Financial Results for the Year Ended March 31, 2019

May 8, 2019

Sojitz Corporation

FY2018 Summary

■ **Substantial increase in earnings due to favorable market conditions for coal and other commodities**
Steady earnings contributions from new investments and loans centered on non-resource sector

	FY2017	FY2018	Difference	FY2018 Revised Forecast	Achieved
Profit for the period (attributable to owners of the Company)	¥56.8bn	¥70.4bn	+¥13.6bn	¥70.0bn	101%
ROA	2.5%	3.0%	+0.5%	3.0%	–
ROE	10.0%	11.7%	+1.7%	11.7%	–

<Operating Environment>

✓ Consistently high coal and other resource prices

✓ Impacts of falling commodity prices stemming from U.S.-China trade friction and conditions in emerging economies arising during second half of fiscal year

✓ Signs of slowdown in the global economy previously supported by strong consumption

	FY2017	FY2018	Difference
Total Asset	¥2,350.4bn	¥2,297.1bn	¥(53.3)bn
Total Equity	¥586.4bn	¥618.2bn	+¥31.8bn
Net D/E Ratio(times)	1.03	0.95	(0.08)
Investment and Loans	¥158.0bn	¥91.0bn	
Dividend	¥11	¥17	

■ **Annual dividend raised from ¥15 per share to ¥17 per share**
As a result, payout ratio comes to 30.2%

Progress of Medium-Term Management Plan 2020 (Earning Contributions from Investments and Loans)

Reinforce stable earnings foundations through investments and loans and steady earnings contributions centered on non-resource sectors

Medium-Term Management Plan 2017 (FY2020 Forecast)

The amount of the investments and Loans over MTP2017 period	¥315.0bn
Outstanding investments and loans	¥160.0bn
ROI	Approx. 7.5%
Earnings contributions	More than ¥12.0bn

FY2018 Results

Earnings contributions from investments and loans conducted under MTP2017 •••**About ¥6.0bn**

Outstanding investments and loans ¥180.0bn

FY2019 Forecast

About ¥8.0bn

Outstanding investments and loans ¥170.0bn

FY2020 Forecast

About ¥12.0bn

Main businesses
- Renewable energy businesses
- Automobile dealership businesses
- Hospital project in the Republic of Turkey
- European chemical distributor and marketing company
- Automotive parts quality inspection businesses

Medium-Term Management Plan 2020 (FY2020 Forecast)

The amount of the investments and Loans over MTP2020 period	Approx. ¥300.0bn
Outstanding investments and loans	¥230.0bn
ROI	Approx. 4.3%
Earnings contributions	More than ¥10.0bn

FY2018 Results

Earnings contributions from investments and loans conducted under MTP2020 •••**About ¥2.0bn**

Main businesses
- IPP business in the United States
- Paper manufacturer in Vietnam

Outstanding investments and loans ¥85.0bn

FY2019 Forecast

About ¥6.0bn

- Coking coal business in Australia
- IPP business in the United States
- Paper manufacturer in Vietnam

Outstanding investments and loans ¥175.0bn

FY2020 Forecast

About ¥10.0bn

Progress of Medium-Term Management Plan 2020 (Earnings Growth Leading)

Note : Profit for the year attributable to owners of the Company

Steady progress toward targets for final year of medium-term management plan anticipated even based on initial market condition assumptions

	FY2017 Results	FY2018 Results	FY2019	FY2020 (The final year of MTP2020)
MTP2020 (Initial)	¥56.8bn	¥63.0bn		¥75.0bn or more
Progress of MTP2020 and Future Outlook (Based on MTP2020 initial market condition assumptions)	¥56.8bn	About ¥62.0bn*	About ¥68.0bn	

Additional contributions from investments and loans +¥6.0bn

Additional contributions from investments and loans +¥8.0bn

*Profit for the year after adjusting actual figure of ¥70.4 billion to reflect initial market condition assumptions of medium-term management plan

