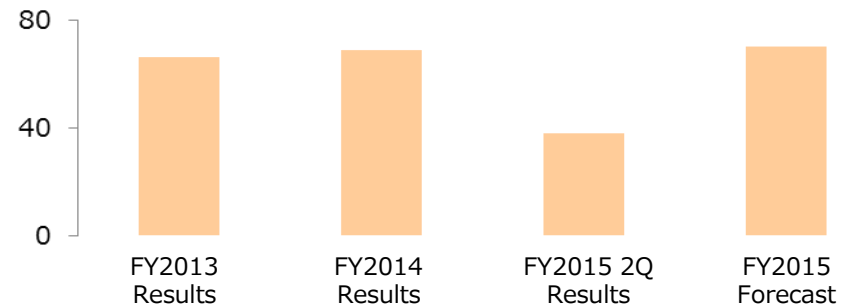
(Billions of Yen)

	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

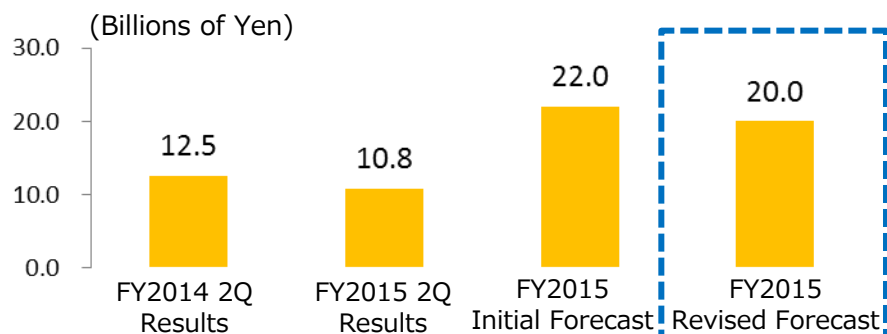
### Profit for the Period (attributable to owners of the Company)

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

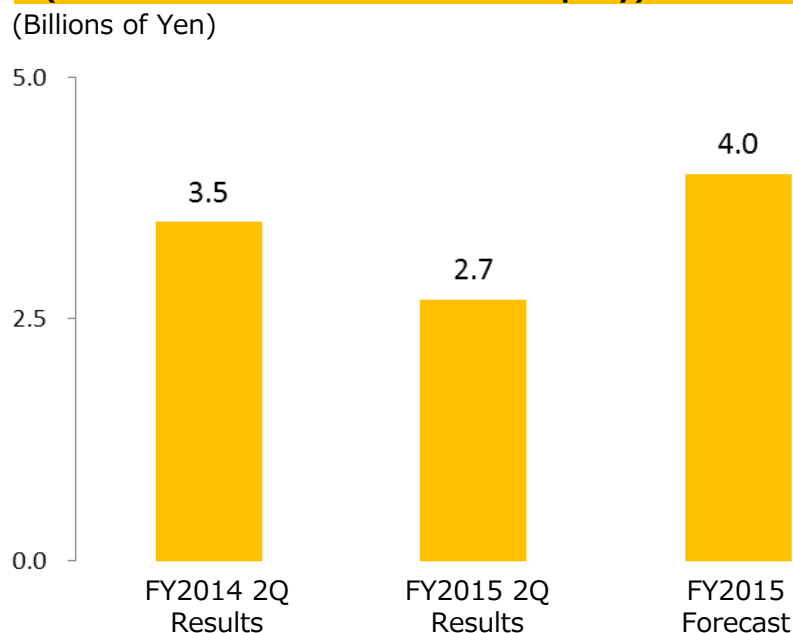
Progress is in line with forecasts as the benefits of cost reductions offset the lower sale volumes in fertilizer businesses resulted from unseasonable weather.



### Gross profit



### 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	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

# Lifestyle Commodities & Materials

## FY2015 Current Position and Outlook

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

**FY2015 2Q Results ¥0.3bn**

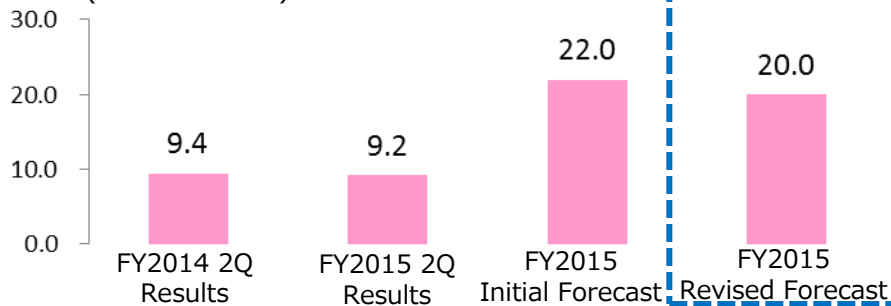
**(FY2015 Initial Forecast ¥3.5bn ⇒ Revised Forecast ¥2.5bn)**

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)



### FY 2015 2Q Results

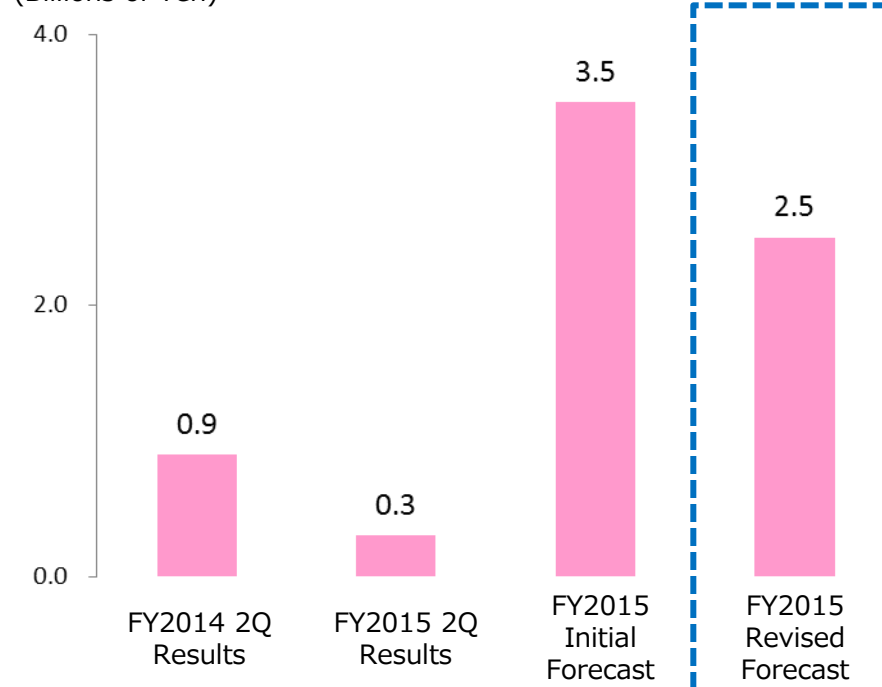
(Billions of Yen)

	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

### Profit for the Period

(attributable to owners of the Company)

(Billions of Yen)



# Retail

## FY2015 Current Position and Outlook

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

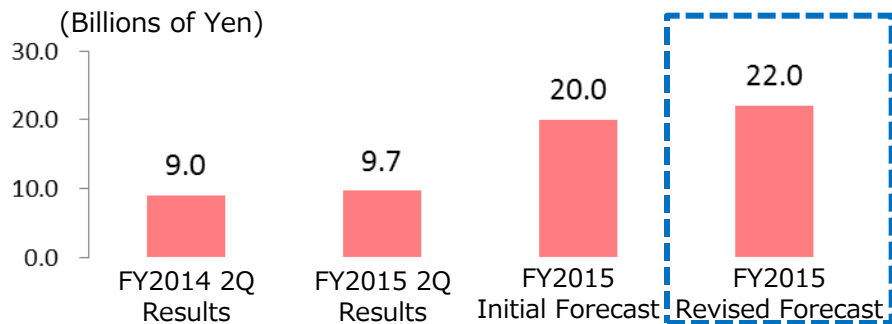
**FY2015 2Q Results ¥2.9bn**

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

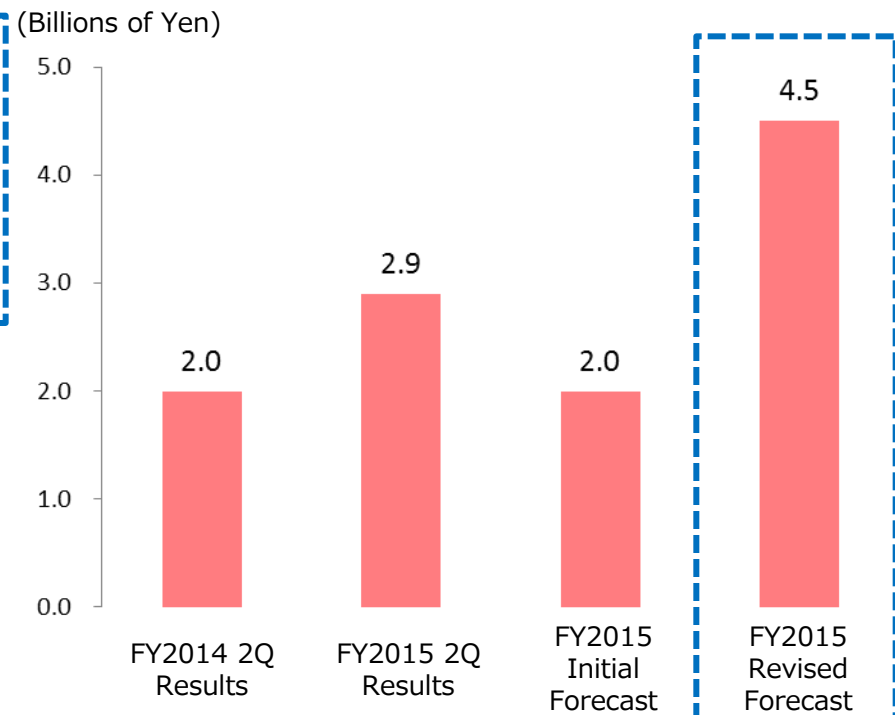
Initial forecasts have been revised in light of strong performance in overseas industrial park businesses and solid transactions of domestic real estate held for sales projected to be seen during the second half of the fiscal year.



