

Financial Results for the First Quarter Ended June 30, 2016 (Reference)

August 2, 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. Financial Results for the First Quarter and Full Year Forecast of Fiscal Year Ending March 31, 2017



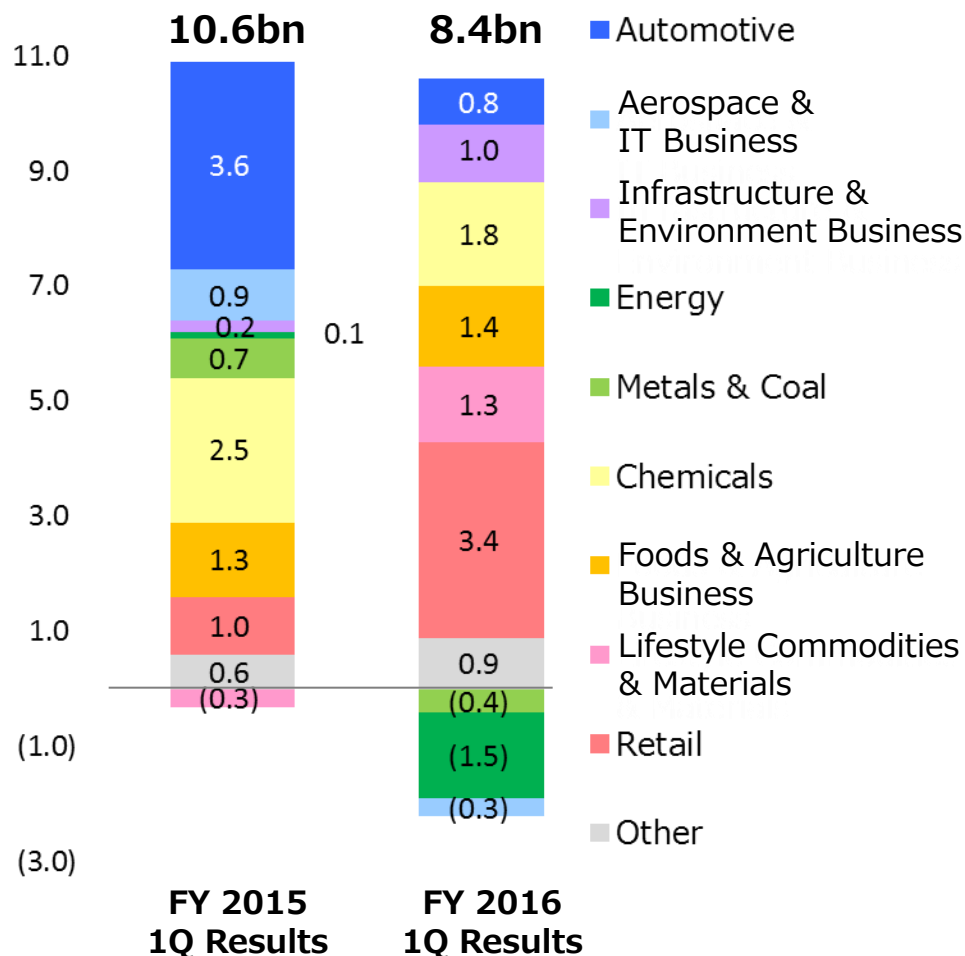
Summary of Profit or Loss

(Billions of Yen)	FY2015 1Q Results	FY2016 1Q Results	Difference	FY2016 Forecast	Achieved
Net Sales (JGAAP)	1,030.1	896.3	(133.8)	4,330.0	21%
Gross Profit	45.5	46.8	+1.3	210.0	22%
Operating Profit	8.0	8.6	+0.6	44.0	20%
Share of profit (loss) of investments accounted for using the equity method	8.5	2.6	(5.9)	17.0	15%
Profit before tax	15.1	9.6	(5.5)	53.0	18%
Profit for the period attributable to owners of the Company	10.6	8.4	(2.2)	40.0	21%
Core earnings	13.8	10.2	(3.6)	57.0	18%

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 ¥0.8 billion (down ¥(2.8) billion YoY)**
 Decreased due to rebound from gains on sales of fixed assets recorded in investments accounted for using the equity method during the previous equivalent period
- Aerospace & IT business ¥(0.3) billion (down ¥(1.2) billion YoY)**
 Decreased due to impairment losses on Company-owned ships and absence of gain on liquidation of overseas operating companies recorded during the previous equivalent period
- Infrastructure & Environment Business ¥1.0 billion (up ¥0.8 billion YoY)**
 Increased due to earnings contributions from domestic solar power generation businesses
- Energy ¥(1.5) billion (down ¥(1.6) billion YoY)**
 Decreased due to impacts of drop in crude oil price
- Metals & Coal ¥(0.4) billion (down ¥(1.1) billion YoY)**
 Decreased due to impacts of drops in resource prices
- Chemicals ¥1.8 billion (down ¥(0.7) billion YoY)**
 Decreased due to impacts of drop in methanol price and yen appreciation
- Foods & Agriculture Business ¥1.4 Billion (up ¥0.1 billion YoY)**
 Relatively unchanged year on year
- Lifestyle Commodities & Materials ¥1.3 billion (up ¥1.6 billion YoY)**
 Increased due to higher profit stemming from strong textile business performance and absence of impairment loss on fixed assets recorded during the previous equivalent period
- Retail ¥3.4 billion (up ¥2.4 billion YoY)**
 Increased due to gain on sales of real estate held for sale in Japan
- Other ¥0.9 billion (up ¥0.3 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 1Q Results	FY2016 Forecast	Achieved
Automotive	0.8	5.0	16%
Aerospace & IT Business	(0.3)	4.5	–
Infrastructure & Environment Business	1.0	6.5	15%
Energy	(1.5)	(2.0)	–
Metals & Coal	(0.4)	3.0	–
Chemicals	1.8	9.5	19%
Foods & Agriculture Business	1.4	5.0	28%
Lifestyle Commodities & Materials	1.3	4.5	29%
Retail	3.4	4.0	85%
Other	0.9	0.0	–
Total	8.4	40.0	21%

Future Outlook

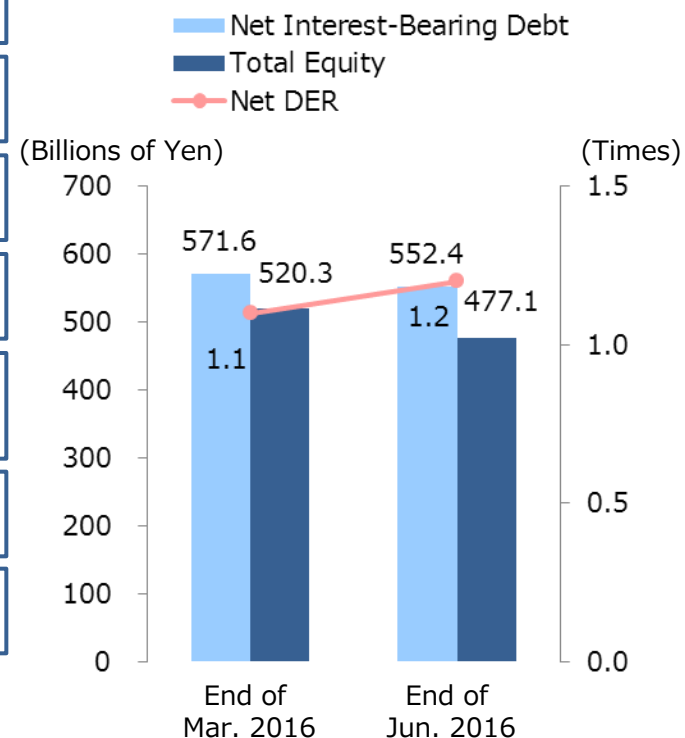
- Automotive ¥0.8 billion (Achieved 16%)**
 Firm performance expected in U.S. automobile dealership operations and in Southeast Asian businesses
- Aerospace & IT Business ¥(0.3) billion (Achieved –)**
 Earnings contributions from aircraft-related transactions and IT industry related business anticipated in 2nd half of fiscal year
- Infrastructure & Environment Business ¥1.0 billion (Achieved 15%)**
 Earnings contributions from plant-related businesses anticipated
- Energy ¥(1.5) billion (Achieved –)**
 Earnings contributions from investments accounted for using the equity method anticipated in 2nd half of fiscal year
- Metals & Coal ¥(0.4) billion (Achieved –)**
 Earnings contributions from investments accounted for using the equity method anticipated from 2nd quarter of fiscal year
- Chemicals ¥1.8 billion (Achieved 19%)**
 Increased transactions forecast in the Americas, China, and Asia
- Foods & Agriculture Business ¥1.4 billion (Achieved 28%)**
 Firm performance in fertilizer businesses
- Lifestyle Commodities & Materials ¥1.3 billion (Achieved 29%)**
 Progress in line with forecasts
- Retail ¥3.4 billion (Achieved 85%)**
 Progress in line with forecasts despite strong progress resulted from sale of real estate held for sale in Japan
- Other 0.9 billion (Achieved –)**
 Asset replacement costs to be incurred