Amount of impact : Approx. ¥8.0bn

10% Growth

10% Growth

10% Growth

FY2019 Forecast ①

- Opaque outlook for global economy amid rising international relations tensions associated with U.S. trade policies
- Conservative outlook for resource prices incorporated into FY2019 forecasts, but earnings contributions from investments and loans and growth in existing businesses anticipated

	FY2018 Results	FY2019 Forecast	Difference
Profit for the year*	¥70.4bn	¥72.0bn	+¥1.6bn
ROA	3.0%	3.1%	+0.1%
ROE	11.7%	11.3%	(0.4)%
Dividend	¥17	¥17	

(*)Profit attributable to owners of the Company

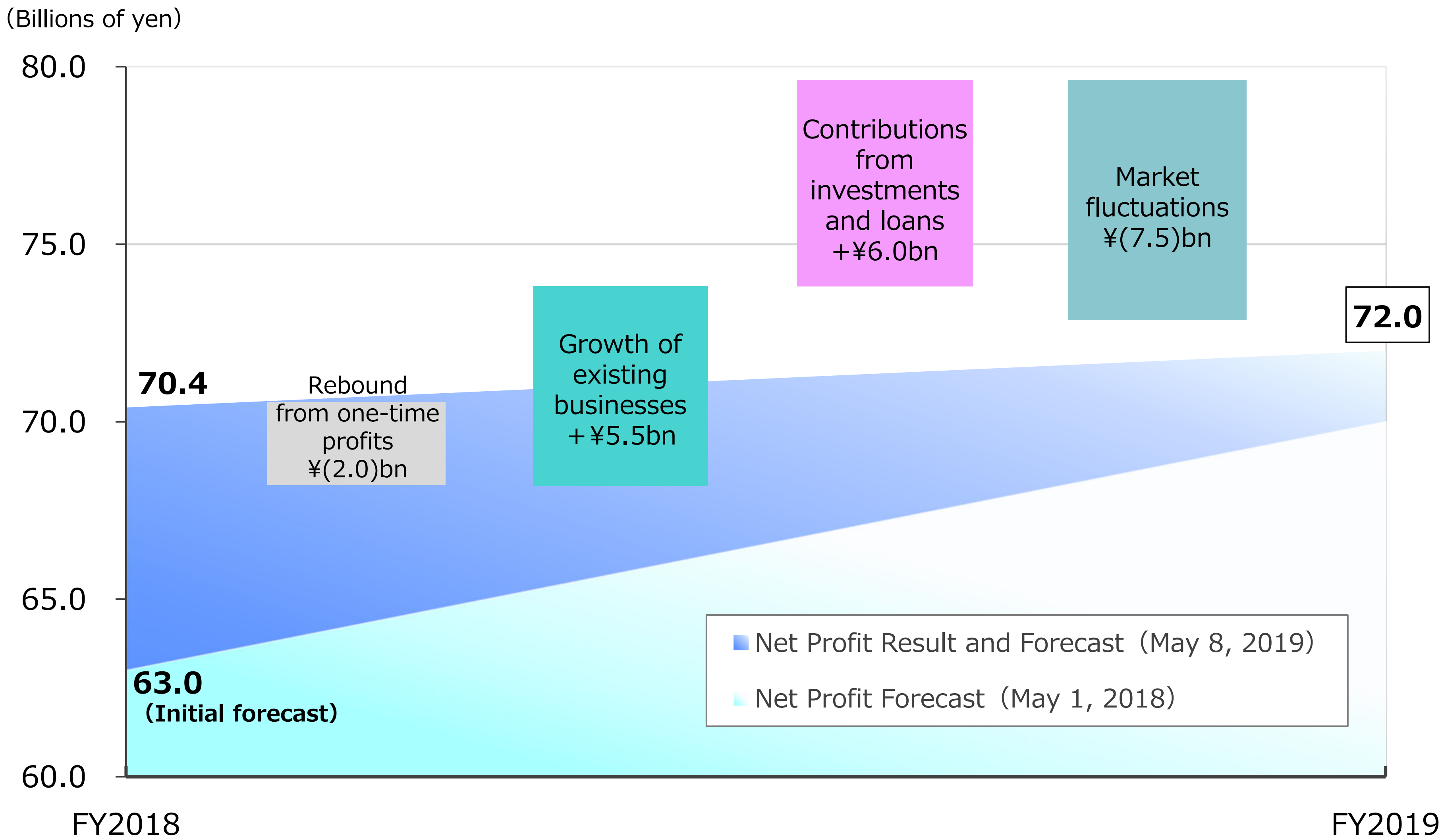
	FY2018 Results	FY2019 Forecast
Exchange rate	¥111.1/US$	¥110.0/US$
Thermal coal	US$105.8/t	US$80.0/t
Interest rate (Tibor)	0.07%	0.10%

