

# Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2017 (IFRS)

August 2, 2017  
Sojitz Corporation

## Results Highlights

◆ In the three-month period ended June 30, 2017, conditions in the global economy held firm as emerging economies recovered following the stabilization of resource prices. The Company's net sales (JGAAP) for the three-month period ended June 30, 2017, rose year on year due to increased sales in the Metals & Coal Division, a result of higher coal and precious metal transactions, as well as increased sales in the Chemicals Division, a result of the new acquisition of a European chemical distributor and marketing company and higher plastic resin transactions. Gross profit rose following higher selling prices in overseas coal businesses, increased profit in the Chemicals Division, and a rise in automobile sales volumes in overseas automobile wholesale businesses. As a result of the higher gross profit as well as an increase in share of profit of investments accounted for using the equity method associated with steel operating companies, profit for the period (attributable to owners of the Company) was up.

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

Net sales (JGAAP) 1000.7 billion yen (+104.4 billion yen / +11.6%)

- Increase in net sales in the Metals & Coal Division due to higher coal and precious metal transactions

- Increase in net sales in the Chemicals Division due to the new acquisition of a European chemical distributor and marketing company and higher plastic resin transactions

Gross profit 51.6 billion yen (+4.8 billion yen / +10.3%)

- Increase in gross profit in the Metals & Coal Division resulted from a rise in selling prices in overseas coal businesses

- Increase in gross profit in the Chemicals Division due to the new acquisition of a European chemical distributor and marketing company and higher plastic resin transactions

- Increase in gross profit in the Automotive Division due of higher automobile sales volumes in overseas automobile wholesale businesses

Operating profit 14.1 billion yen (+5.5 billion yen / +64.6%)

- Increase in gross profit

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

14.6 billion yen (+6.2 billion yen / +73.6%)

- Increase in operating profit

- Increase in share of profit of investments accounted for using the equity method

◆ Earnings forecast for the fiscal year ending March 31, 2018

Net sales (JGAAP) 4,100.0 billion yen

Operating profit 55.0 billion yen

Profit before tax 69.0 billion yen

Profit for the year (attributable to owners of the Company) 50.0 billion yen

(Assumptions)

Exchange rate (annual average: JPY/US\$) : 110

Crude oil price (US\$/BBL) : 50 (Brent)

◆ Cash dividend per share for the fiscal year ending March 31, 2018

Interim 5.00 yen per share (forecast)

Year-end 5.00 yen per share (forecast)

## Consolidated Statements of Profit or Loss

	(Billions of Yen)			Reasons for the Difference	FY2017 Forecast c	Percentage Achieved a/c
	FY2017 1Q Results a	FY2016 1Q Results b	Difference a-b			
<b>Net sales (JGAAP)*1</b>	1,000.7	896.3	104.4		4,100.0	24%
				Net sales (JGAAP): change in segment		
				Metals & Coal	+40.1	
				Chemicals	+33.2	
				Retail & Lifestyle Business	+30.8	
				Automotive	+10.2	
<b>Gross profit</b>	51.6	46.8	4.8	Gross profit: change in segment		23%
<u>Gross profit margin</u>	5.16%	5.22%	(0.06)%	Metals & Coal	+3.6	
				Chemicals	+1.9	
				Automotive	+1.8	
				Retail & Lifestyle Business	(1.2)	
<b>Selling, general and administrative expenses</b>						
Personnel expenses	(21.7)	(20.9)	(0.8)			
Non-personnel expenses	(15.7)	(15.3)	(0.4)			
Depreciation	(1.3)	(1.5)	0.2			
Provision of allowance for doubtful accounts	0.2	0.0	0.2			
<u>(Total selling, general and administrative expenses)</u>	<u>(38.5)</u>	<u>(37.7)</u>	<u>(0.8)</u>		(166.0)	
<b>Other income/expenses</b>						
Gain/loss on sale and disposal of fixed assets, net	0.0	0.0	0.0			
Impairment loss on fixed assets	0.0	(0.4)	0.4			
Gain on sale of subsidiaries/associates	1.1	0.1	1.0	Gains on revaluation of automotive parts business due to change in holding purpose		
Loss on reorganization of subsidiaries/associates	(0.2)	(0.3)	0.1			
Other operating income/expenses	0.1	0.1	0.0			
<u>(Total other income/expenses)</u>	<u>1.0</u>	<u>(0.5)</u>	<u>1.5</u>		(1.0)	
<b>Operating profit</b>	14.1	8.6	5.5		55.0	26%
<b>Financial income/costs</b>						
Interest earned	1.3	1.0	0.3			
Interest expenses	(3.8)	(3.9)	0.1			
<u>(Interest expenses, net)</u>	<u>(2.5)</u>	<u>(2.9)</u>	<u>(0.4)</u>			
Dividends received	1.6	1.4	0.2			
Other financial income/costs	0.0	(0.1)	0.1			
<u>(Financial income/costs, net)</u>	<u>(0.9)</u>	<u>(1.6)</u>	<u>0.7</u>		(7.0)	
Share of profit (loss) of investments accounted for using the equity method	5.9	2.6	3.3	Increase in profit of steel operating company	21.0	
<b>Profit before tax</b>	19.1	9.6	9.5		69.0	28%
<b>Income tax expenses</b>	(3.2)	(0.4)	(2.8)		(15.0)	
<b>Profit for the period (Profit attributable to)</b>	15.9	9.2	6.7		54.0	29%
<b>Owners of the Company</b>	14.6	8.4	6.2		50.0	29%
Non-controlling interests	1.3	0.8	0.5		4.0	
<b>Revenue</b>	432.4	375.0	57.4			
<b>Core earnings*2</b>	17.9	10.2	7.7		70.0	

## Comprehensive Income

	(Billions of Yen)		
	FY2017 1Q Results a	FY2016 1Q Results b	Difference a-b
<b>Profit for the period</b>	15.9	9.2	6.7
<b>Other comprehensive income</b>	4.5	(48.2)	52.7
<b>Total comprehensive income for the period</b>	20.4	(39.0)	59.4
<b>Comprehensive income attributable to:</b>			
<b>Owners of the Company</b>	19.6	(38.2)	57.8
Non-controlling interests	0.8	(0.8)	1.6

## Cash Flows

	(Billions of Yen)			Factors Affecting Circled Figures
	FY2017 1Q Results a	FY2016 1Q Results b	Difference a-b	
<b>Cash flows from operating activities</b>	(29.9)	39.3	(69.2)	Outflows for increase in inventories
<b>Cash flows from investing activities</b>	(10.2)	(15.0)	4.8	Outflows for acquisition of U.S. gas-fired power plant
<b>Free cash flows</b>	(40.1)	24.3	(64.4)	
<b>Cash flows from financing activities</b>	31.9	(28.0)	59.9	Inflows from new borrowings

## Consolidated Statements of Financial Position

	(Billions of Yen)			Reasons for the Difference
	June 30, 2017 d	Mar. 31, 2017 e	Difference d-e	
<b>Current assets</b>	1,269.7	1,229.8	39.9	
Cash and cash equivalents	300.1	308.6	(8.5)	
Time deposits	5.5	5.7	(0.2)	
Trade and other receivables	554.0	563.5	(9.5)	Increase in tobacco and automotive related business
Inventories	295.4	271.3	24.1	Increase due to aircraft-related business
Other current assets	114.7	80.7	34.0	
<b>Non-current assets</b>	920.9	908.7	12.2	
Property, plant and equipment	173.0	172.2	0.8	
Goodwill	57.9	57.6	0.3	
Intangible assets	33.6	34.1	(0.5)	
Investment property	21.3	21.1	0.2	
Investments accounted for using the equity method	571.0	559.6	11.4	
Other non-current assets	64.1	64.1	0.0	
<b>Total assets</b>	2,190.6	2,138.5	52.1	
<b>Current liabilities</b>	722.1	717.8	4.3	
Trade and other payables	481.2	483.1	(1.9)	
Bonds and borrowings	168.0	158.7	9.3	
Other current liabilities	72.9	76.0	(3.1)	
<b>Non-current liabilities</b>	876.0	842.7	33.3	
Bonds and borrowings	795.7	766.7	29.0	Increase due to issuance of bonds and new borrowings
Retirement benefits liabilities	21.8	21.4	0.4	
Other non-current liabilities	58.5	54.6	3.9	
<b>Total liabilities</b>	1,598.1	1,560.5	37.6	
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	137.3	132.7	4.6	
Retained earnings	121.1	111.2	9.9	Profit for the period +14.6 Dividends (5.0)
<u>Total equity attributable to owners of the Company</u>	<u>565.0</u>	<u>550.5</u>	<u>14.5</u>	
Non-controlling interests	27.5	27.5	0.0	
<b>Total equity</b>	592.5	578.0	14.5	
<b>Total liabilities and equity</b>	2,190.6	2,138.5	52.1	
Gross interest-bearing debt	963.7	925.4	+38.3	
Net interest-bearing debt	658.1	611.1	+47.0	
Net debt/equity ratio (times)*	1.16	1.11	+0.05	
Equity ratio*	25.8%	25.7%	+0.1%	
Current ratio	175.8%	171.3%	+4.5%	
Long-term debt ratio	82.6%	82.9%	(0.3)%	

\* "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."

\*1 Net sales above is based on JGAAP and represents the total value of the transactions for which the Sojitz Group acts as a principal operator or as an agent.

\*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

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 these 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.

# Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2017 (IFRS) - Supplementary Material

August 2, 2017  
Sojitz Corporation

(Billions of Yen)

(Billions of Yen)

## Operating Results

	FY2017 1Q Results	FY2016 1Q Results	Difference	FY2017 Forecast	Percentage Achieved
<b>Net sales (JGAAP)*1</b>	<b>1,000.7</b>	<b>896.3</b>	+104.4	<b>4,100.0</b>	24%
<b>Gross profit</b>	<b>51.6</b>	<b>46.8</b>	+4.8	<b>222.0</b>	23%
Gross profit margin	5.16%	5.22%		5.41%	
Selling, general and administrative expenses	(38.5)	(37.7)	(0.8)	(166.0)	
Other income/expenses	1.0	(0.5)	+1.5	(1.0)	
<b>Operating profit</b>	<b>14.1</b>	<b>8.6</b>	+5.5	<b>55.0</b>	26%
Financial income/costs	(0.9)	(1.6)	+0.7	(7.0)	
Share of profit (loss) of investments accounted for using the equity method	5.9	2.6	+3.3	21.0	
<b>Profit before tax</b>	<b>19.1</b>	<b>9.6</b>	+9.5	<b>69.0</b>	28%
<b>Profit for the period</b> (Profit attributable to)	<b>15.9</b>	<b>9.2</b>	+6.7	<b>54.0</b>	29%
<b>Owners of the Company</b>	<b>14.6</b>	<b>8.4</b>	+6.2	<b>50.0</b>	29%
Non-controlling interests	1.3	0.8	+0.5	4.0	
Core earnings*2	17.9	10.2	+7.7	70.0	
Revenue	432.4	375.0	+57.4		
Comprehensive income attributable to owners of the Company	19.6	(38.2)	+57.8		

\*1 Net sales above is based on JGAAP and represents the total value of the transactions for which the Sojitz Group acts as a principal operator or as an agent.

\*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

(Billions of Yen)

## Financial Position

	Jun. 30, 2017	Mar. 31, 2017	Difference	Mar. 31, 2018 Forecast
<b>Total assets</b>	<b>2,190.6</b>	<b>2,138.5</b>	+ 52.1	<b>2,260.0</b>
<b>Total equity*3</b>	<b>565.0</b>	<b>550.5</b>	+ 14.5	<b>580.0</b>
<b>Equity ratio</b>	<b>25.8%</b>	<b>25.7%</b>	+0.1%	<b>25.7%</b>
<b>Net interest-bearing debt</b>	<b>658.1</b>	<b>611.1</b>	+ 47.0	<b>650.0</b>
<b>Net D/E ratio (times)</b>	<b>1.16</b>	<b>1.11</b>	+ 0.05	<b>1.12</b>
<b>Risk assets</b>	<b>300.0</b>	<b>320.0</b>	(20.0)	-
<b>Ratio of risk assets to equity (times)</b>	<b>0.5</b>	<b>0.6</b>	(0.1)	-

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

Caution regarding forward-looking statements

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## Segment Performance [Gross Profit]

	FY2017 1Q	FY2016 1Q	Difference	FY2017 Forecast
<b>Auto-motive</b>	<b>7.5</b>	5.7	+1.8	<b>33.0</b>
<b>Aerospace &amp; IT Business</b>	<b>5.4</b>	6.0	(0.6)	<b>28.0</b>
<b>Infrastructure &amp; Environment Business</b>	<b>4.7</b>	5.1	(0.4)	<b>24.0</b>
<b>Energy</b>	<b>0.8</b>	(0.1)	+0.9	<b>4.0</b>
<b>Metals &amp; Coal</b>	<b>5.4</b>	1.8	+3.6	<b>20.0</b>
<b>Chemicals</b>	<b>11.2</b>	9.3	+1.9	<b>43.0</b>
<b>Foods &amp; Agriculture Business</b>	<b>5.8</b>	6.0	(0.2)	<b>21.0</b>
<b>Retail &amp; Lifestyle Business</b>	<b>9.0</b>	10.2	(1.2)	<b>36.0</b>
<b>Industrial Infrastructure &amp; Urban Development</b>	<b>0.8</b>	2.0	(1.2)	<b>8.0</b>
<b>Other</b>	<b>1.0</b>	0.8	+0.2	<b>5.0</b>