Summary of Balance Sheets

(Billions of yen)	End of Mar. 2016	End of Jun. 2016	Difference	End of Mar. 2017 (Forecast)
Total Assets	2,056.7	1,973.1	(83.6)	2,200.0
Total equity*	520.3	477.1	(43.2)	545.0
Equity Ratio	25.3%	24.2%	(1.1)%	24.8%
Net interest-bearing debt	571.6	552.4	(19.2)	630.0
Net DER (Times)	1.1	1.2	+0.1	1.2
Risk Assets vs. Total equity	330.0 0.6 times	330.0 0.7 times	0.0 +0.1 times	—
Current Ratio	170.1%	172.4%	+2.3%	—
Long-term debt ratio	81.8%	84.6%	+2.8%	—

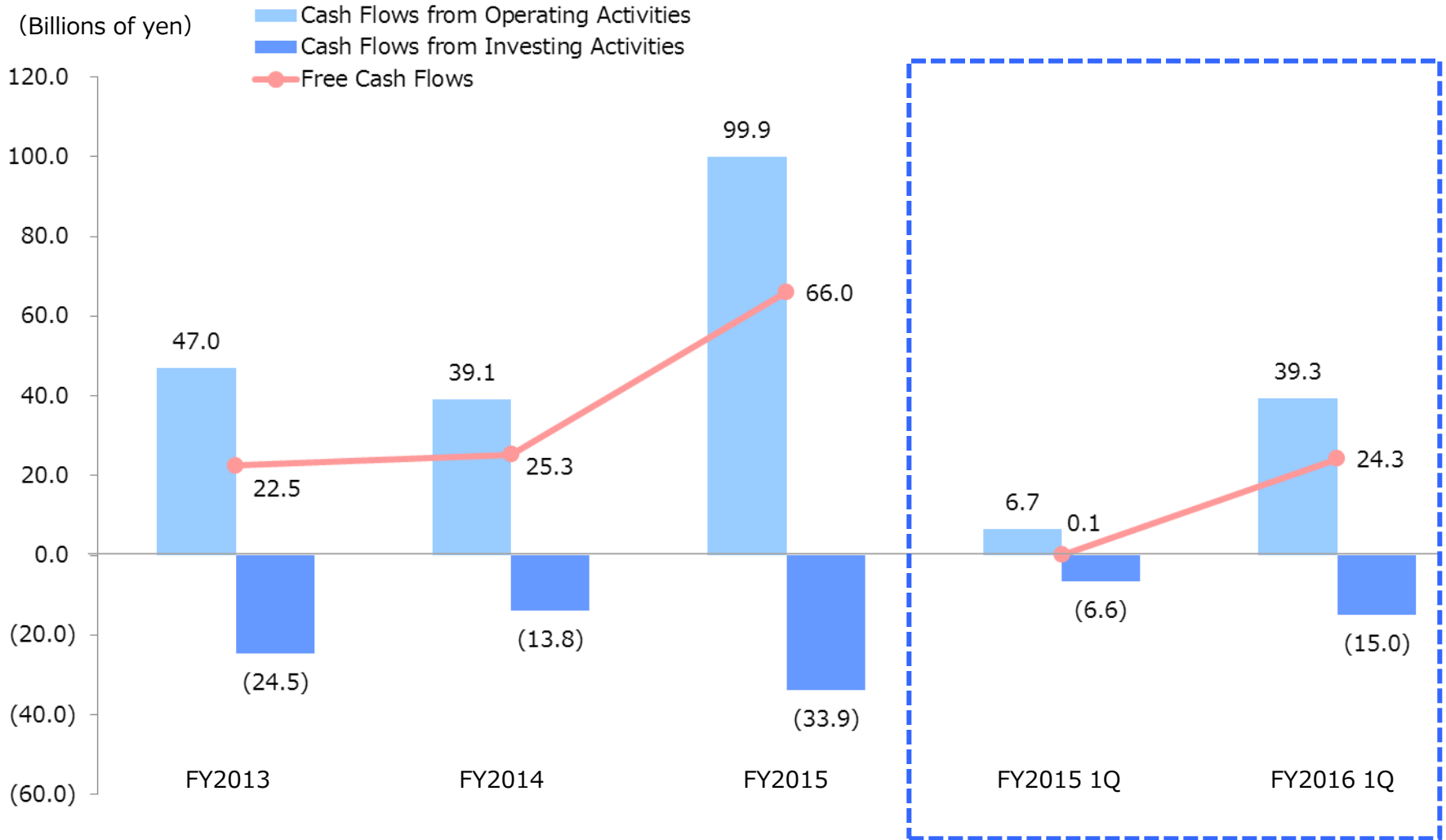
Changes in Total Equity (End of Mar. 2016 vs. End of Jun. 2016, Breakdown)

- Profit for the period ¥8.4 billion
- Dividends paid ¥(5.0) billion
- Decrease due to change in foreign exchange rates and stock prices ¥(46.5) 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 Free Cash Flows



Investments and Loans for FY2016 1Q

FY 2016 1Q Results	Main Business
Investments and Loans	<ul style="list-style-type: none">■ Aircraft related part-out business■ Expansion of data center in IT industry related business■ Solar power generation business in Japan■ TV shopping related business■ Capital expenditure for resource businesses
Investments and Loans Total	Approx. ¥16.0 bn
Asset Reduction	<ul style="list-style-type: none">■ Sales of commercial facility in Japan■ Sales of real estate in Japan
Asset Reduction Total	Approx. ¥5.0 bn

Commodity Prices, Foreign Exchange, and Interest Rate

	FY2015 1Q Results (Apr.-Jun. Avg.)	FY2015 Results (Annual Avg.)	FY2016 Assumptions (Annual Avg.)	FY2016 1Q Results (Apr.-Jun. Avg.)	Latest Data (As of July 29, 2016)
Crude oil (Brent)*1	US\$63.5/bbl	US\$48.7/bbl	US\$40/bbl	US\$47.0/bbl	US\$42.5/bbl
Thermal Coal *2	US\$57.6/t	US\$60.4/t	US\$52/t	US\$51.5/t	US\$64.5/t
Exchange rate *3	¥121.7/US\$	¥120.2/US\$	¥110/US\$	¥107.9/US\$	¥104.4/US\$
Interest rate (TIBOR)	0.17%	0.16%	0.1%	0.07%	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".