Profit for the year (attributable to owners of the Company by segment

(Billions of Yen)	FY2018 Results	FY2019 Forecast
Automotive	6.4	5.5
Aerospace & Transportation Project	4.0	5.0
Machinery & Medical Infrastructure	2.8	4.5
Energy & Social Infrastructure	5.8	5.5
Metals & Mineral Resources	30.5	25.0
Chemicals	9.0	11.0
Foods & Agriculture Business	2.3	4.5
Retail & Lifestyle Business	5.7	7.5
Industrial Infrastructure & Urban Development	1.1	1.0
Other	2.8	2.5
Total	**70.4**	**72.0**

FY2019 Forecast ②

Note : Profit for the year attributable to owners of the Company



Cash Flow Management

Positive FCF and core cash flow attributable to strong core operating cash flow and smooth asset replacement

	FY 2018 Results	Medium-Term Management Plan 2020 3-year total (FY2018–FY2020)
Core operating cash flow（※1)	¥ 79.0bn	About ¥ 210.0bn
Asset Replacement (Investment recovery)	¥ 92.0bn	¥ 120.0bn～¥ 150.0bn
New investments and loans	¥ (91.0)bn	¥(270.0)～¥(300.0)bn
Shareholder returns（※2)	¥ (17.0)bn	About¥(60.0)bn
Core cash flow（※3)	¥ 63.0bn	¥0.0bn～
Free cash flow	¥ 54.0bn	¥0.0bn～

*1. Core operating cash flow = Net cash provided by (used in) operating activities – Changes in working capital
*2. 3-year total calculated based on target for profit for the year of ¥75.0 or more set for final year of medium-term management plan
*3. Core cash flow = Core operating cash flow (excluding changes in working capital) + Investing cash flow (including asset replacement) – Dividends paid

Initiatives for Innovation

Accelerate Companywide improvements to productivity in existing businesses and exploration of new fields to address business model changes stemming from digital transformations and technological progress

Initiative Policies for Period after the Medium-Term Management Plan

Undertake initiatives in new fields

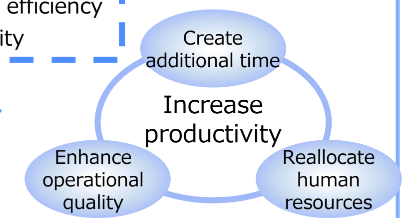
- Consolidate information, promote open innovation within Group
- Provide Sojitz's assets, functions, and infrastructure
- Incorporate outside innovations through network comprised of business partners, venture capital, etc.
- Examine possibility of introducing internal self-challenge

Create innovation and acquire and strengthen functions

Improve productivity through new technologies

Expand scope of utilization and introduction of AI and RPA

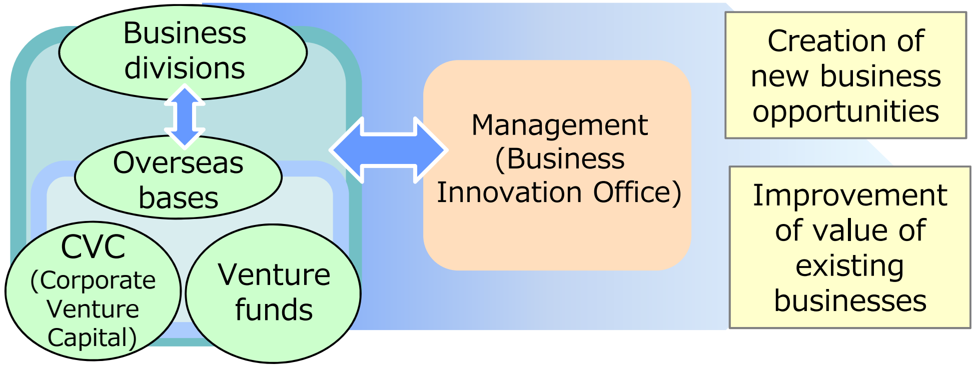
- ■ Reduce routine work
- ■ Improve operational efficiency and standardize quality