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

	FY2017 1Q	FY2016 1Q	Difference	Main Factors Behind Difference	FY2017 Forecast	FY2017 Current Position and Outlook	(Reference) FY2016 Results
<b>Auto-motive</b>	<b>2.8</b>	0.8	+2.0	Increased due to higher automobile sales volumes in overseas automobile assembly and wholesale businesses	<b>4.0</b>	Favorable performance in major businesses	<b>3.6</b>
<b>Aerospace &amp; IT Business</b>	<b>0.3</b>	(0.3)	+0.6	Improved due to absence of impairment losses on Company-owned ships recorded during the previous equivalent period	<b>5.0</b>	Earnings contributions from aircraft-related transactions and IT industry-related business anticipated in 2nd half of fiscal year	<b>9.9</b>
<b>Infrastructure &amp; Environment Business</b>	<b>0.7</b>	0.9	(0.2)	Relatively unchanged year on year	<b>5.0</b>	Earnings contributions from infrastructure-related businesses anticipated	<b>4.2</b>
<b>Energy</b>	<b>(0.4)</b>	(1.5)	+1.1	Loss decreased due to higher crude oil and gas prices as well as sales of certain upstream interests conducted in conjunction with restructuring of asset portfolio	<b>1.0</b>	Earnings contributions from investments accounted for using the equity method anticipated in 2nd half of fiscal year	<b>(0.6)</b>
<b>Metals &amp; Coal</b>	<b>4.2</b>	(0.4)	+4.6	Increased due to higher prices of coal and other resources and recovery of steel market conditions	<b>13.0</b>	Performance generally in line with outlook	<b>10.0</b>
<b>Chemicals</b>	<b>2.3</b>	1.9	+0.4	Increased due to new acquisition of a European chemical distributor and marketing company and higher plastic resin transactions	<b>8.0</b>	Performance generally in line with outlook	<b>8.3</b>
<b>Foods &amp; Agriculture Business</b>	<b>2.1</b>	1.4	+0.7	Increased due to firm performance of overseas fertilizer businesses	<b>5.0</b>	Performance generally in line with outlook	<b>(6.9)</b>
<b>Retail &amp; Lifestyle Business</b>	<b>1.6</b>	3.9	(2.3)	Decreased due to absence of gain on sales of commercial facilities in Japan recorded in the previous equivalent period	<b>5.0</b>	Performance generally in line with outlook	<b>7.3</b>
<b>Industrial Infrastructure &amp; Urban Development</b>	<b>(0.4)</b>	0.8	(1.2)	Decreased due to lower real estate transactions	<b>2.0</b>	Earnings contributions from overseas industrial park businesses anticipated in 2nd half of fiscal year	<b>1.3</b>
<b>Other</b>	<b>1.4</b>	0.9	+0.5		<b>2.0</b>		<b>3.7</b>

<b>Total</b>	<b>51.6</b>	46.8	+4.8	<b>222.0</b>	<b>14.6</b>	8.4	+6.2	<b>50.0</b>	<b>40.8</b>
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## Commodity Prices and Exchange Rates

	FY2016 Results (Apr.- Jun. '16 Avg.)	FY2017 Assumption (Annual Avg.)	FY2017 Results (Apr.- Jun. '17 Avg.)	Latest Data (as of July 28, 2017)
<b>Crude oil (Brent)**1</b>	US\$47.0/bbl	US\$50.0/bbl	US\$50.8/bbl	US\$52.5/bbl
<b>Thermal coal**2</b>	US\$51.5/t	US\$77.5/t	US\$79.8/t	US\$92.3/t
<b>Exchange rate**3</b>	¥107.9/US\$	¥110.0/US\$	¥111.4/US\$	¥111.1/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 ¥20 million annually.

\*\*2 The results in the above table are cited from the GlobalCOAL NEWC Index and differ from our sales prices.

\*\*3 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.4 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.1 billion annually, and total equity by approx. ¥1.7 billion annually.

(Reference) Effective April 1, 2017, the Company underwent the following changes in divisions as part of a structural reorganization. Figures for FY2016 1Q and FY2016 have been restated to reflect these changes.

Overview of Structural Reorganization Conducted Effective April 1, 2017  
 •The Lifestyle Commodities & Materials Division and the Retail Division were reorganized to form the Retail & Lifestyle Business Division and the Industrial Infrastructure & Urban Development Division.

•In conjunction with the structural reorganization, the medical and healthcare business operations previously included in the Chemicals Division were transferred to the Infrastructure & Environment Business Division.

## Summary of Consolidated Financial Results for the First Quarter Ended June 30, 2017 (IFRS)

August 2, 2017

### Sojitz Corporation

( URL <http://www.sojitz.com> )

Listed stock exchange: The first section of Tokyo

Security code: 2768

Company representative: Masayoshi Fujimoto, President & CEO

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Scheduled filing date of quarterly financial report: August 10, 2017

Scheduled date of delivery of dividends: -

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 Quarter Ended June 30, 2017 (April 1, 2017 - June 30, 2017)

#### (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 quarter ended												
June 30, 2017	1,000,697	11.6	14,122	64.6	19,058	98.9	15,889	72.0	14,615	73.6	20,436	-
June 30, 2016	896,291	(13.0)	8,579	7.8	9,584	(36.4)	9,236	(22.3)	8,420	(20.6)	(38,981)	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first quarter ended		
June 30, 2017	11.68	11.68
June 30, 2016	6.73	6.73

Note 1: Net sales above is based on JGAAP and represents the total value of the transactions for which the Sojitz Group acts as a principal operator or as an 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				
June 30, 2017	2,190,585	592,460	564,987	25.8
March 31, 2017	2,138,466	577,970	550,513	25.7

#### 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, 2017	-	4.00	-	4.00	8.00
March 31, 2018	-	-	-	-	-
March 31, 2018 (forecast)	-	5.00	-	5.00	10.00

Note : Changes in cash dividend forecast : No

### 3. Consolidated Earnings Forecast for the Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018)

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, 2018									
Full-year	4,100,000	9.5	55,000	6.6	69,000	19.1	50,000	22.7	39.97

Note 1: Changes in consolidated earnings forecast for the year ending March 31, 2018 : No

Note 2: Net sales above is based on JGAAP and represents the total value of the transactions for which the Sojitz Group acts as a principal operator or as an 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 June 30, 2017: 1,251,499,501                      As of March 31, 2017: 1,251,499,501

2. Number of treasury shares at the end of the periods:

As of June 30, 2017 : 521,687                      As of March 31, 2017 : 516,753

3. Average number of outstanding shares during the periods:

For the first quarter ended June 30, 2017 (accumulative): 1,250,979,517

For the first quarter ended June 30, 2016 (accumulative): 1,251,014,129

\* This summary of consolidated financial results is not subject to quarterly reviews.

\* 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 Three-Month Period Ended June 30, 2017

#### Economic Environment

In the three-month period ended June 30, 2017, conditions in the global economy held firm as emerging economies recovered following the stabilization of resource prices.

In the United States, relatively stable economic growth continued against a backdrop of growth in capital investment, exports, and consumer spending. The policy interest rate was raised once again in consideration of these circumstances. In addition, the stock market held firm due to impressive corporate performance.

A modest economic growth trend was sustained in Europe by the strong consumer spending and other demand seen within the region. In addition, concerns for political instability were alleviated by the results of the French presidential election as well as the victories of individuals with a positive stance toward the European Union in parliamentary elections. However, a sense of opaqueness was present given the possible curtailment of the monetary easing measures implemented by the European Central Bank and the bank-related issues in Italy.

The growth of the Chinese economy slowed, but only by a slight degree due to the brisk consumption and increased government expenditures for infrastructure investment and other means. Cause for concern for the future of China included the economic policies to be implemented in the fall or later and the direction of trade negotiations with the United States.

The ever more solid conditions in the economies of developed countries helped sustain a stable growth trend in Asia through increased exports and other means.

In Japan, despite an improved trade balance resulted from increased exports and an upward trend in capital investment, economic growth remained slow due to sluggish consumer spending.

#### Financial Performance

Sojitz Corporation's consolidated business results for the three-month period ended June 30, 2017, are presented below.

Net sales (*)	Net sales were up 11.6% year on year, to ¥1,000,697 million, due to higher sales in the Metals & Coal Division, a result of increased coal and precious metal transactions, as well as higher sales in the Chemicals Division, a result of the new acquisition of a European chemical distributor and marketing company and increased plastic resin transactions.
Gross profit	Gross profit increased ¥4,806 million year on year, to ¥51,629 million. This increase can be attributed to profit growth in the Metals & Coal Division, a result of higher selling prices in overseas coal businesses; a rise in profit in the Chemicals Division; and increased profit in the Automotive Division due to higher automobile sales volumes in overseas automobile wholesale businesses.
Operating profit	Operating profit increased ¥5,543 million year on year, to ¥14,122 million, as a result of the higher gross profit.
Profit before tax	Profit before tax increased ¥9,474 million year on year, to ¥19,058 million, following rises in operating profit and in share of profit of investments accounted for using the

equity method.

Profit for the period	After deducting income tax expenses of ¥3,169 million from profit before tax of ¥19,058 million, profit for the period amounted to ¥15,889 million, up ¥6,653 million year on year. Profit for the period (attributable to owners of the Company) increased ¥6,195 million year on year, to ¥14,615 million.
Comprehensive income for the period	Comprehensive income for the period of ¥20,436 million was recorded, compared with comprehensive loss for the period of ¥38,981 million in the previous equivalent period. This outcome was a result of higher profit for the period coupled with boosts from more beneficial foreign currency translation differences for foreign operations and an increase in financial assets measured at fair value through other comprehensive income. Comprehensive income for the period (attributable to owners of the Company) of ¥19,626 million was recorded, compared with comprehensive loss for the period (attributable to owners of the Company) of ¥38,187 million in the previous equivalent period.

\* Net sales above is based on JGAAP, and represents the total value of the transactions for which the Sojitz Group acts as a principal operator or as an agent.

Results for the three-month period ended June 30, 2017, are summarized by segment below.

Effective April 1, 2017, the Lifestyle Commodities & Materials Division and the Retail Division were reorganized to form the Retail & Lifestyle Business Division and the Industrial Infrastructure & Urban Development Division. Also effective on this date, the medical and healthcare business operations previously included in the Chemicals Division were transferred to the Infrastructure & Environment Business Division.

#### Automotive

Net sales (JGAAP) increased 15.6% year on year, to ¥75,385 million, as a result of higher export trading transactions for the Philippines and off-shore transactions and a rise in automobile sales volumes in overseas automobile wholesale businesses. Profit for the period (attributable to owners of the Company) increased ¥2,071 million year on year, to ¥2,822 million, due to higher gross profit and reevaluation gains accompanying a change in holding purpose for automotive parts operations.

#### Aerospace & IT Business

Net sales (JGAAP) decreased 8.8% year on year, to ¥128,757 million, as a result of lower aircraft-related transactions. Despite a decline in gross profit, profit for the period (attributable to owners of the Company) of ¥328 million was recorded, compared with loss for the period (attributable to owners of the Company) of ¥328 million in the three-month period ended June 30, 2016, when impairment losses on Company-owned ships were recorded.

#### Infrastructure & Environment Business

Net sales (JGAAP) decreased 9.1% year on year, to ¥42,713 million, as a result of lower plant-related transactions. Profit for the period (attributable to owners of the Company) decreased ¥221 million year on year, to ¥723 million.

### Energy

Net sales (JGAAP) increased 18.6% year on year, to ¥22,101 million, due to a rise in petroleum product transaction volumes. Loss for the period (attributable to owners of the Company) improved ¥1,064 million, to ¥434 million, following improvements in the profitability of oil and gas interests stemming from increases in crude oil and gas prices as well as an increase in share of profit of investments accounted for using the equity method associated with LNG business company.

### Metals & Coal

Net sales (JGAAP) increased 40.9% year on year, to ¥138,243 million, as a result of higher coal and precious metal transactions. Profit for the period (attributable to owners of the Company) of ¥4,170 million was recorded, in comparison with loss for the period (attributable to owners of the Company) of ¥360 million in the three-month period ended June 30, 2016. Factors behind this result included a rise in gross profit stemming from higher selling prices in overseas coal businesses as well as an increase in share of profit of investments accounted for using the equity method associated with steel operating company.

### Chemicals

Net sales (JGAAP) increased 23.0% year on year, to ¥177,364 million, as a result of the new acquisition of a European chemical distribution and marketing company as well as of higher plastic resin transactions. Profit for the period (attributable to owners of the Company) increased ¥470 million year on year, to ¥2,328 million.

### Foods & Agriculture Business

Net sales (JGAAP) increased 9.9% year on year, to ¥89,617 million, following higher feed material and grain transactions. Profit for the period (attributable to owners of the Company) increased ¥681 million year on year, to ¥2,082 million, as a result of growth in profit in overseas fertilizer businesses.

