

# Financial Results for the Third Quarter Ended December 31, 2016 (Reference)

**February 3, 2017**  
**Sojitz Corporation**

# Index

I. Financial Results for the Third Quarter and Full Year  
Forecast of Fiscal Year Ending March 31, 2017

II. Dividends

【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 Third Quarter and Full Year Forecast of Fiscal Year Ending March 31, 2017



# Summary of Profit or Loss

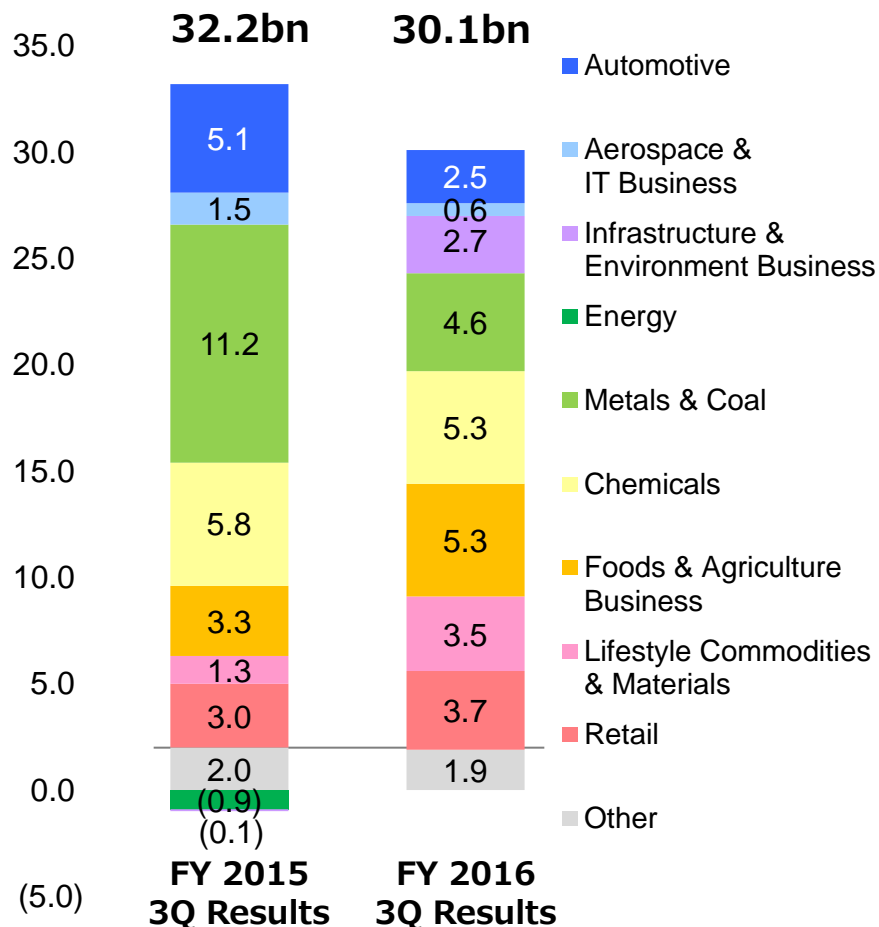
(Billions of Yen)	FY2015 3Q Results	FY2016 3Q Results	Difference	FY2016 Forecast (Nov. 2, '16)	Achieved
<b>Net Sales (JGAAP)</b>	3,024.4	2,749.3	(275.1)	3,930.0	70%
<b>Gross Profit</b>	133.2	142.1	+8.9	200.0	71%
<b>Operating Profit</b>	27.2	34.4	+7.2	45.0	76%
<b>Share of profit (loss) of investments accounted for using the equity method</b>	19.3	10.2	(9.1)	15.0	68%
<b>Profit before tax</b>	40.4	39.8	(0.6)	53.0	75%
<b>Profit for the period attributable to owners of the Company</b>	32.2	30.1	(2.1)	40.0	75%
<b>Core earnings</b>	30.5	35.5	+5.0	56.0	63%

# 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 ¥2.5 billion (down ¥(2.6) billion YoY)**  
 Despite earnings contributions from dealership businesses in the Americas, decreased due to absence of one-time profit recorded in previous equivalent period
- Aerospace & IT business ¥0.6 billion (down ¥(0.9) billion YoY)**  
 Despite strong performance in aerospace- and IT-related businesses, decreased due to impairment losses on Company-owned ships
- Infrastructure & Environment Business ¥2.7 billion (up ¥2.8 billion YoY)**  
 Profit recorded due to earnings contributions from domestic solar power generation businesses as well as absence of impairment losses recorded in previous equivalent period
- Energy ¥0.0 billion (up ¥0.9 billion YoY)**  
 Despite impacts of lower oil price, loss averted through gains on sales of oil and gas interests
- Metals & Coal ¥4.6 billion (down ¥(6.6) billion YoY)**  
 Despite benefits of higher coal price, decreased due to absence of gains on revaluation of coal business assets recorded in previous equivalent period following change in holding purpose
- Chemicals ¥5.3 billion (down ¥(0.5) billion YoY)**  
 Decreased due to impacts of drop in methanol price
- Foods & Agriculture Business ¥5.3 Billion (up ¥2.0 billion YoY)**  
 Increased due to improved earnings in overseas fertilizer businesses resulted from lower prices for raw materials
- Lifestyle Commodities & Materials ¥3.5 billion (up ¥2.2 billion YoY)**  
 Increased due to strong textile business performance and absence of impairment loss recorded during the previous equivalent period
- Retail ¥3.7 billion (up ¥0.7 billion YoY)**  
 Increased due to gain on sales of real estate held for sale in Japan
- Other ¥1.9 billion (down ¥(0.1) billion YoY)**  
 Relatively unchanged year on year

# FY2016 Forecast

## Profit for the year by segment

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

(Billions of Yen)	FY2016 3Q Results	Forecast (Nov.2.'16)	Achieved
Automotive	2.5	4.0	63%
Aerospace & IT Business	0.6	4.5	13%
Infrastructure & Environment Business	2.7	5.5	49%
Energy	0.0	(2.0)	–
Metals & Coal	4.6	6.0	77%
Chemicals	5.3	8.5	62%
Foods & Agriculture Business	5.3	5.0	106%
Lifestyle Commodities & Materials	3.5	4.5	78%
Retail	3.7	4.0	93%
Other	1.9	0.0	–
<b>Total</b>	<b>30.1</b>	<b>40.0</b>	<b>75%</b>

## Future Outlook

- Automotive ¥2.5 billion**  
 Strong performance anticipated in dealerships businesses in the Americas, but trends in emerging economies and foreign exchange rates warrant caution
- Aerospace & IT Business ¥0.6 billion**  
 Earnings contributions from aerospace- and IT-related businesses expected
- Infrastructure & Environment Business ¥2.7 billion**  
 Earnings contributions from infrastructure-related projects expected
- Energy ¥0.0 billion**  
 Progress in line with forecasts
- Metals & Coal ¥4.6 billion**  
 Coal prices remain above initial expectations
- Chemicals ¥5.3 billion**  
 Performance to be influenced by higher methanol prices and increased resin product transactions
- Foods & Agriculture Business ¥5.3 billion**  
 Profit currently exceeding forecast due to strong performance of fertilizer businesses, but sluggish performance in grain collection businesses is projected
- Lifestyle Commodities & Materials ¥3.5 billion**  
 Progress in line with forecasts
- Retail ¥3.7 billion**  
 Progress in line with forecasts
- Other 1.9 billion**  
 Asset replacement costs to be incurred

