

Financial Results for the Year
Ended March 31, 2016

May 9, 2016
Sojitz Corporation

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Caution regarding Forward-looking Statements

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

I. Progress of Medium-term Management Plan 2017

FY2015 Summary

Impairment losses recorded due to operating environment changes, but profit for the year forecast more or less achieved

FY2015 Summary

- Profit for the Year ¥36.5bn
 - ROA 1.7%
 - ROE 6.8%
 - Net DER 1.1 times
 - Investments & Loans Result ¥71.0bn
 - Year end Dividend ¥4 (Forecast)
- (Dividend Payout Ratio 27.4%)

Positive Factors in FY2015

In non-resource businesses:

- New profit contributions from automobile-related businesses and benefits of withdrawal from unprofitable businesses
- Expansion of aircraft-related business domain
- Stable earnings from chemical- and fertilizer-related businesses

Negative Factors in FY2015

- Sluggish resource market conditions

	Initial Assumptions	Current prices (FY2015 4Q average)
Crude Oil	US\$60/bbl	US\$35.2/bbl
Thermal Coal	US\$68/t	US\$50.3/t

- Sluggish ship market conditions

(*) Profit attributable to owners of the Company

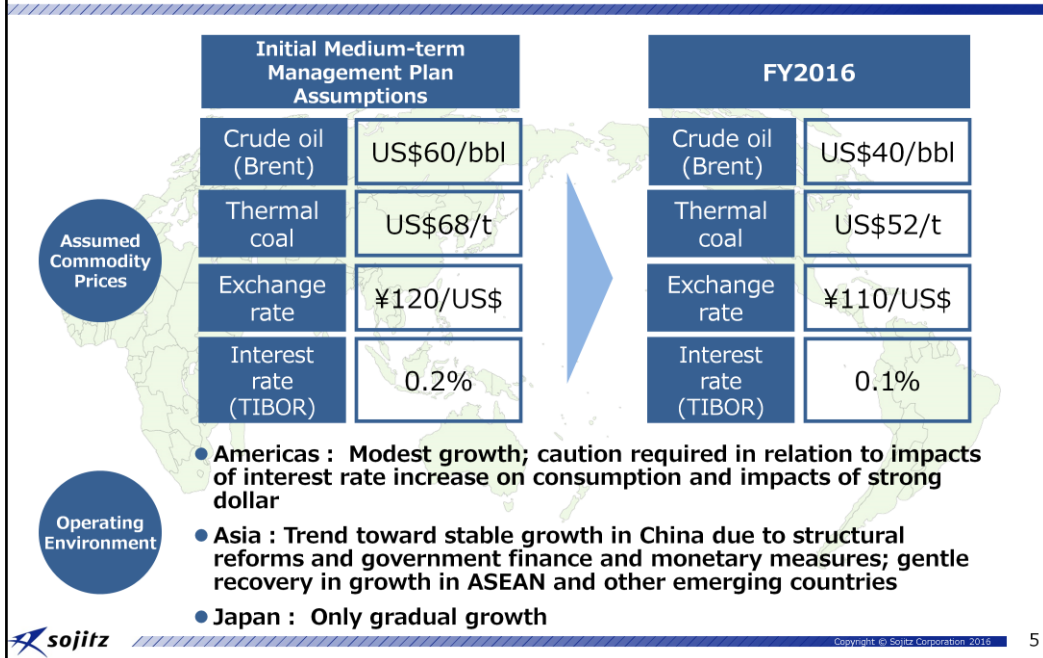


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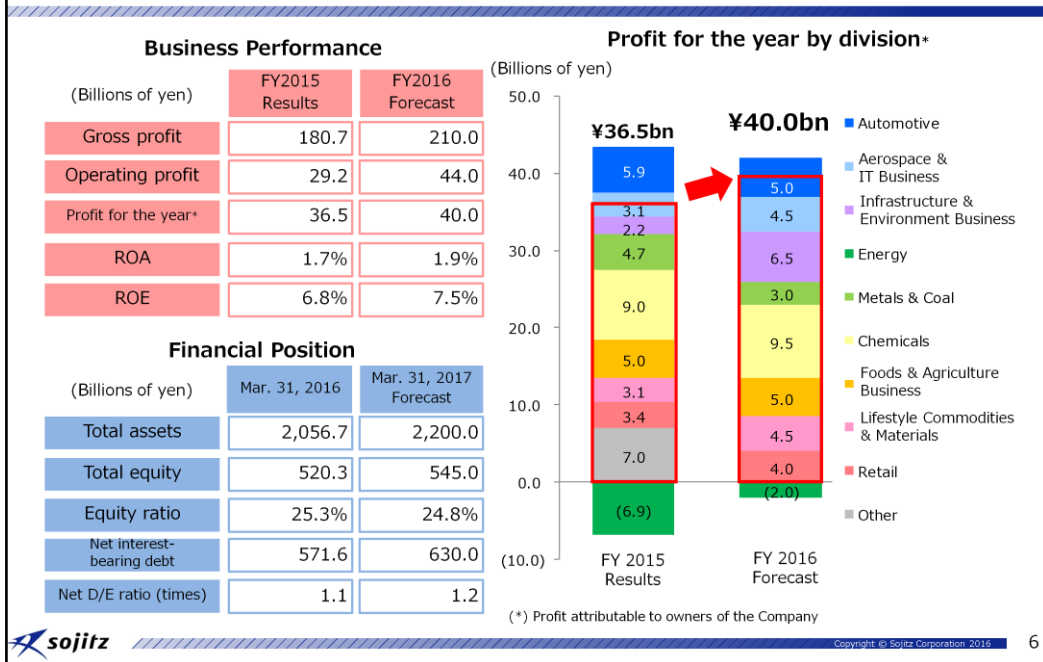