### 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



# 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.

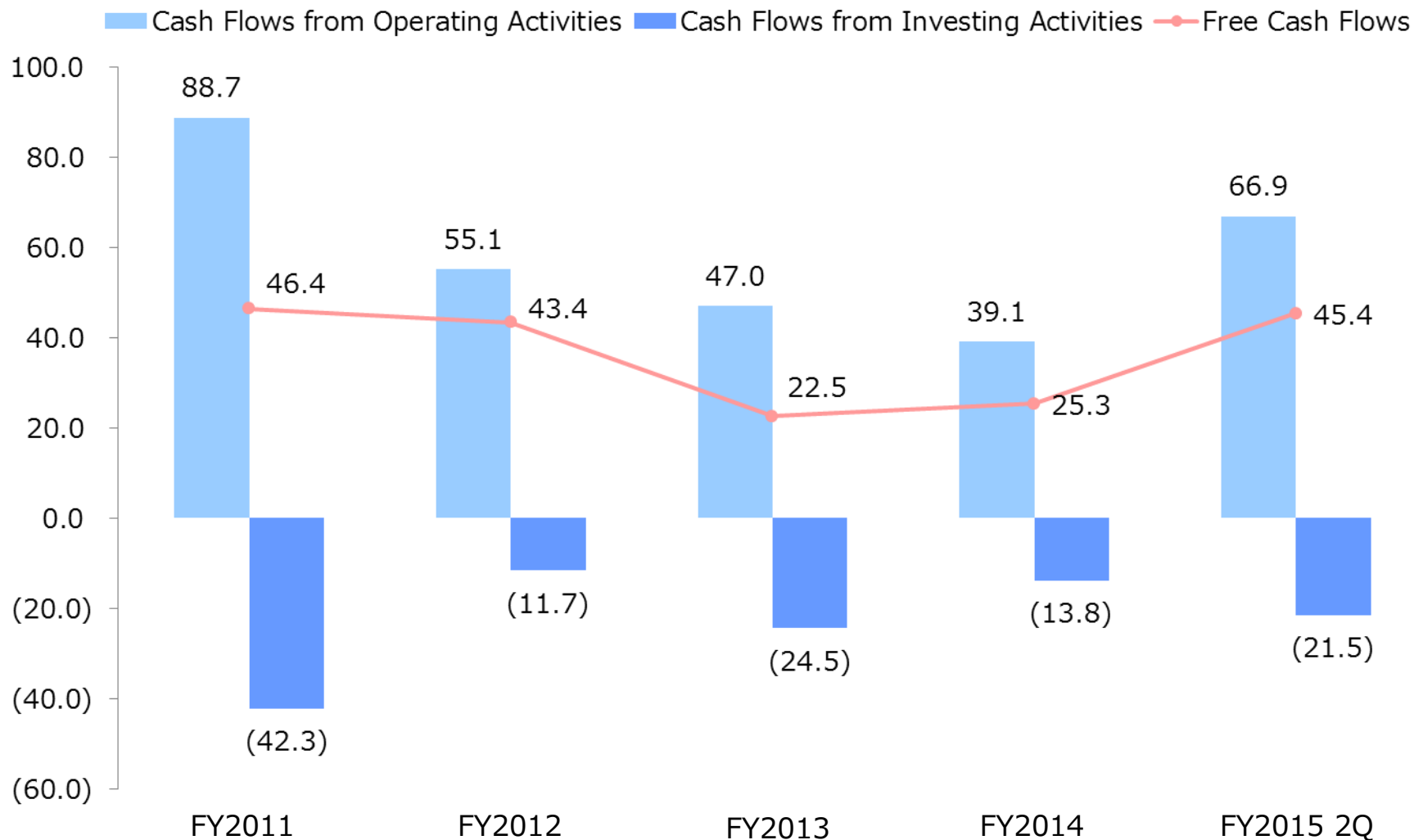
# Summary of Balance Sheets (Results)

(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)





***sojitz***

***New way, New value***



Consolidated Financial Results  
for the First Half Fiscal Year ending March 31, 2016  
(From April 1, 2015 to September 30, 2015)

Contents

◆ Consolidated Statements of Cash Flows for the First Half Ended September 30, 2015	P. 1 ~ 2
◆ Segment Information	P. 3 ~ 4
◆ Increase/decrease in the Number of Consolidated Subsidiaries and Associates	P. 5 ~ 6
◆ Performances of Consolidated Subsidiaries and Associates	P. 7
◆ Major Consolidated Subsidiaries and Associates	P. 8
◆ Country Risk Exposure (Consolidated)	P. 9
◆ Real Estate (Consolidated)	P. 10
◆ Number of Employee by Business Segment (Consolidated)	P. 11
◆ News Releases for the First Half Ended September 30, 2015	P. 12
◆ Forecast for the Year Ending March 31, 2016	P. 13
◆ Change of Consolidated Statements of Financial Position (IFRS)	P. 14
◆ Change of Consolidated Statements of Profit or Loss, Profit or Loss and Other Comprehensive Income (IFRS)	P. 15
◆ Change of Consolidated Statements of Cash Flows (IFRS)	P. 16
◆ Change of Consolidated Balance Sheets (JGAAP)	P. 17
◆ Change of Consolidated Statements of Income and Comprehensive Income (JGAAP)	P. 18
◆ Change of Consolidated Statements of Cash Flows (JGAAP)	P. 19

**Consolidated Statements of Cash Flows**  
**for the First Half Ended September 30, 2015**

(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
Financial (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)
<b>Net cash provided (used) by/in operating activities</b>	<b>7,835</b>	<b>66,923</b>
<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)
<b>Net cash provided (used) by/in investing activities</b>	<b>(4,299)</b>	<b>(21,547)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings 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)
<b>Net cash provided (used) by/in financing activities</b>	<b>(10,305)</b>	<b>(83,609)</b>
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

Consolidated Statements of Cash Flows  
for the First Half Ended September 30, 2015 (Supplementary)

FY 2015 1H

Details

<u>① Net cash provided from operating activities</u>	(Billions of Yen)	
1. Profit for the period before tax and depreciation and amortization	43.5	
2. Excluding profits/losses that do not affect cash flow	5.9	Impairment loss on fixed assets, Financial income/costs
3. Adjustment of profits/losses related to investment activities	(15.8)	Share of profit of investments accounted for using the equity method, Gain (loss) on sale and disposal of fixed assets
4. Other	33.3	Decrease in trade and other payables, etc.
<b>Total</b>	<b>66.9</b>	

② Net cash provided (used) by/in investing activities

1. Noncurrent assets		
Purchase of property, plant and equipment	(15.8)	Solar power generation in Japan, etc.
Purchase of intangible assets	(2.1)	
Proceeds from sale of property, plant and equipment	3.8	
Sub-total	(14.1)	
2. Investments		
Purchase of investments	(8.1)	Acquisition of Automobile dealership in the U.S.
Proceeds from sale of investments	4.5	
Sub-total	(3.6)	
3. Loans receivable		
Decrease (increase) in short-term loans receivable	0.1	
Payments of long-term loans receivable	(2.4)	
Collection of long-term loans receivable	0.3	
Sub-total	(2.0)	
4. Other	(1.8)	
<b>Total</b>	<b>(21.5)</b>	

<b>Free cash flow (①+②)</b>	<b>45.4</b>
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③ Net cash provided (used) by/in financing activities

1. Decrease (increase) in short-term borrowings and commercial papers	(18.5)
2. Long-term loans payable	
Proceeds from long-term loans payable	25.4
Repayment of long-term loans payable	(74.1)
Sub-total	(48.7)
3. Bonds	
Proceeds from issuance of bonds	-
Redemption of bonds	(10.0)
Sub-total	(10.0)
4. Cash dividends paid	(4.4)
5. Other	(2.0)
<b>Total</b>	<b>(83.6)</b>

## 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 owner of the Company under the consolidated statements of profit or loss.

Reconciliation of segment profit 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	20,612

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 owner of the Company under the consolidated statements of profit or 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 above is based on JGAAP, and includes transactions where Sojitz Group took part as an transaction 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 period 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 period ended September 30, 2014, have been restated to reflect this change.

### Details of Industry Segments

【Net sales】	(Billions of Yen)			<u>Reasons for change</u>
	<u>FY 2014 1H</u>	<u>FY 2015 1H</u>	<u>Change</u>	
Automotive	151.9	145.4	(6.5)	Net sales decreased due to a drop in automobile sales in Russia stemming from sluggish economic conditions in this country.
Aerospace & IT Business	209.8	297.1	87.3	Net sales increased following higher aircraft-related transactions.
Infrastructure & Environment Business	111.9	102.6	(9.3)	Net sales decreased as a result of lower plant-related transactions.
Energy	78.4	66.9	(11.5)	Net sales decreased due to a decline in the price of oil and lower LNG transactions.
Metals & Coal	294.9	279.9	(15.0)	Net sales decreased as a result of a decline in ferroalloy and coal transactions.
Chemicals	340.9	323.3	(17.6)	Net sales decreased 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.
Foods & Agriculture Business	205.4	216.1	10.7	Net sales increased following higher grain transactions.
Lifestyle Commodities & Materials	430.8	452.9	22.1	Net sales increased following higher tobacco transaction volumes.
Retail	102.8	108.5	5.7	Net sales increased because of the sale of real estate for sale.
Other	18.0	23.2	5.2	Net sales increased because of the segment change.
<b>Consolidated</b>	<b>1,944.8</b>	<b>2,015.9</b>	<b>71.1</b>	

【Profit for the period】	(Billions of Yen)			<u>Reasons for change</u>
	<u>FY 2014 1H</u>	<u>FY 2015 1H</u>	<u>Change</u>	
Automotive	(0.3)	4.1	4.4	Profit increased as strong performance of automobile business in the Philippines offset the impacts of decreased automobile sales in Russia.
Aerospace & IT Business	0.9	1.4	0.5	Profit increased due to strong performance of aircraft-related operations.
Infrastructure & Environment Business	0.6	1.2	0.6	Profit increased due to higher industrial machinery-related transactions in Asia.
Energy	3.7	0.1	(3.6)	Profit decreased due to the impacts of a decline in the oil price.
Metals & Coal	3.0	3.0	0.0	Profit relatively unchanged year on year as increase in steel-related businesses offset commodity price declines.
Chemicals	3.2	4.3	1.1	Profit increased due to higher transaction volumes in the Americas and Asia.
Foods & Agriculture Business	3.5	2.7	(0.8)	Profit decreased due to lower sales volumes in overseas fertilizer businesses as a result of unfavorable weather.
Lifestyle Commodities & Materials	0.9	0.3	(0.6)	Profit decreased due to lower lumber-related transaction volumes and the recording of loss in an overseas woodchip business.
Retail	2.0	2.9	0.9	Profit increased due to strong performance of overseas industrial park business and higher domestic real estate for sale transactions.
Other	(0.8)	0.6	1.4	Profit decreased in income tax expenses.
<b>Consolidated</b>	<b>16.7</b>	<b>20.6</b>	<b>3.9</b>	

Increase/Decrease in the Number of  
Consolidated Subsidiaries and Associates

Changes in the number of consolidated subsidiaries and associates during the first half of FY 2015  
(April 1, 2015 - September 30, 2015)

(Number of Companies)	As of March 31, 2015	As of September 30, 2015	Changes
Subsidiaries	302	295	(7)
Equity-method Associates	108	109	1
<b>Total</b>	<b>410</b>	<b>404</b>	<b>(6)</b>

Changes in major subsidiaries during the first half of FY 2015 (April 1, 2015 - September 30, 2015)

○ **Major new subsidiaries**

Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Automotive	Mill Valley Motors, Inc.	Certified dealer of BMW and MINI brand automobiles (U.S.)