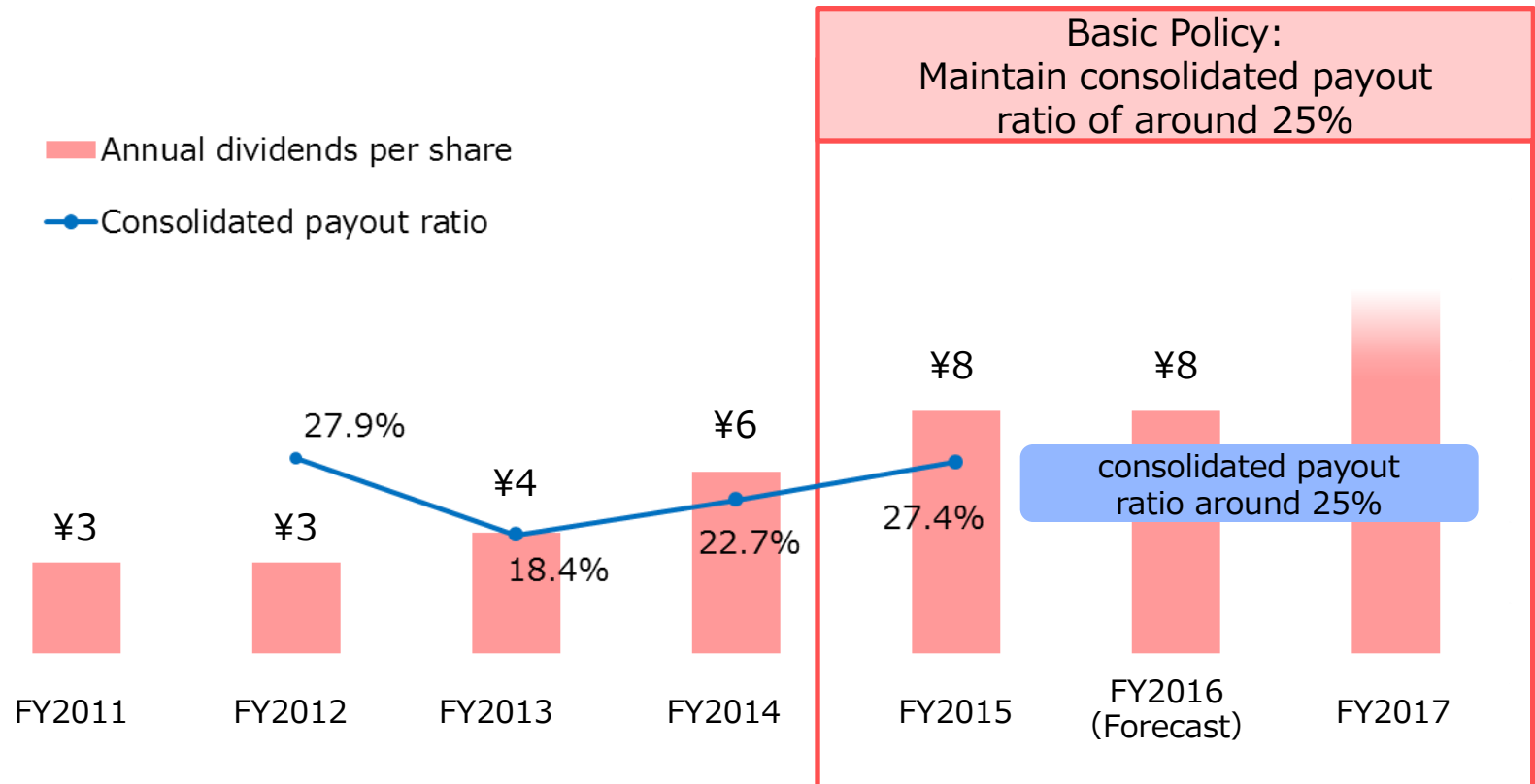
*3 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.3 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.1 billion annually, and total equity by approx. ¥1.5 billion.

II. Dividends

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.



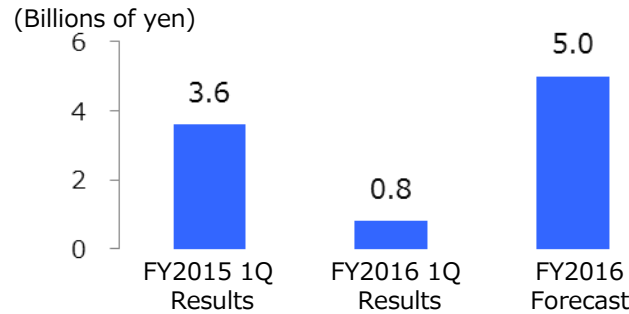
【Supplemental Data】

I . Segment Information

Automotive



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

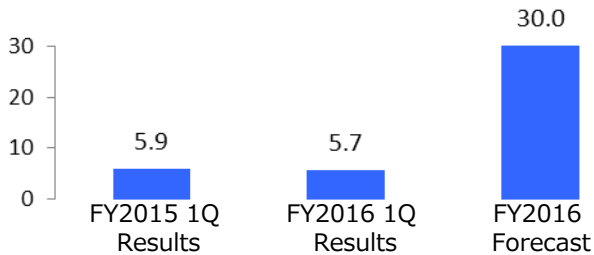


【Future Outlook】

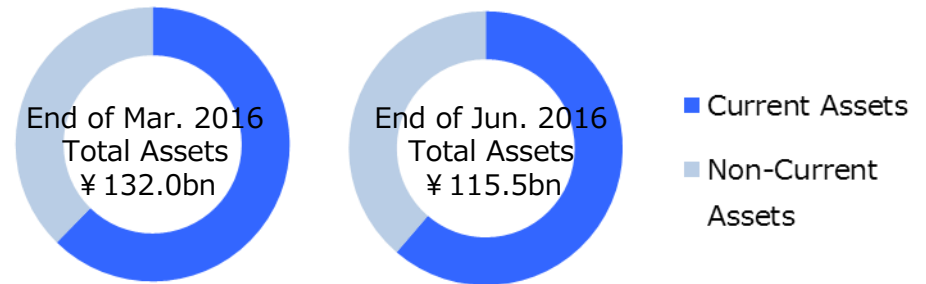
Firm performance expected in U.S. automobile dealership operations and in Southeast Asian businesses

Gross Profit

(Billions of yen)



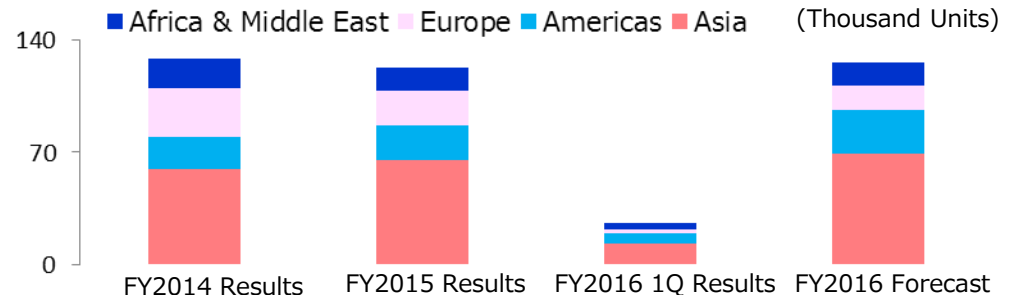
Asset Structure



FY 2016 1Q Results

(Billions of Yen)	FY2015 1Q Results	FY2016 1Q Results
Gross Profit	5.9	5.7
Operating Income	1.0	1.1
Share of profit of investments accounted for using the equity method	3.4	0.3
Profit for the period (attributable to owners of the Company)	3.6	0.8
	End of Mar. 2016	End of Jun. 2016
Total Assets	132.0	115.5