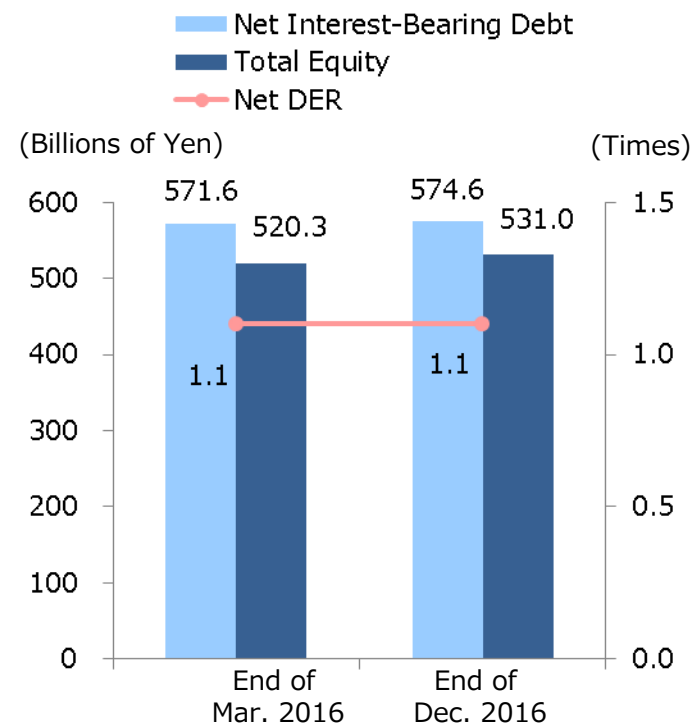
# Summary of Balance Sheets

(Billions of Yen)

	End of Mar. 2016	End of Dec. 2016	Difference	FY2016 Forecast (Feb. 3, '17)
<b>Total Assets</b>	2,056.7	2,108.6	+51.9	2,150.0
<b>Total equity*</b>	520.3	531.0	+10.7	540.0
<b>Equity Ratio</b>	25.3%	25.2%	(0.1)%	25.1%
<b>Net interest-bearing debt</b>	571.6	574.6	+3.0	620.0
<b>Net DER (Times)</b>	1.1	1.1	0.0	1.2
<b>Risk Assets vs. Total equity</b>	330.0 0.6 times	340.0 0.6 times	+10.0 0.0 times	—
<b>Current Ratio</b>	170.1%	161.6%	(8.5)%	—
<b>Long-term debt ratio</b>	81.8%	81.9%	+0.1%	—

## Changes in Total Equity (End of Mar. 2016 vs. End of Dec. 2016, Breakdown)

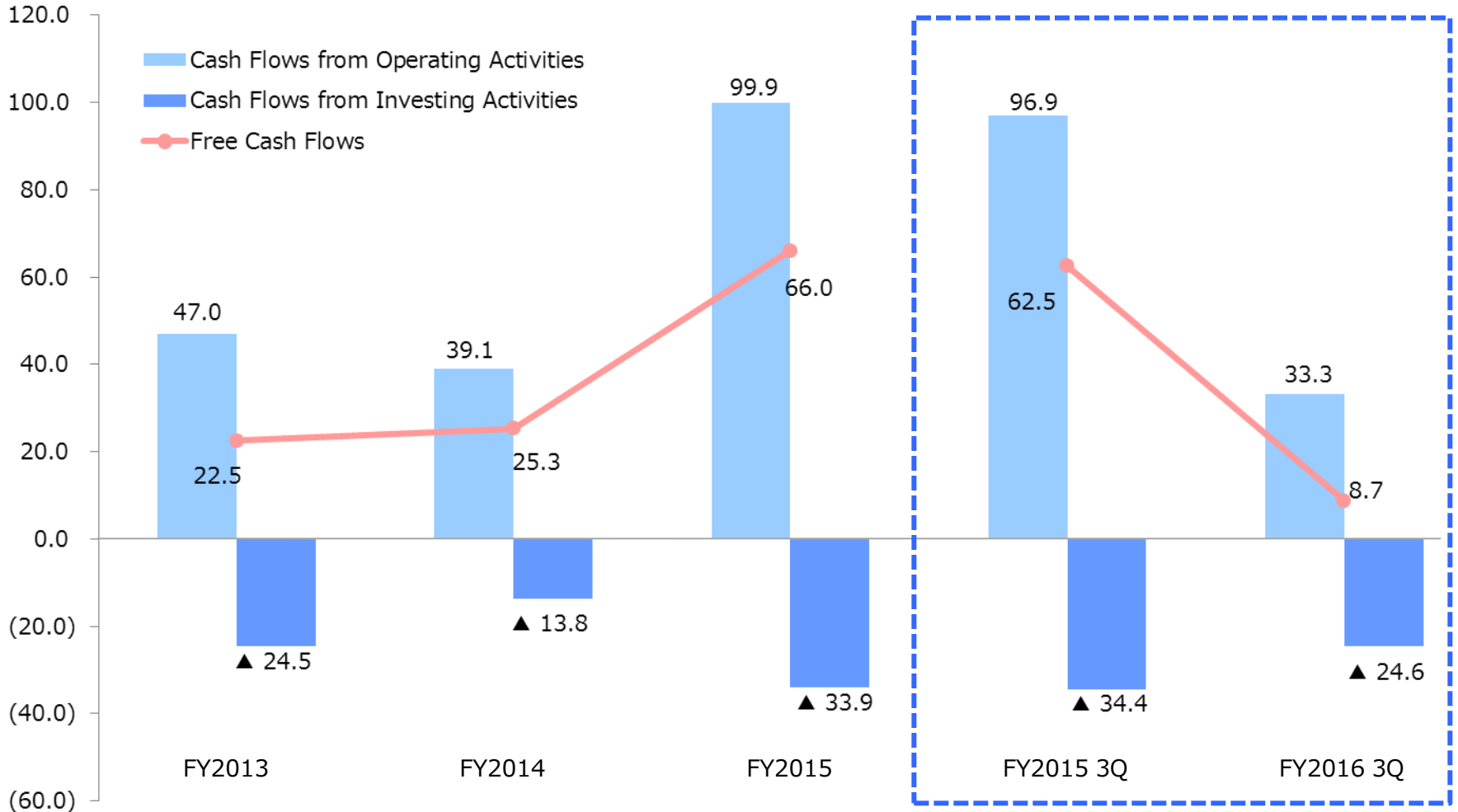
- Profit for the period ¥30.1 billion
- Dividends paid ¥(10.0) billion
- Decrease due to change in foreign exchange rates and others ¥(10.4) billion



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

# Summary of Free Cash Flows

(Billions of Yen)





# Major One-time Gain/Loss for the Third Quarter Ended December 31, 2016

	FY2015 3Q Results		FY2016 3Q Results	
	Billions of Yen	Main Factor	Billions of Yen	Main Factor
Gain/loss on sale and disposal of fixed assets, net	1.2	•Real estate for investment	4.8	•Oil and gas interests
Impairment loss on fixed assets	(9.3)	•Iron ore business	(2.9)	•Company-owned ships
Gain on sale of subsidiaries/associates	11.9	•coal business	1.5	•Chemicals related subsidiary
Loss on reorganization of subsidiaries/associates	(0.5)	•Lime manufacturer	(0.3)	•Resin manufacturer
<b>Total</b>	<b>3.3 billion</b>		<b>3.1 billion</b>	

\* Figures above represent amounts before adjustment for taxes.

# Investments and Loans for the Third Quarter Ended December 31, 2016

FY2016 3Q Results	Main Business
Investments and Loans	<ul style="list-style-type: none"> <li>■ Aircraft related part-out business</li> <li>■ Expansion of data center in IT industry related business</li> <li>■ Solar power generation business in Japan</li> <li>■ ASEAN retail business</li> <li>■ Real estate in Japan</li> <li>■ Overseas industrial park business</li> <li>■ Daycare management business</li> <li>■ Capital expenditure for resource businesses</li> </ul>
Investments and Loans Total	Approx. ¥51.0bn
Asset Reduction	<ul style="list-style-type: none"> <li>■ Sales of oil and gas interests</li> <li>■ Sales of commercial facility in Japan</li> <li>■ Sales of real estate in Japan</li> <li>■ Sales of chemicals related subsidiary</li> </ul>
Asset Reduction Total	Approx. ¥24.0bn

# Commodity Prices, Foreign Exchange, and Interest Rate

	FY2015 3Q Results (Apr.-Dec. Avg.)	FY2016 Initial Assumptions (Annual Avg.)	FY2016 3Q Results (Apr.-Dec. Avg.)	Latest Data (As of Jan. 31, 2017)
Crude oil (Brent)*1	US\$53.2/bbl	US\$40.0/bbl	US\$48.4/bbl	US\$55.7/bbl
Thermal Coal *2	US\$63.8/t	US\$52.0/t	US\$71.1/t	US\$83.0/t
Exchange rate *3	¥121.6/US\$	¥110.0/US\$	¥107.3/US\$	¥113.8/US\$
Interest rate (TIBOR)	0.17%	0.1%	0.06%	0.06%

- \*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. ¥50 million annually.
- \*2 Actual thermal coal prices are "globalCOAL NEWC Index".
- \*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. ¥1.5 billion.