Equity-method associates

(Segment)	(Company name)	(Main business)
Retail	Premium Sojitz Logistics Co., Ltd	Logistics and warehousing in Myanmar

○ **Major companies excluded from consolidation**

Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Chemicals	Sojitz Pla-Net Holdings, Inc.	Holding company: plastic business

Equity-method associates

(Segment)	(Company name)	(Main business)
Energy	Albacora Japao Petroleo Limitada	Loans towards oil development in Brazil

Impact on the Profit due to  
Increase and Decrease of Consolidated Subsidiaries  
(compared with the year - earlier period)

Increase

(Billions of Yen)

	Net Sales	Gross Profit	Profit for the period
Consolidated subsidiaries	3.4	0.5	0.1

Decrease

(Billions of Yen)

	Net Sales	Gross Profit	Profit for the period
Consolidated subsidiaries	0.0	0.0	0.0

## Performance at Consolidated Subsidiaries and Associates

(1) Number of Consolidated Subsidiaries and Associates

(Number of Companies)

		As of September 30, 2014			As of September 30, 2015			Change		
		Profit	Loss	Total	Profit	Loss	Total	Profit	Loss	Total
Consolidated subsidiaries	Domestic	44	29	73	49	22	71	5	(7)	(2)
	Overseas	79	35	114	72	41	113	(7)	6	(1)
	Total	123	64	187	121	63	184	2	(1)	(3)
	% of total	65.8%	34.2%	100.0%	65.8%	34.2%	100.0%			
Associates	Domestic	16	8	24	19	4	23	3	(4)	(1)
	Overseas	30	19	49	29	17	46	(1)	(2)	(3)
	Total	46	27	73	48	21	69	2	(6)	(4)
	% of total	63.0%	37.0%	100.0%	69.6%	30.4%	100.0%			
Total	Domestic	60	37	97	68	26	94	8	(11)	(3)
	Overseas	109	54	163	101	58	159	(8)	4	(4)
	Total	169	91	260	169	84	253	0	(7)	(7)
	% of total	65.0%	35.0%	100.0%	66.8%	33.2%	100.0%			

(2) Earnings of Consolidated Subsidiaries and Associates

(Billions of Yen)

		For the 1st Half Fiscal Year Ended March 31, 2015 (From Apr.1, 2014 to Sep. 30, 2014)			For the 1st Half Fiscal Year Ending March 31, 2016 (From Apr.1, 2015 to Sep. 30, 2015)			Change		
		Profit	Loss	Total	Profit	Loss	Total	Profit	Loss	Total
Consolidated subsidiaries	Domestic	4.4	(0.8)	3.6	5.4	(0.5)	4.9	1.0	0.3	1.3
	Overseas	12.2	(5.5)	6.7	11.2	(5.4)	5.8	(1.0)	0.1	(0.9)
	Total	16.6	(6.3)	10.3	16.6	(5.9)	10.7	0.0	0.4	0.4
Associates	Domestic	10.2	(0.1)	10.1	7.8	0.0	7.8	(2.4)	0.1	(2.3)
	Overseas	4.3	(0.9)	3.4	6.8	(0.6)	6.2	2.5	0.3	2.8
	Total	14.5	(1.0)	13.5	14.6	(0.6)	14.0	0.1	0.4	0.5
Total	Domestic	14.6	(0.9)	13.7	13.2	(0.5)	12.7	(1.4)	0.4	(1.0)
	Overseas	16.5	(6.4)	10.1	18.0	(6.0)	12.0	1.5	0.4	1.9
	Total	31.1	(7.3)	23.8	31.2	(6.5)	24.7	0.1	0.8	0.9

Note: Companies included in the scope of consolidation are those for which the Company directly performs consolidation accounting.



## ◆ Major Consolidated Subsidiaries and Affiliates (Major Consolidated Subsidiaries)

(Billions of Yen)

Segment	Company	Main Business	Group Ownership		FY2014 1H	FY2014	FY2015 1H
Automotive	Sojitz Automotive Group, Inc.	Sales of automobiles	100.0%	Gross Profit	2.6	6.3	3.3
				Profit for the Year	0.2	0.7	0.3
	Sojitz de Puerto Rico Corporation	Import and sales of automobiles	100.0%	Gross Profit	1.0	2.4	1.5
				Profit for the Year	0.1	0.3	0.3
Aerospace & IT Business	Sojitz Aerospace Corporation	Import/export and sales of aerospace-related equipment, components and materials	100.0%	Gross Profit	1.5	3.7	1.5
				Profit for the Year	0.2	0.9	0.4
	Sojitz Marine & Engineering Corporation	Sales, purchase and charter brokerage of new and used vessels, ship operation management, sales and import/export of marine-related equipment and materials	100.0%	Gross Profit	1.6	3.4	1.4
				Profit for the Year	0.3	0.8	0.2
	Nissho Electronics Corporation	Providing leading-edge IT solutions and network services	100.0%	Gross Profit	4.2	8.9	4.0
				Profit for the Year	0.2	0.3	0.2
	SAKURA Internet Inc.	Internet-related services	40.3%	Gross Profit	1.3	2.7	1.5
				Profit for the Year	0.2	0.4	0.2
Infrastructure & Environment	Sojitz Machinery Corporation	Import/export and sales of general machinery	100.0%	Gross Profit	1.9	4.4	2.1
				Profit for the Year	0.1	0.7	0.2
Metals & Coal	Sojitz Coal Resources Pty Ltd.	Investment in coal mines	100.0%	Gross Profit	0.2	0.9	0.0
				Profit for the Year	(0.3)	(0.2)	(0.2)
	Sojitz Moolarben Resources, Pty. Ltd.	Investment in coal mine	100.0%	Gross Profit	0.5	0.9	0.2
				Profit for the Year	0.3	0.7	0.1
	Sojitz Resources (Australia) Pty. Ltd.	Investment in an alumina refinery	100.0%	Gross Profit	(0.5)	(0.3)	0.2
				Profit for the Year	(0.8)	(0.9)	0.0
Chemicals	Sojitz Pla-Net Corporation	Sales of plastic raw materials, products	100.0%	Gross Profit	5.0	10.3	5.2
				Profit for the Year	0.5	1.3	0.6
	PT. Kaltim Methanol Industri	Manufacture and sales of methanol	85.0%	Gross Profit	2.1	3.2	2.2
				Profit for the Year	1.2	1.6	1.4
	Pla Matels Corporation	Sales of plastic raw materials, products	46.6%	Gross Profit	1.6	3.2	1.8
				Profit for the Year	0.2	0.5	0.3
Lifestyle Commodities & Materials	Sojitz Building Materials Corporation	Trading company specializing in sales of construction materials	100.0%	Gross Profit	2.6	5.4	2.5
				Profit for the Year	0.1	0.5	0.1
Retail	Sojitz Foods Corporation	Sales of sugar, agricultural, livestock and marine products, various raw ingredients, processed foods, dairy products and other foodstuffs	100.0%	Gross Profit	3.4	6.6	3.0
				Profit for the Year	0.6	1.5	0.7
Overseas	Sojitz Corporation of America	Overseas subsidiary	100.0%	Gross Profit	5.8	12.6	6.4
				Profit for the Year	0.8	1.9	1.3
	Sojitz Europe plc	Overseas subsidiary	100.0%	Gross Profit	2.2	4.0	2.0
				Profit for the Year	0.2	0.5	0.3
	Sojitz Asia Pte. Ltd.	Overseas subsidiary	100.0%	Gross Profit	3.0	6.2	4.9
				Profit for the Year	0.6	1.2	0.8

\*The above figures were prepared by the Company after each company's switch to IFRS, and may therefore differ from past figures released by these companies.

## ◆ Major Consolidated Subsidiaries and affiliates (Major Consolidated Affiliates)

(Billions of Yen)

Segment	Company	Main Business	Group Ownership		FY2014 1H	FY2014	FY2015 1H
Energy	LNG Japan Corporation	LNG business and related investments	50.0%	Equity in Earnings	3.8	9.5	1.2
Metals & Coal	Cariboo Copper Corp.	Investment in copper mine	50.0%	Equity in Earnings	0.1	(1.0)	(0.2)
	Japan Alumina Associates (Australia) Pty. Ltd.	Investment in an alumina refinery	50.0%	Equity in Earnings	(0.8)	(1.3)	(0.1)
	Metal One Corporation	Integrated steel trading company	40.0%	Equity in Earnings	4.3	10.0	4.6
	Lifestyle Commodities & Materials	JALUX Inc.	Logistics and service provision in the in-flight, airport retail, lifestyle-related, and customer service business fields	22.0%	Equity in Earnings	0.1	0.3
Retail	PT. Puradelta Lestari Tbk	Urban development including industrial parks	22.5%	Equity in Earnings	1.8	2.2	1.8

\*The above figures were prepared by the Company after each company's switch to IFRS, and may therefore differ from past figures released by these companies.