Progress in First Year of Medium-Term Management Plan 2020

① Establishment of system for encouraging exploration of new fields

- ✓ Institution of innovation-related investment budget
- ✓ Establishment of U.S. CVCs, investment in Indian venture funds
- ✓ Dispatches of personnel to U.S. and Indian bases



② Implementation of productivity improvement initiatives

- ✓ Promotion of RPA utilization and response to digital technologies

Initiatives for Sustainability

Promote sustainability-oriented management led by CEO
Declare support for TFCD and organize initiative policies for coal-fired thermal power generation projects and thermal coal interests

Sojitz's Sustainability Management Initiatives

Further incorporate concept of sustainability* into management and better integrate resolution of environmental and social issues into Sojitz's business in order to accomplish the goals of the Sojitz Group Statement and achieve ongoing growth

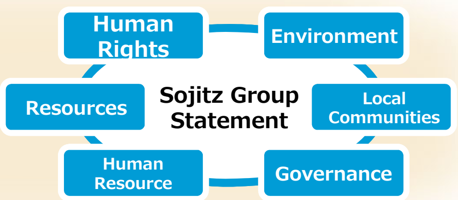
* Maximize value for Sojitz and value for society and promote initiatives based on 6 key issues

Long-Term Vision : Sustainability Challenges

We aim to create sustainable growth for both Sojitz and society by working to help achieve a decarbonized society through our business activities, and by responding to human rights issues, including those within our supply chains.

Position Medium-Term Management Plan 2020 as a period for preparing to address sustainability challenges and grow business to contribute to the realization of a low-carbon society over the next decade while stepping up initiatives to guarantee human rights are always respected

Key Sustainability Issues (Materiality)



Progress in First Year of Medium-Term Management Plan 2020

Establishment of sustainability promotion system centered on senior management

- ✓ Discussion of medium- to long-term risks and opportunities pertaining to sustainable growth at each business division
- ✓ Establishment of organization-specific targets based on Key Sustainability Issues and monitoring of progress
- ✓ Confirmation of meaningfulness of investments from sustainability perspective during screening

Initiatives for Realizing a Low-Carbon/ Carbon-Free Society

- ✓ Announcement of endorsement of TCFD (August 2018)
- ✓ Power generation sector scenario analyses utilizing TCFD framework

【Initiative Policies for Coal-Fired Thermal Power Generation Projects and Thermal Coal Interests】

- ✓ Refrain from newly engaging in coal-fired thermal power generation projects (currently no projects under operation)
- ✓ Reduce thermal coal interests by more than 50% by 2030 (In principle, do not acquire new thermal coal interests)

ESG Rating

New inclusion in FTSE and DJSI, global ESG indexes
Selection for inclusion in ESG indexes utilized by GPIF

■ **Inclusion in Major Domestic and Overseas Indexes and Evaluations by ESG Rating Institutions**

●September, 2018

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

In the Dow Jones Sustainability Index (DJSI) series of globally recognized socially responsible investment indexes, Sojitz was selected for inclusion in DJSI World and DJSI Asia Pacific.

●June, 2018

ESG indexes Utilized by GPIF

FTSE4Good

FTSE Blossom Japan

Sojitz was selected as a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index provided by FTSE Russell

MSCI 2018 Constituent MSCI Japan Empowering Women Index (WIN)

Sojitz was selected as a constituent of the MSCI Japan Empowering Women Index (WIN) in 2017 and 2018.