## II . Dividends

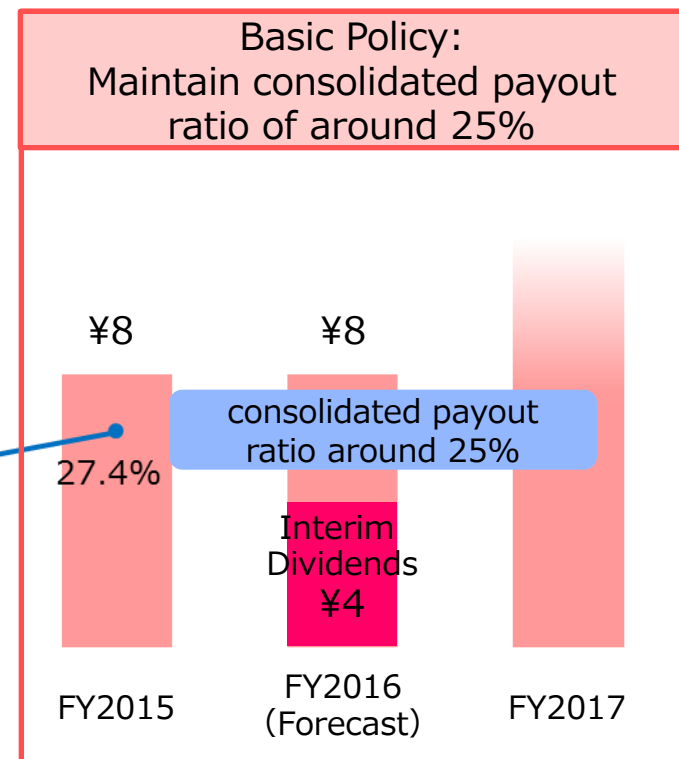
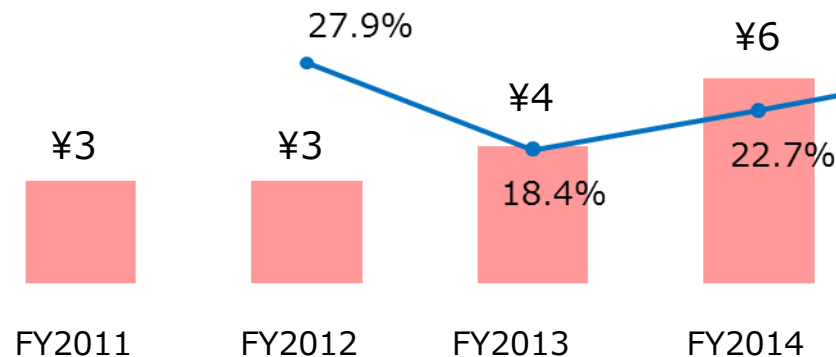
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# Dividends

## 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.

■ Annual dividends per share  
● Consolidated payout ratio



# 【Supplemental Data】

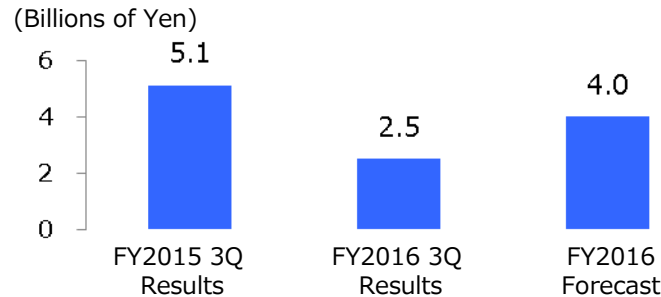
## I . Segment Information

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# Automotive



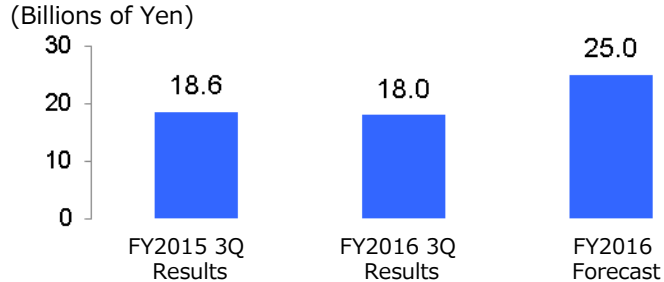
## Profit for the period (attributable to owners of the Company)



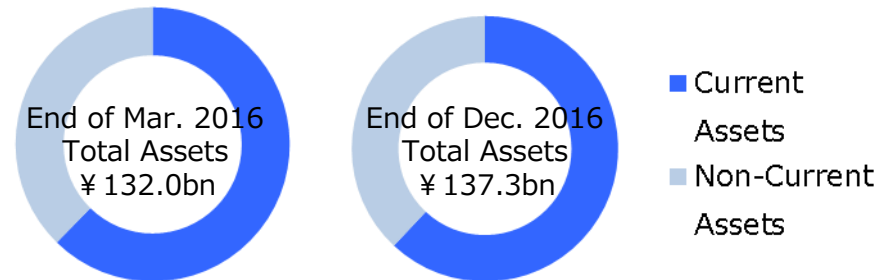
### 【Future Outlook】

Strong performance anticipated in dealerships businesses in the Americas, but trends in emerging economies and foreign exchange rates warrant caution

## Gross Profit



## Asset Structure



## FY2016 3Q Results

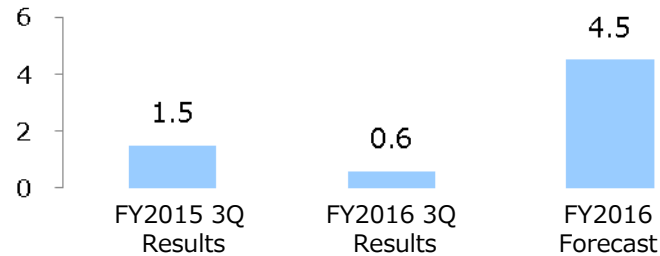
(Billions of Yen)	FY2015 3Q Results	FY2016 3Q Results
Gross Profit	18.6	18.0
Operating Profit	3.1	3.7
Share of profit of investments accounted for using the equity method	4.2	1.0
Profit for the year (attributable to owners of the Company)	5.1	2.5
	End of Mar. 2016	End of Dec. 2016
Total Assets	132.0	137.3

# Aerospace & IT Business



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

(Billions of Yen)

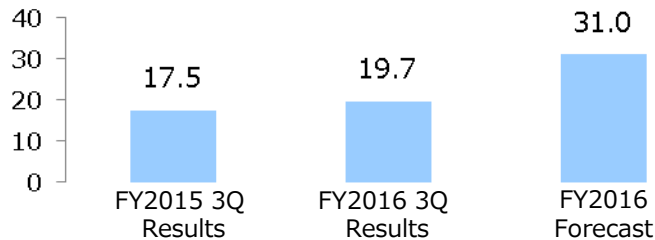


### 【Future Outlook】

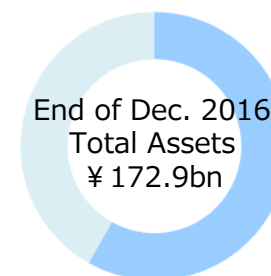
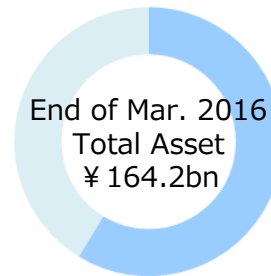
Earnings contributions from aerospace- and IT-related businesses expected