## Country Risk Exposure (Consolidated)

### Exposure (As of September 30, 2015)

(Note)

We calculate exposure for the consolidated Sojitz Group by tallying assets that are exposed to country risk.

We disclose exposure for the entire Sojitz Group and for the following assets: investments, loans, guarantees, and operating receivables and inventories (grouped as "operating receivables"); cash and deposits and financial assets (grouped as "cash and deposits, etc."); Bad debts, noncurrent assets, etc. (grouped as "other assets").

Exposure is tallied on the following bases:

- Country risk: Exposure is calculated based on the country in which credit counterparties, etc., are present.
- Substantial country risk: Exposure is adjusted based on the substantial country of risk, regardless of counterparties' country of domicile.

(Billions of Yen )

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	2.6	0.0	0.0	29.7	17.0	8.8	58.1	60.5
Malaysia	0.4	0.0	0.0	3.9	0.4	1.2	5.9	5.4
Indonesia	25.8	1.0	0.0	19.1	13.2	7.2	66.3	79.6
Philippines	24.1	0.1	0.0	17.6	1.4	2.2	45.4	33.7
China (include Hong Kong)	15.9	0.0	0.6	49.8	12.0	4.7	83.0	81.8
(China)	14.0	0.0	0.6	35.5	5.2	1.0	56.3	62.9
(Hong Kong)	1.9	0.0	0.0	14.3	6.8	3.7	26.7	18.9
Brazil	17.2	0.3	0.2	4.9	1.8	11.5	35.9	69.9
Venezuela	0.0	0.0	0.0	0.8	0.4	1.4	2.6	2.6
Argentina	0.4	0.0	0.0	6.2	0.1	1.9	8.6	1.8
Russia	0.1	0.0	0.0	10.1	4.5	0.2	14.9	6.7
<b>Total</b>	<b>86.5</b>	<b>1.4</b>	<b>0.8</b>	<b>142.1</b>	<b>50.8</b>	<b>39.1</b>	<b>320.7</b>	<b>342.0</b>

(Reference)

### Exposure (As of March 31, 2015)

(Billions of Yen)

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	2.3	0.0	0.0	34.6	17.7	19.2	73.8	77.6
Malaysia	0.4	0.0	0.0	4.3	0.3	1.2	6.2	6.2
Indonesia	24.3	1.9	0.0	20.9	11.8	8.4	67.3	81.4
Philippines	21.6	0.2	0.0	28.4	1.8	2.2	54.2	32.1
China (include Hong Kong)	16.2	0.0	0.6	64.0	13.4	4.7	98.9	97.2
(China)	14.5	0.0	0.6	41.3	5.3	1.0	62.7	68.9
(Hong Kong)	1.7	0.0	0.0	22.7	8.1	3.7	36.2	28.3
Brazil	18.2	0.4	0.2	5.2	3.1	11.6	38.7	74.2
Venezuela	0.0	0.0	0.0	1.2	1.8	13.0	16.0	2.5
Argentina	0.3	0.0	0.0	6.1	0.1	1.6	8.1	0.8
Russia	0.1	0.0	0.0	6.7	6.4	0.3	13.5	8.4
<b>Total</b>	<b>83.4</b>	<b>2.5</b>	<b>0.8</b>	<b>171.4</b>	<b>56.4</b>	<b>62.2</b>	<b>376.7</b>	<b>380.4</b>

## Real Estate (Consolidated)

### Book value and unrealized profits of real estate for sale

(Billions of Yen)

	As of March 31, 2015		As of September 30, 2015		Change	
	Book Value	<u>unrealized profits</u>	Book Value	<u>unrealized profits</u>	Book Value	<u>unrealized profits</u>
Company	4.0	<u>0.1</u>	3.3	<u>0.0</u>	(0.7)	<u>(0.1)</u>
Consolidated subsidiaries	19.2	<u>1.3</u>	19.8	<u>2.4</u>	0.6	<u>1.1</u>
Consolidated Total	23.2	<u>1.4</u>	23.1	<u>2.4</u>	(0.1)	<u>1.0</u>

### Book value of real estate (land, building and structure) in property, plant and equipment

(Billions of Yen)

	As of March 31, 2015	As of September 30, 2015	Change
Company	14.2	14.0	(0.2)
Consolidated subsidiaries	75.3	72.8	(2.5)
Consolidated Total	89.5	86.8	(2.7)

### Book value of real estate for investment

(Billions of Yen)

	As of March 31, 2015	As of September 30, 2015	Change
Company	3.2	2.3	(0.9)
Consolidated subsidiaries	16.3	16.5	0.2
Consolidated Total	19.5	18.8	(0.7) *

\* Decreases due to transference to assets as held for sale are accounted for.

## Number of Employees by Business Segment

(Number of Employees)

	As of March 31, 2015			As of September 30, 2015			Change		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Automotive	74	2,887	2,961	79	2,877	2,956	5	(10)	(5)
Aerospace & IT Business	64	1,575	1,639	72	1,647	1,719	8	72	80
Infrastructure & Environment Business	147	758	905	151	738	889	4	(20)	(16)
Energy	80	131	211	78	127	205	(2)	(4)	(6)
Metals & Coal	163	689	852	169	616	785	6	(73)	(67)
Chemicals	243	1,456	1,699	249	1,430	1,679	6	(26)	(20)
Foods & Agriculture Business	109	1,900	2,009	112	1,726	1,838	3	(174)	(171)
Lifestyle Commodities & Materials	123	1,308	1,431	124	1,310	1,434	1	2	3
Retail	82	2,380	2,462	90	2,369	2,459	8	(11)	(3)
Other	621	1,146	1,767	641	1,173	1,814	20	27	47
Total	1,706	14,230	15,936	1,765	14,013	15,778	59	(217)	(158)

Notes

- Employee headcounts above indicate personnel employed by Sojitz and its subsidiaries including employees seconded by Sojitz Corporation.

(Reference)

Employee headcounts for Sojitz Corporation (including employees seconded by Sojitz Corporation to subsidiaries) was as follows: as of end of March 2015: 2,246; as of end of September 2015: 2,288

◆ News Releases for the first half ended September 30, 2015

Segment	Date	Title
<b>Automotive</b>		
	2015/04/27	Sojitz Expands "Autrans Business" in Asia Import/Export of Auto Parts and Logistics Operations Start in Indonesia and India
	2015/08/07	Sojitz Expands Car Dealership Business in the San Francisco Bay Area -Creates Three-Store Alliance through Acquisition of BMW Dealership Franchise-
<b>Aerospace &amp; IT Business</b>		
	2015/04/24	Sojitz Completes Construction and Begins Commercial Operation of Desalination Plant in Republic of Ghana - Plant Contributes to Stable Supply of Safe Water for 500,000 People -
	2015/08/17	Sojitz Corporation of America to Invest in the First Mega-solar Business in Peru
	2015/09/10	MHI, Sojitz and VietinBank Sign Memorandum with Vietnamese Ministry of Transport on Demonstration Project to Integrate Country's ETC Systems
<b>Chemicals</b>		
	2015/06/09	Sojitz Cosmetics Enters Southeast Asia's Skin Care Market - In-House Products Sold at Major Indonesian Drug Store Chain -
<b>Retail</b>		
	2015/04/13	Sojitz Starts Cold Chain Logistics Business in Myanmar
	2015/04/28	Ministop and Sojitz Corporation Partner to Expand Convenience Stores in Vietnam
	2015/04/30	Sojitz Receives M&O Contract for Japan Food Town Project in Singapore
	2015/05/19	Sojitz New Urban Development Opens "Sumai Re" Real Estate Brokerage Website Exclusively for Sales of Renovated Condominiums
	2015/06/01	Sojitz Affiliate Puradelta Lestari Listed on Indonesia Stock Exchange
<b>Other</b>		
	2015/04/30	Sojitz Provides Disaster Relief Aid for the Earthquake in Nepal
	2015/05/07	Announcement Regarding Revision of Dividend Forecast for the Fiscal Year 2014
	2015/05/07	Announcement of losses recorded on the non-consolidated financial statements for the year ended March 31, 2015
	2015/05/18	Announcement regarding Changes to Representative Directors
	2015/09/18	Relief Aid for Areas Damaged by Tropical Storm Etou

## Forecast for the Year Ending March 31, 2016

(Billions of Yen)

	FY 2014 Results	FY 2015		
		first half period	Initial Full-Year Forecast	Revised Full- Year Forecast
Net sales *	4,105.3	2,015.9	4,400.0	4,250.0
Gross profit	197.7	91.7	215.0	205.0
Selling, general and administrative expenses	(149.8)	(76.9)	(167.0)	(157.0)
Other income (expenses)	(14.3)	1.7	(7.5)	(7.5)
Operating profit	33.6	16.5	40.5	40.5
Finance income/costs	(9.6)	(4.0)	(10.0)	(10.0)
Share of profit (loss) of investments accounted for using the equity method	28.6	15.2	28.0	28.0
Profit before tax	52.6	27.7	58.5	58.5
Profit for the year (Attributable to owners of the Company)	33.1	20.6	40.0	40.0

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

### Profit for the year (attributable to owners of the Company) forecast by industry segment

(Billions of Yen)

	FY 2014 Results**	FY 2015		
		first half period	Initial Full-Year Forecast	Revised Full- Year Forecast
Automotive	2.7	4.1	5.5	5.5
Aerospace & IT Business	3.3	1.4	3.0	4.0
Infrastructure & Environment Business	4.4	1.2	4.0	4.0
Energy	3.3	0.1	1.5	1.0
Metals & Coal	(2.6)	3.0	9.5	5.5
Chemicals	6.3	4.3	9.0	9.0
Foods & Agriculture Business	2.7	2.7	4.0	4.0
Lifestyle Commodities & Materials	2.7	0.3	3.5	2.5
Retail	3.0	2.9	2.0	4.5
Other	7.3	0.6	(2.0)	0.0
Total	33.1	20.6	40.0	40.0

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

Change of Consolidated Statements of Financial Position (IFRS)

(Millions of Yen)