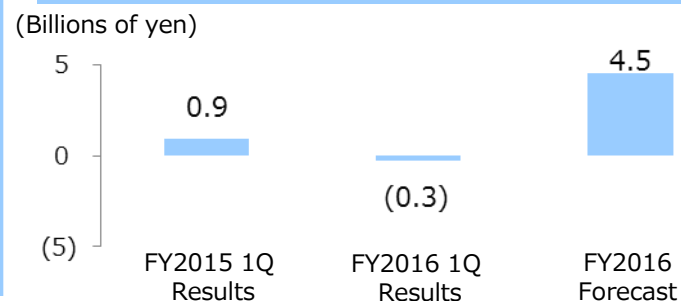
Automobile Sales Volume



Aerospace & IT Business



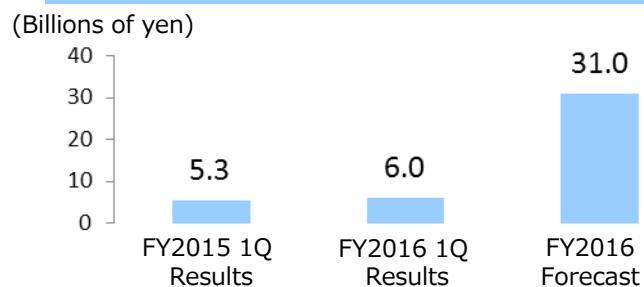
Profit for the period (attributable to owners of the Company)



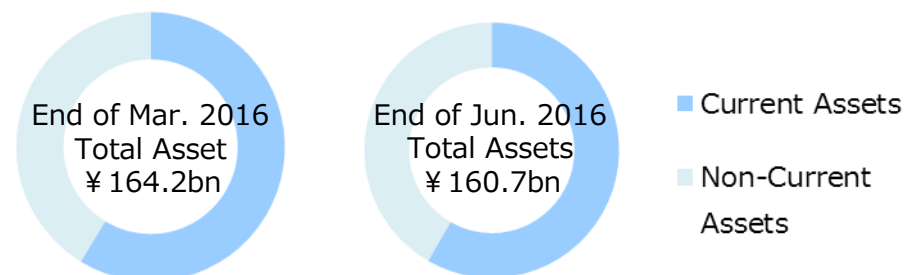
【Future Outlook】

Earnings contributions from aircraft-related transactions and IT industry related business anticipated in 2nd half of fiscal year

Gross Profit



Asset Structure



FY2016 1Q Results

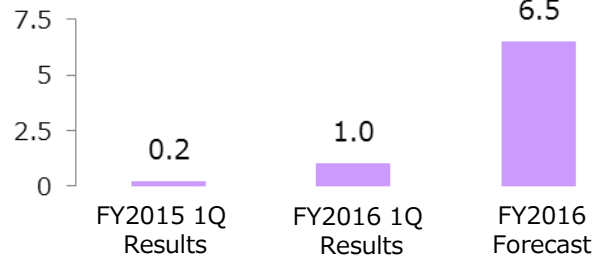
(Billions of Yen)	FY2015 1Q Results	FY2016 1Q Results
Gross Profit	5.3	6.0
Operating Income	1.2	0.2
Share of profit of investments accounted for using the equity method	0.1	0.1
Profit for the period (attributable to owners of the Company)	0.9	(0.3)
	End of Mar. 2016	End of Jun. 2016
Total Assets	164.2	160.7

Infrastructure & Environment Business



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

(Billions of yen)

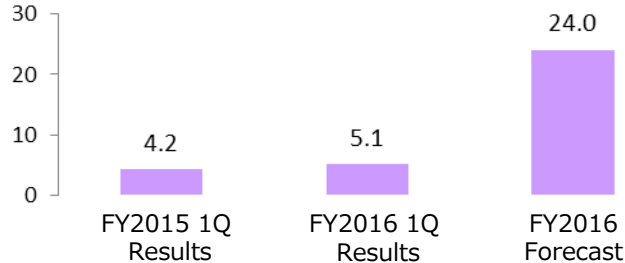


【Future Outlook】

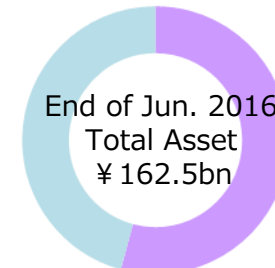
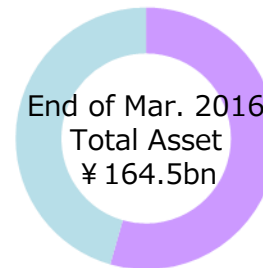
Earnings contributions from plant-related businesses anticipated

Gross Profit

(Billions of yen)



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2016 1Q Results

(Billions of Yen)

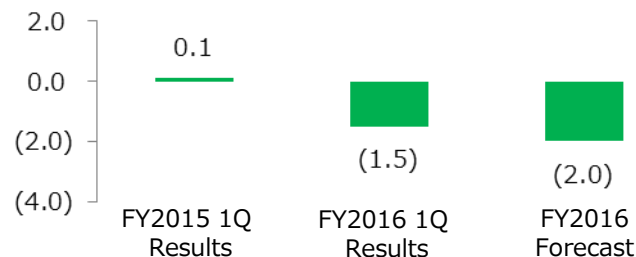
	FY2015 1Q Results	FY2016 1Q Results
Gross Profit	4.2	5.1
Operating Income	0.4	1.2
Share of profit of investments accounted for using the equity method	0.3	0.4
Profit for the period (attributable to owners of the Company)	0.2	1.0
	End of Mar. 2016	End of Jun. 2016
Total Assets	164.5	162.5

Energy



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

(Billions of yen)

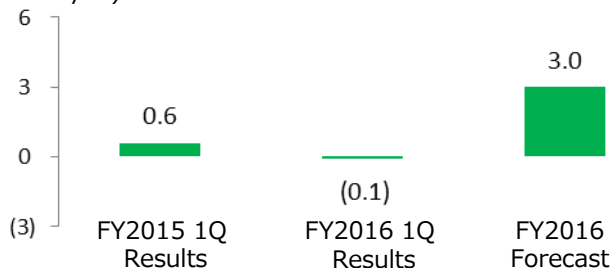


【Future Outlook】

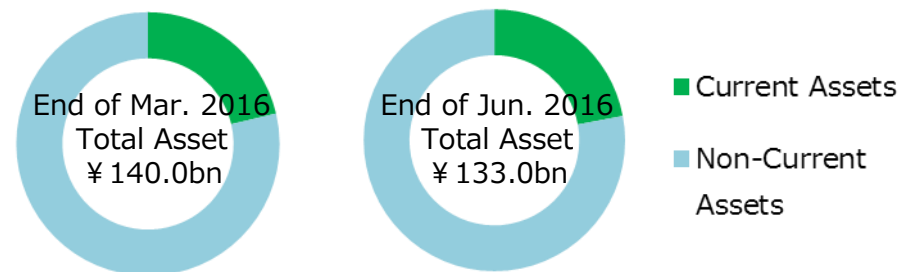
Earnings contributions from investments accounted for using the equity method anticipated in 2nd half of fiscal year

Gross Profit

(Billions of yen)



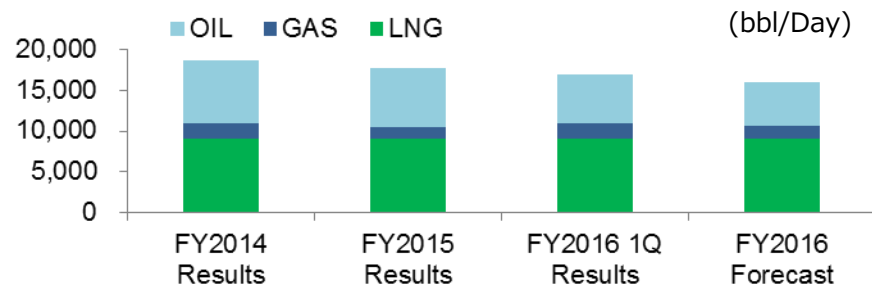
Asset Structure



FY2016 1Q Results

(Billions of Yen)	FY2015 1Q Results	FY2016 1Q Results
Gross Profit	0.6	(0.1)
Operating Income	(0.6)	(1.7)
Share of profit of investments accounted for using the equity method	0.7	(0.1)
Profit for the period (attributable to owners of the Company)	0.1	(1.5)
	End of Mar. 2016	End of Jun. 2016
Total Assets	140.0	133.0