### Retail & Lifestyle Business

Net sales (JGAAP) increased 11.0% year on year, to ¥311,966 million, following a rise in heat-not-burn cigarette transaction volumes. Profit for the period (attributable to owners of the Company) was down ¥2,287 million, to ¥1,593 million. Although higher heat-not-burn cigarette and meat transactions contributed to profit growth, overall profit was down due to the absence of the gain on sales of commercial facilities in Japan recorded in the previous equivalent period.

### Industrial Infrastructure & Urban Development

Net sales (JGAAP) decreased 45.3% year on year, to ¥4,534 million, following a decline in real estate transactions. Loss for the period (attributable to owners of the Company) of ¥443 million was recorded, in comparison with profit for the period (attributable to owners of the Company) of ¥757 million in the three-month period ended June 30, 2016. This outcome was largely due to a decline in gross profit.

## (2) Financial Position

### Consolidated Balance Sheet

Total assets on June 30, 2017, stood at ¥2,190,585 million, up ¥52,119 million from March 31, 2017. This

increase was mainly attributable to the expansion of tobacco- and automobile-related inventories and a rise in other current assets associated with aircraft-related transactions.

Total liabilities at June 30, 2017, amounted to ¥1,598,124 million, up ¥37,629 million from March 31, 2017, following an increase in interest-bearing debt attributable to new borrowings.

Total equity attributable to owners of the Company was ¥564,987 million on June 30, 2017, up ¥14,474 million from March 31, 2017. This was largely due to the accumulation of profit for the period and an increase in other components of equity resulted primarily from stock price movements.

Sojitz consequently, on June 30, 2017, the current ratio was 175.8%, the long-term debt ratio was 82.6%, and the equity ratio\* was 25.8%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥658,084 million on June 30, 2017, a ¥47,077 million increase from March 31, 2017. This resulted in the Company's net debt equity ratio\* equaling 1.16 times at June 30, 2017.

(\*) 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 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. As one source of long-term funding, Sojitz issued straight bonds in the amount of ¥10 billion in June 2017. Sojitz will continue to closely monitor interest rates and market conditions and will consider additional issues whenever the timing and associated costs prove advantageous.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥100 billion long-term yen commitment line (which remains unused) and long-term commitment line totaling US\$1 billion (of which US\$580 million has been used). In addition, the Company has concluded a US\$300 million long-term foreign currency borrowing facility agreement with effective period provisions (which remains unused).

#### Consolidated Cash Flows

In the three-month period ended June 30, 2017, operating activities used net cash flow of ¥29,880 million, investing activities used net cash of ¥10,180 million, and financing activities provided net cash of ¥31,884 million. Sojitz ended the period with cash and cash equivalents of ¥300,088 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

#### (Cash flows from operating activities)

Net cash used in operating activities amounted to ¥29,880 million, compared with net cash provided by operating activities of ¥39,301 million in the previous equivalent period. Major factors increasing cash included profit for the period and dividends received. However, these factors were outweighed by major factors decreasing cash, such as increases in tobacco-related inventories in the Retail & Lifestyle Business Division and in inventories for the Automotive Division and the Infrastructure & Environment Business Division.

#### (Cash flows from investing activities)



Net cash used in investing activities totaled ¥10,180 million, down ¥4,871 million year on year. Investment outlays for the acquisition of gas-fired power plant in the United States exceeded investment inflows from the collection of loans receivable.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥31,884 million, compared with net cash used in financing activities of ¥28,007 million in the previous equivalent period, largely as a result of proceeds from borrowings.

(3) Consolidated Earnings Forecast

The Company's consolidated earnings forecast is based on the following assumptions.

Exchange rate (annual average JPY/USD rate): ¥110

Crude oil price (Brent) (annual average): US\$50/bbl

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. Consolidated Financial Statements

#### (1) Consolidated Statements of Financial Position

(In millions of Yen)

	As of March 31, 2017	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and cash equivalent	308,632	300,088
Time deposits	5,728	5,539
Trade and other receivables	563,458	554,018
Derivative financial assets	3,919	4,575
Inventories	271,327	295,403
Income tax receivables	3,647	6,323
Other current assets	72,417	103,373
Subtotal	1,229,130	1,269,321
Assets as held for sale	616	385
Total current assets	1,229,747	1,269,706
Non-current assets		
Property, plant and equipment	172,201	172,985
Goodwill	57,594	57,922
Intangible assets	34,148	33,591
Investment property	21,100	21,327
Investments accounted for using the equity method	386,740	388,964
Trade and other receivables	45,485	45,488
Other investments	172,944	181,969
Derivative financial assets	36	25
Other non-current assets	9,815	9,877
Deferred tax assets	8,650	8,725
Total non-current assets	908,719	920,878
Total assets	2,138,466	2,190,585
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	483,049	481,123
Bonds and borrowings	158,698	168,028
Derivative financial liabilities	3,669	3,060
Income tax payables	9,190	6,241
Provisions	2,124	2,520
Other current liabilities	60,912	61,115
Subtotal	717,646	722,089
Liabilities directly related to assets as held for sale	101	—
Total current liabilities	717,748	722,089
Non-current liabilities		
Bonds and borrowings	766,669	795,683
Trade and other payables	3,709	4,194
Derivative financial liabilities	4,004	4,077
Retirement benefits liabilities	21,381	21,782
Provisions	20,792	20,892
Other non-current liabilities	6,490	7,076
Deferred tax liabilities	19,698	22,327
Total non-current liabilities	842,747	876,034
Total liabilities	1,560,495	1,598,124
Equity		
Share capital	160,339	160,339
Capital surplus	146,513	146,512
Treasury stock	(170)	(172)
Other components of equity	132,682	137,250
Retained earnings	111,149	121,057
Total equity attributable to owners of the Company	550,513	564,987
Non-controlling interests	27,457	27,472
Total equity	577,970	592,460
Total liabilities and equity	2,138,466	2,190,585

## (2) Consolidated Statements of Profit or Loss

(In Millions of Yen)

	FY 2016 First Quarter (From April 1, 2016 To June 30, 2016)	FY 2017 First Quarter (From April 1, 2017 To June 30, 2017)
Revenue		
Sales of goods	353,210	413,076
Sales of services and others	21,829	19,368
Total revenue	375,039	432,445
Cost of sales	(328,216)	(380,815)
Gross profit	46,823	51,629
Selling, general and administrative expenses	(37,686)	(38,454)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	5	1
Impairment loss on fixed assets	(370)	(21)
Gain on sale of subsidiaries/associates	93	1,100
Loss on reorganization of subsidiaries/associates	(273)	(192)
Other operating income	2,169	2,097
Other operating expenses	(2,182)	(2,037)
Total other income (expenses)	(557)	947
Operating profit	8,579	14,122
Financial income		
Interest earned	988	1,280
Dividends received	1,378	1,540
Total financial income	2,366	2,821
Financial costs		
Interest expenses	(3,877)	(3,780)
Other financial expenses	(54)	(0)
Total financial costs	(3,931)	(3,780)
Share of profit (loss) of investments accounted for using the equity method	2,570	5,896
Profit before tax	9,584	19,058
Income tax expenses	(348)	(3,169)
Profit for the period	9,236	15,889
Profit for the period attributable to:		
Owners of the Company	8,420	14,615
Non-controlling interests	816	1,273
Total	9,236	15,889
Net sales *	896,291	1,000,697

\* Net sales above is based on JGAAP, and represents the total value of the transactions for which the Sojitz Group acts as a principal or agent.

## (3) Consolidated Statements of Profit or Loss and other Comprehensive Income

(In Millions of Yen)

	FY 2016 First Quarter (From April 1, 2016 To June 30, 2016)	FY 2017 First Quarter (From April 1, 2017 To June 30, 2017)
Profit for the period	9,236	15,889
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(6,617)	3,484
Remeasurements of defined benefit pension plans	3	(4)
Share of other comprehensive income of investments accounted for using the equity method	(6,815)	3,663
Total items that will not be reclassified to profit or loss	(13,430)	7,143
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(27,704)	(2,930)
Cash flow hedges	(1,321)	986
Share of other comprehensive income of investments accounted for using the equity method	(5,761)	(651)
Total items that may be reclassified subsequently to profit or loss	(34,788)	(2,595)
Other comprehensive income for the period, net of tax	(48,218)	4,547
Total comprehensive income for the period	(38,981)	20,436
Total comprehensive income for the period attributable to:		
Owners of the Company	(38,187)	19,626
Non-controlling interests	(793)	810
Total	(38,981)	20,436

## (4) Consolidated Statements of Changes in Equity

(In Millions of Yen)

	Attributable to owners of the Company					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Foreign currency translation differences for foreign operations	Financial assets measured at fair value through other comprehensive income	Cash flow hedges
Balance as of April 1, 2016	160,339	146,514	(161)	39,649	98,904	(6,139)
Profit for the period						
Other comprehensive income				(31,423)	(13,410)	(1,773)
Total comprehensive income for the period	—	—	—	(31,423)	(13,410)	(1,773)
Purchase of treasury stock		(0)	(0)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control						
Reclassification from other components of equity to retained earnings					(18)	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(0)	—	(18)	—
Balance as of June 30, 2016	160,339	146,514	(161)	8,226	85,475	(7,912)

Balance as of April 1, 2017	160,339	146,513	(170)	31,537	106,268	(5,124)
Profit for the period						
Other comprehensive income				(2,915)	7,065	845
Total comprehensive income for the period	—	—	—	(2,915)	7,065	845
Purchase of treasury stock		(0)	(1)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				(0)		
Reclassification from other components of equity to retained earnings					(425)	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(1)	(0)	(425)	—
Balance as of June 30, 2017	160,339	146,512	(172)	28,621	112,907	(4,279)

(In Millions of Yen)

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company		
	Remeasurements of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2016	—	132,415	81,245	520,353	29,363	549,716
Profit for the period			8,420	8,420	816	9,236
Other comprehensive income	(0)	(46,608)		(46,608)	(1,610)	(48,218)
Total comprehensive income for the period	(0)	(46,608)	8,420	(38,187)	(793)	(38,981)
Purchase of treasury stock				(0)		(0)
Dividends			(5,004)	(5,004)	(422)	(5,427)
Change in ownership interests in subsidiaries without loss/acquisition of control			(0)	(0)	—	(0)
Reclassification from other components of equity to retained earnings	0	(17)	17	—		—
Other changes			(75)	(75)	76	1
Total contributions by and distributions to owners of the Company	0	(17)	(5,061)	(5,079)	(345)	(5,425)
Balance as of June 30, 2016	—	85,789	84,603	477,086	28,223	505,309

Balance as of April 1, 2017	—	132,682	111,149	550,513	27,457	577,970
Profit for the period			14,615	14,615	1,273	15,889
Other comprehensive income	15	5,010		5,010	(462)	4,547
Total comprehensive income for the period	15	5,010	14,615	19,626	810	20,436
Purchase of treasury stock				(1)		(1)
Dividends			(5,003)	(5,003)	(692)	(5,695)
Change in ownership interests in subsidiaries without loss/acquisition of control		(0)		(0)		(0)
Reclassification from other components of equity to retained earnings	(15)	(441)	441	—		—
Other changes			(145)	(145)	(103)	(249)
Total contributions by and distributions to owners of the Company	(15)	(441)	(4,708)	(5,151)	(795)	(5,947)
Balance as of June 30, 2017	—	137,250	121,057	564,987	27,472	592,460

## (5) Consolidated Statements of Cash Flows

(In Millions of Yen)

	FY 2016 First Quarter (From April 1, 2016 To June 30, 2016)	FY 2017 First Quarter (From April 1, 2017 To June 30, 2017)
Cash flows from operating activities		
Profit for the period	9,236	15,889
Depreciation and amortization	5,979	5,225
Impairment loss on fixed assets	370	21
Finance (income) costs	1,564	959
Share of (profit) loss of investments accounted for using the equity method	(2,570)	(5,896)
(Gain) loss on disposal of fixed assets, net	(5)	(1)
Income tax expenses	348	3,169
(Increase) decrease in trade and other receivables	12,475	7,305
(Increase) decrease in inventories	3,801	(23,740)
Increase (decrease) in trade and other payables	5,895	(641)
Increase (decrease) in retirement benefits liabilities	134	328
Others	2,768	(31,511)
Subtotal	39,999	(28,890)
Interest earned	864	1,072
Dividends received	6,400	9,813
Interest paid	(3,079)	(3,130)
Income tax paid	(4,882)	(8,745)
Net cash provided (used) by/in operating activities	39,301	(29,880)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,508)	(5,993)
Proceeds from sale of property, plant and equipment	506	142
Purchase of intangible assets	(350)	(724)
(Increase) decrease in short-term loans receivable	(600)	1,169
Payment for long-term loans receivable	(384)	(195)
Collection of long-term loans receivable	200	8
Net proceeds from (payments for) acquisition of subsidiaries	(120)	(5)
Net proceeds from (payments for) sale of subsidiaries	(150)	117
Purchase of investments	(5,116)	(4,777)
Proceeds from sale of investments	113	746
Others	(1,641)	(669)
Net cash provided (used) by/in investing activities	(15,051)	(10,180)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(9,305)	14,597
Proceeds from long-term borrowings	24,181	32,515
Repayment of long-term borrowings	(37,293)	(9,418)
Proceeds from issuance of bonds	9,946	9,940
Redemption of bonds	(10,000)	(10,000)
Proceeds from non-controlling interest holders	413	536
Purchase of treasury stock	(0)	(1)
Dividends paid	(5,004)	(5,003)
Dividends paid to non-controlling interest holders	(422)	(692)
Others	(522)	(589)
Net cash provided (used) by/in financing activities	(28,007)	31,884
Net increase (decrease) in cash and cash equivalents	(3,757)	(8,176)
Cash and cash equivalents at the beginning of the period	344,414	308,632
Effect of exchange rate changes on cash and cash equivalents	(7,245)	(367)
Cash and cash equivalents at the end of the period	333,411	300,088



## (6) Segment information

For the first quarter ended June 30, 2016 (April 1, 2016 – June 30, 2016)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	35,040	19,758	28,352	9,573	54,858	95,159	37,079
Inter-segment revenue	2	438	10	9	0	7	2
Total revenue	35,043	20,196	28,363	9,583	54,858	95,166	37,082
Segment profit (loss)	751	(328)	944	(1,498)	(360)	1,858	1,401
Net sales (Note)							
External	65,194	141,252	46,989	18,632	98,132	144,243	81,581

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	76,378	8,331	364,532	10,507	—	375,039
Inter-segment revenue	24	67	564	80	(644)	—
Total revenue	76,403	8,398	365,096	10,587	(644)	375,039
Segment profit (loss)	3,880	757	7,406	(481)	1,495	8,420

Net sales (Note)						
External	281,168	8,283	885,478	10,812	—	896,291

Reconciliation of segment profit of 1,495 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 1,208 million yen, and unallocated dividend income and others of 287 million yen.