●March, 2019

SAM Sustainability Award Industry mover 2019

SAM Sustainability Award Silver Class 2019

Selected for "Silver Class" award, one rank higher than in 2018, and "Industry Mover" award, for second consecutive year, in corporate sustainability ratings by RobecoSAM

CDP DISCLOSURE INSIGHT ACTION

In 2017, Sojitz received an upper rating of B in "Management" with regards to climate change.

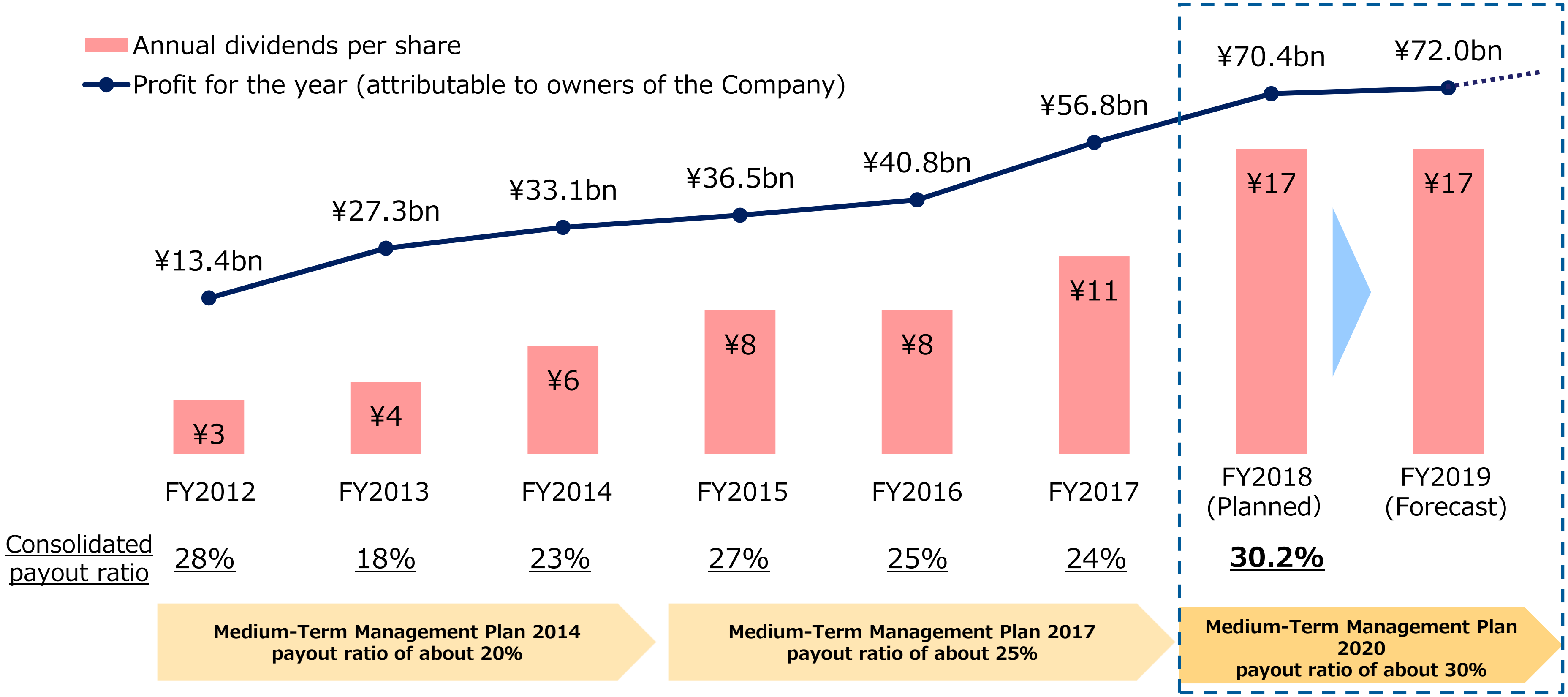
First Trading Company to be Selected for 3 Consecutive Year

NADESHIKO BRAND 2019

Sojitz was selected as a Nadeshiko Brand company for three consecutive years, in recognition for its efforts to empower women in the workplace.