## Gross Profit

(Billions of Yen)



## Asset Structure



■ Current Assets  
■ Non-Current Assets

## FY2016 3Q Results

(Billions of Yen)

	FY2015 3Q Results	FY2016 3Q Results
Gross Profit	17.5	19.7
Operating Profit	2.9	1.9
Share of profit of investments accounted for using the equity method	0.3	0.4
Profit for the year (attributable to owners of the Company)	1.5	0.6
	End of Mar. 2016	End of Dec. 2016
Total Assets	164.2	172.9

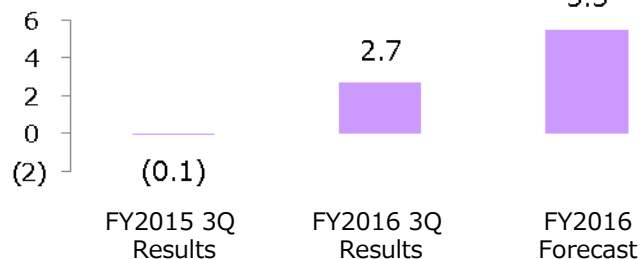


# Infrastructure & Environment Business



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

(Billions of Yen)

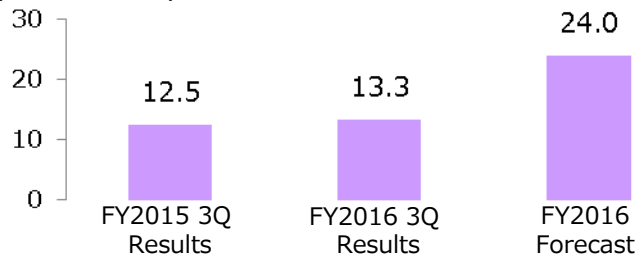


### 【Future Outlook】

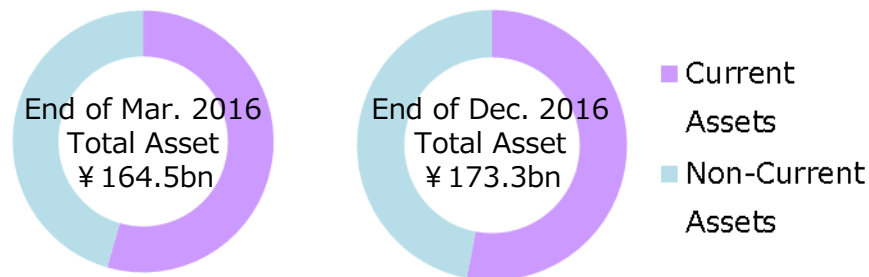
Earnings contributions from infrastructure-related projects expected

## Gross Profit

(Billions of Yen)



## Asset Structure



## FY2016 3Q Results

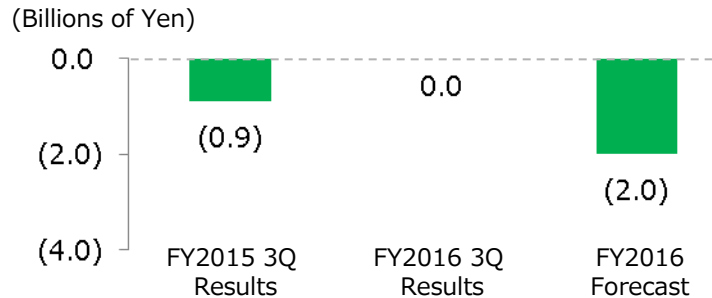
(Billions of Yen)

	FY2015 3Q Results	FY2016 3Q Results
Gross Profit	12.5	13.3
Operating Profit	1.2	2.4
Share of profit of investments accounted for using the equity method	0.0	1.8
Profit for the year (attributable to owners of the Company)	(0.1)	2.7
	End of Mar. 2016	End of Dec. 2016
Total Assets	164.5	173.3

# Energy



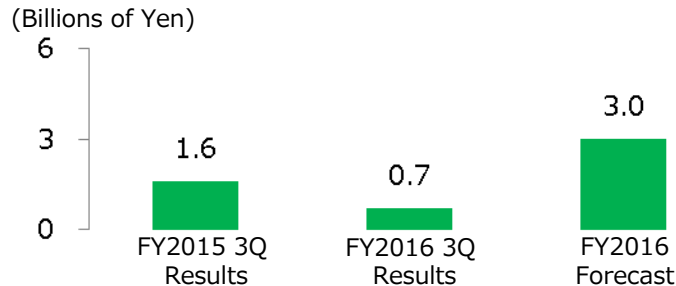
## Profit for the period (attributable to owners of the Company)



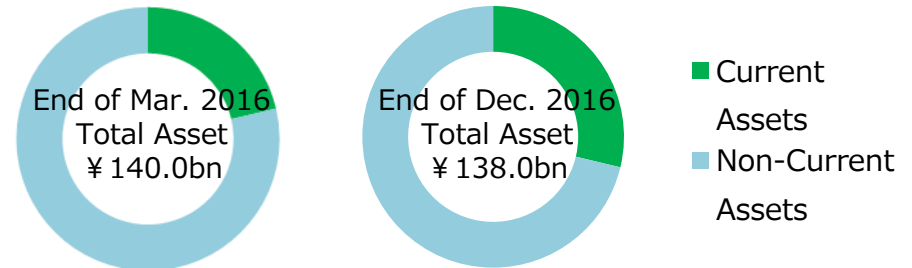
### 【Future Outlook】

Progress in line with forecasts

## Gross Profit



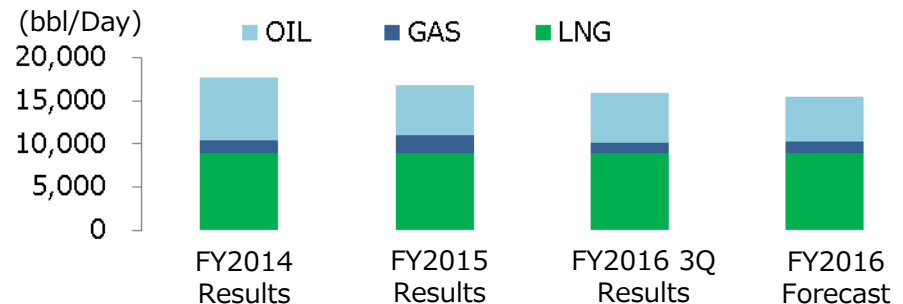
## Asset Structure



## FY2016 3Q Results

(Billions of Yen)	FY2015 3Q Results	FY2016 3Q Results
Gross Profit	1.6	0.7
Operating Profit	(2.3)	1.2
Share of profit of investments accounted for using the equity method	1.6	0.2
Profit for the year (attributable to owners of the Company)	(0.9)	0.0
	End of Mar. 2016	End of Dec. 2016
Total Assets	140.0	138.0

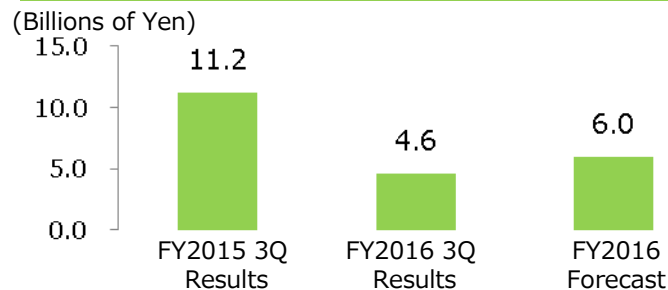
## Share of Production Volume for Oil, Gas and LNG