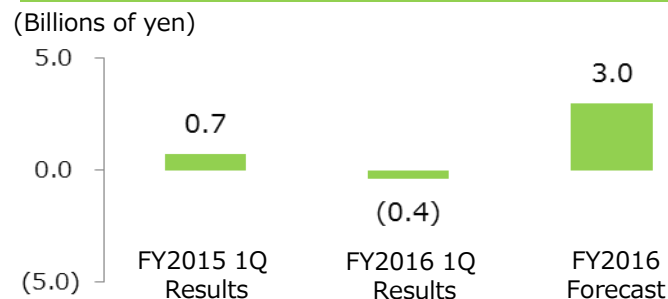
Share of Production Volume for Oil, Gas and LNG



Metals & Coal



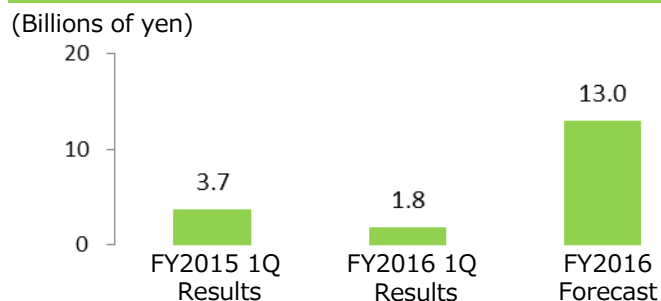
Profit for the period (attributable to owners of the Company)



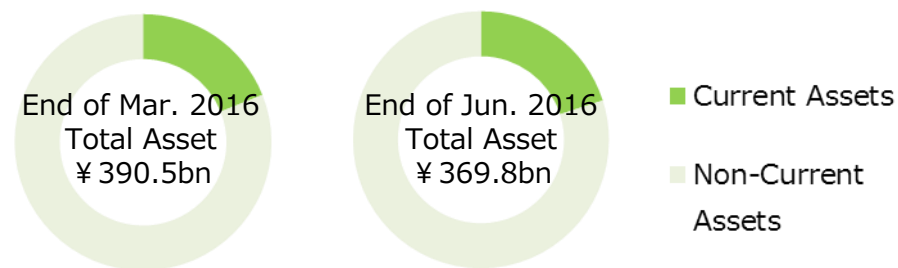
【Future Outlook】

Earnings contributions from investments accounted for using the equity method anticipated from 2nd quarter of fiscal year

Gross Profit



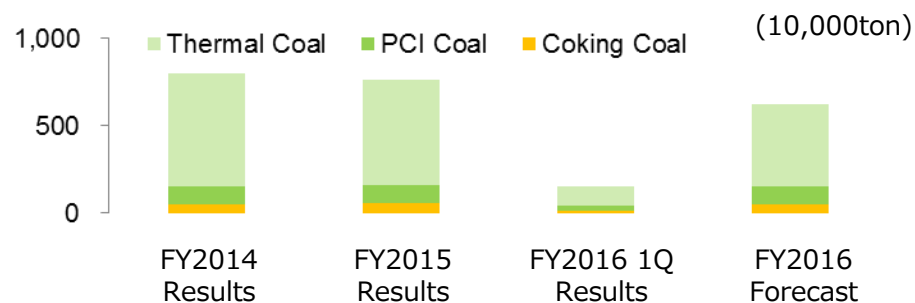
Asset Structure



FY2016 1Q Results

(Billions of Yen)	FY2015 1Q Results	FY2016 1Q Results
Gross Profit	3.7	1.8
Operating Income	(0.3)	(0.9)
Share of profit of investments accounted for using the equity method	2.3	1.2
Profit for the period (attributable to owners of the Company)	0.7	(0.4)
	End of Mar. 2016	End of Jun. 2016
Total Assets	390.5	369.8

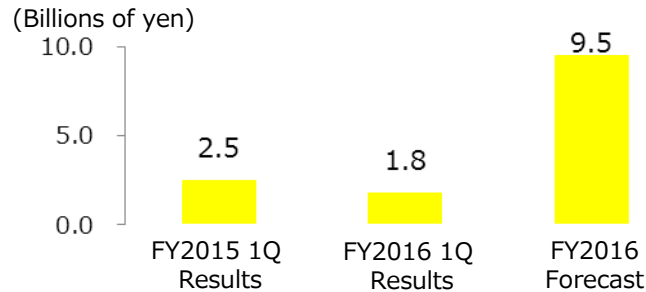
Sales Volume for Coal



Chemicals



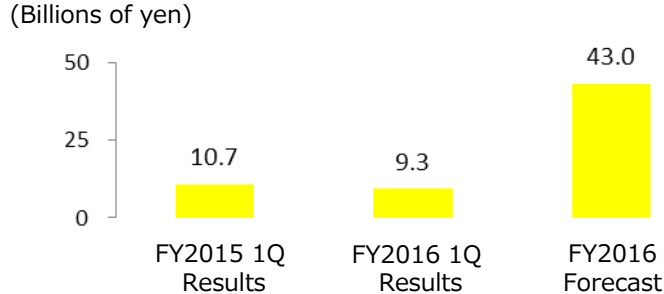
Profit for the period (attributable to owners of the Company)



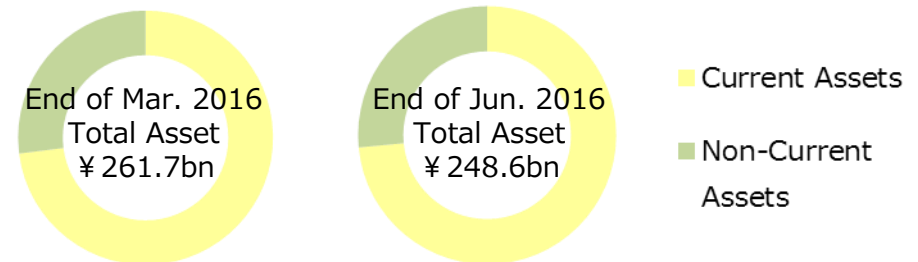
【Future Outlook】

Increased transactions forecast in the Americas, China, and Asia

Gross Profit



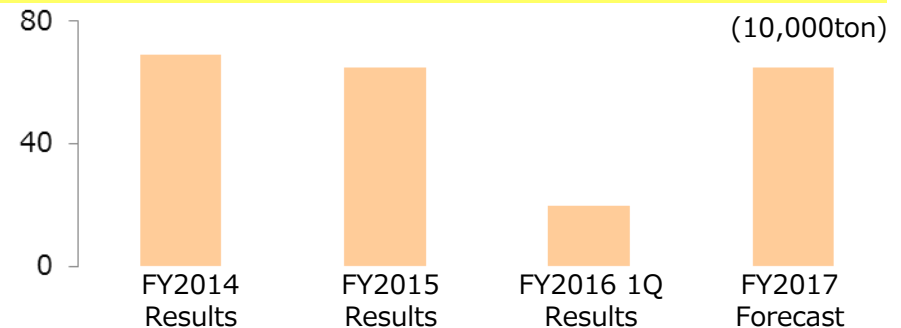
Asset Structure



FY2016 1Q Results

(Billions of Yen)	FY2015 1Q Results	FY2016 1Q Results
Gross Profit	10.7	9.3
Operating Income	3.7	2.4
Share of profit of investments accounted for using the equity method	0.3	0.3
Profit for the period (attributable to owners of the Company)	2.5	1.8
	End of Mar. 2016	End of Jun. 2016
Total Assets	261.7	248.6