For the first quarter ended June 30, 2017 (April 1, 2017 – June 30, 2017)

(In Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	39,892	22,664	28,055	10,408	78,716	124,190	42,590
Inter-segment revenue	0	794	7	7	—	3	3
Total revenue	39,892	23,459	28,063	10,415	78,716	124,194	42,593
Segment profit (loss)	2,822	328	723	(434)	4,170	2,328	2,082
Net sales (Note)							
External	75,385	128,757	42,713	22,101	138,243	177,364	89,617

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	72,314	4,542	423,374	9,070	—	432,445
Inter-segment revenue	15	132	965	81	(1,046)	—
Total revenue	72,329	4,674	424,339	9,151	(1,046)	432,445
Segment profit (loss)	1,593	(443)	13,171	175	1,268	14,615

Net sales (Note)						
External	311,966	4,534	990,685	10,012	—	1,000,697

Reconciliation of segment profit of 1,268 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 1,123 million yen, and unallocated dividend income and others of 145 million yen.

Note: Net sales above is based on JGAAP and represents the total value of the transactions for which the Sojitz Group acts as a principal operator or as an agent.

## (Changes in reporting segments)

Effective April 1, 2017, the Lifestyle Commodities & Materials Division and the Retail Division were reorganized to form the Retail & Lifestyle Business Division and the Industrial Infrastructure & Urban Development Division. Also effective on this date, the medical and healthcare business operations previously included in the Chemicals Division were transferred to the Infrastructure & Environment Business Division. These reforms have also resulted in a change in reportable segments. Segment information for the three-month period ended June 30, 2016, has been restated to reflect the reportable segments after this change.

# Financial Results for the First Quarter Ended June 30, 2017 (Reference)

**August 2, 2017**  
**Sojitz Corporation**

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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 First Quarter and Full Year Forecast of Fiscal Year Ending March 31, 2018

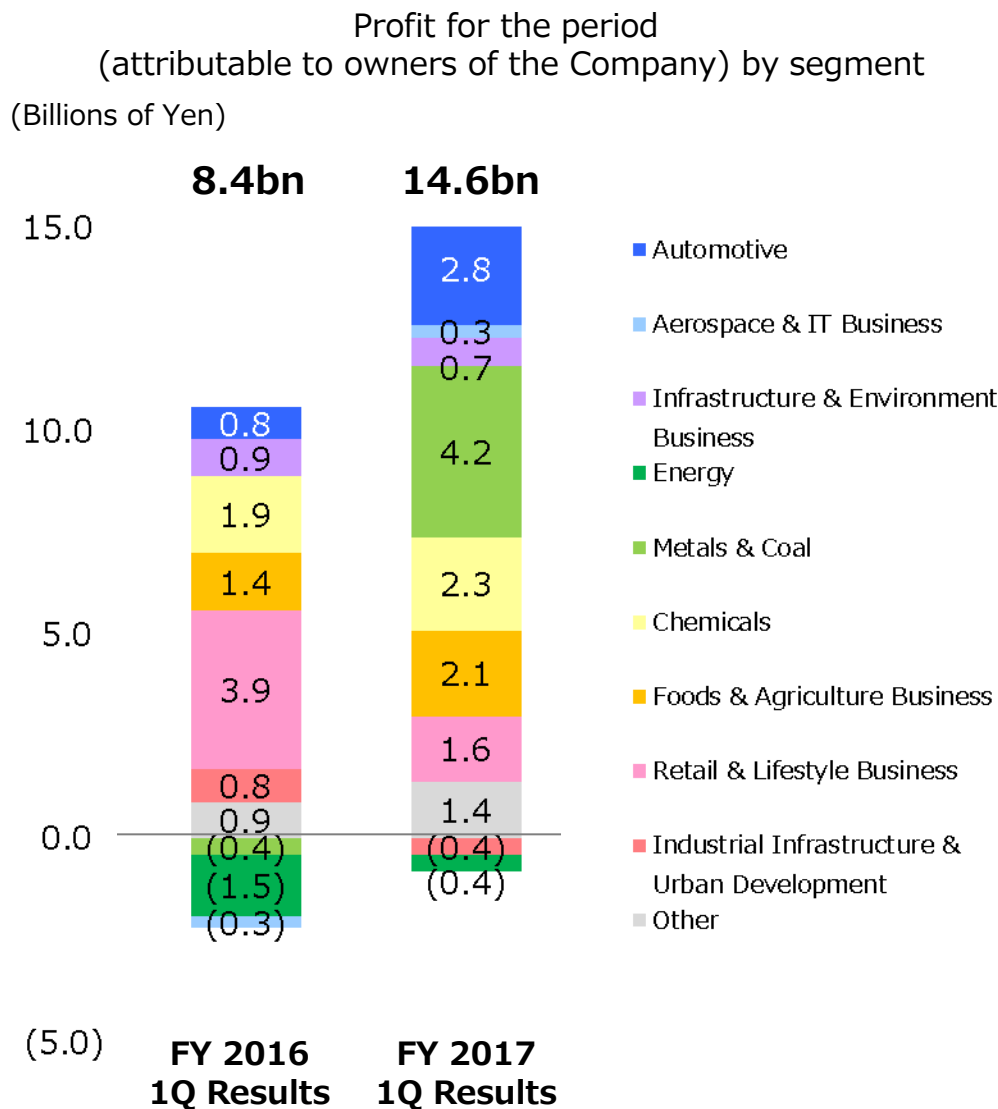


# Summary of Profit or Loss

(Billions of Yen)	FY2016 1Q Results	FY2017 1Q Results	Difference	FY2017 Forecast	Achieved
<b>Net Sales (JGAAP)</b>	896.3	1,000.7	+104.4	4,100.0	24%
<b>Gross Profit</b>	46.8	51.6	+4.8	222.0	23%
<b>Operating Profit</b>	8.6	14.1	+5.5	55.0	26%
<b>Share of profit (loss) of investments accounted for using the equity method</b>	2.6	5.9	+3.3	21.0	28%
<b>Profit before tax</b>	9.6	19.1	+9.5	69.0	28%
<b>Profit for the period attributable to owners of the Company</b>	8.4	14.6	+6.2	50.0	29%
<b>Core earnings</b>	10.2	17.9	+7.7	70.0	26%

# Summary of Profit or Loss

## Profit for the period by segment



### Factor behind year on year change in earnings

- Automotive ¥ 2.8 billion (up ¥ 2.0 billion YoY)**  
 Increased due to higher automobile sales volumes in overseas automobile assembly and wholesale businesses
- Aerospace & IT business ¥ 0.3 billion (up ¥ 0.6 billion YoY)**  
 Improved due to absence of impairment losses on Company-owned ships recorded during the previous equivalent period
- Infrastructure & Environment Business ¥ 0.7 billion (down ¥ (0.2) billion YoY)**  
 Relatively unchanged year on year
- Energy ¥ (0.4) billion (up ¥ 1.1 billion YoY)**  
 Loss decreased due to higher crude oil and gas prices as well as sales of certain upstream interests conducted in conjunction with restructuring of asset portfolio
- Metals & Coal ¥ 4.2 billion (up ¥ 4.6 billion YoY)**  
 Increased due to higher prices of coal and other resources and recovery of steel market conditions
- Chemicals ¥ 2.3 billion (up ¥ 0.4 billion YoY)**  
 Increased due to new acquisition of a European chemical distributor and marketing company and higher plastic resin transactions
- Foods & Agriculture Business ¥ 2.1 billion (up ¥ 0.7 billion YoY)**  
 Increased due to firm performance of overseas fertilizer businesses
- Retail & Lifestyle Business ¥ 1.6 billion (down ¥ (2.3) billion YoY)**  
 Decreased due to absence of gain on sales of commercial facilities in Japan recorded in the previous equivalent period
- Industrial Infrastructure & Urban Development ¥ (0.4) billion (down ¥ (1.2) billion YoY)**  
 Decreased due to lower real estate transactions

# FY2017 Forecast

## Profit for the year by segment

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

(Billions of Yen)	FY2017 1Q Results	FY2017 Forecast	Achieved
Automotive	2.8	4.0	70%
Aerospace & IT Business	0.3	5.0	6%
Infrastructure & Environment Business	0.7	5.0	14%
Energy	(0.4)	1.0	—
Metals & Coal	4.2	13.0	32%
Chemicals	2.3	8.0	29%
Foods & Agriculture Business	2.1	5.0	42%
Retail & Lifestyle Business	1.6	5.0	32%
Industrial Infrastructure & Urban Development	(0.4)	2.0	—
Other	1.4	2.0	70%
<b>Total</b>	<b>14.6</b>	<b>50.0</b>	<b>29%</b>

## Future Outlook

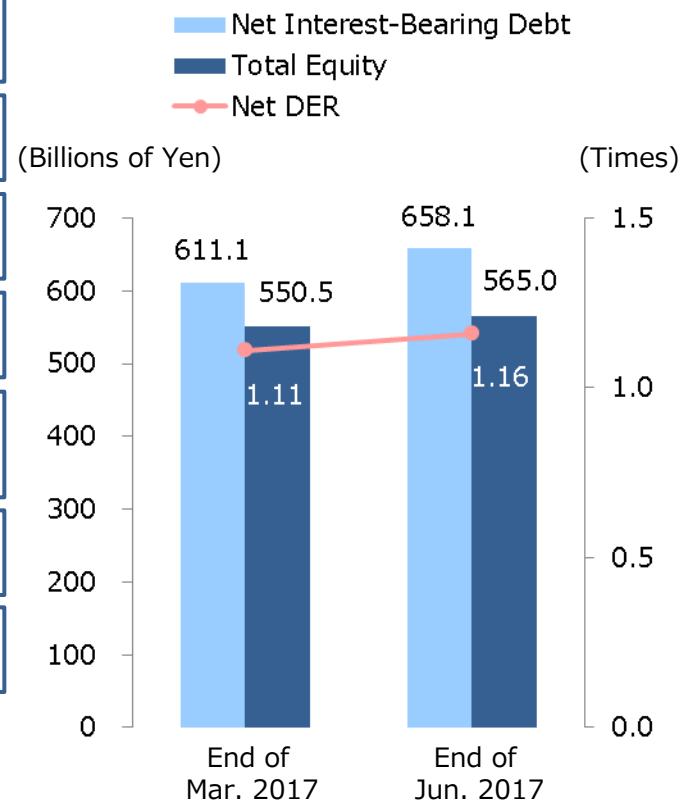
- **Automotive ¥ 2.8 billion**  
Favorable performance in major businesses
- **Aerospace & IT Business ¥ 0.3 billion**  
Earnings contributions from aircraft-related transactions and IT industry-related business anticipated in 2nd half of fiscal year
- **Infrastructure & Environment Business ¥ 0.7 billion**  
Earnings contributions from infrastructure-related businesses anticipated
- **Energy ¥ (0.4) billion**  
Earnings contributions from investments accounted for using the equity method anticipated in 2nd half of fiscal year
- **Metals & Coal ¥ 4.2 billion**  
Performance generally in line with outlook
- **Chemicals ¥ 2.3 billion**  
Performance generally in line with outlook
- **Foods & Agriculture Business ¥ 2.1 billion**  
Performance generally in line with outlook
- **Retail & Lifestyle Business ¥ 1.6 billion**  
Performance generally in line with outlook
- **Industrial Infrastructure & Urban Development ¥ (0.4) billion**  
Earnings contributions from overseas industrial park businesses anticipated in 2nd half of fiscal year

