

## Financial Results for the Second Quarter Ended September 30, 2017

**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.

**November 2, 2017**  
**Sojitz Corporation**

## FY2017 2Q Summary

- **Solid economic growth in both developed and emerging countries**
  - **Stable prices of coal and other resources**
- **Achieved 54% of forecasted profit for the year\***
  - **Revisions to full-year forecasts of certain segments**
- \*attributable to owners of the Company
- **Consistent progress in investments and loans and other initiatives targeting future growth**

- This slide displays the three main points we would like to emphasize with regard to the six-month period ended September 30, 2017.

## Summary of Profit or Loss - Profit for the period by segment -

- Achieved 54% of forecasted profit for the year
- Revisions to full-year forecasts for Automotive Division, Energy Division, and Metals & Coal Division

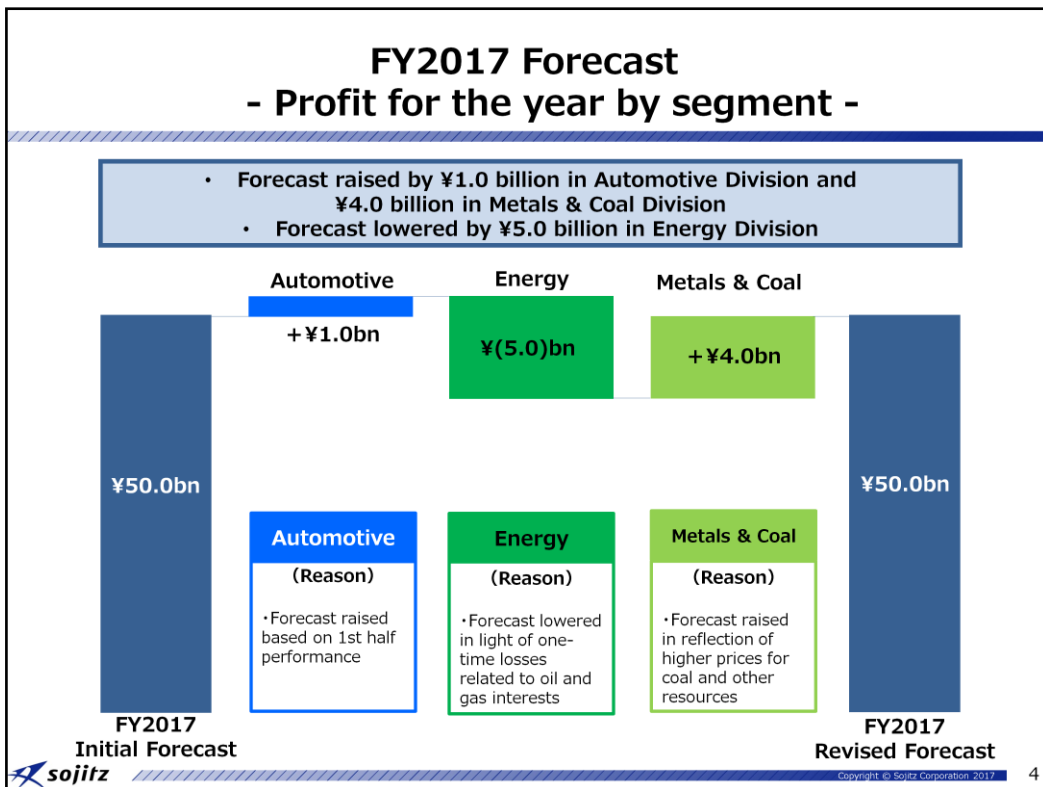
(Billions of yen)	FY2017 2Q Results	FY2017 Initial Forecast	Achieved	FY2017 Revised Forecast
<b>Profit for the period (attributable to owners of the Company)</b>	<b>27.2</b>	<b>50.0</b>	<b>54%</b>	<b>50.0</b>
Automotive	4.3	4.0	108%	5.0
Aerospace & IT Business	0.9	5.0	18%	5.0
Infrastructure & Environment Business	3.6	5.0	72%	5.0
Energy	(4.3)	1.0	—	(4.0)
Metals & Coal	9.5	13.0	73%	17.0
Chemicals	4.8	8.0	60%	8.0
Foods & Agriculture Business	4.3	5.0	54%	5.0
Retail & Lifestyle Business	2.7	5.0	54%	5.0
Industrial Infrastructure & Urban Development	0.0	2.0	0%	2.0



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- In the six-month period ended September 30, 2017, we achieved 54% of our full-year forecast for profit for the year attributable to owners of the Company.
- Progress toward our initial full-year forecasts by segment is as shown on this slide.
- Revisions were instituted to the full-year forecasts for the Automotive Division, the Energy Division, and the Metals & Coal Division based on the market conditions and business trends seen in each division.
- In the Aerospace & IT Business Division, progress toward the full-year forecast was slow. However, this division is expected to see earnings contributions in the second half of the fiscal year, and we have therefore chosen not to revise the forecast for this division.