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.
  Under Medium-Term Management Plan 2020, our basis policy will be to target a consolidated payout ratio of 30%.



sojitz

New way, New value

Summary of Results Briefing for the Year Ended March 31, 2019 (May 9, 2019)

Consolidated Statements of Profit or Loss

Revenue was up ¥39.7 billion year on year, to ¥1,856.2 billion. Factors behind this rise included a year-on-year increase of ¥59.1 billion in revenue in the Metals & Mineral Resources Division, which benefited from consistently high coal prices, growth in transaction volumes, and favorable transactions for ferroalloys and minerals. Another contributor was the Automotive Division, which saw improved revenue due to the benefits of businesses acquired in the previous fiscal year. These contributions outweighed the impact of a decline in revenue in the Energy & Social Infrastructure Division resulted from the Company's withdrawal from certain petroleum transactions.

Gross profit increased ¥8.6 billion year on year, to ¥241.0 billion. Higher profit in the Metals & Mineral Resources Division and in the Automotive Division compensated for the decrease in profit in the Machinery & Medical Infrastructure Division, which was a result of the absence of earnings from infrastructure development projects recorded in the previous fiscal year.

Selling, general and administrative (SG&A) expenses increased ¥10.7 billion year on year, to ¥173.4 billion. This increase was primarily a result of higher SG&A expenses associated with the consolidation of operating companies acquired during the previous fiscal year.

Net other income amounted to ¥2.4 billion, compared with net other expenses of ¥9.9 billion in the previous fiscal year. Sources of income included gains on sales of an automobile assembly and sales business in the Philippines and overseas renewable energy projects as well as gains on sales of oil and gas interests. This income helped the Company absorb the loss recorded on the sale of a ferroalloy-related business.

Net financial costs decreased ¥1.7 billion year on year, to ¥2.9 billion. This outcome was a result of a rise in dividends received and a net increase ¥0.8 billion in interest-related financial income stemming from higher interest income from infrastructure business financing.

Share of profit of investments accounted for using the equity method increased ¥2.7 billion year on year, to ¥27.8 billion. The Company's share in the profit of an automobile assembly and sales business in the Philippines was lost following its sale. However, the impact of this occurrence was offset by an increase in share of profit of investments of ¥2.0 billion in the Metals & Mineral Resources Division stemming from consistently high resource prices and the strong performance of LNG Japan Corporation attributable to oil price rises.

Profit before tax was up ¥14.6 billion year on year, at ¥94.9 billion.

Profit for the year (attributable to owners of the Company) increased ¥13.6 billion, or 24%, year on year to ¥70.4 billion. This figure exceeded the revised full-year forecast of ¥70.0 billion announced at the results briefing for the six-month period ended September 30, 2018.

Consolidated Statements of Financial Position

Total assets on March 31, 2019, stood at ¥2,297.1 billion, down ¥53.3 billion from March 31, 2018. Major factors behind this outcome included changes in trade and other receivables and inventories. These changes were a result of the application of a new accounting standard instituted effective from the year ended March 31, 2019. Under this new standard, inventories associated with agent transactions, which were previously recognized as inventories, are now treated as advances paid under trade and other receivables. If this standard had not been applied, inventories would have amounted to ¥382.0 billion on March 31, 2019, a decrease of ¥14.0 billion from March 31, 2018, that would have primarily resulted from a ¥53.0 billion decrease in tobacco inventories.

Other current assets were down ¥54.6 billion as a result of the recovery of aircraft-related loans issued under the period of the previous medium-term management plan.

Other non-current assets increased ¥20.8 billion due to the acquisition of a Vietnamese papermaking company and of coking coal interests in the year ended March 31, 2019.

Total liabilities on March 31, 2019, amounted to ¥1,635.6 billion, down ¥89.7 million from March 31, 2018. This decrease was largely due to a reduction in trade and other payables in conjunction with the decline in trade and other receivables along with repayments of interest-bearing debt following the recovery of investment and loans. Gross interest-bearing debt decreased ¥38.2 billion.