	2011/04/01 (the date of transition)	FY 2011	FY 2012	FY 2013	FY2014	FY2015 1H
<b>Current assets</b>						
Cash and cash equivalents	411,632	425,595	424,371	420,658	403,748	361,312
Time deposits	7,043	16,114	9,313	4,362	5,464	7,407
Trade and other receivables	515,633	544,525	508,690	524,826	559,291	500,394
Other investments	1,346	697	-	-	-	-
Derivatives	3,796	3,676	4,100	5,185	6,977	7,332
Inventories	265,794	284,038	297,389	301,979	270,274	263,640
Income tax receivables	2,646	2,725	4,778	4,907	3,712	4,436
Other current assets	69,277	57,124	41,231	46,759	63,122	56,302
Assets as held for sale	8,894	4,098	1,303	13,143	10,905	1,704
<b>Total current assets</b>	<b>1,286,066</b>	<b>1,338,596</b>	<b>1,291,178</b>	<b>1,321,824</b>	<b>1,323,497</b>	<b>1,202,530</b>
<b>Non-current assets</b>						
Property, plant and equipment	206,863	219,581	231,840	213,934	217,912	213,666
Goodwill	45,400	46,390	45,725	46,264	50,164	55,958
Intangible assets	71,111	71,922	63,207	60,958	53,882	49,468
Investment property	50,435	46,359	40,055	25,334	19,459	18,793
Investments accounted for using the equity method	261,834	257,379	279,815	336,761	394,055	397,674
Trade and other receivables	55,940	65,498	62,963	60,310	45,017	44,425
Other investments	128,301	113,222	114,596	133,625	174,791	163,025
Derivatives	805	115	229	209	1,865	243
Other non-current assets	11,323	16,293	10,976	9,683	7,483	5,830
Deferred tax assets	52,063	15,332	9,461	11,329	9,227	8,823
<b>Total non-current assets</b>	<b>884,079</b>	<b>852,095</b>	<b>858,871</b>	<b>898,411</b>	<b>973,860</b>	<b>957,909</b>
<b>Total assets</b>	<b>2,170,145</b>	<b>2,190,692</b>	<b>2,150,050</b>	<b>2,220,236</b>	<b>2,297,358</b>	<b>2,160,440</b>
<b>Current liabilities</b>						
Trade and other payables	521,682	557,198	515,989	514,585	490,865	458,696
Bonds and borrowings	256,228	298,455	258,375	227,216	208,360	212,775
Derivatives	4,640	8,989	15,952	6,400	8,803	4,734
Income tax payables	8,151	9,065	7,038	8,038	7,570	5,406
Provisions	1,680	4,074	1,419	1,207	4,271	3,968
Other current liabilities	70,288	60,314	50,150	54,402	53,807	55,986
Liabilities directly related to assets as held for sale	2,627	1,221	-	-	6,860	-
<b>Total current liabilities</b>	<b>865,299</b>	<b>939,317</b>	<b>848,926</b>	<b>811,850</b>	<b>780,538</b>	<b>741,568</b>
<b>Non-current liabilities</b>						
Bonds and borrowings	859,594	819,591	818,632	838,060	830,409	747,828
Trade and other payables	14,841	13,050	9,816	10,463	9,545	9,857
Derivatives	5,209	3,042	1,884	1,721	2,942	3,405
Retirement benefits liabilities	14,311	15,674	16,158	16,917	17,943	17,988
Provisions	12,162	14,378	18,892	20,798	25,098	24,489
Other non-current liabilities	6,533	10,619	7,313	7,321	7,591	7,087
Deferred tax liabilities	18,969	19,834	17,127	20,143	32,631	27,626
<b>Total non-current liabilities</b>	<b>931,622</b>	<b>896,193</b>	<b>889,824</b>	<b>915,426</b>	<b>926,163</b>	<b>838,283</b>
<b>Total liabilities</b>	<b>1,796,922</b>	<b>1,835,511</b>	<b>1,738,751</b>	<b>1,727,277</b>	<b>1,706,702</b>	<b>1,579,851</b>
<b>Equity</b>						
Share capital	160,339	160,339	160,339	160,339	160,339	160,339
Capital surplus	146,520	146,518	146,518	146,515	146,515	146,515
Treasury stock	(138)	(147)	(148)	(157)	(159)	(160)
Other components of equity	40,885	23,580	62,826	119,617	194,557	169,590
Retained earnings	(1,320)	(327)	13,053	33,538	49,731	66,282
Total equity attributable to owners of the Company	346,285	329,962	382,589	459,853	550,983	542,567
Non-controlling interests	26,937	25,218	28,709	33,105	39,672	38,021
<b>Total equity</b>	<b>373,223</b>	<b>355,180</b>	<b>411,298</b>	<b>492,959</b>	<b>590,656</b>	<b>580,588</b>
<b>Total liabilities and equity</b>	<b>2,170,145</b>	<b>2,190,692</b>	<b>2,150,050</b>	<b>2,220,236</b>	<b>2,297,358</b>	<b>2,160,440</b>

Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013.  
The date of transition to IFRSs was April 1, 2011.

**Consolidated Statements of Profit or Loss (IFRS)**

(Millions of Yen)

	FY 2011	FY 2012	FY 2013	FY2014	FY2015 1H
<b>Revenue</b>					
Sales of goods	1,915,992	1,659,233	1,714,176	1,718,165	829,751
Sales of services and others	90,657	88,517	88,928	91,535	44,386
<b>Total revenue</b>	<b>2,006,649</b>	<b>1,747,750</b>	<b>1,803,104</b>	<b>1,809,701</b>	<b>874,138</b>
<b>Cost of sales</b>	<b>(1,789,582)</b>	<b>(1,560,504)</b>	<b>(1,604,882)</b>	<b>(1,612,013)</b>	<b>(782,416)</b>
<b>Gross profit</b>	<b>217,066</b>	<b>187,245</b>	<b>198,221</b>	<b>197,688</b>	<b>91,722</b>
Selling, general and administrative expenses	(153,663)	(151,091)	(151,628)	(149,739)	(76,864)
<b>Other income (expenses)</b>					
Gain (loss) on sale and disposal of fixed assets, net	1,839	2,209	6,132	1,058	585
Impairment loss on fixed assets	(3,190)	(11,549)	(19,461)	(17,446)	(1,919)
Gain on sale of subsidiaries/associates	957	2,138	1,666	1,758	1,256
Loss on reorganization of subsidiaries/associates	(1,728)	(3,525)	(2,684)	(2,080)	(645)
Other operating income	11,705	10,702	10,429	17,193	5,792
Other operating expenses	(15,513)	(10,636)	(18,980)	(14,882)	(3,415)
<b>Operating profit</b>	<b>57,472</b>	<b>25,493</b>	<b>23,694</b>	<b>33,550</b>	<b>1,654</b>
<b>Total Financial income</b>	<b>8,875</b>	<b>8,022</b>	<b>9,213</b>	<b>9,395</b>	<b>4,583</b>
Interests earned	5,552	4,984	5,359	4,860	2,134
Dividends received	3,283	2,761	3,810	4,456	2,449
Other financial income	39	276	43	78	-
<b>Total Financial costs</b>	<b>(24,186)</b>	<b>(21,247)</b>	<b>(19,855)</b>	<b>(18,975)</b>	<b>(8,581)</b>
Interest expenses	(23,848)	(21,247)	(19,855)	(18,975)	(8,577)
Other financial costs	(338)	-	-	-	(3)
<b>Share of profit (loss) of investments accounted for using the equity method</b>	<b>16,296</b>	<b>15,784</b>	<b>30,979</b>	<b>28,613</b>	<b>15,213</b>
<b>Profit before tax</b>	<b>58,457</b>	<b>28,052</b>	<b>44,033</b>	<b>52,584</b>	<b>27,728</b>
<b>Income tax expenses</b>	<b>(56,735)</b>	<b>(11,058)</b>	<b>(11,949)</b>	<b>(14,933)</b>	<b>(4,776)</b>
<b>Profit for the period</b>	<b>1,722</b>	<b>16,993</b>	<b>32,083</b>	<b>37,650</b>	<b>22,951</b>
<b>Profit attributable to:</b>					
<b>Owners of the Company</b>	<b>(1,040)</b>	<b>13,448</b>	<b>27,250</b>	<b>33,075</b>	<b>20,612</b>
Non-controlling interests	2,762	3,544	4,833	4,575	2,339
<b>Net sales *1</b>	<b>4,321,734</b>	<b>3,934,456</b>	<b>4,046,577</b>	<b>4,105,295</b>	<b>2,015,907</b>
					(Billions of yen)
<b>Core earnings *2</b>	<b>65.8</b>	<b>38.5</b>	<b>68.0</b>	<b>66.3</b>	<b>25.8</b>

Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.

\*1 Net sales is a measure generally used by Japanese general trading companies and represents the aggregate value of the transactions for which the Group acts as a principal agent.

\*2 Core earnings = Gross Profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Interest expense-net + Dividends received + Share of profit (loss) of investments accounted for using the equity method

**Consolidated Statements of Profit or Loss and Other Comprehensive Income (IFRS)**

(Millions of Yen)

	FY2011	FY2012	FY 2013	FY2014	FY2015 1H
<b>Profit for the period</b>	<b>1,722</b>	<b>16,993</b>	<b>32,083</b>	<b>37,650</b>	<b>22,951</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Financial assets measured at fair value through other comprehensive income	(1,010)	11,172	15,065	46,787	1,041
Remeasurements of defined benefit pension plans	(872)	(398)	(425)	(925)	(110)
<b>Total items that will not be reclassified to profit or loss</b>	<b>(1,883)</b>	<b>10,774</b>	<b>14,639</b>	<b>45,862</b>	<b>931</b>
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations	(12,505)	34,509	40,578	34,811	(25,241)
Cash flow hedges	(945)	(528)	1,184	(3,405)	(1,596)
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(13,450)</b>	<b>33,980</b>	<b>41,763</b>	<b>31,405</b>	<b>(26,838)</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>(15,334)</b>	<b>44,754</b>	<b>56,403</b>	<b>77,268</b>	<b>(25,907)</b>
<b>Total comprehensive income for the period</b>	<b>(13,611)</b>	<b>61,748</b>	<b>88,487</b>	<b>114,919</b>	<b>(2,955)</b>
<b>Total comprehensive income attributable to:</b>					
<b>Owners of the Company</b>	<b>(16,177)</b>	<b>56,171</b>	<b>82,221</b>	<b>107,347</b>	<b>(3,188)</b>
Non-controlling interests	2,565	5,576	6,265	7,571	232
<b>Total</b>	<b>(13,611)</b>	<b>61,748</b>	<b>88,487</b>	<b>114,919</b>	<b>(2,955)</b>

Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.