- Despite the growing sense of uncertainty in the global economy, profit for the year reached ¥36.5 billion, representing progress of more than 90% toward our target of ¥40.0 billion for the year ended March 31, 2016.
- While performance benefited from stable earnings contributions from non-resource businesses, we simultaneously felt the impacts of sluggish conditions in the resource and ship markets.

Operating Environment



- We cannot expect a large increase in the prices of crude oil, coal, and other resources. At the same time, the yen is appreciating.
- By region, we expect the modest growth in the Americas, but this growth will not be strong enough to support the entire global economy.
- There will be a trend toward stable growth in China supported by ongoing government measures.
- Gradual recovery in growth is expected in ASEAN and other emerging countries.

FY 2016 Forecast

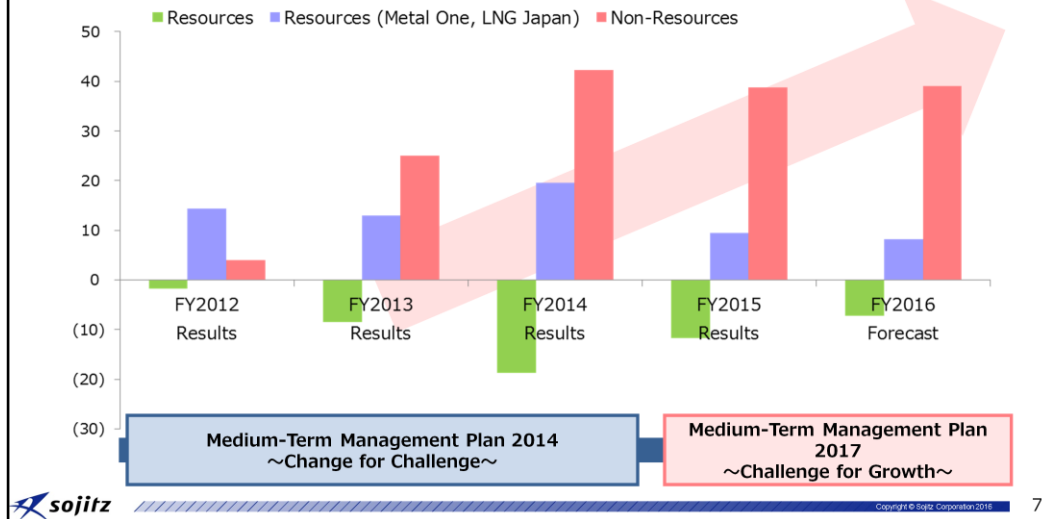


- In the year ending March 31, 2017, profit for year is expected to increase ¥3.5 billion year on year, to ¥40.0 billion, due to stable earnings contributions from non-resource businesses.
- We project return on assets of 1.9% and return on equity of 7.5%, both figures representing steady progress toward the respective targets of 2.0% and 8.0%.