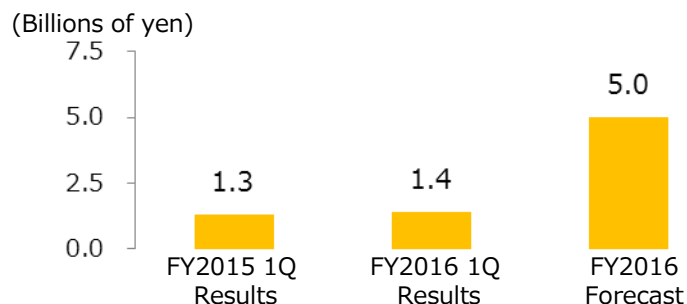
Sales Volume for Methanol (PT. Kaltim Methanol Industri)



Foods & Agriculture Business



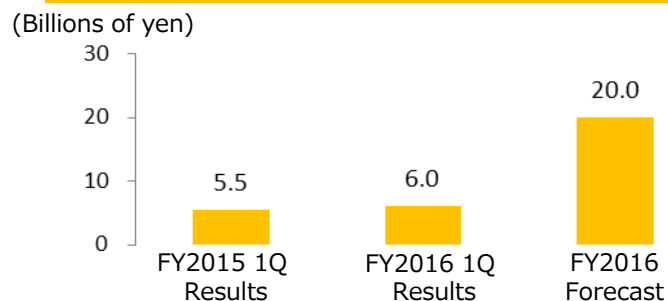
Profit for the period (attributable to owners of the Company)



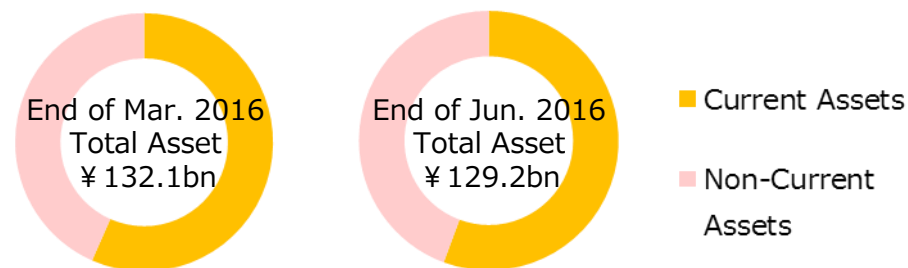
【Future Outlook】

Firm performance in fertilizer businesses

Gross Profit



Asset Structure



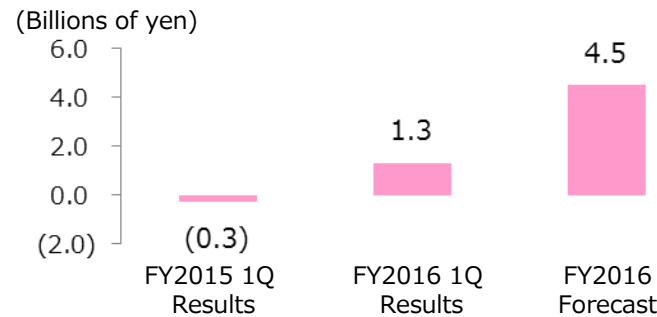
FY2016 1Q Results

(Billions of Yen)	FY2015 1Q Results	FY2016 1Q Results
Gross Profit	5.5	6.0
Operating Income	2.6	2.7
Share of profit of investments accounted for using the equity method	0.1	(0.3)
Profit for the period (attributable to owners of the Company)	1.3	1.4
	End of Mar. 2016	End of Jun. 2016
Total Assets	132.1	129.2

Lifestyle Commodities & Materials



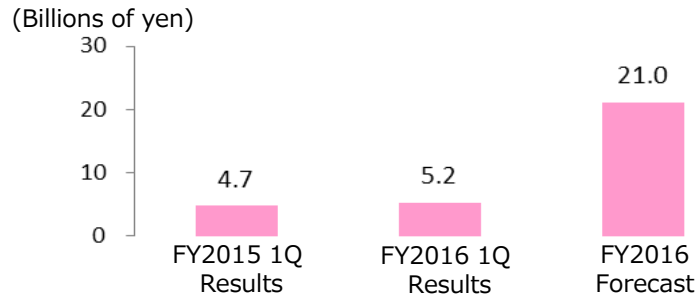
Profit for the period (attributable to owners of the Company)



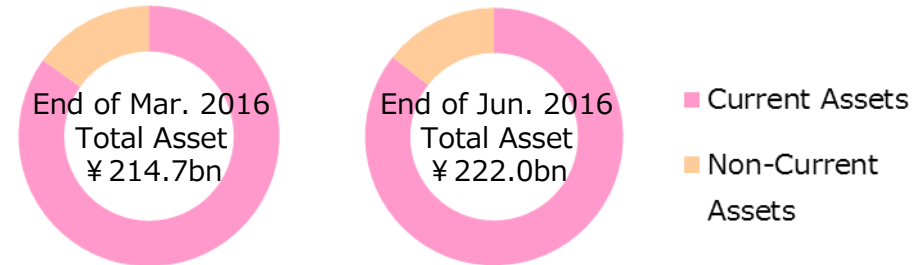
【Future Outlook】

Progress in line with forecasts

Gross Profit



Asset Structure



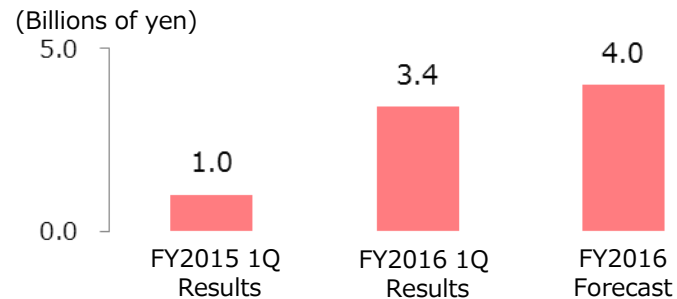
FY2016 1Q Results

(Billions of Yen)	FY2015 1Q Results	FY2016 1Q Results
Gross Profit	4.7	5.2
Operating Income	0.1	1.7
Share of profit of investments accounted for using the equity method	0.3	0.2
Profit for the period (attributable to owners of the Company)	(0.3)	1.3
	End of Mar. 2016	End of Jun. 2016
Total Assets	214.7	222.0

Retail



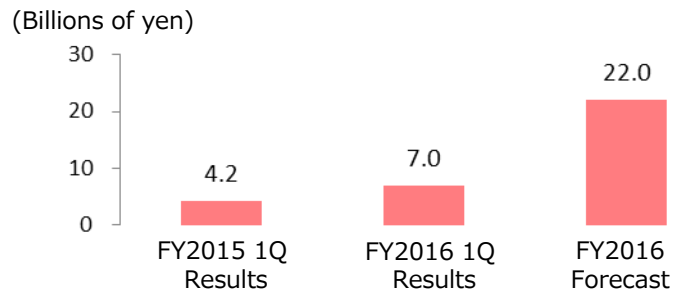
Profit for the period (attributable to owners of the Company)



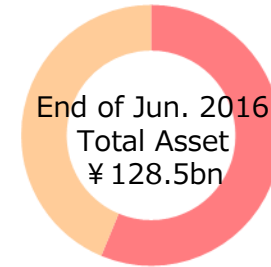
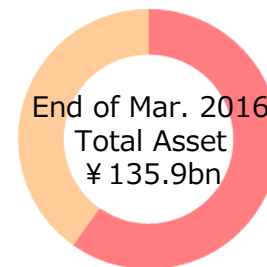
【Future Outlook】

Progress in line with forecasts despite strong progress resulted from sale of real estate held for sale in Japan

Gross Profit



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2016 1Q Results

(Billions of Yen)	FY2015 1Q Results	FY2016 1Q Results
Gross Profit	4.2	7.0
Operating Income	0.3	3.0
Share of profit of investments accounted for using the equity method	1.2	0.5
Profit for the period (attributable to owners of the Company)	1.0	3.4
	End of Mar. 2016	End of Jun. 2016
Total Assets	135.9	128.5