# Metals & Coal



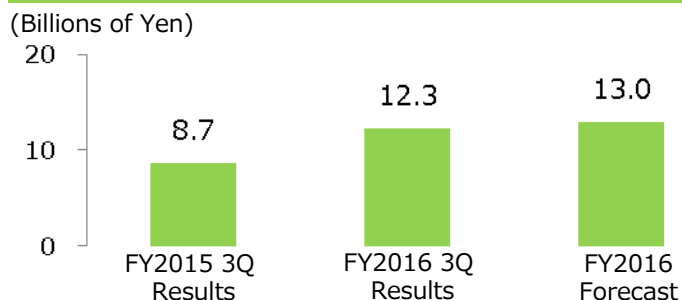
## Profit for the period (attributable to owners of the Company)



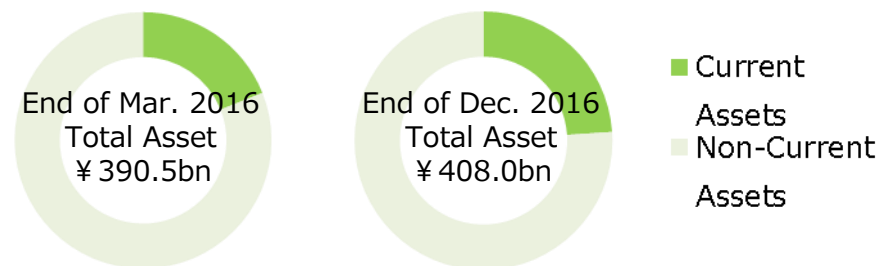
### 【Future Outlook】

Coal prices remain above initial expectations

## Gross Profit



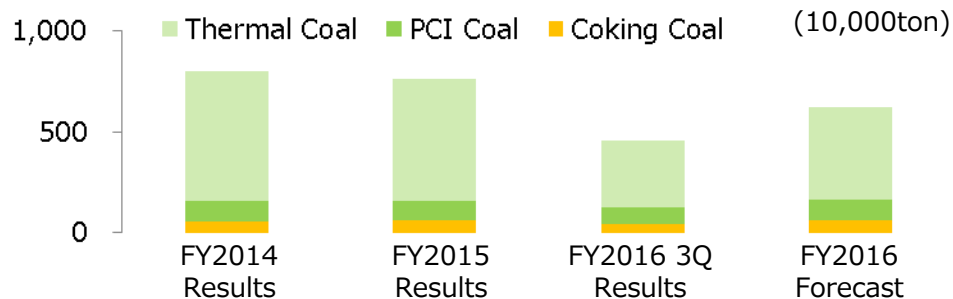
## Asset Structure



## FY2016 3Q Results

(Billions of Yen)	FY2015 3Q Results	FY2016 3Q Results
Gross Profit	8.7	12.3
Operating Profit	4.3	2.7
Share of profit of investments accounted for using the equity method	8.4	5.3
Profit for the year (attributable to owners of the Company)	11.2	4.6
	End of Mar. 2016	End of Dec. 2016
Total Assets	390.5	408.0

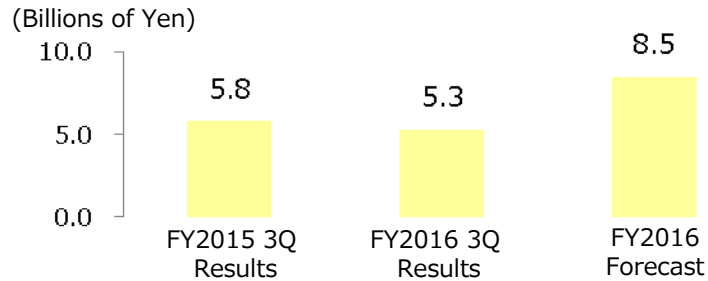
## Sales Volume for Coal



# Chemicals



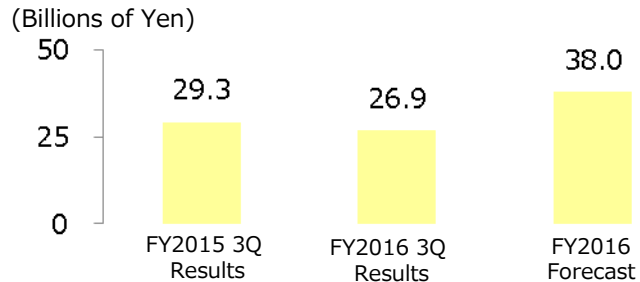
## Profit for the period (attributable to owners of the Company)



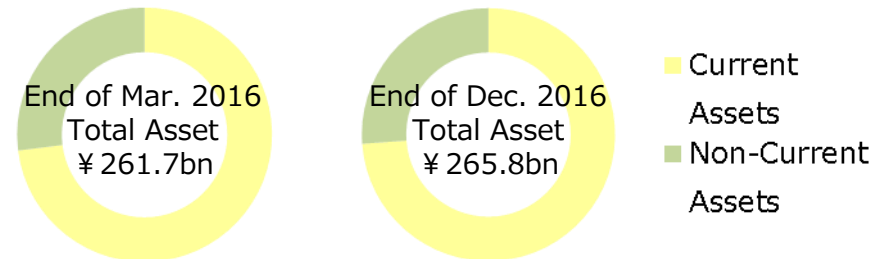
### 【Future Outlook】

Performance to be influenced by higher methanol prices and increased resin product transactions

## Gross Profit



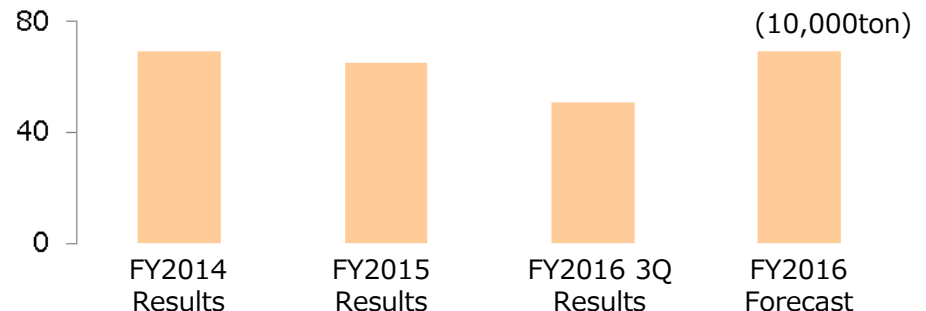
## Asset Structure



## FY2016 3Q Results

(Billions of Yen)	FY2015 3Q Results	FY2016 3Q Results
Gross Profit	29.3	26.9
Operating Profit	8.5	8.0
Share of profit of investments accounted for using the equity method	0.9	0.8
Profit for the year (attributable to owners of the Company)	5.8	5.3
	End of Mar. 2016	End of Dec. 2016
Total Assets	261.7	265.8

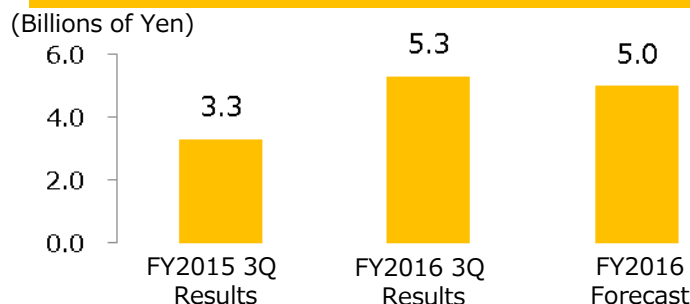
## Sales Volume for Methanol (PT. Kaltim Methanol Industri)



# Foods & Agriculture Business



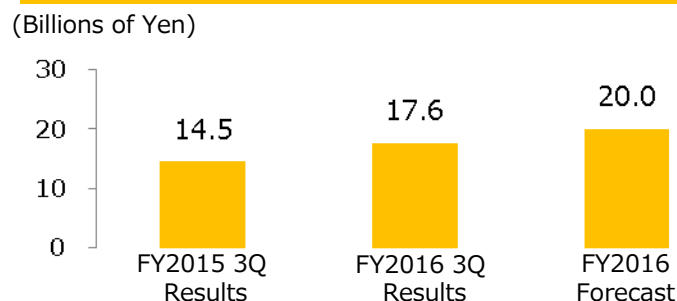
## Profit for the period (attributable to owners of the Company)