Total equity attributable to owners of the Company was ¥618.2 billion on March 31, 2019, up ¥31.8 billion from March 31, 2018. After deducting dividend payments from profit for the year (attributable to owners of the Company), retained earnings were up ¥49.1 billion year on year, which was a cause behind this increase. In addition, other components of equity were down ¥16.7 billion following valuation losses on marketable securities resulted from decreases in the prices of stocks held by the Company and negative foreign currency translation differences for foreign operations resulted from depreciation in the value of the Australian dollar and of the Brazilian real.

The net debt equity ratio was 0.95 times on March 31, 2019, a decrease of 0.08 times from the previous fiscal year-end.

Consolidated Statements of Cash Flows
Net cash provided by operating activities amounted to ¥96.5 billion as a result of the recovery of core operating cash flow centered on items included in the consolidated statements of financial position. Meanwhile, net cash used in investing activities totaled ¥42.2 billion after deducting cash recovered through asset replacement from the amount of new investments and loans executed. As a result, free cash flow was a positive ¥54.3 billion. Core cash flow was a positive ¥63.1 billion after adjusting core operating cash flow for dividends paid from investing cash flows as well as working capital changes of an investment and loan nature from operating cash flows.

Performance by Division
Explanations are provided only for those divisions in which significant year-on-year

changes in performance were seen in the year ended March 31, 2019.

In the Machinery & Medical Infrastructure Division, profit for the year (attributable to owners of the Company) decreased ¥2.9 billion year on year, to ¥2.8 billion. This large decrease was the result of the absence of infrastructure project development-related earnings recorded in the previous equivalent period.

In the Energy & Social Infrastructure Division, profit for the year (attributable to owners of the Company) of ¥5.8 billion was recorded, compared with loss for the year (attributable to owners of the Company) of ¥5.8 billion in the previous fiscal year. This outcome can be attributed to the absence of the temporary losses recorded on oil and gas interests in the previous fiscal year as well as gains on sales of oil and gas interests and higher prices in LNG operations.

In the Metals & Mineral Resources Division, profit for the year (attributable to owners of the Company) was up ¥8.6 billion year on year, to ¥30.5 billion. This division benefited from high prices for coal, ferroalloys, minerals, and other resources and also enjoyed an increase in transaction volumes.

In the Foods & Agriculture Business Division, profit for the year (attributable to owners of the Company) dropped ¥1.7 billion year on year, to ¥2.3 billion. This decrease can be attributed to a rise in the costs of raw materials in overseas fertilizer businesses coupled with a decline in sales volumes following a decrease in the desire to purchase fertilizer among farmers stemming from lower prices for agricultural products.

Full-Year Forecasts for the Year Ending March 31, 2020
Consolidated Statements of Profit or Loss
In the year ending March 31, 2020, gross profit is forecast to increase ¥19.0 billion year on year, to ¥260.0 billion. Profit for the year is projected to decrease ¥5.5 billion in the Metals & Mineral Resources Division based on the conservative outlook for resource prices taken in comparison to the prices in the previous fiscal year out of consideration for current market conditions. However, this decrease will be offset by higher profits in non-resource sectors to result from earnings contributions from new businesses.

Profit for the year (attributable to owners of the Company) is projected to grow ¥1.6 billion year on year, to ¥72.0 billion, following a ¥2.1 billion increase in profit before tax, to ¥97.0 billion, as a result of higher selling, general and administrative expenses and financial income.

Consolidated Statements of Financial Position
Total assets are forecast to amount to ¥2,400.0 billion on March 31, 2020, an increase of ¥102.9 billion from March 31, 2019. One factor behind this increase will be a rise in lease assets attributable to a change in the accounting standard pertaining to operating leases.

The full-year forecasts for the year ending March 31, 2020, assume a price of crude oil (Brent) of US$60 per barrel, a price of thermal coal of US$80 per ton, and an exchange rate of ¥110 to US$1.