# Summary of Balance Sheets

(Billions of Yen)	End of Mar. 2017	End of Jun. 2017	Difference	End of Mar. 2018 (Forecast)
<b>Total Assets</b>	2,138.5	2,190.6	+52.1	2,260.0
<b>Total equity*</b>	550.5	565.0	+14.5	580.0
<b>Equity Ratio</b>	25.7%	25.8%	+0.1%	25.7%
<b>Net interest-bearing debt</b>	611.1	658.1	+47.0	650.0
<b>Net DER (Times)</b>	1.11	1.16	+0.05	1.12
<b>Risk Assets vs. Total equity</b>	320.0 0.6 times	300.0 0.5times	(20.0) (0.1)times	—
<b>Current Ratio</b>	171.3%	175.8%	+4.5%	—
<b>Long-term debt ratio</b>	82.9%	82.6%	(0.3)%	—

## Changes in Total Equity (End of Mar. 2017 vs. End of Jun. 2017, Breakdown)

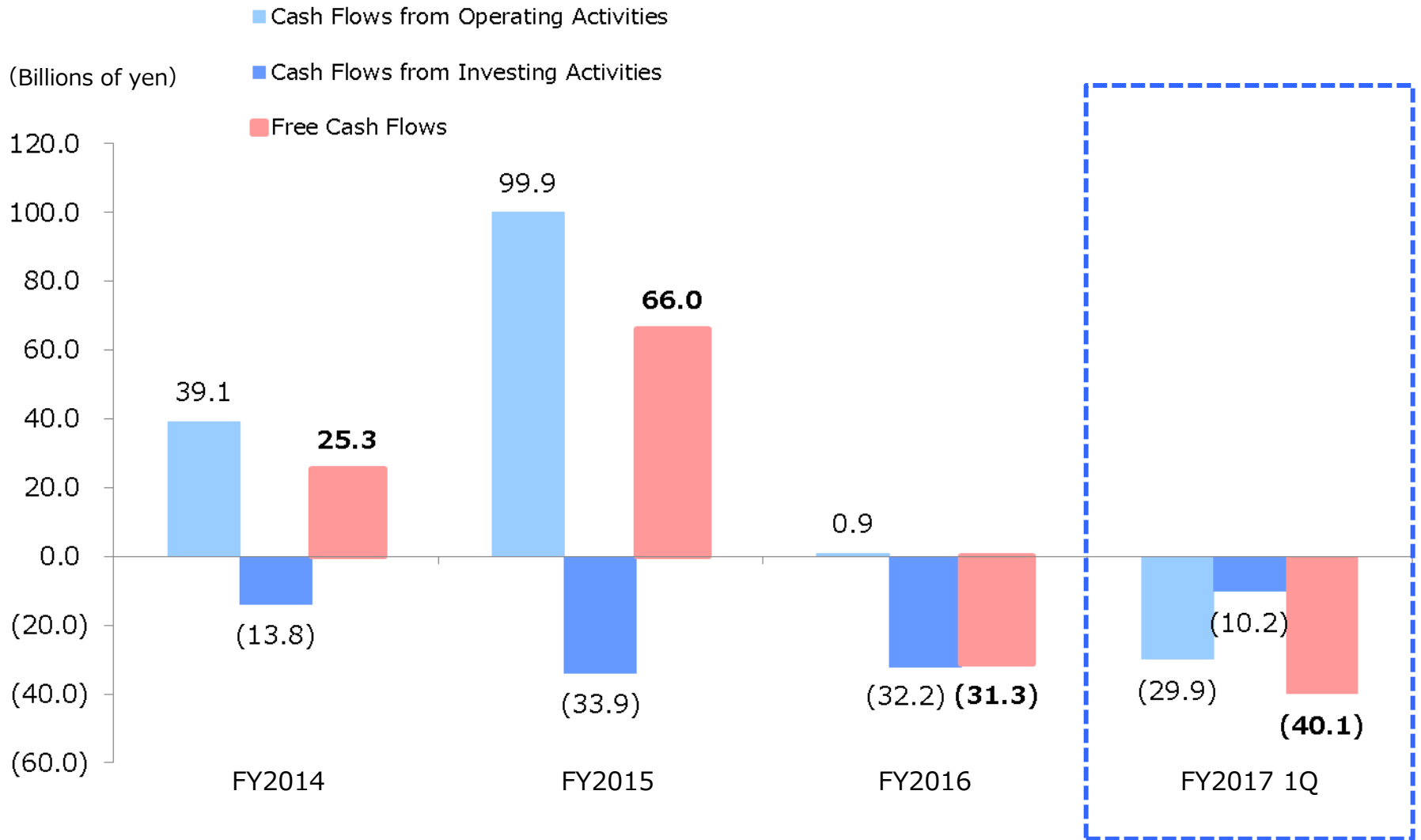
- Profit for the period ¥ 14.6 billion
- Dividends paid ¥ (5.0) billion



(\*) "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 Free Cash Flows



# Investments and Loans and Asset Reduction for FY2017 1Q

FY 2017 1Q Results	Main Business
Investments and Loans	<ul style="list-style-type: none"><li>■ Aircraft related business</li><li>■ IPP businesses in the United States</li><li>■ Overseas solar power businesses</li><li>■ ASEAN retail businesses</li><li>■ Commercial facility in Japan</li><li>■ Capital expenditure for resource businesses</li></ul>
Investments and Loans Total	¥50.0 bn
Asset Reduction Total	¥3.0 bn

# Commodity Prices, Foreign Exchange, and Interest Rate

	FY2016 Results (Apr.-Jun. Avg.)	FY2017 Assumptions (Annual Avg.)	FY2017 Results (Apr.-Jun. Avg.)	Latest Data (As of July 28, 2017)
Crude oil (Brent)*1	US\$47.0/bbl	US\$50.0/bbl	US\$50.8/bbl	US\$52.5/bbl
Thermal Coal *2	US\$51.5/t	US\$77.5/t	US\$79.8/t	US\$92.3/t
Exchange rate *3	¥107.9/US\$	¥110.0/US\$	¥111.4/US\$	¥111.1/US\$
Interest rate (TIBOR)	0.07%	0.06%	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. ¥20 million annually.
- \*2 The results in the above table are cited from the GlobalCOAL NEWC Index and differ from our sales prices.
- \*3 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.4 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.1 billion annually, and total equity by approx. ¥1.7 billion.

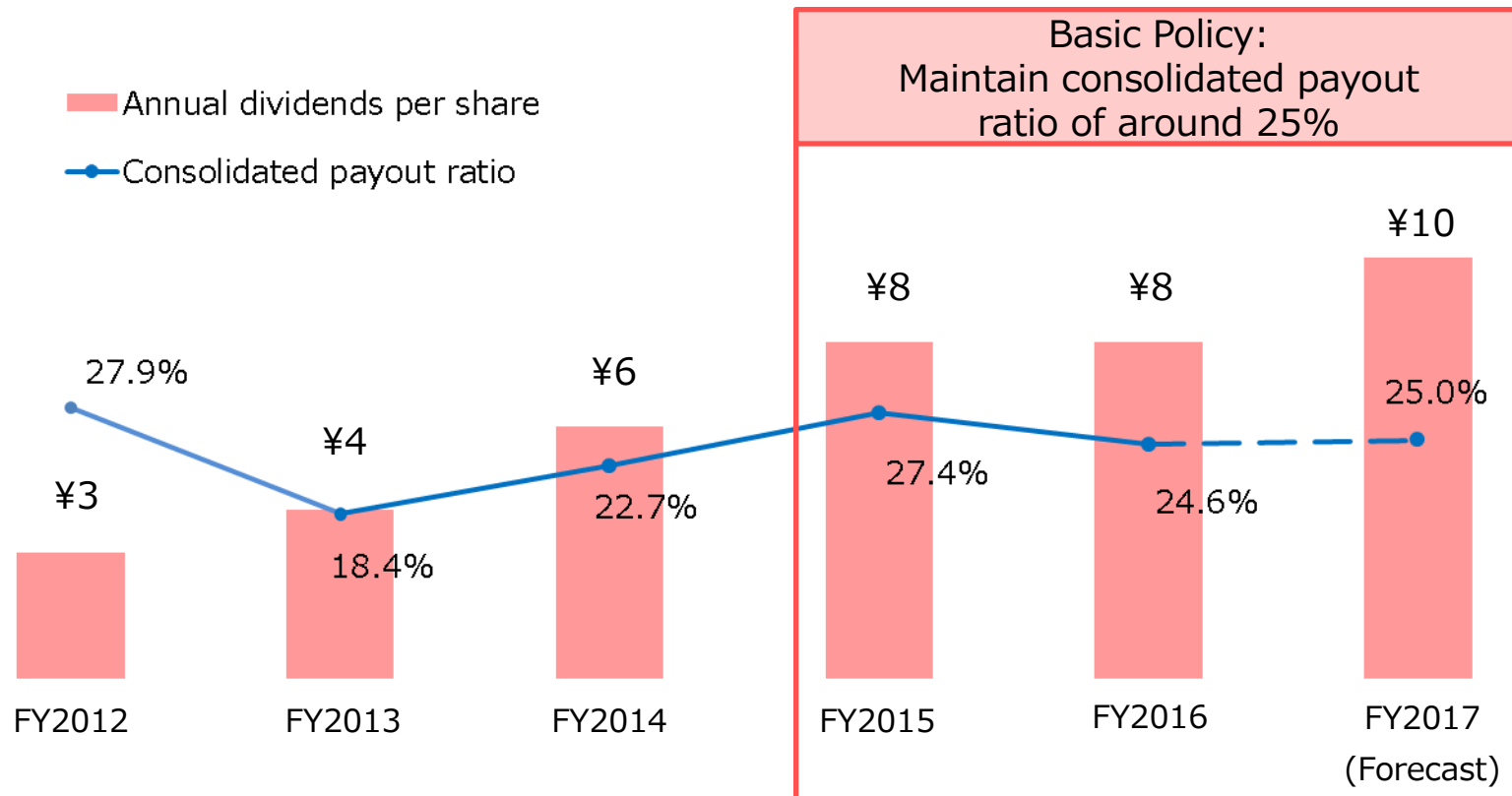
## II. Dividends

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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.



# 【Supplemental Data】

## I . Segment Information

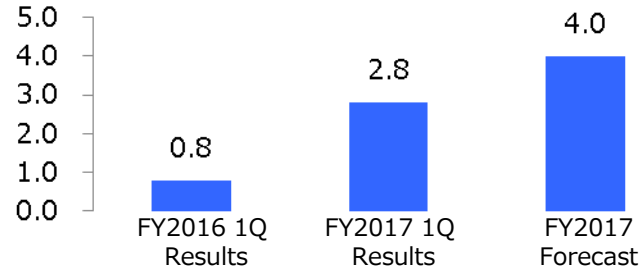
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# Automotive



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

(Billions of yen)

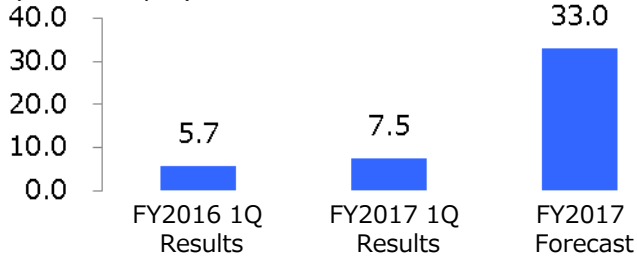


### 【Future Outlook】

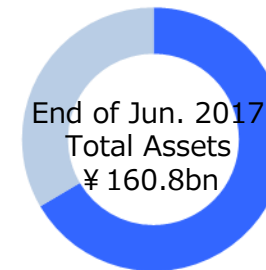
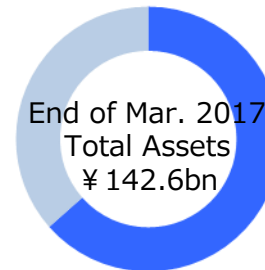
Favorable performance in major businesses

## Gross Profit

(Billions of yen)



## Asset Structure



■ Current Assets  
■ Non-Current Assets

## FY 2017 1Q Results

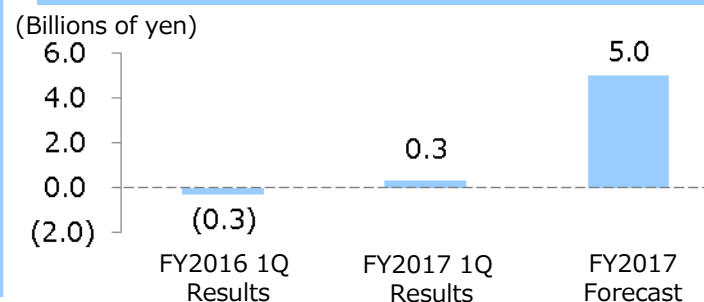
(Billions of Yen)

	FY2016 1Q Results	FY2017 1Q Results
Gross profit	5.7	7.5
Operating profit	1.1	3.1
Share of profit of investments accounted for using the equity method	0.3	0.9
Profit for the period (attributable to owners of the Company)	0.8	2.8
	End of Mar. 2017	End of Jun. 2017
Total assets	142.6	160.8