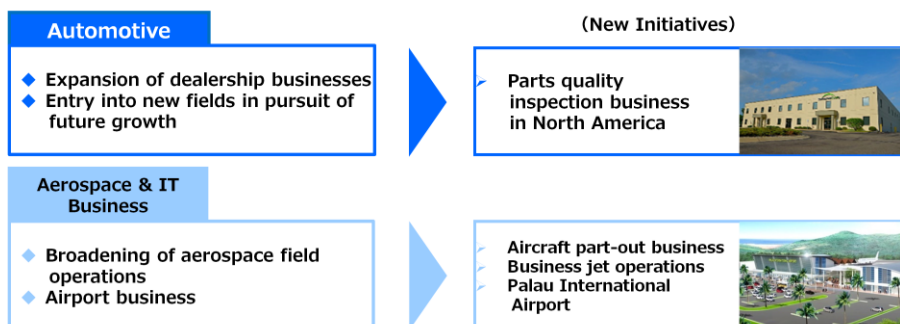
- This slide provides more information regarding the revisions to the forecasts for the Automotive Division, the Energy Division, and the Metals & Coal Division.
- In the Automotive Division, the full-year forecast for profit for the year was raised by ¥1.0 billion in light of the impressive performance seen in overseas automobile wholesale businesses and other major businesses.
- An upward revision of ¥4.0 billion was instituted to the full-year forecast for profit for the year in the Metals and Coal Division to reflect increases in the prices of coal and other resources.
- Meanwhile, a one-time loss was recorded in the Energy Division in relation to oil and gas interests. This loss was one of the reasons that the full-year forecast for profit for the year in this division was lowered by ¥5.0 billion.
- In this manner, there were upswings and downturns in our outlooks for the performance of individual segments based on operating environment changes. However, we still expect that Sojitz will achieve its initial forecast for consolidated profit for the year of ¥50.0 billion.

## Initiatives in Final Year of Medium-term Management Plan 2017

- Consistent progress in investment and loan plans
- Accelerated progress in broadening existing businesses and building profit cluster

Investment and loan FY2017 2Q Results	¥90.0bn
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Investment and loan FY2017 Plan	¥150.0bn
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- In the year ending March 31, 2018, the final year of the current medium-term management plan, we plan to conduct investments and loans totaling ¥150.0 billion.
- Prior to September 30, 2017, we had executed ¥90.0 billion worth of investments and loans, representing consistent progress toward achieving this target.
- There are a number of topics I would like to touch on with regard to the segment policies explained at the beginning of the fiscal year as well as actual investments and loans that were conducted in each segment.
- In the Automotive Division, we acquired an automotive parts quality inspection business in North America to expand existing operations while also entering into new fields in pursuit of future growth.
- Investments in the Aerospace & IT Business were directed toward growing the aircraft part-out business we have been developing for some time now as well as our business jet operations. Sojitz also announced its participation in an airport operation business and concluded a 20-year contract under which it will be entrusted with the operations of Palau International Airport.

## Initiatives in Final Year of Medium-term Management Plan 2017

- Consistent progress in investment and loan plans
- Accelerated progress in broadening existing businesses and building profit cluster

### Infrastructure & Environment Business

- ◆ Thermal power and renewable energy businesses
- ◆ Transportation and social infrastructure businesses

### (New Initiatives)

- Gas-fired thermal power business in the United States
- Domestic solar power businesses
- Solar power businesses in Chile and Mexico
- Wind power business in Ireland
- Hospital project in Turkey

### Chemicals

- ◆ Expansion of global trading
- ◆ Business investments and loans related to trading

- European chemical distributor and marketing company



### Retail & Lifestyle Business

- ◆ ASEAN retail operations
- ◆ Shopping centers in Japan and ASEAN region

- Food service distribution business in Thailand
- Shopping center in Japan



- The Infrastructure & Environment Business Division announced numerous initiatives during the six-month period ended September 30, 2017. These initiatives included participation in a gas-fired thermal power business that will be Sojitz's first foray in large-scale power generation in the United States. In addition, the division commenced commercial operation of a domestic solar power business that, with a generation capacity of 71 MW, is one of Sojitz's largest solar power generation facilities in Japan.
- In the Chemicals Division, the European chemical distributor and marketing company acquired at the end of the previous fiscal year began making earnings contributions during the first quarter of this fiscal year. The acquisition of this company also enabled Sojitz to secure sales channels in Europe, and we will be expanding the Group's mainstay methanol and specialty chemical product trading operations on a global scale going forward.
- The Retail & Lifestyle Business, meanwhile, has been developing its ASEAN retail operations based on a relatively long timetable. This policy remains unchanged, and we will continue to steadily advance these operations into the future.