Profit and Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2015 3-month	FY2016 3-month	Difference
■ Automotive	Sojitz Automotive Group	Subsidiary	0.2	0.1	(0.1)
■ Automotive	Sojitz de Puerto Rico Corporation	Subsidiary	0.1	0.2	0.1
■ Aerospace & IT Business	Sojitz Aerospace Corporation	Subsidiary	0.3	0.1	(0.2)
■ Aerospace & IT Business	Sojitz Marine & Engineering Corporation	Subsidiary	0.1	0.1	0.0
■ Aerospace & IT Business	Nissho Electronics Corporation	Subsidiary	(0.1)	(0.1)	0.0
■ Aerospace & IT Business	SAKURA Internet Inc.	Subsidiary	0.1	0.2	0.1
■ Infrastructure & Environment Business	Sojitz Machinery Corporation	Subsidiary	0.1	0.1	0.0
■ Energy	LNG Japan Corporation	Associate	0.6	(0.1)	(0.7)
■ Metals & Coal	Sojitz Coal Resources Pty. Ltd.	Subsidiary	(0.2)	(0.4)	(0.2)
■ Metals & Coal	Sojitz Resources (Australia) Pty. Ltd.	Subsidiary	(0.1)	(0.1)	0.0
■ Metals & Coal	Japan Alumina Associates (Australia) Pty. Ltd.	Associate	0.0	(0.3)	(0.3)
■ Metals & Coal	Metal One Corporation	Associate	1.8	1.6	(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.

Profit and Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2015 3-month	FY2016 3-month	Difference
Chemicals	Sojitz Pla-Net Corporation	Subsidiary	0.2	0.2	0.0
Chemicals	PT. Kaltim Methanol Industri	Subsidiary	0.7	0.4	(0.3)
Chemicals	Pla Matels Corporation	Subsidiary	0.1	0.1	0.0
Lifestyle Commodities & Materials	Sojitz Building Materials Corporation	Subsidiary	0.0	0.2	0.2
Lifestyle Commodities & Materials	JALUX Inc.	Associate	0.1	0.1	0.0
Retail	Sojitz Foods Corporation	Subsidiary	0.4	0.4	0.0
Retail	PT. Puradelta Lestari Tbk	Associate	1.2	0.5	(0.7)
Other	Sojitz Corporation of America	Subsidiary	0.6	0.3	(0.3)
Other	Sojitz Europe plc	Subsidiary	0.2	0.1	(0.1)
Other	Sojitz Asia Pte. Ltd.	Subsidiary	0.4	0.1	(0.3)

*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

Summary of Profit or Loss (Results)

(Billions of Yen)	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 1Q
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	896.3
Gross profit	254.5	277.7	235.6	178.2	192.7	217.1	187.2	198.2	197.7	180.7	46.8
Operating profit	77.9	92.4	52.0	16.1	37.5	57.5	25.5	23.7	33.6	29.2	8.6
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	2.6
Profit before tax	88.1	88.4	37.1	18.9	39.3	58.5	28.1	44.0	52.6	44.3	9.6
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	8.4
Core earnings	89.8	110.7	48.3	14.4	41.9	65.8	38.5	68.0	66.3	41.6	10.2
(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.

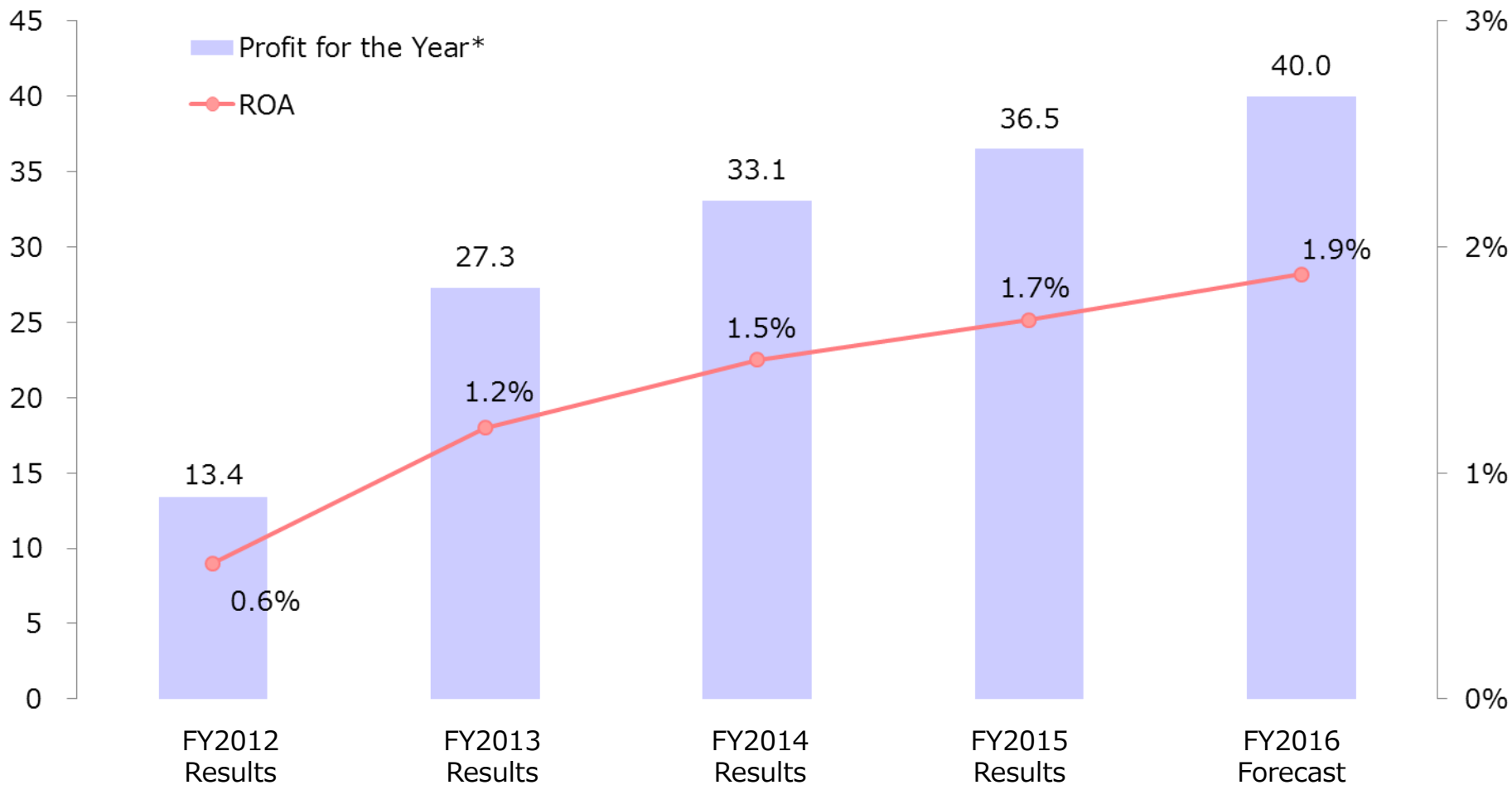
Summary of Balance Sheets (Results)

(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 Jun. 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	1,973.1
Total equity	488.6	476.0	319.0	352.4	330.0	330.0	382.6	459.9	550.9	520.3	477.1
Equity ratio	18.7%	17.8%	13.8%	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	24.2%
Net interest-bearing debt	846.1	918.9	865.3	737.8	700.6	676.4	643.3	640.2	629.6	571.6	552.4
Net DER (times)	1.7	1.9	2.7	2.1	2.1	2.0	1.7	1.4	1.1	1.1	1.2
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	330.0 0.7
Current ratio	132.4%	121.1%	141.7%	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	172.4%
Long-term debt ratio	61.1%	54.0%	66.7%	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	84.6%