## Change of Consolidated Statements of Cash Flows (IFRS)

(Millions of Yen)

	FY 2011	FY 2012	FY 2013	FY2014	FY2015 1H
<b>Cash flows from operating activities</b>					
Profit for the period	1,722	16,993	32,083	37,650	22,951
Depreciation and amortization	29,529	31,047	36,100	31,683	15,752
Impairment loss on fixed assets	3,190	11,549	19,461	17,446	1,919
Finance (income) costs	15,311	13,225	10,641	9,579	3,997
Share of (profit) loss of investments accounted for using the equity method	(16,296)	(15,784)	(30,979)	(28,613)	(15,213)
(Gain) loss on sale of fixed assets, net	(1,839)	(2,209)	(6,132)	(1,058)	(585)
Income tax expense	56,735	11,058	11,949	14,933	4,776
(Increase) decrease in trade and other receivables	(8,089)	40,625	4,226	(18,583)	58,160
(Increase) decrease in inventories	(16,765)	(709)	(6,151)	31,396	4,185
Increase (decrease) in trade and other payables	35,373	(30,116)	(10,640)	(27,908)	(29,352)
Increase (decrease) in retirement benefits liabilities	455	985	390	674	84
Others	11,224	(1,839)	(1,451)	(19,792)	4,174
Subtotal	110,550	74,825	59,498	47,408	70,851
Interests earned	5,583	5,082	5,225	4,709	2,118
Dividends received	12,457	13,777	16,424	18,439	10,214
Interests paid	(24,217)	(21,840)	(20,308)	(19,261)	(8,499)
Income taxes paid	(15,650)	(16,722)	(13,842)	(12,186)	(7,760)
<b>Net cash provided (used) by/in operating activities</b>	<b>88,723</b>	<b>55,124</b>	<b>46,997</b>	<b>39,109</b>	<b>66,923</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(34,101)	(29,473)	(23,579)	(31,258)	(15,761)
Proceeds from sale of property, plant and equipment	12,655	14,384	13,578	767	3,801
Purchase of intangible assets	(6,978)	(8,310)	(4,522)	(3,566)	(2,107)
(Increase) decrease in short-term loans receivable	2,646	3,400	(1,706)	2,470	69
Payment for long-term loans receivable	(13,492)	(11,704)	(3,423)	(4,174)	(2,361)
Collection of long-term loans receivable	969	2,399	5,202	1,165	343
Proceeds from (payments for) acquisition of subsidiaries	(2,340)	(5,624)	(7,024)	(5,222)	(6,726)
Proceeds from (payments for) sale of subsidiaries	(707)	1,530	232	10	(566)
Purchase of investments	(4,144)	(2,646)	(23,658)	(8,455)	(1,367)
Proceeds from sale of investments	10,311	17,831	7,910	10,681	5,105
Others	(7,098)	6,559	12,521	23,791	(1,977)
<b>Net cash provided (used) by/in investing activities</b>	<b>(42,280)</b>	<b>(11,652)</b>	<b>(24,469)</b>	<b>(13,792)</b>	<b>(21,547)</b>
<b>Free Cash Flow</b>	<b>46,443</b>	<b>43,472</b>	<b>22,528</b>	<b>25,317</b>	<b>45,376</b>
<b>Cash flows from financing activities</b>					
Increase (decrease) in short-term borrowings and commercial papers	8,797	(10,928)	(14,714)	(29,012)	(18,525)
Proceeds from long-term borrowings	127,338	236,109	170,858	163,996	25,422
Repayment of long-term borrowings	(134,014)	(248,449)	(178,687)	(179,780)	(74,127)
Proceeds from issuance of bonds	39,800	9,953	29,862	29,820	-
Redemption of bonds	(67,719)	(35,000)	(30,000)	(20,000)	(10,000)
Proceeds from sale of subsidiaries' interests to non-controlling interest holders	7,249	-	-	-	5
Payment for acquisition of subsidiaries' interests from non-controlling interest holders	(5,756)	(468)	(0)	(129)	(18)
Proceeds from non-controlling interest holders	1,261	71	104	3,209	-
Purchase of treasury stock	(11)	(1)	(11)	(2)	(1)
Dividends paid	(3,753)	(3,753)	(4,378)	(5,629)	(4,378)
Dividends paid to non-controlling interest holders	(1,801)	(1,659)	(1,805)	(2,320)	(636)
Others	(922)	(2,050)	(2,160)	(2,752)	(1,348)
<b>Net cash provided (used) by/in financing activities</b>	<b>(29,530)</b>	<b>(56,177)</b>	<b>(30,931)</b>	<b>(42,600)</b>	<b>(83,609)</b>
Net increase (decrease) in cash and cash equivalents	16,913	(12,706)	(8,403)	(17,282)	(38,233)
Cash and cash equivalents at the beginning of the period	411,632	425,595	424,371	420,658	403,748
Effect of exchange rate changes on cash and cash equivalents	(2,950)	11,481	4,690	372	(4,202)
<b>Cash and cash equivalents at the end of the period</b>	<b>425,595</b>	<b>424,371</b>	<b>420,658</b>	<b>403,748</b>	<b>361,312</b>

Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013.  
The date of transition to IFRSs was April 1, 2011.

## Change of Consolidated Balance Sheets (JGAAP)

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<b>Current assets</b>										
Cash and deposits	435,671	426,082	521,937	471,570	380,195	421,629	455,728	415,694	442,706	433,584
Notes and accounts receivable-trade	708,982	618,086	613,513	672,658	691,492	522,397	462,233	478,880	490,708	456,455
Short-term investment securities	17,705	7,150	6,471	7,251	9,180	2,123	6,131	5,437	1,297	100
Inventories	239,499	194,694	214,163	315,885	422,158	382,899	248,629	243,210	270,645	292,105
Short-term loans receivable	188,002	41,000	44,237	23,182	11,609	9,375	7,943	8,518	5,667	2,222
Deferred tax assets	13,346	7,482	8,886	8,591	19,179	15,821	13,484	15,402	4,577	4,132
Other	171,637	139,590	116,416	130,636	156,000	129,237	100,216	106,832	88,132	79,120
Allowance for doubtful accounts	(39,926)	(10,957)	(15,172)	(14,695)	(13,869)	(10,312)	(9,089)	(7,347)	(5,583)	(3,449)
<b>Total current assets</b>	<b>1,734,918</b>	<b>1,423,129</b>	<b>1,510,454</b>	<b>1,615,081</b>	<b>1,675,946</b>	<b>1,473,172</b>	<b>1,285,277</b>	<b>1,266,629</b>	<b>1,298,151</b>	<b>1,264,271</b>
<b>Property, plant and equipment</b>	<b>493,163</b>	<b>246,652</b>	<b>246,665</b>	<b>229,966</b>	<b>232,018</b>	<b>209,720</b>	<b>222,665</b>	<b>215,774</b>	<b>233,260</b>	<b>228,332</b>
<b>Intangible assets</b>	<b>66,228</b>	<b>103,850</b>	<b>100,131</b>	<b>99,127</b>	<b>133,343</b>	<b>114,855</b>	<b>114,445</b>	<b>132,595</b>	<b>124,497</b>	<b>126,114</b>
Goodwill	41,375	79,989	76,897	69,925	65,466	60,685	54,305	51,474	44,612	39,865
Other	24,852	23,860	23,233	29,202	67,876	54,170	60,139	81,120	79,884	86,248
<b>Investments and other assets</b>	<b>781,335</b>	<b>673,924</b>	<b>663,403</b>	<b>671,857</b>	<b>625,514</b>	<b>513,798</b>	<b>538,093</b>	<b>501,678</b>	<b>464,419</b>	<b>467,500</b>
Investment securities	410,531	409,307	488,291	518,615	480,993	351,466	327,869	333,050	313,897	338,744
Long-term loans receivable	182,093	102,142	38,867	39,304	36,961	27,908	25,113	13,370	22,415	31,311
Bad debts	-	286,934	176,527	162,305	109,440	92,378	88,358	79,971	68,164	59,670
Deferred tax assets	97,507	58,051	23,880	19,754	31,053	64,137	61,432	52,881	22,442	13,710
Real estate for investment	-	-	-	-	-	-	53,261	33,993	31,934	26,608
Other	234,988	54,820	58,793	49,916	44,400	39,435	39,264	48,168	52,788	43,830
Allowance for doubtful accounts	(143,786)	(237,332)	(122,956)	(118,039)	(77,335)	(61,526)	(57,207)	(59,758)	(47,223)	(46,375)
<b>Total noncurrent assets</b>	<b>1,340,726</b>	<b>1,024,427</b>	<b>1,010,200</b>	<b>1,000,951</b>	<b>990,875</b>	<b>838,375</b>	<b>875,204</b>	<b>850,049</b>	<b>822,177</b>	<b>821,947</b>
Deferred assets	1,377	921	1,024	3,475	2,529	1,410	436	281	266	190
<b>Total assets</b>	<b>3,077,022</b>	<b>2,448,478</b>	<b>2,521,679</b>	<b>2,619,507</b>	<b>2,669,352</b>	<b>2,312,958</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>2,120,596</b>	<b>2,086,410</b>
<b>Current liabilities</b>										
Notes and accounts payable-trade	479,264	472,513	451,438	531,508	578,995	418,811	377,468	414,984	461,799	436,696
Short-term loans payable	1,320,861	933,100	775,555	501,055	497,208	351,841	256,652	247,656	282,524	242,267
Commercial papers	141,200	139,200	29,200	10,000	25,000	35,000	10,000	2,000	2,000	2,000
Current portion of bonds	38,858	43,050	9,358	896	75,100	42,136	40,120	60,000	35,000	30,000
Income taxes payable	7,788	7,644	7,774	8,811	8,246	7,230	5,949	6,591	8,850	5,407
Deferred tax liabilities	257	422	41	34	53	597	44	146	87	245
Provision for bonuses	3,108	4,234	5,148	7,412	7,686	5,503	5,497	5,845	6,254	6,154
Other	220,979	154,515	138,198	159,778	191,161	178,734	145,801	153,321	150,906	136,238
<b>Total current liabilities</b>	<b>2,212,318</b>	<b>1,754,681</b>	<b>1,416,716</b>	<b>1,219,497</b>	<b>1,383,451</b>	<b>1,039,857</b>	<b>841,533</b>	<b>890,544</b>	<b>947,422</b>	<b>859,010</b>
<b>Noncurrent liabilities</b>										
Bonds payable	61,167	16,048	99,036	245,540	141,496	155,120	123,647	82,719	80,000	60,000
Long-term loans payable	430,640	296,927	473,109	560,187	560,281	702,861	763,098	723,926	691,018	715,478
Deferred tax liabilities	10,463	7,544	13,553	13,078	16,685	15,528	14,743	19,009	20,596	19,509
Deferred tax liabilities for land revaluation	-	-	445	1,238	1,193	1,045	944	774	696	-
Provision for retirement benefits	7,928	29,046	25,558	22,526	19,410	16,174	13,280	13,136	14,232	14,998
Provision for directors' retirement benefits	-	-	-	1,394	958	872	931	833	648	630
Other	26,259	30,639	29,185	24,409	25,548	25,994	25,336	30,505	35,509	34,244
<b>Total noncurrent liabilities</b>	<b>536,459</b>	<b>380,206</b>	<b>640,887</b>	<b>868,374</b>	<b>765,572</b>	<b>917,597</b>	<b>941,981</b>	<b>870,905</b>	<b>842,702</b>	<b>844,862</b>
<b>Total liabilities</b>	<b>2,748,778</b>	<b>2,134,887</b>	<b>2,057,603</b>	<b>2,087,872</b>	<b>2,149,024</b>	<b>1,957,454</b>	<b>1,783,514</b>	<b>1,761,449</b>	<b>1,790,125</b>	<b>1,703,872</b>
<b>Shareholders' equity</b>	<b>392,391</b>	<b>331,674</b>	<b>389,677</b>	<b>428,464</b>	<b>451,619</b>	<b>454,491</b>	<b>458,819</b>	<b>471,688</b>	<b>464,026</b>	<b>470,808</b>
Capital stock	150,606	336,122	130,549	122,790	160,339	160,339	160,339	160,339	160,339	160,339
Capital surplus	346,619	487,686	166,754	158,593	152,160	152,160	152,160	152,160	152,160	152,160
Retained earnings	(104,802)	(492,048)	92,487	147,206	139,264	142,157	146,489	159,358	151,706	158,488
Treasury stock	(32)	(86)	(113)	(126)	(145)	(166)	(169)	(170)	(179)	(179)
<b>Accumulated Other Comprehensive Income</b>	<b>(76,156)</b>	<b>(51,433)</b>	<b>37,273</b>	<b>60,122</b>	<b>24,412</b>	<b>(135,500)</b>	<b>(106,402)</b>	<b>(141,659)</b>	<b>(158,121)</b>	<b>(117,272)</b>
Valuation difference on available-for-sale securities	16,692	32,629	90,547	94,316	60,280	6,236	14,845	12,310	7,626	13,710
Deferred gains or losses on hedges	-	-	-	623	1,345	1,510	2,357	3,022	935	(104)
Revaluation reserve for land	(5,469)	(4,869)	(2,619)	(1,935)	(2,530)	(1,907)	(2,055)	(2,302)	(2,120)	3
Foreign currency translation adjustment	(87,379)	(79,193)	(50,655)	(32,882)	(34,684)	(141,340)	(121,550)	(153,984)	(163,686)	(129,496)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	-	-	-	-	-	-	-	(706)	(875)	(1,385)
<b>Minority interests</b>	<b>12,009</b>	<b>33,349</b>	<b>37,125</b>	<b>43,048</b>	<b>44,296</b>	<b>36,512</b>	<b>24,987</b>	<b>25,481</b>	<b>24,565</b>	<b>29,000</b>
<b>Total net assets</b>	<b>328,244</b>	<b>313,590</b>	<b>464,076</b>	<b>531,635</b>	<b>520,327</b>	<b>355,503</b>	<b>377,404</b>	<b>355,510</b>	<b>330,471</b>	<b>382,537</b>
<b>Total liabilities and net assets</b>	<b>3,077,022</b>	<b>2,448,478</b>	<b>2,521,679</b>	<b>2,619,507</b>	<b>2,669,352</b>	<b>2,312,958</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>2,120,596</b>	<b>2,086,410</b>