# Aerospace & IT Business



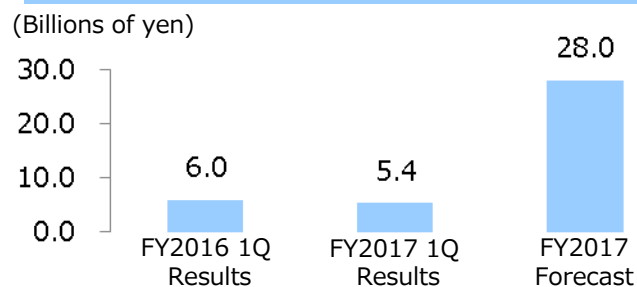
## Profit for the period (attributable to owners of the Company)



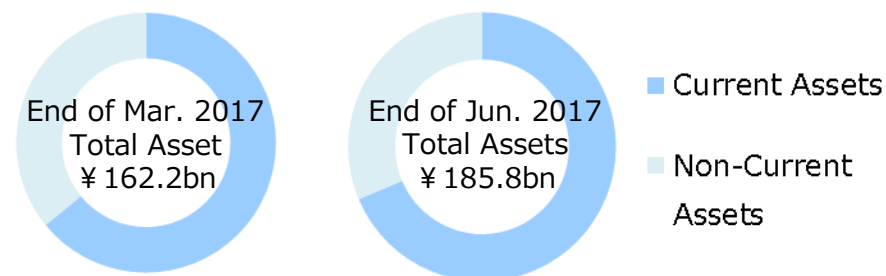
### 【Future Outlook】

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

## Gross Profit



## Asset Structure



## FY2017 1Q Results

(Billions of Yen)	FY2016 1Q Results	FY2017 1Q Results
Gross profit	6.0	5.4
Operating profit	0.2	0.7
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)	(0.3)	0.3
	End of Mar. 2017	End of Jun. 2017
Total assets	162.2	185.8

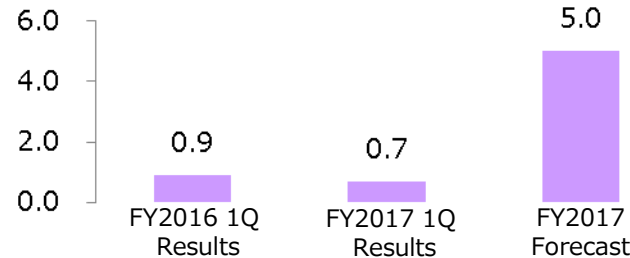


# Infrastructure & Environment Business



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

(Billions of yen)

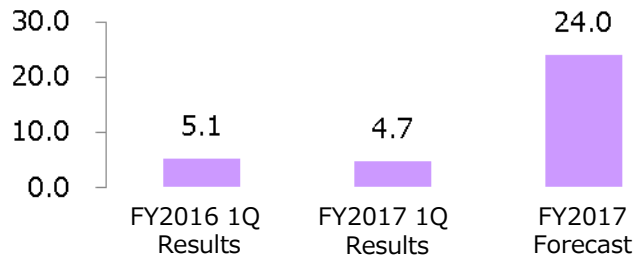


### 【Future Outlook】

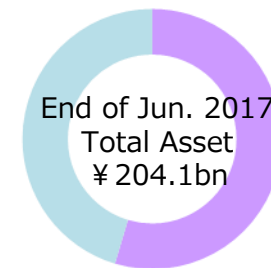
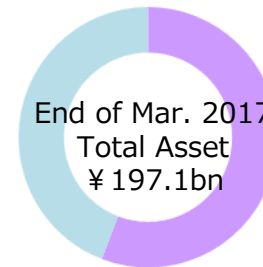
Earnings contributions from infrastructure-related businesses anticipated

## Gross Profit

(Billions of yen)



## Asset Structure



■ Current Assets  
■ Non-Current Assets

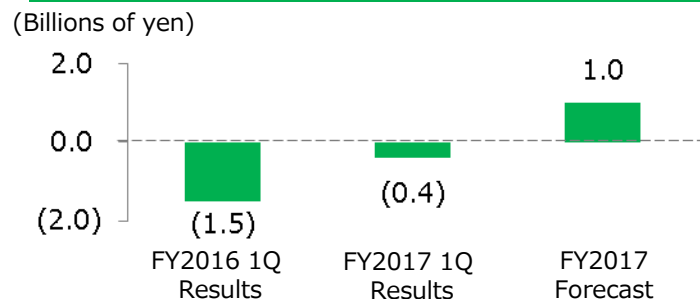
## FY2017 1Q Results

(Billions of Yen)	FY2016 1Q Results	FY2017 1Q Results
Gross profit	5.1	4.7
Operating profit	1.1	1.0
Share of profit of investments accounted for using the equity method	0.4	0.2
Profit for the period (attributable to owners of the Company)	0.9	0.7
	End of Mar. 2017	End of Jun. 2017
Total assets	197.1	204.1

# Energy



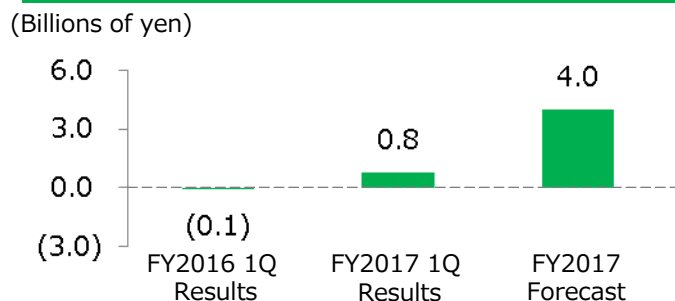
## Profit for the period (attributable to owners of the Company)



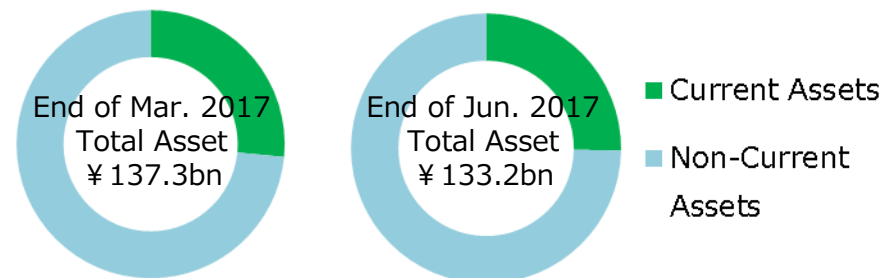
### 【Future Outlook】

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

## Gross Profit



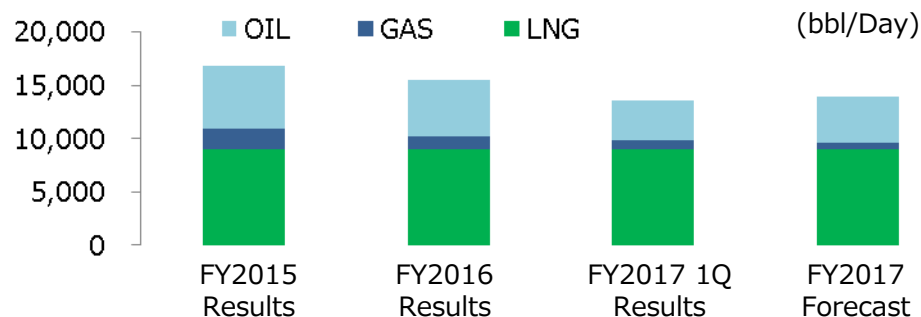
## Asset Structure



## FY2017 1Q Results

(Billions of Yen)	FY2016 1Q Results	FY2017 1Q Results
Gross profit	(0.1)	0.8
Operating profit (loss)	(1.7)	(0.5)
Share of profit of investments accounted for using the equity method	(0.1)	0.1
Profit (loss) for the period (attributable to owners of the Company)	(1.5)	(0.4)
	End of Mar. 2017	End of Jun. 2017
Total assets	137.3	133.2

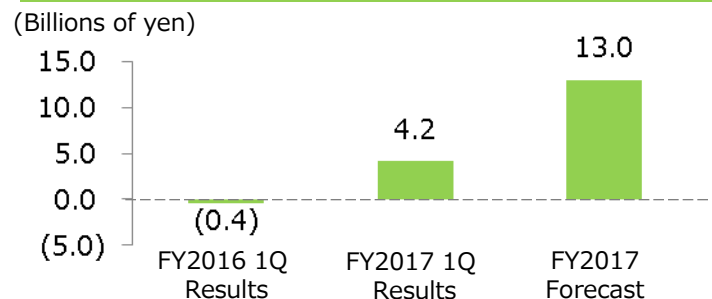
## Share of Production Volume for Oil, Gas and LNG



# Metals & Coal

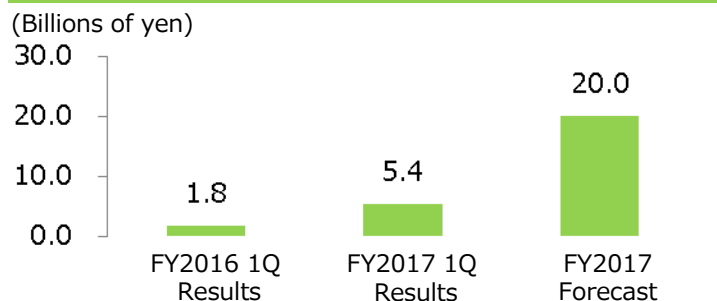


## Profit for the period (attributable to owners of the Company)

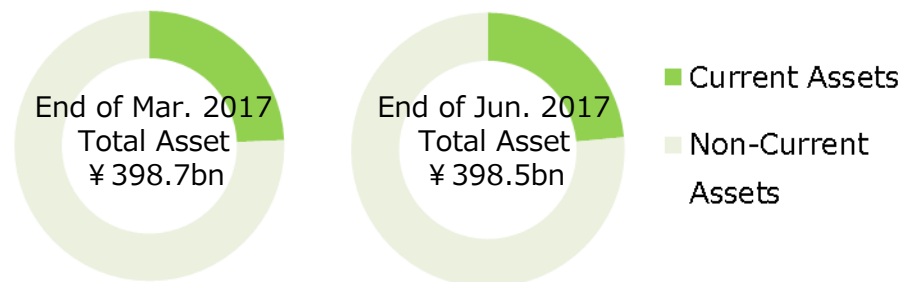


**[Future Outlook]**  
Performance generally in line with outlook

## Gross Profit



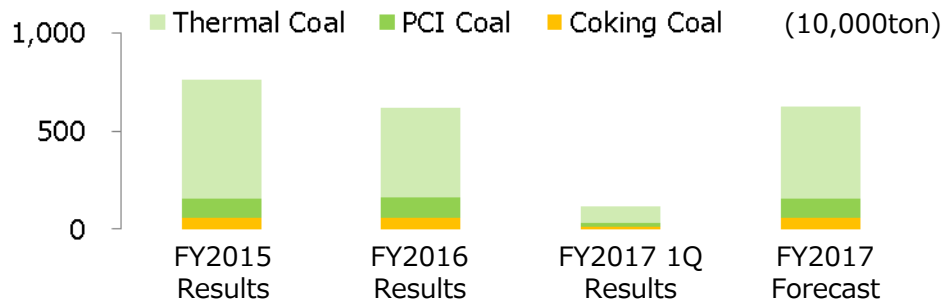
## Asset Structure



## FY2017 1Q Results

(Billions of Yen)	FY2016 1Q Results	FY2017 1Q Results
Gross profit	1.8	5.4
Operating profit (loss)	(0.9)	2.1
Share of profit of investments accounted for using the equity method	1.2	3.8
Profit for the period (attributable to owners of the Company)	(0.4)	4.2
	End of Mar. 2017	End of Jun. 2017
Total assets	398.7	398.5

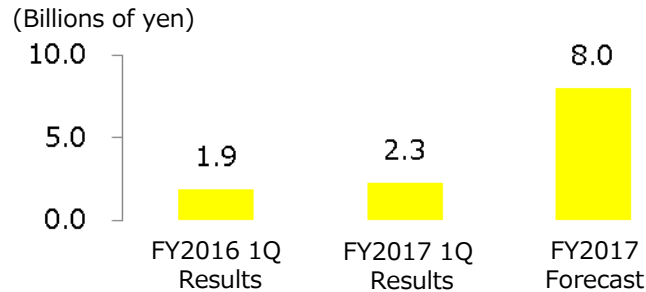
## Sales Volume for Coal



# Chemicals



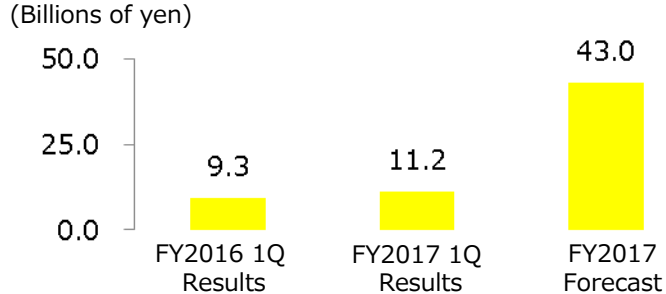
## Profit for the period (attributable to owners of the Company)