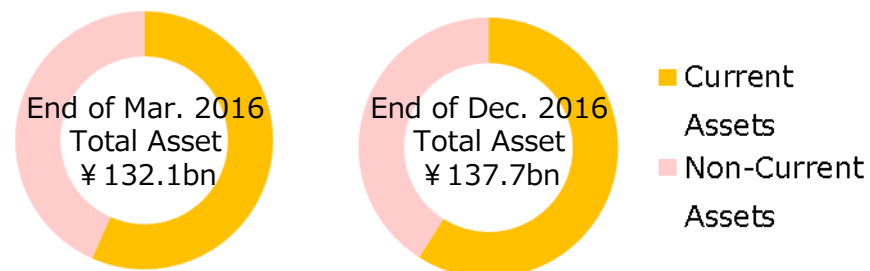
### 【Future Outlook】

Profit currently exceeding forecast due to strong performance of fertilizer businesses, but sluggish performance in grain collection businesses is projected

## Gross Profit



## Asset Structure



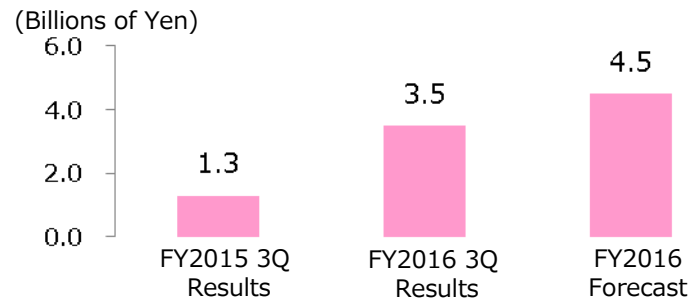
## FY2016 3Q Results

(Billions of Yen)	FY2015 3Q Results	FY2016 3Q Results
Gross Profit	14.5	17.6
Operating Profit	6.0	9.4
Share of profit of investments accounted for using the equity method	0.6	(0.6)
Profit for the year (attributable to owners of the Company)	3.3	5.3
	End of Mar. 2016	End of Dec. 2016
Total Assets	132.1	137.7

# Lifestyle Commodities & Materials



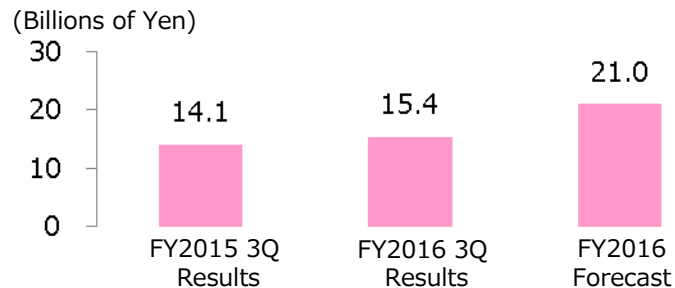
## Profit for the period (attributable to owners of the Company)



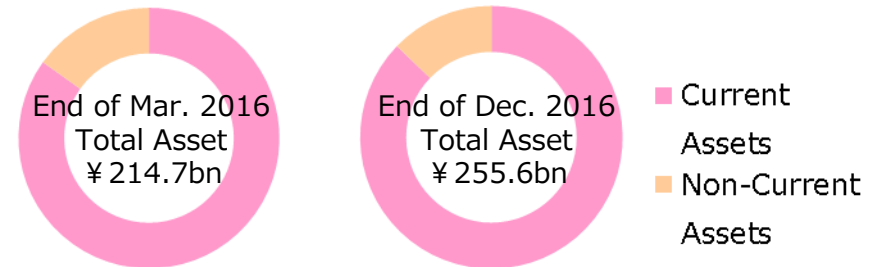
## 【Future Outlook】

Progress in line with forecasts

## Gross Profit



## Asset Structure



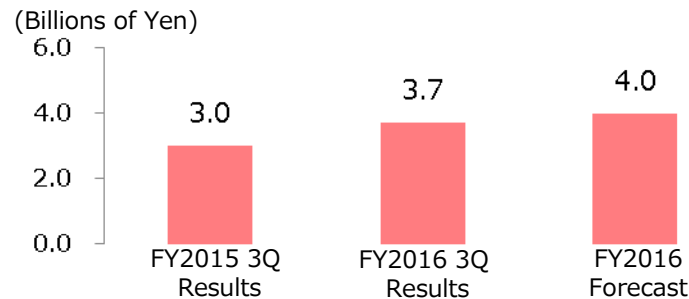
## FY2016 3Q Results

(Billions of Yen)	FY2015 3Q Results	FY2016 3Q Results
Gross Profit	14.1	15.4
Operating Profit	2.4	4.9
Share of profit of investments accounted for using the equity method	0.8	0.5
Profit for the year (attributable to owners of the Company)	1.3	3.5
	End of Mar. 2016	End of Dec. 2016
Total Assets	214.7	255.6

# Retail



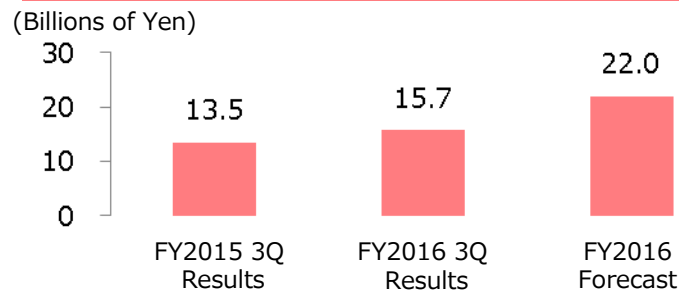
## Profit for the period (attributable to owners of the Company)



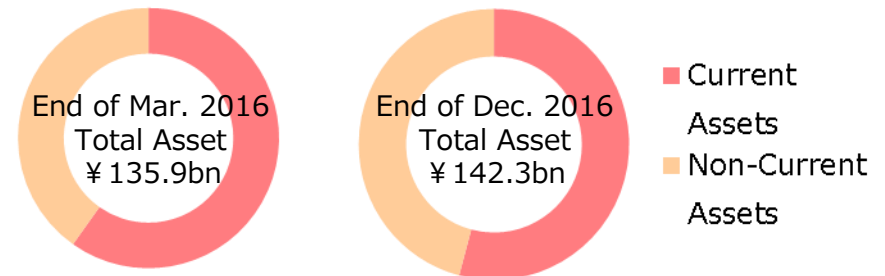
## 【Future Outlook】

Progress in line with forecasts

## Gross Profit



## Asset Structure



## FY2016 3Q Results

(Billions of Yen)	FY2015 3Q Results	FY2016 3Q Results
Gross Profit	13.5	15.7
Operating Profit	2.8	3.8
Share of profit of investments accounted for using the equity method	2.6	0.8
Profit for the year (attributable to owners of the Company)	3.0	3.7
	End of Mar. 2016	End of Dec. 2016
Total Assets	135.9	142.3

# Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2015 9-month	FY2016 9-month	Difference
■ Automotive	Sojitz Automotive Group	Subsidiary	0.6	0.6	0.0
■ Automotive	Sojitz de Puerto Rico Corporation	Subsidiary	0.6	0.8	0.2
■ Aerospace & IT Business	Sojitz Aerospace Corporation	Subsidiary	0.8	0.8	0.0
■ Aerospace & IT Business	Sojitz Marine & Engineering Corporation	Subsidiary	0.4	0.4	0.0
■ Aerospace & IT Business	Nissho Electronics Corporation	Subsidiary	(0.2)	0.4	0.6
■ Aerospace & IT Business	SAKURA Internet Inc.	Subsidiary	0.2	0.2	0.0
■ Infrastructure & Environment Business	Sojitz Machinery Corporation	Subsidiary	0.5	0.5	0.0
■ Energy	Sojitz Energy Project Limited	Subsidiary	(0.7)	(1.3)	(0.6)
■ Energy	Sojitz Energy Venture Inc.	Subsidiary	(0.7)	2.1	2.8
■ Energy	LNG Japan Corporation	Associate	1.4	0.3	(1.1)
■ Metals & Coal	Sojitz Coal Resources Pty. Ltd.	Subsidiary	(0.7)	1.5	2.2
■ Metals & Coal	Sojitz Moolarben Resources Pty. Ltd	Subsidiary	0.1	0.8	0.7
■ Metals & Coal	Sojitz Resources (Australia) Pty. Ltd.	Subsidiary	0.0	(0.1)	(0.1)
■ Metals & Coal	Japan Alumina Associates (Australia) Pty. Ltd.	Associate	0.0	(0.3)	(0.3)
■ Metals & Coal	Metal One Corporation	Associate	5.6	5.2	(0.4)

\*1 Associate = Equity in earnings

\*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.



# Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2015 9-month	FY2016 9-month	Difference
■ Chemicals	Sojitz Pla-Net Corporation	Subsidiary	1.1	0.9	(0.2)
■ Chemicals	PT. Kaltim Methanol Industri	Subsidiary	1.1	0.8	(0.3)
■ Chemicals	Pla Matels Corporation	Subsidiary	0.4	0.4	0.0
■ Lifestyle Commodities & Materials	Sojitz Building Materials Corporation	Subsidiary	0.2	0.7	0.5
■ Lifestyle Commodities & Materials	JALUX Inc.	Associate	0.4	0.4	0.0
■ Retail	Sojitz Foods Corporation	Subsidiary	1.5	1.5	0.0
■ Retail	PT. Puradelta Lestari Tbk	Associate	2.7	0.9	(1.8)
■ Other	Sojitz Corporation of America	Subsidiary	1.5	1.5	0.0
■ Other	Sojitz Europe plc	Subsidiary	0.3	0.2	(0.1)
■ Other	Sojitz Asia Pte. Ltd.	Subsidiary	1.0	1.2	0.2

\*1 Associate = Equity in earnings

\*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

【Supplemental Data】

II. Summary of Financial Results

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# Summary of Profit or Loss (Results)

(Billions of Yen)	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 3Q
Net sales (JGAAP)	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	4,006.6	2,749.3
Gross profit	254.5	277.7	235.6	178.2	192.7	217.1	187.2	198.2	197.7	180.7	142.1
Operating profit	77.9	92.4	52.0	16.1	37.5	57.5	25.5	23.7	33.6	29.2	34.4
Share of profit (loss) of investments accounted for using the equity method	23.8	28.9	2.5	9.2	19.3	16.3	15.8	31.0	28.6	23.2	10.2
Profit before tax	88.1	88.4	37.1	18.9	39.3	58.5	28.1	44.0	52.6	44.3	39.8
Profit for the year attributable to owners of the Company	58.8	62.7	19.0	8.8	16.0	(1.0)	13.4	27.3	33.1	36.5	30.1
Core earnings	89.8	110.7	48.3	14.4	41.9	65.8	38.5	68.0	66.3	41.6	35.5
(Reference)											
ROA	2.3%	2.4%	0.8%	0.4%	0.7%	(0.0)%	0.6%	1.2%	1.5%	1.7%	—
ROE	12.8%	13.0%	4.8%	2.6%	4.7%	(0.3)%	3.8%	6.5%	6.5%	6.8%	—

(\*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for FY2006 through FY2010.

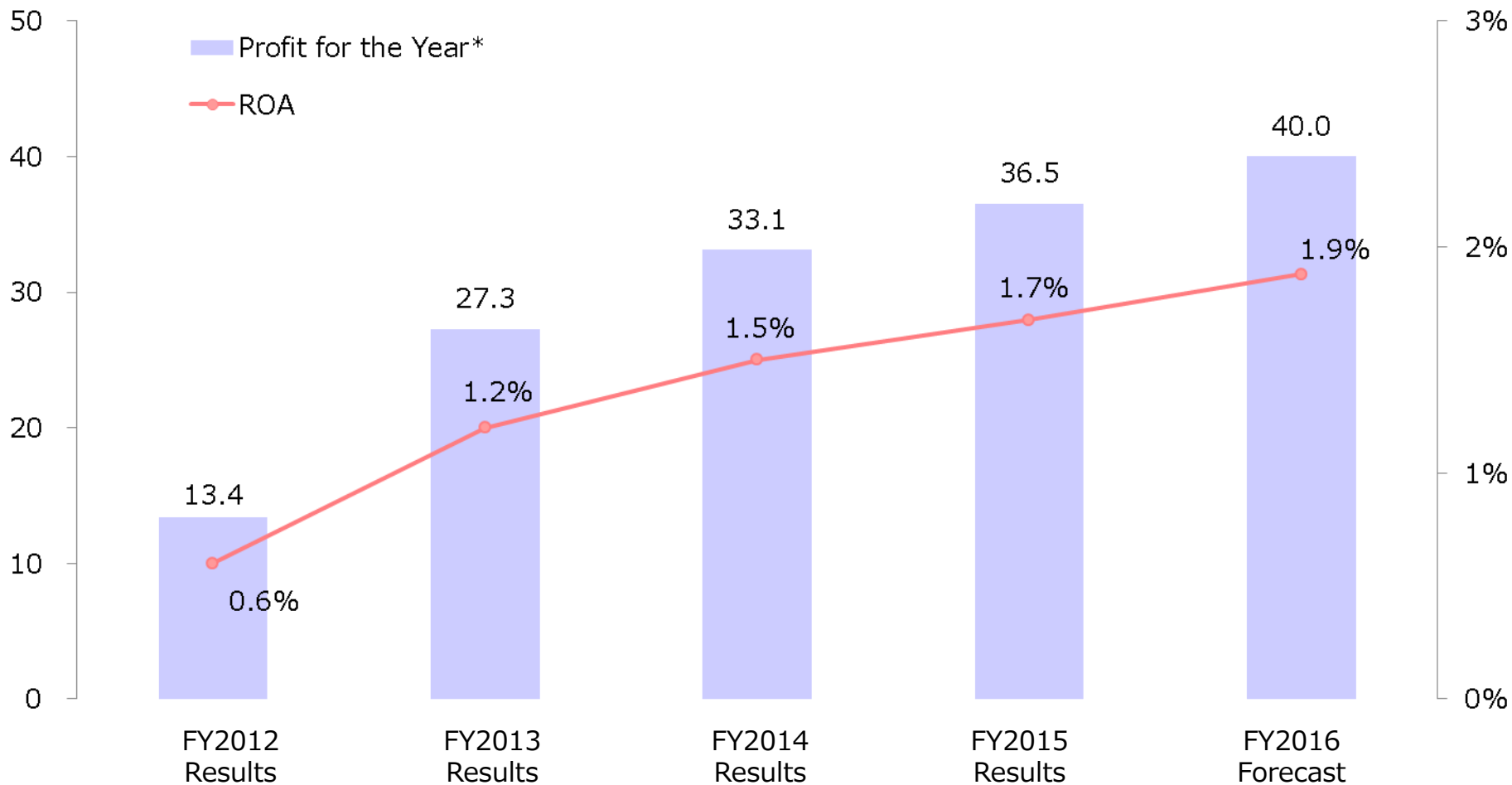
# Summary of Balance Sheets (Results)

(Billions of Yen)	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 Mar. 2016	End of Dec. 2016
Total assets	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	2,056.7	2,108.6
Total equity	488.6	476.0	319.0	352.4	330.0	330.0	382.6	459.9	550.9	520.3	531.0
Equity ratio	18.7%	17.8%	13.8%	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.2%
Net interest-bearing debt	846.1	918.9	865.3	737.8	700.6	676.4	643.3	640.2	629.6	571.6	574.6
Net DER (times)	1.7	1.9	2.7	2.1	2.1	2.0	1.7	1.4	1.1	1.1	1.1
Risk assets (vs. Total equity, times)	350.0 0.7	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	340.0 0.6
Current ratio	132.4%	121.1%	141.7%	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	161.6%
Long-term debt ratio	61.1%	54.0%	66.7%	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	81.9%

(\*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for End of Mar. 2007 through 2011. Under JGAAP, Total equity is calculated as Total net assets – Minority interests.