Resources vs Non-Resources

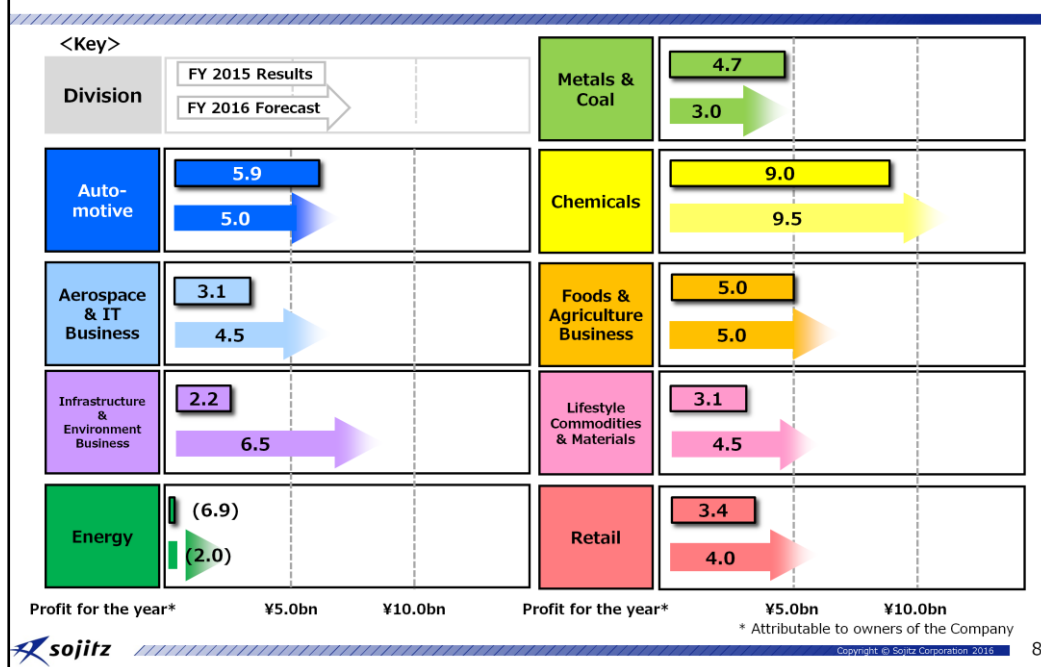
Strengthen non-resources businesses from previous medium-term management plan period
Increase profits even amid sluggish resource market conditions

(Profit for the Year: Billions of yen)



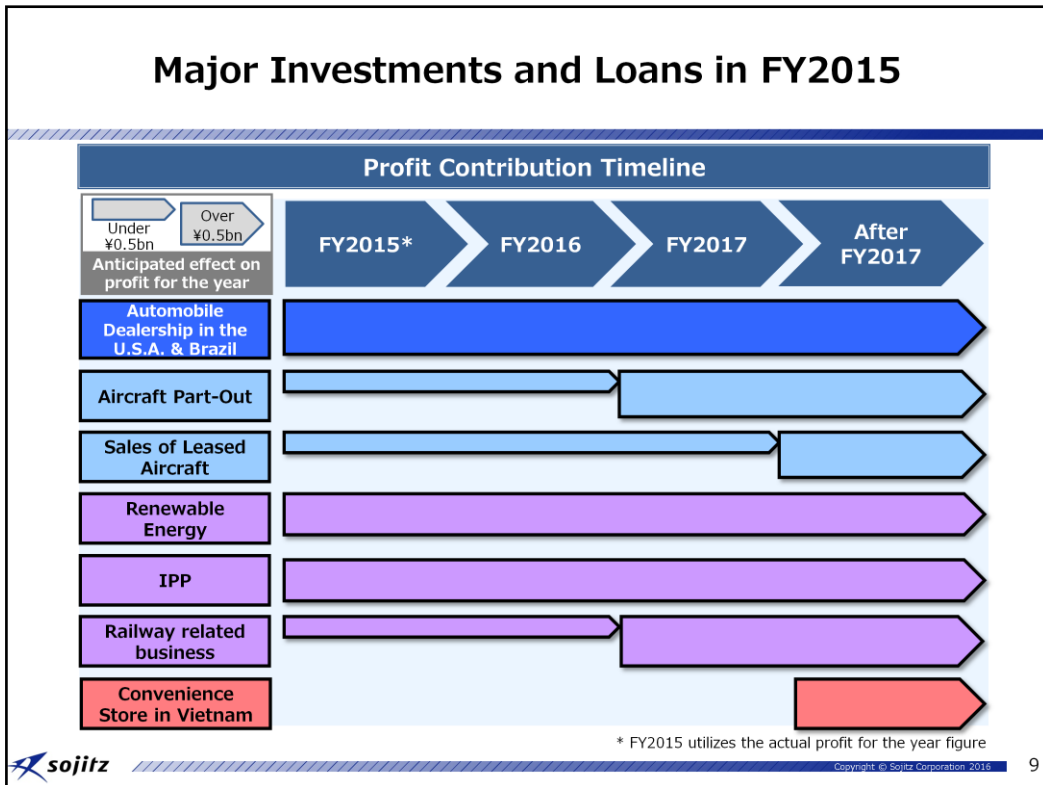
- We are moving forward with the restructuring of resource businesses through asset replacement and other means.
- Metal One Corporation and LNG Japan Corporation recorded stable earnings. Although both companies are facing deteriorating operating environments, their operations will continue to be developed as core businesses for the Company going forward.
- Sojitz plans to continue strengthening non-resource businesses, as was done during the period of the previous medium-term management plan / Medium-term Management Plan 2014—Change for Challenge. We thereby aim to further solidify the earnings foundations of these businesses.