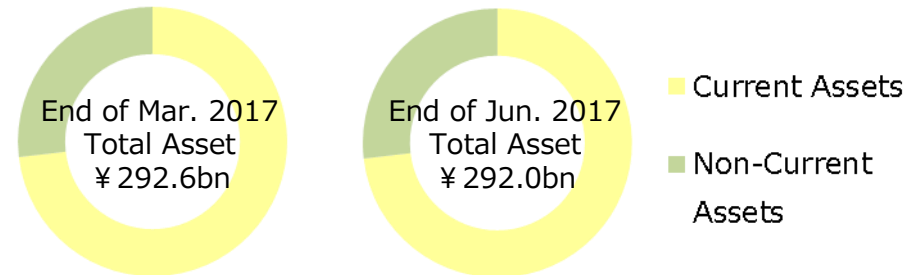
### 【Future Outlook】

Performance generally in line with outlook

## Gross Profit



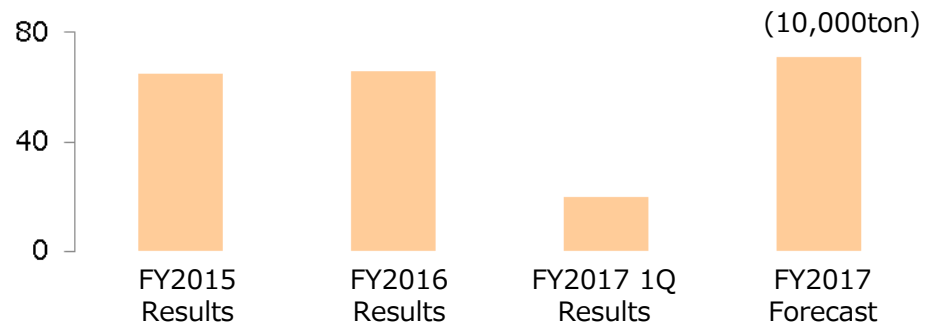
## Asset Structure



## FY2017 1Q Results

(Billions of Yen)	FY2016 1Q Results	FY2017 1Q Results
Gross profit	9.3	11.2
Operating profit	2.5	3.6
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)	1.9	2.3
	End of Mar. 2017	End of Jun. 2017
Total assets	292.6	292.0

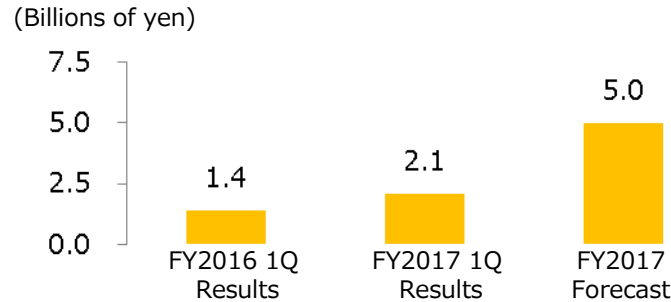
## Sales Volume for Methanol (PT. Kaltim Methanol Industri)



# Foods & Agriculture Business



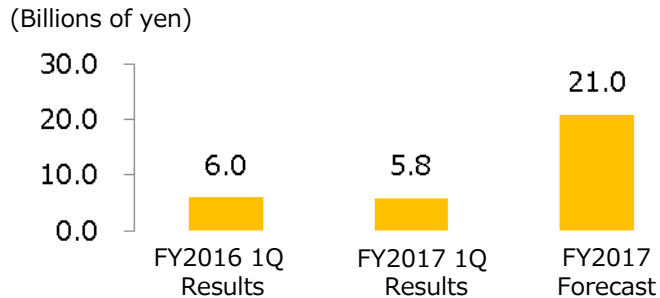
## Profit for the period (attributable to owners of the Company)



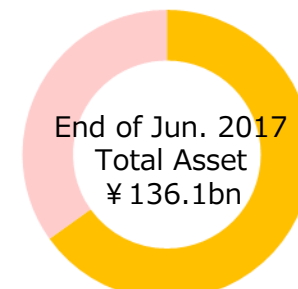
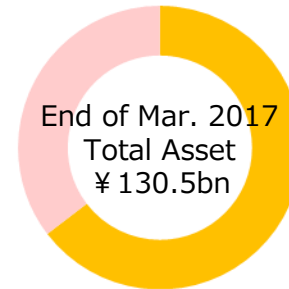
### 【Future Outlook】

Performance generally in line with outlook

## Gross Profit



## Asset Structure



- Current Assets
- Non-Current Assets

## FY2017 1Q Results

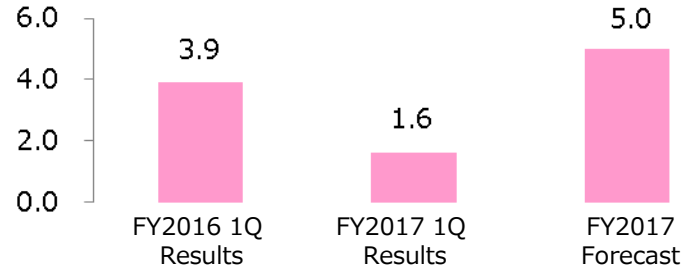
(Billions of Yen)	FY2016 1Q Results	FY2017 1Q Results
Gross profit	6.0	5.8
Operating profit	2.7	3.0
Share of profit (loss) of investments accounted for using the equity method	(0.3)	0.2
Profit (loss) for the period (attributable to owners of the Company)	1.4	2.1
	End of Mar. 2017	End of Jun. 2017
Total assets	130.5	136.1

# Retail & Lifestyle Bussiness



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

(Billions of yen)

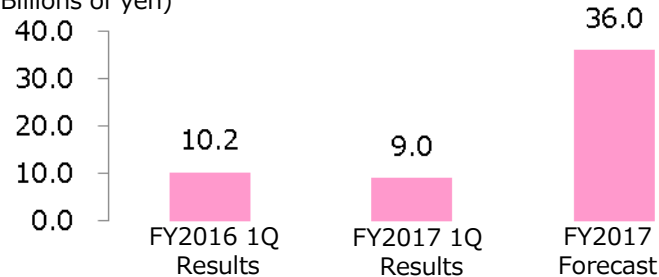


## 【Future Outlook】

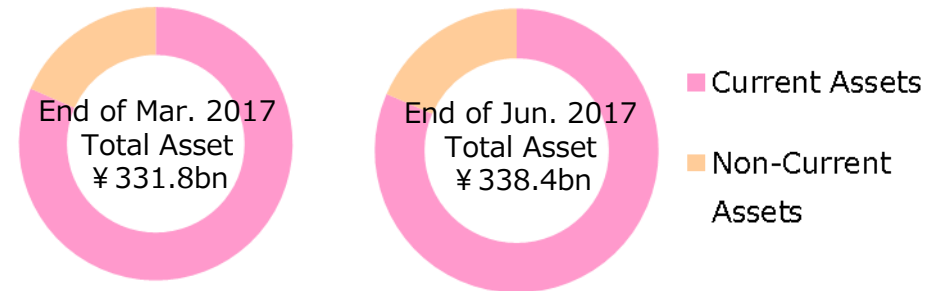
Performance generally in line with outlook

## Gross Profit

(Billions of yen)



## Asset Structure



## FY2017 1Q Results

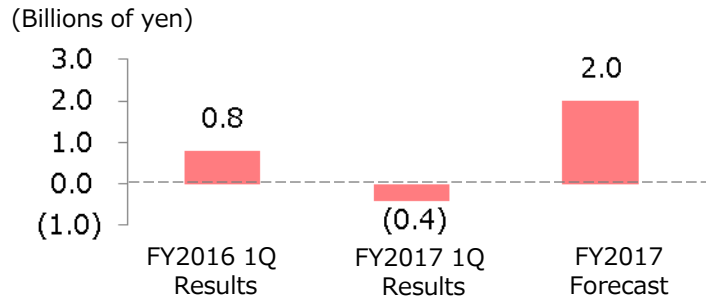
(Billions of Yen)

	FY2016 1Q Results	FY2017 1Q Results
Gross profit	10.2	9.0
Operating profit	3.9	2.5
Share of profit of investments accounted for using the equity method	0.2	0.1
Profit for the period (attributable to owners of the Company)	3.9	1.6
	End of Mar. 2017	End of Jun. 2017
Total assets	331.8	338.4

# Industrial Infrastructure & Urban Development



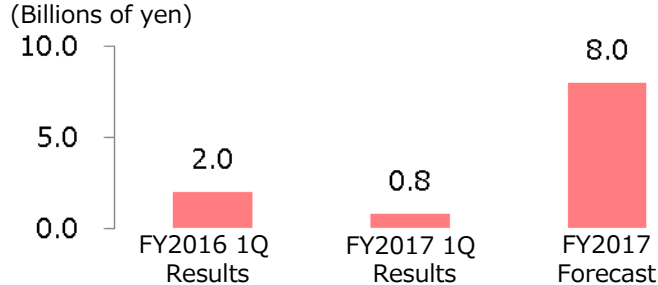
## Profit for the period (attributable to owners of the Company)



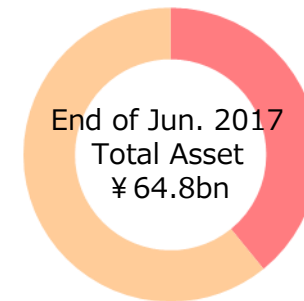
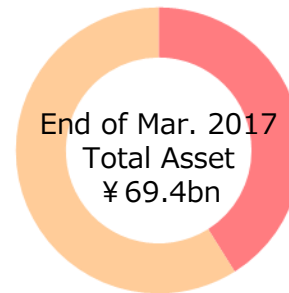
## 【Future Outlook】

Earnings contributions from overseas industrial park businesses anticipated in 2nd half of fiscal year

## Gross Profit



## Asset Structure



■ Current Assets  
■ Non-Current Assets

## FY2017 1Q Results

(Billions of Yen)	FY2016 1Q Results	FY2017 1Q Results
Gross profit	2.0	0.8
Operating profit (loss)	0.8	(0.3)
Share of profit of investments accounted for using the equity method	0.5	0.3
Profit (loss) for the period (attributable to owners of the Company)	0.8	(0.4)
	End of Mar. 2017	End of Jun. 2017
Total assets	69.4	64.8

# Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2016 1Q	FY2017 1Q	Difference
■ Automotive	Sojitz Automotive Group	Subsidiary	0.1	0.3	0.2
■ Automotive	Sojitz de Puerto Rico Corporation	Subsidiary	0.2	0.4	0.2
■ Aerospace & IT Business	Sojitz Aerospace Corporation	Subsidiary	0.1	0.1	0.0
■ 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
■ Infrastructure & Environment Business	Sojitz Machinery Corporation	Subsidiary	0.1	0.0	(0.1)
■ Energy	LNG Japan Corporation	Associate	(0.1)	0.2	0.3
■ Metals & Coal	Sojitz Coal Resources Pty. Ltd.	Subsidiary	(0.4)	1.0	1.4
■ Metals & Coal	Sojitz Resources (Australia) Pty. Ltd.	Subsidiary	(0.1)	0.0	0.1
■ Metals & Coal	Japan Alumina Associates (Australia) Pty. Ltd.	Associate	(0.3)	0.1	0.4
■ Metals & Coal	Metal One Corporation	Associate	1.6	2.6	1.0

\*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	FY2016 1Q	FY2017 1Q	Difference
■ Chemicals	Sojitz Pla-Net Corporation	Subsidiary	0.2	0.5	0.3
■ Chemicals	PT. Kaltim Methanol Industri	Subsidiary	0.4	0.7	0.3
■ Chemicals	Pla Matels Corporation	Subsidiary	0.1	0.2	0.1
■ Retail & Lifestyle Business	Sojitz Building Materials Corporation	Subsidiary	0.2	0.1	(0.1)
■ Retail & Lifestyle Business	Sojitz Foods Corporation	Subsidiary	0.4	0.8	0.4
■ Retail & Lifestyle Business	JALUX Inc.	Associate	0.1	0.1	0.0
■ Industrial Infrastructure & Urban Development	PT. Puradelta Lestari Tbk	Associate	0.5	0.3	(0.2)
■ Other	Sojitz Corporation of America	Subsidiary	0.3	0.4	0.1
■ Other	Sojitz Europe plc	Subsidiary	0.1	(0.1)	(0.2)
■ Other	Sojitz Asia Pte. Ltd.	Subsidiary	0.1	0.7	0.6

\*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)	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 1Q
Net sales (JGAAP)	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	3,745.5	1,000.7
Gross profit	277.7	235.6	178.2	192.7	217.1	187.2	198.2	197.7	180.7	200.7	51.6
Operating profit	92.4	52.0	16.1	37.5	57.5	25.5	23.7	33.6	29.2	51.6	14.1
Share of profit (loss) of investments accounted for using the equity method	28.9	2.5	9.2	19.3	16.3	15.8	31.0	28.6	23.2	12.7	5.9
Profit before tax	88.4	37.1	18.9	39.3	58.5	28.1	44.0	52.6	44.3	58.0	19.1
Profit for the year attributable to owners of the Company	62.7	19.0	8.8	16.0	(1.0)	13.4	27.3	33.1	36.5	40.8	14.6
Core earnings	110.7	48.3	14.4	41.9	65.8	38.5	68.0	66.3	41.6	54.2	17.9
(Reference)											
ROA	2.4%	0.8%	0.4%	0.7%	(0.0)%	0.6%	1.2%	1.5%	1.7%	1.9%	—
ROE	13.0%	4.8%	2.6%	4.7%	(0.3)%	3.8%	6.5%	6.5%	6.8%	7.6%	—

(\*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for FY2007 through FY2010.