## Medium-term Management Plan 2017 - Earnings Contributions from Investments and Loans -

- Earning contributions in FY2017 from investments and loans made during the current Medium-term Management Plan are anticipated to line up with initial forecasts
- Steady enhancement of earnings foundations for next medium-term management plan

Major Focus Areas	Major Projects
<b>Automotive-related business</b>	<ul style="list-style-type: none"> <li>• Dealership businesses in the Americas</li> <li>• Automotive parts quality inspection business in North America</li> </ul>
<b>Aerospace-related business</b>	<ul style="list-style-type: none"> <li>• Part-out business</li> <li>• Business jet</li> </ul>
<b>Renewable energy business</b>	<ul style="list-style-type: none"> <li>• Domestic solar power business</li> <li>• Overseas solar power business</li> </ul>
<b>Infrastructure-related business</b>	<ul style="list-style-type: none"> <li>• Overseas IPP businesses</li> </ul>
<b>Energy-related business</b>	<ul style="list-style-type: none"> <li>• Overseas LNG Terminal</li> </ul>
<b>Chemical-related business</b>	<ul style="list-style-type: none"> <li>• European chemical distributor and marketing company</li> </ul>

Start of next medium-term management plan in April 2018

Portion of FY2017 profit for the year to be generated by these projects

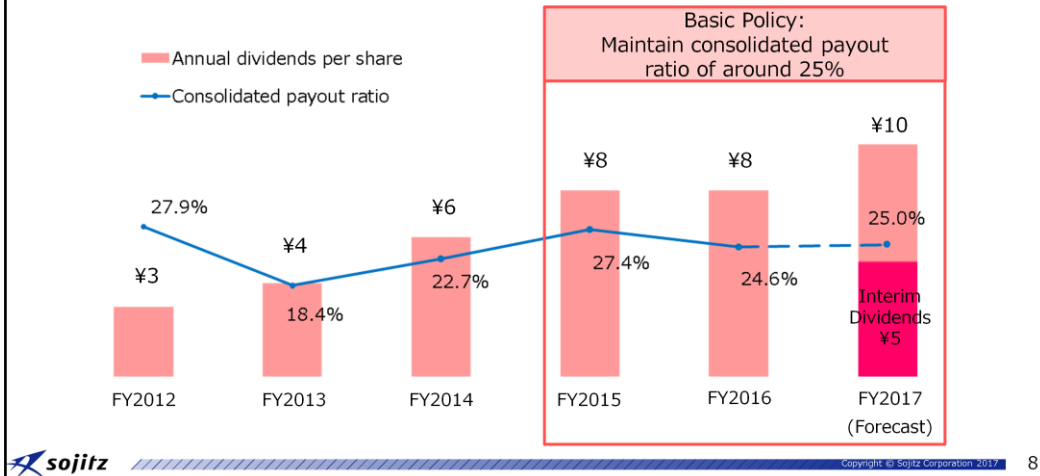
# ¥5.0 billion

- Up until now, we have continued to state that the earnings contributions from new investments and loans conducted during the period of the current medium-term management plan would amount to around ¥5.0 billion in the year ending March 31, 2018.
- Our progress to date is in line with this plan.
- We have also made steady progress in replacing energy-related interests in upstream areas with those in midstream and downstream areas.
- Next year, we will kick off a new medium-term management plan.
- The operating environment is currently characterized by rapid change. Nevertheless, we remain committed to acting with speed as we carefully discern operating environment changes in order to accelerate Sojitz's growth.

## 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.



- Lastly, I would like to talk about dividend payments.
- Our basic dividend policy is as described on this slide, and we are also adhering to a basic policy of maintaining a consolidated payout ratio of around 25% during the period of the plan.
- Based on these policies and our full-year performance forecasts for the year ending March 31, 2018, we have chosen not to change our plan to issue annual dividends of ¥10 per share and have thus decided to pay interim dividends of ¥5 per share.
- Looking ahead, we will continue to amass and effectively use retained earnings to accumulate quality assets and enhance earnings capacity in order to live up to shareholder expectations with improved corporate value.





***sojitz***

*New way, New value*