Change of Consolidated Statements of Income (JGAAP)

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<b>Net sales</b>	<b>5,861,737</b>	<b>4,675,903</b>	<b>4,972,059</b>	<b>5,218,153</b>	<b>5,771,028</b>	<b>5,166,182</b>	<b>3,844,418</b>	<b>4,014,639</b>	<b>4,494,237</b>	<b>3,955,907</b>
<b>Cost of sales</b>	<b>(5,612,714)</b>	<b>(4,431,656)</b>	<b>(4,729,892)</b>	<b>(4,963,686)</b>	<b>(5,493,296)</b>	<b>(4,930,564)</b>	<b>(3,666,215)</b>	<b>(3,821,914)</b>	<b>(4,262,671)</b>	<b>(3,763,842)</b>
<b>Gross profit</b>	<b>249,022</b>	<b>244,247</b>	<b>242,166</b>	<b>254,466</b>	<b>277,732</b>	<b>235,618</b>	<b>178,203</b>	<b>192,725</b>	<b>231,566</b>	<b>192,064</b>
Selling, general and administrative expenses	(189,074)	(178,725)	(165,964)	(176,533)	(185,368)	(183,611)	(162,074)	(155,205)	(167,044)	(158,759)
<b>Operating income</b>	<b>59,948</b>	<b>65,521</b>	<b>76,202</b>	<b>77,932</b>	<b>92,363</b>	<b>52,006</b>	<b>16,128</b>	<b>37,519</b>	<b>64,522</b>	<b>33,305</b>
Interest income	24,572	18,431	13,213	14,995	13,715	9,597	4,632	4,308	5,994	4,924
Dividends income	4,543	3,653	6,816	6,052	5,004	8,349	5,040	4,081	4,978	2,587
Equity in earnings of affiliates	5,929	10,741	19,149	23,752	28,911	2,455	9,179	19,297	12,566	15,588
Gain on sales of investment securities	6,231	2,382	2,042	1,872	61	-	-	-	-	-
Penalty income	-	-	-	-	-	-	3,802	-	-	-
Other	16,992	16,439	18,496	15,357	13,402	9,574	14,591	16,285	13,603	11,443
<b>Total non-operating income</b>	<b>58,269</b>	<b>51,648</b>	<b>59,718</b>	<b>62,030</b>	<b>61,095</b>	<b>29,977</b>	<b>37,245</b>	<b>43,973</b>	<b>37,142</b>	<b>39,952</b>
Interest expenses	(53,590)	(45,833)	(38,571)	(38,332)	(33,101)	(29,145)	(25,808)	(23,917)	(24,212)	(21,021)
Interest on commercial papers	(2,085)	(2,920)	(1,572)	(89)	(183)	(306)	(178)	(18)	(5)	(4)
Foreign exchange losses	-	-	-	-	(5,664)	(5,243)	-	(2,848)	(145)	-
Other	(14,081)	(10,328)	(17,003)	(12,005)	(13,030)	(13,651)	(13,685)	(9,392)	(11,765)	(7,185)
<b>Total non-operating expenses</b>	<b>(69,757)</b>	<b>(59,082)</b>	<b>(57,147)</b>	<b>(50,427)</b>	<b>(51,979)</b>	<b>(48,347)</b>	<b>(39,672)</b>	<b>(36,176)</b>	<b>(39,436)</b>	<b>(38,779)</b>
<b>Ordinary Income</b>	<b>48,461</b>	<b>58,088</b>	<b>78,773</b>	<b>89,535</b>	<b>101,480</b>	<b>33,636</b>	<b>13,702</b>	<b>45,316</b>	<b>62,228</b>	<b>34,478</b>
Extraordinary income/losses - net	(90,563)	(438,167)	(9,358)	(1,449)	(13,135)	3,434	5,192	(6,004)	(775)	(2,759)
<b>Income before income taxes and minority interests</b>	<b>(42,101)</b>	<b>(380,079)</b>	<b>69,414</b>	<b>88,085</b>	<b>88,344</b>	<b>37,070</b>	<b>18,894</b>	<b>39,312</b>	<b>61,454</b>	<b>31,719</b>
Income taxes-current	(12,282)	(11,331)	(16,484)	(18,841)	(20,118)	(19,229)	(8,562)	(11,400)	(18,482)	(11,441)
Income taxes-deferred	23,058	(18,287)	(5,840)	(4,971)	(2,062)	2,490	294	(9,103)	(43,821)	(2,012)
<b>Income before minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,808</b>	<b>(850)</b>	<b>18,265</b>
Minority interests in income	(2,282)	(2,778)	(3,383)	(5,506)	(3,469)	(1,330)	(1,832)	(2,826)	(2,799)	(4,002)
<b>Net income</b>	<b>(33,609)</b>	<b>(412,475)</b>	<b>43,706</b>	<b>58,766</b>	<b>62,693</b>	<b>19,001</b>	<b>8,794</b>	<b>15,981</b>	<b>(3,649)</b>	<b>14,263</b>
										(Billions of yen)
<b>Core earnings</b>	<b>41.9</b>	<b>51.4</b>	<b>78.5</b>	<b>89.8</b>	<b>110.7</b>	<b>48.3</b>	<b>14.4</b>	<b>41.9</b>	<b>65.0</b>	<b>35.4</b>

Core earnings = Operating income (before allowance for doubtful receivables and write-offs) + Interest expense-net + Dividends received + Equity in earnings of affiliates

Change of Consolidated Statements of Comprehensive Income (JGAAP)

(Millions of Yen)