Business Clusters Generating ¥5.0bn, ¥10.0bn in Revenue - Outlook on Profit for the Year by Division -



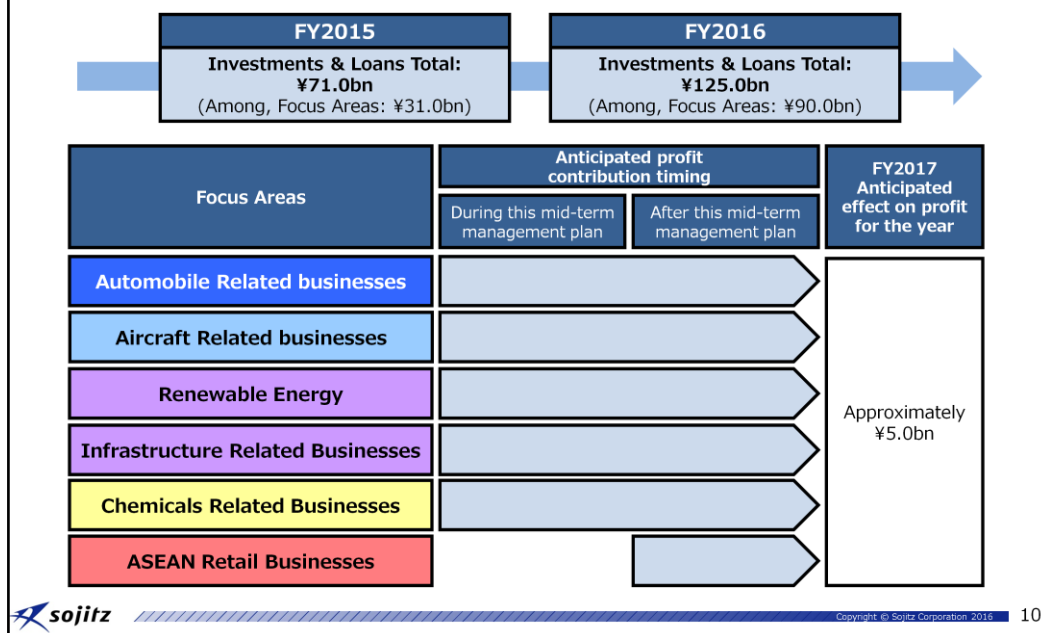
- The current medium-term management plan calls for us to create clusters of revenue-generating businesses that earn ¥5.0 billion to ¥10.0 billion in profit for the year.
- In the Automotive Division, we will develop new distributor businesses in growing regions while also further advancing our dealership businesses.
- We will utilize the insight gained through the commercial aircraft sales representative business to expand the scope of our used aircraft and part-out business and grow our airport business in the Aerospace & IT Business Division.
- Our efforts in the Infrastructure & Environment Business Division will be directed toward independent power producer, transportation and other infrastructure, plant, and renewable energy projects. We thereby aim to cater to infrastructure demand in emerging countries.
- Our goal in the Chemicals Division will be to expand global trading, particularly in China and other parts of Asia, by leveraging our superb customer base and overseas sales networks.
- The Foods & Agriculture Business Division will branch out in its fertilizer business, which is an area of strength, and work to stabilize earnings in the grain business.
- We will endeavor to stabilize earnings pillars centered on textiles and building materials in the Lifestyle Commodities & Materials Division.
- In the Retail Division, we will continue to develop the industrial park business while also advancing initiatives in the food wholesale and convenience store businesses in order to capture growing internal demand in Southeast Asia.
- As for resource businesses, we will forge ahead with asset replacement while implementing initiatives in areas that do not entail acquiring resource interests.