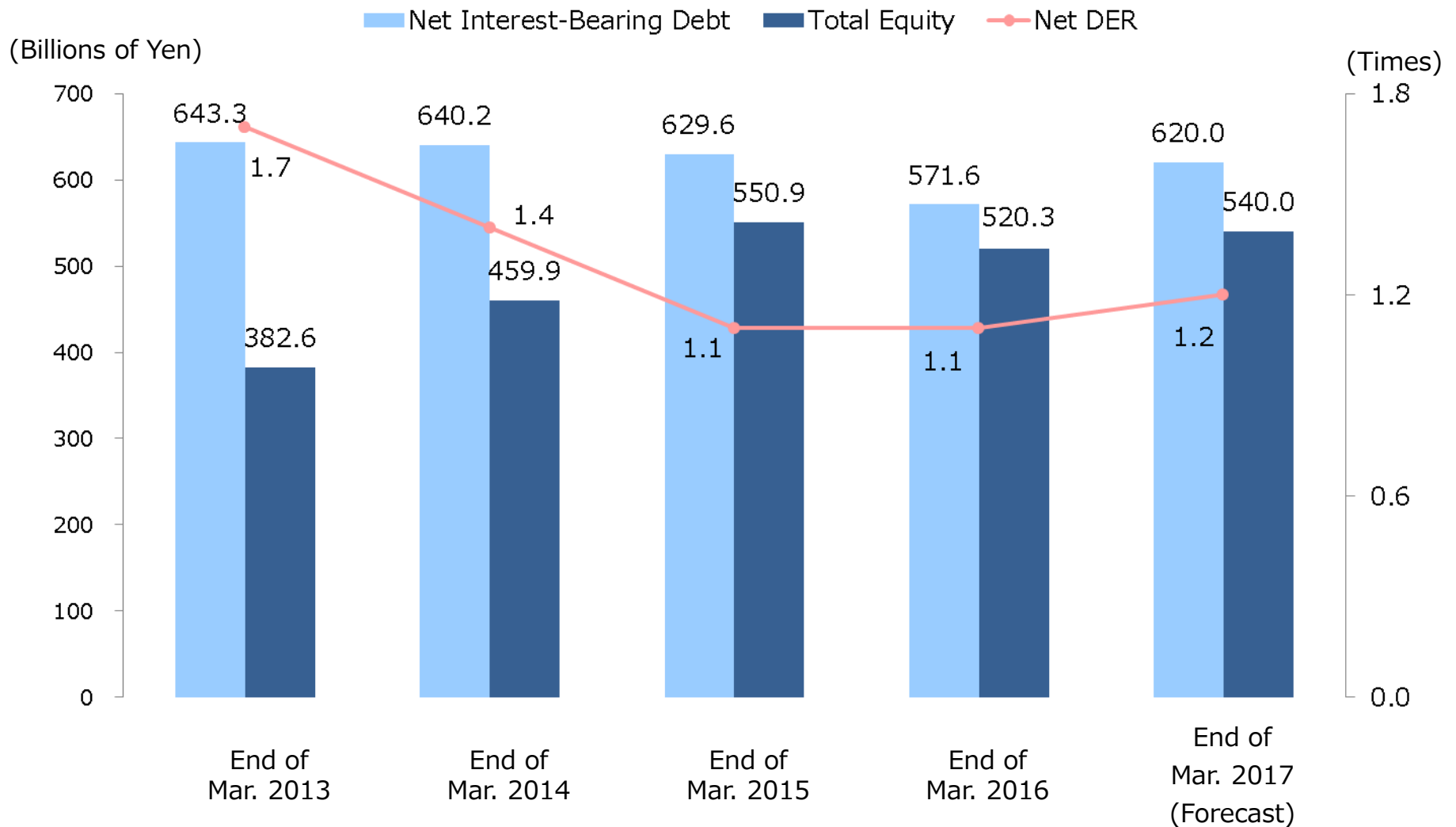
# Summary of Profit or Loss

(Billions of Yen)



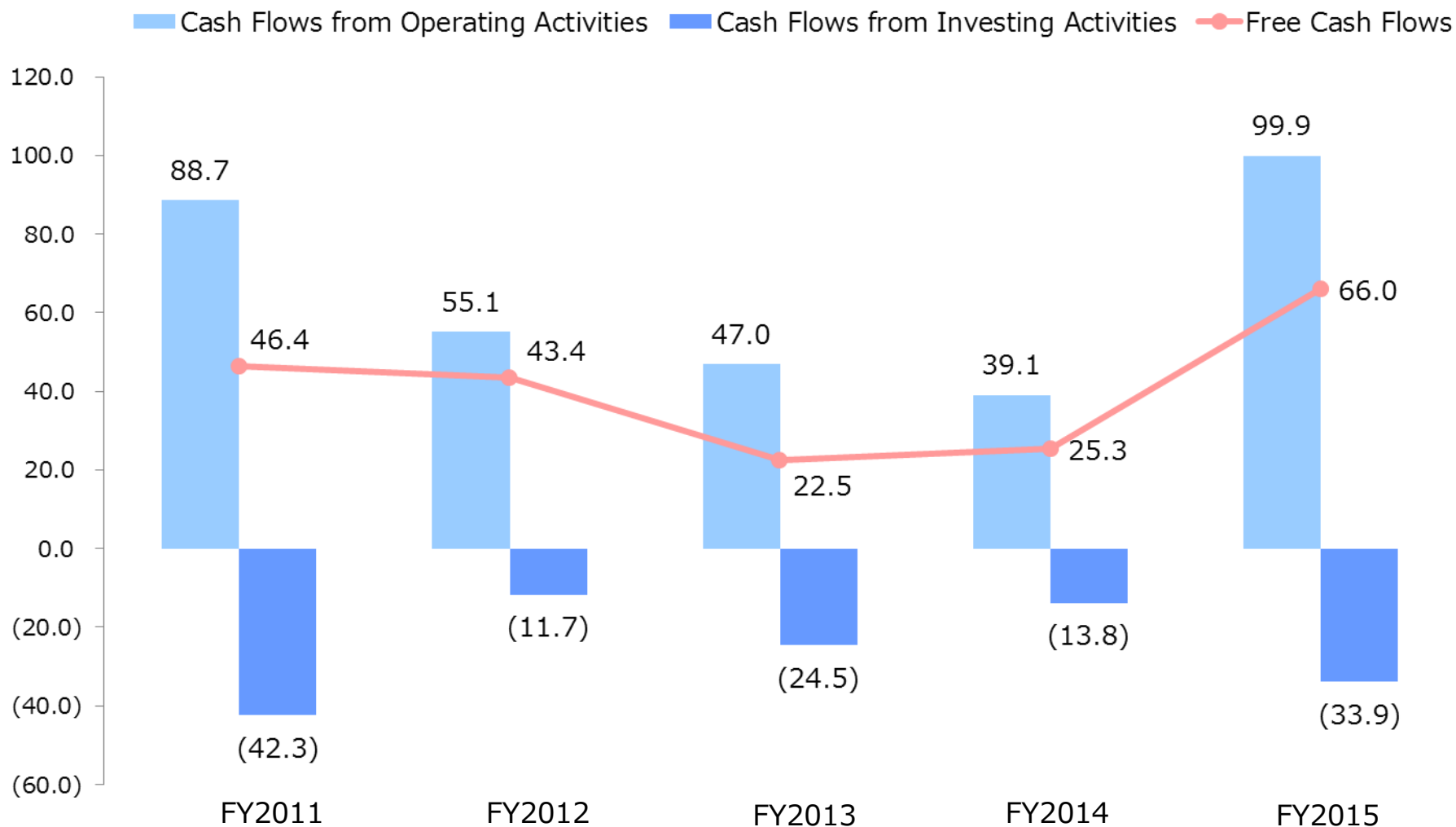
\* Attributable to owners of the Company

# Summary of Balance Sheets



# Summary of Free Cash Flows (Results)

(Billions of Yen)





***sojitz***

***New way, New value***