(*) 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 Profit or Loss

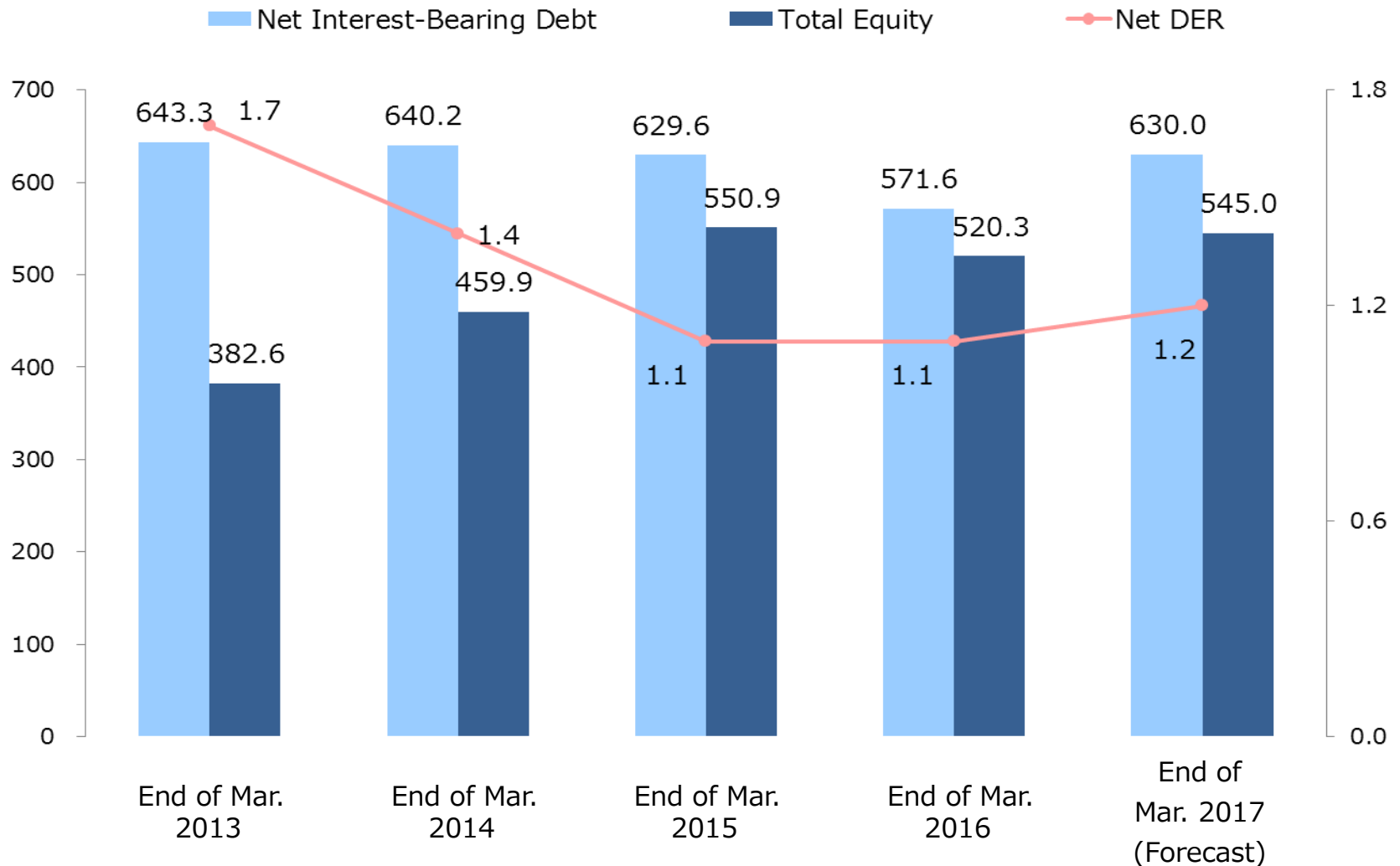
(Billions of Yen)



* Attributable to owners of the Company

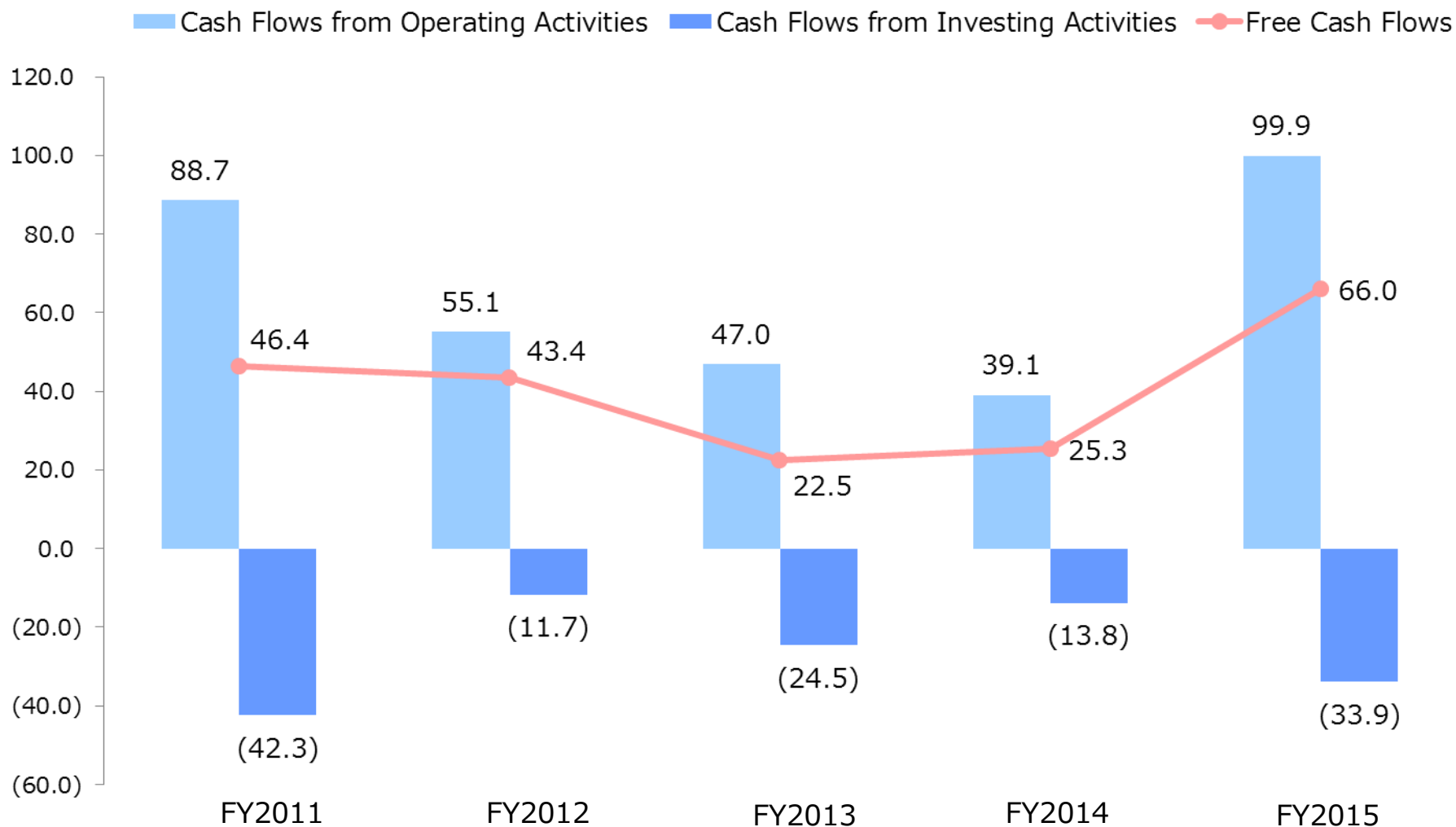
Summary of Balance Sheets

(Billions of Yen)



Summary of Free Cash Flows (Results)

(Billions of Yen)





sojitz

New way, New value