	FY2009	FY2010	FY2011	FY2012
<b>Income before minority interests</b>	<b>10,626</b>	<b>18,808</b>	<b>(850)</b>	<b>18,265</b>
<b>Other comprehensive income</b>	<b>29,563</b>	<b>(35,462)</b>	<b>(16,772)</b>	<b>38,585</b>
Valuation difference on available-for-sale securities	3,786	(1,557)	(2,802)	5,216
Deferred gains or losses on hedges	641	1,165	(1,899)	1,277
Revaluation reserve for land	-	-	77	-
Foreign currency translation adjustment	14,217	(26,545)	(1,302)	20,417
Unfunded retirement benefit obligation with respect to foreign consolidated companies	63	129	(184)	(201)
Share of other comprehensive income of associates accounted for using equity	10,854	(8,654)	(10,660)	11,875
<b>comprehensive income</b>	<b>40,189</b>	<b>(16,653)</b>	<b>(17,622)</b>	<b>56,851</b>
(comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	37,869	(18,317)	(20,212)	49,939
Comprehensive income attributable to minority interests	2,319	1,663	2,589	6,911

## Change of Consolidated Statements of Cash Flows (JGAAP)

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<b>Net cash provided by (used in) operating activities</b>										
Income before income taxes and minority interests	(42,101)	(380,079)	69,414	88,085	88,344	37,070	18,894	39,312	61,454	31,719
Depreciation and amortization	33,557	24,784	25,958	23,928	28,844	26,698	23,196	24,096	33,289	30,944
Impairment loss	-	-	2,022	3,393	6,994	12,151	9,402	9,687	6,101	11,893
Loss on valuation of investment securities	8,998	13,415	950	3,957	6,085	15,132	16,543	801	2,640	1,530
Amortization of goodwill	-	-	-	4,016	3,564	5,119	4,443	4,548	4,998	4,774
Increase (decrease) in allowance for doubtful accounts	23,570	64,121	(110,810)	(6,148)	(41,067)	(16,127)	(3,977)	1,619	(15,162)	(3,590)
Increase (decrease) in provision for retirement benefits	-	(7,843)	(3,630)	(3,015)	(2,926)	(2,088)	(3,296)	901	1,130	1,744
Interest and dividends income	(29,116)	(22,084)	(20,030)	(21,048)	(18,719)	(17,947)	(9,672)	(8,390)	(10,972)	(7,512)
Interest expenses	55,675	48,754	40,143	38,421	33,284	29,452	25,987	23,936	24,217	21,026
Foreign exchange losses (gains)	-	(322)	320	3	5,053	5,294	(1,832)	3,907	445	(9,447)
Equity in (earnings) losses of affiliates	(5,929)	(10,741)	(19,149)	(23,752)	(28,911)	(2,455)	(9,179)	(19,297)	(12,566)	(15,588)
Loss (gain) on sales of investment securities	(21,945)	360	(4,025)	(14,787)	(9,265)	(30,217)	(32,375)	(755)	(9,286)	(10,255)
Loss (gain) on sales and retirement of noncurrent assets	4,317	95,495	(2,238)	(9,452)	285	(6,263)	(990)	(4,386)	(2,393)	(2,632)
Loss (gain) on step acquisitions	-	-	-	-	-	-	-	(10,307)	(194)	-
Decrease (increase) in notes and accounts receivable-trade	101,743	7,171	26,492	(62,697)	(26,135)	118,034	57,221	(30,328)	(19,910)	35,621
Decrease (increase) in inventories	52,938	45,102	(8,492)	(99,052)	(108,510)	10,703	80,618	(6,997)	(25,494)	(13,210)
Increase (decrease) in notes and accounts payable-trade	(49,161)	(15,770)	(34,978)	78,685	55,154	(108,118)	(46,575)	52,368	47,570	(21,792)
Other, net	(13,649)	156,538	116,555	39,759	62,223	43,779	(2,433)	8,790	27,277	17,224
<b>Subtotal</b>	<b>118,898</b>	<b>18,905</b>	<b>78,502</b>	<b>40,296</b>	<b>54,297</b>	<b>120,218</b>	<b>125,972</b>	<b>89,506</b>	<b>113,145</b>	<b>72,448</b>
Interest and dividends income received	39,428	22,006	21,761	22,693	34,621	30,871	18,120	13,172	18,933	18,757
Interest expenses paid	(58,914)	(49,858)	(40,673)	(37,868)	(33,408)	(29,016)	(26,379)	(24,013)	(23,883)	(21,588)
Payments for loss on litigation	-	-	-	-	-	-	-	-	-	(3,082)
Income taxes paid	(12,252)	(10,827)	(16,434)	(18,081)	(20,102)	(18,344)	(10,490)	(10,801)	(16,593)	(15,011)
<b>Net cash provided by (used in) operating activities</b>	<b>87,160</b>	<b>(19,774)</b>	<b>43,155</b>	<b>7,040</b>	<b>35,407</b>	<b>103,729</b>	<b>107,222</b>	<b>67,863</b>	<b>91,600</b>	<b>51,524</b>
<b>Net cash provided by (used in) investing activities</b>										
Decrease (increase) in time deposits	(15,090)	9,832	2,541	9,392	(268)	3,862	(301)	5,591	(11,048)	7,790
Decrease (increase) in short-term investment securities	6,687	18,111	(1,151)	84	(190)	1,420	292	(344)	623	37
Purchase of property, plant and equipment	(10,848)	(8,358)	(25,518)	(28,774)	(40,354)	(43,718)	(21,189)	(27,252)	(35,745)	(26,886)
Proceeds from sales of property, plant and equipment	3,794	77,419	16,462	38,255	7,969	16,452	5,443	6,654	13,419	15,306
Purchase of intangible assets	-	-	-	-	-	(21,821)	(7,264)	(21,195)	(8,698)	(11,802)
Purchase of investment securities	(11,590)	(17,936)	(24,380)	(35,763)	(48,013)	(35,104)	(19,098)	(20,647)	(10,025)	(3,085)
Proceeds from sales and redemption of investment securities	79,691	80,361	59,272	46,480	40,234	51,925	66,099	14,228	19,402	18,484
Decrease (increase) in short-term loans receivable	30,625	58,176	27,022	36,315	13,891	13,355	4,857	3,049	3,745	3,453
Payments of long-term loans receivable	(35,559)	(8,180)	(9,717)	(22,914)	(7,136)	(2,360)	(2,263)	(4,481)	(13,548)	(11,697)
Collection of long-term loans receivable	24,410	26,810	37,546	8,576	2,361	3,085	1,785	11,173	1,489	2,412
Net increase(decrease) from purchase of consolidated subsidiaries	(2,756)	(2,013)	(296)	(4,408)	(8,156)	(5,692)	23	2,551	(2,340)	(5,624)
Net increase(decrease) from sale of consolidated subsidiaries	(2,736)	(1,223)	937	3	(109)	65	(49)	(460)	(707)	1,530
Other, net	6,400	8,109	16,436	(4,541)	(28,951)	1,331	103	11,229	1,144	(3,500)
<b>Net cash provided by (used in) investing activities</b>	<b>73,030</b>	<b>241,109</b>	<b>99,155</b>	<b>42,706</b>	<b>(68,723)</b>	<b>(17,198)</b>	<b>28,439</b>	<b>(19,903)</b>	<b>(42,287)</b>	<b>(13,580)</b>
<b>Free Cash Flow</b>	<b>160,190</b>	<b>221,335</b>	<b>142,310</b>	<b>49,746</b>	<b>(33,316)</b>	<b>86,531</b>	<b>135,661</b>	<b>47,960</b>	<b>49,313</b>	<b>37,944</b>
<b>Net cash provided by (used in) financing activities</b>										
Net increase (decrease) in short-term loans payable	(189,312)	85,255	(233,618)	(201,386)	(54,258)	(57,272)	(41,620)	(49,686)	3,433	(9,419)
Net increase (decrease) in commercial papers	119,600	(2,000)	(110,000)	(19,200)	15,000	10,000	(25,000)	(8,000)	-	-
Proceeds from long-term loans payable	176,441	203,706	487,025	274,898	211,648	308,571	244,907	167,047	128,061	236,109
Repayment of long-term loans payable	(409,663)	(487,734)	(262,600)	(266,922)	(154,977)	(234,144)	(240,962)	(155,603)	(133,646)	(247,581)
Proceeds from issuance of bonds	47,225	9,998	154,872	374,626	45,905	55,686	-	19,900	39,800	9,953
Redemption of bonds	(85,794)	(40,088)	(46,030)	(12,668)	(999)	(75,212)	(33,489)	(41,047)	(67,719)	(35,000)
Proceeds from issuance of common stock/preferred stock	272,223	19,389	-	-	-	-	-	-	-	-
Repurchase of preferred stock	-	-	(44,000)	(240,920)	(102,000)	-	-	-	-	-
Proceeds from stock issuance to minority shareholders	510	155	56	474	922	522	13	463	66	68
Purchase of treasury stock	(46)	(32)	(26)	(11)	(18)	(20)	(1)	(1)	(9)	(0)
Cash dividends paid	-	-	-	-	(12,322)	(11,125)	(4,339)	(1,876)	(3,753)	(3,753)
Cash dividends paid to minority shareholders	(359)	(913)	(805)	(1,621)	(1,817)	(2,513)	(1,374)	(1,924)	(1,416)	(1,382)
Other, net	572	-	(678)	(2,744)	(806)	(450)	(730)	(1,325)	(1,193)	(1,732)
<b>Net cash provided by (used in) financing activities</b>	<b>(68,602)</b>	<b>(212,264)</b>	<b>(55,805)</b>	<b>(95,476)</b>	<b>(53,723)</b>	<b>(5,958)</b>	<b>(102,597)</b>	<b>(72,054)</b>	<b>(36,376)</b>	<b>(52,737)</b>
Effect of exchange rate change on cash and cash equivalents	(5,630)	(882)	11,921	3,419	(4,289)	(40,332)	6,825	(14,470)	(923)	11,890
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>85,958</b>	<b>8,188</b>	<b>98,426</b>	<b>(42,310)</b>	<b>(91,328)</b>	<b>40,241</b>	<b>39,890</b>	<b>(38,564)</b>	<b>12,012</b>	<b>(2,902)</b>
Cash and cash equivalents at beginning of period	310,441	401,240	409,266	506,254	464,273	373,883	414,419	454,262	415,261	427,274
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	4,840	(162)	(1,438)	329	939	294	(48)	(436)	-	-
<b>Cash and cash equivalents</b>	<b>401,240</b>	<b>409,266</b>	<b>506,254</b>	<b>464,273</b>	<b>373,883</b>	<b>414,419</b>	<b>454,262</b>	<b>415,261</b>	<b>427,274</b>	<b>424,371</b>