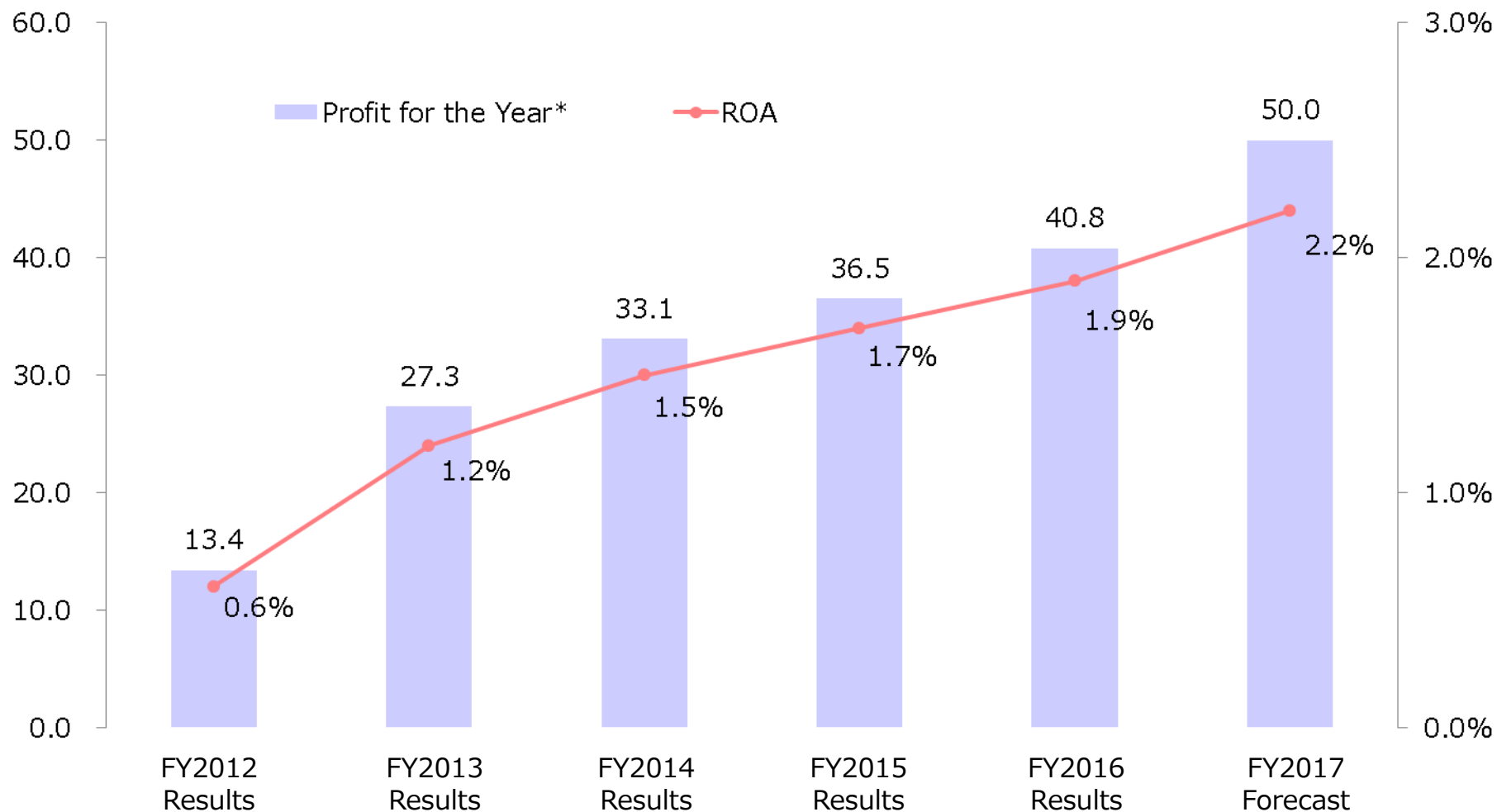
# Summary of Balance Sheets (Results)

(Billions of Yen)	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 Mar. 2017	End of Jun. 2017
Total assets	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	2,138.5	2,190.6
Total equity	476.0	319.0	352.4	330.0	330.0	382.6	459.9	550.9	520.3	550.5	565.0
Equity ratio	17.8%	13.8%	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.8%
Net interest-bearing debt	918.9	865.3	737.8	700.6	676.4	643.3	640.2	629.6	571.6	611.1	658.1
Net DER (times)	1.9	2.7	2.1	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.2
Risk assets (vs. Total equity, times)	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	320.0 0.6	300.0 0.5
Current ratio	121.1%	141.7%	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	175.8%
Long-term debt ratio	54.0%	66.7%	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	82.6%

(\*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for End of Mar. 2008 through 2011. Under JGAAP, Total equity is calculated as Total net assets – Minority interests.

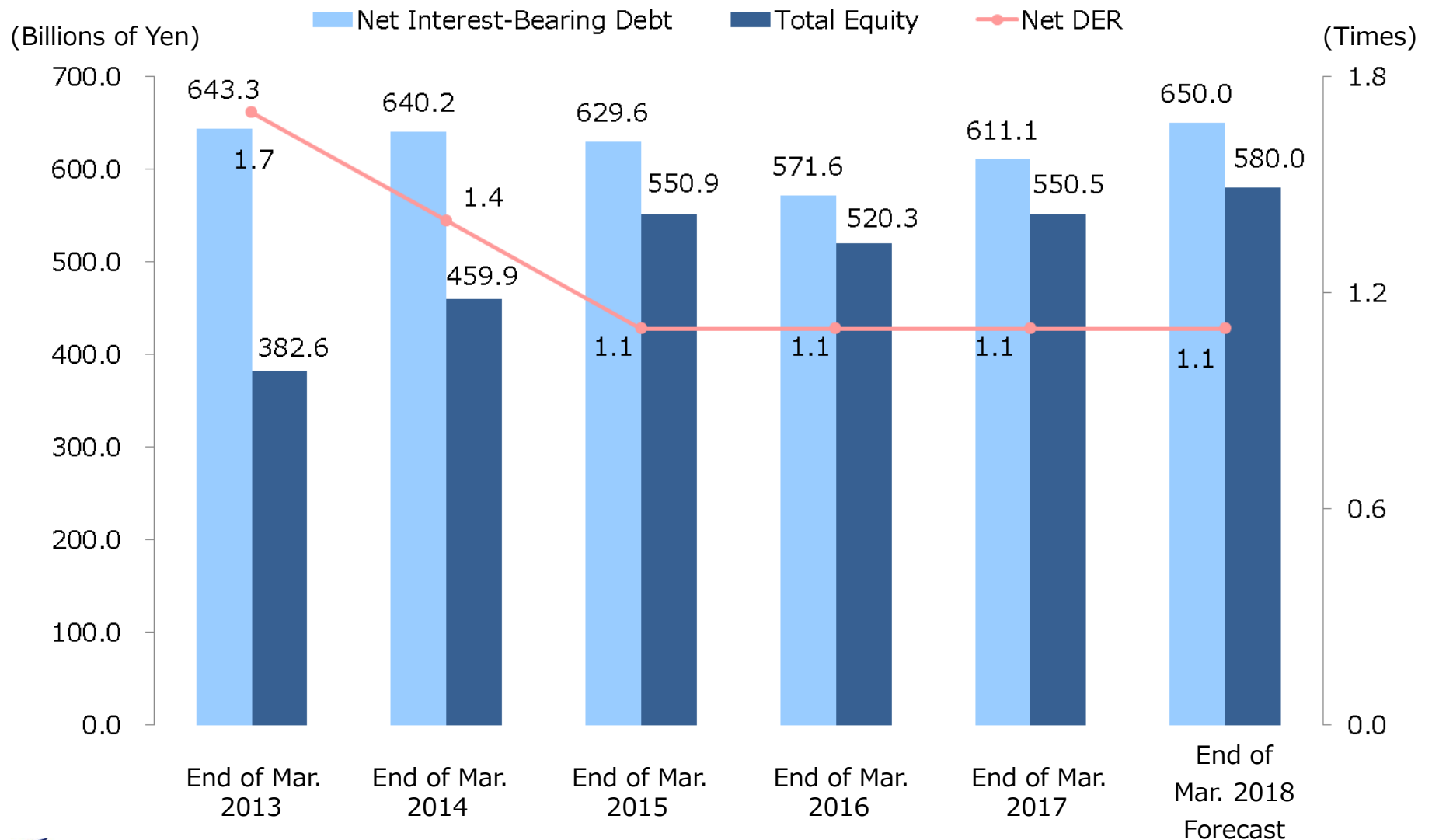
# Summary of Profit or Loss

(Billions of Yen)



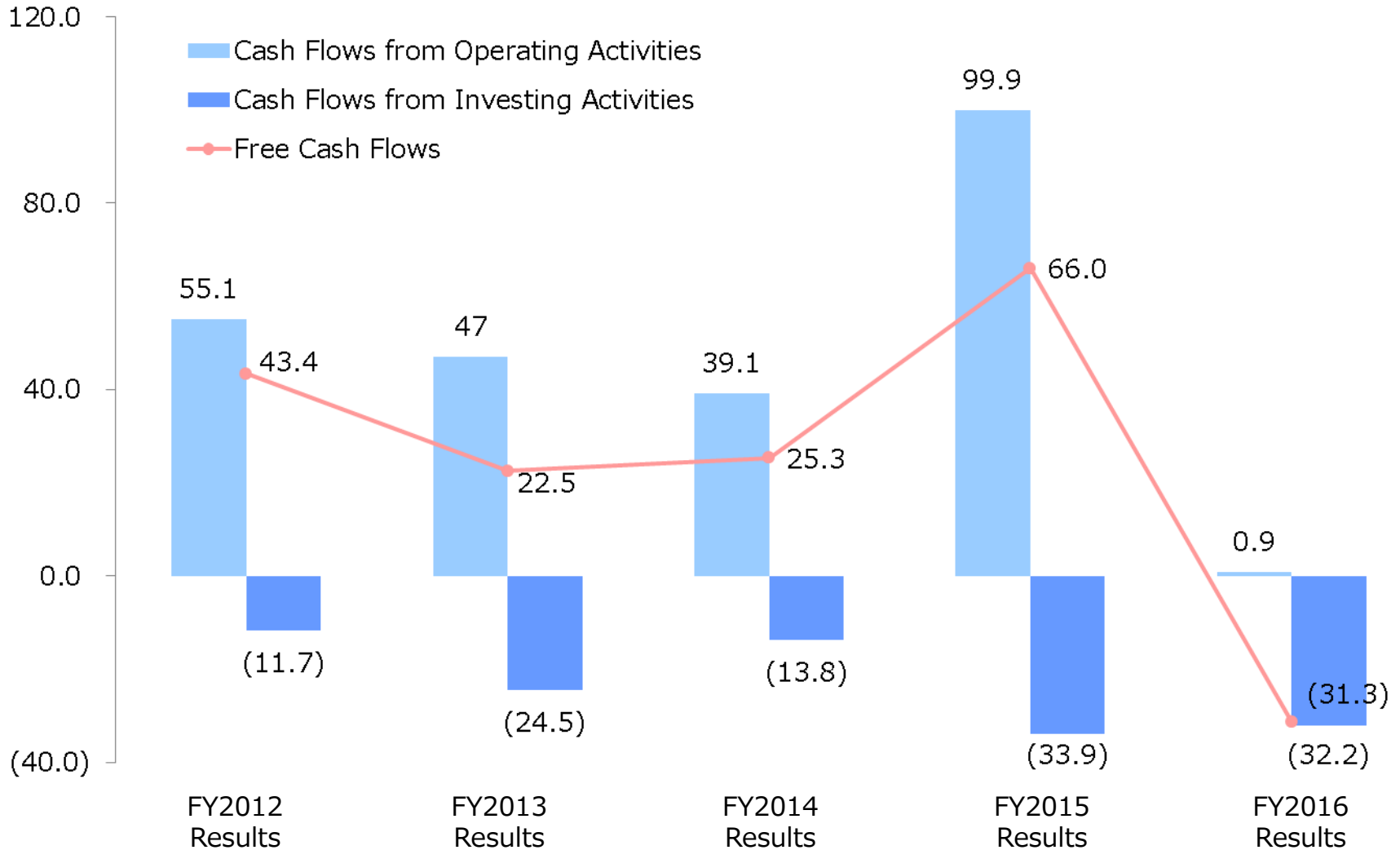
\* Attributable to owners of the Company

# Summary of Balance Sheets



# Summary of Cash Flow

(Billions of Yen)





***sojitz***

***New way, New value***