Major Investments and Loans in FY2015

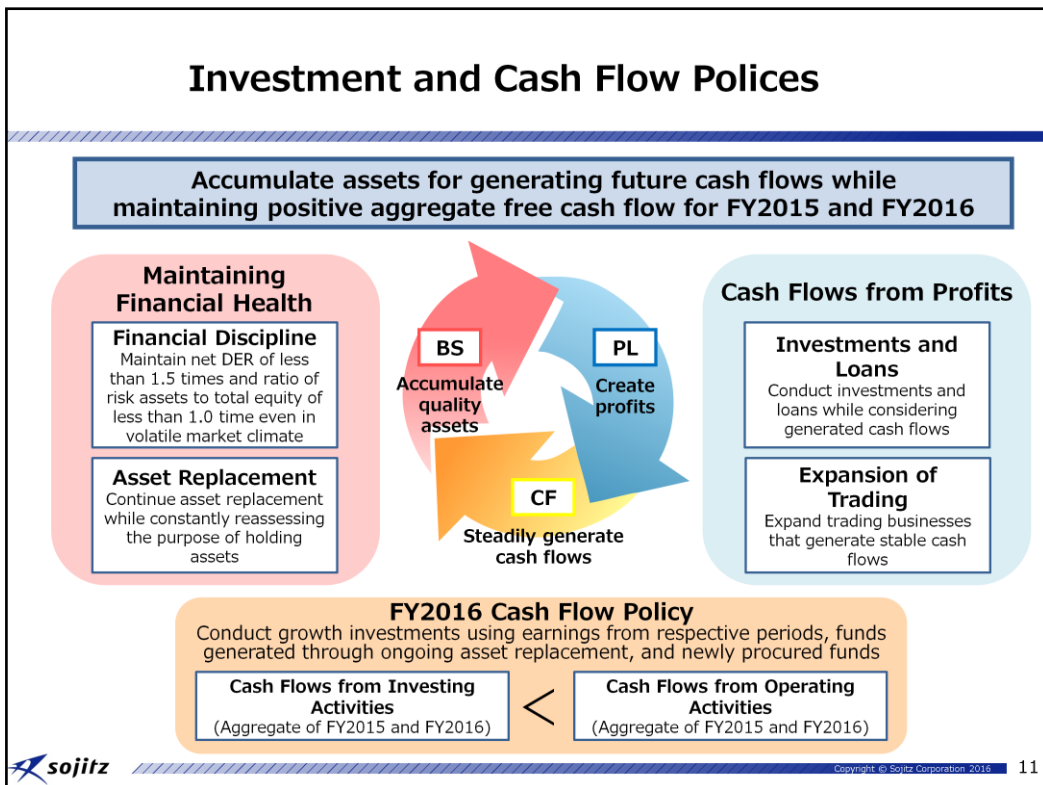


- On a disbursement basis, investments and loans totaled ¥71.0 billion in the year ended March 31, 2016. These investments and loans were conducted with an increased focus on strengthening non-resource businesses.
- We steadily increased the number of bases in the automobile dealership business in the United States, and this business is already contributing to performance as an earnings foundation.
- With our strength in aircraft-related operations, our initiatives in the used aircraft and part-out business and efforts to expand our business scope will certainly aid in achieving gradual earnings growth.
- We also anticipate steady earnings contributions from renewable energy, independent power producer, railway, and other projects in the Infrastructure & Environment Business Division.
- Our convenience store business in Vietnam will be developed with a long-term perspective.

Breakdown of Investments and Loans in FY2016 and Return Projections



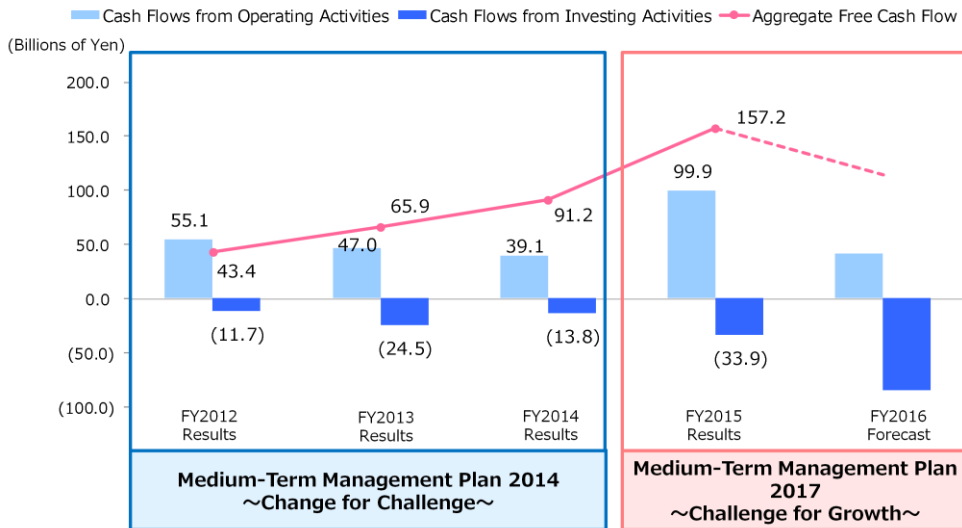
- In the year ending March 31, 2017, we plan to conduct investments and loans totaling ¥125.0 billion, which will include certain delayed projects that were initially slated for the year ended March 31, 2016.
- Management resources will mainly be allocated to focus areas. These areas include renewable energy and infrastructure projects from which we can expect stable earnings as well as businesses in which we can leverage our insight and strengths to expand functions while growing markets and acquiring market shares.
- If everything goes as planned, the total of investments and loans conducted in the year ended March 31, 2016, and the year ending March 31, 2017, will be ¥196.0 billion. Of this amount, ¥121.0 billion will be devoted to focus areas. The earnings contributions made by these investments and loans during the period of the current medium-term management plan will be about ¥5.0 billion, which will be recorded in the year ending March 31, 2018. Full-fledged earnings contributions are projected to begin during the period of the next medium-term management plan.



- As we conduct investments and loans to expand earnings foundations, our policy for cash flows will be to ensure that such expenditures contribute to both profits and cash.
- Based on this policy, we will endeavor to sustain a virtuous cycle in which investments and loans help create profits while generating steady cash flows, which will enable us to further accumulate quality assets.
- In the year ending March 31, 2017, outlays from free cash flow are expected to exceed cash inflows. However, the aggregate of free cash flow from the year ended March 31, 2016, and the year ending March 31, 2017, will remain positive.

Medium-Term Management Plan 2017 Cash Flows

Maintain positive aggregate free cash flow over period including previous plan



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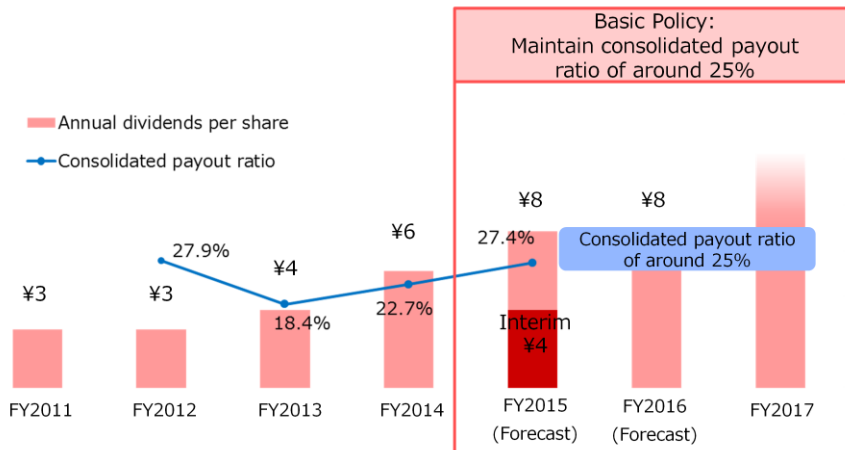
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- The aggregate of free cash flow over the period of the previous medium-term management plan and the current plan will be maintained in the positive.
- This does not represent a change to our policy of conducting ongoing growth investments, but rather demonstrates our intent to maintain a positive free cash flow over the defined period.

Dividend Policy

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.



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- We will target a consolidated payout ratio of around 25% during the period of the current medium-term management plan.
- In the year ending March 31, 2017, we plan to issue dividend payments of ¥8 per share based on a comprehensive evaluation of our basic dividend policy and performance forecasts for the fiscal year.
- Going forward, we will continue to accumulate and effectively use retained earnings to acquire quality assets and boost earnings capacity in order to improve corporate value and thereby live up to the expectations of our stakeholders.



sojitz

New way, New value