

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

November 2, 2017  
Sojitz Corporation

## Results Highlights

◆ In the six-month period ended September 30, 2017, conditions in the global economy proved firm due to the support of solid economic growth in both developed and emerging countries. Resource prices were likewise stable amidst bullish demand.

The Company's net sales (JGAAP) for the six-month period ended September 30, 2017, rose year on year due to increased sales in the Metals & Coal Division, resulting from higher prices and transaction volumes for coal and other resources, as well as increased sales in the Chemicals Division, resulting from the new acquisition of a European chemical distributor and marketing company and higher volume of 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. Profit for the period (attributable to owners of the Company) was up 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-related operating company.

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

Net sales (JGAAP) 2,044.3 billion yen (+267.6 billion yen / +15.1%)

- Increase in net sales in the Metals & Coal Division due to higher prices and transaction volumes for coal and other resources

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

Gross profit 111.5 billion yen (+19.7 billion yen / +21.4%)

- Increase in gross profit in the Metals & Coal Division resulting from a rise in selling prices for the 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 methanol prices

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

Operating profit 29.9 billion yen (+13.7 billion yen / +84.5%)

- Increase in gross profit

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

27.2 billion yen (+11.8 billion yen / +77.4%)

- 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

Full-year earnings forecasts were revised as follows.

	FY2017 Initial Forecast	FY2017 Revised Forecast
Net sales (JGAAP)	4,100.0 billion yen	⇒ 4,100.0 billion yen
Operating profit	55.0 billion yen	⇒ 56.0 billion yen
Profit before tax	69.0 billion yen	⇒ 70.0 billion yen
Profit for the year (attributable to owners of the Company)	50.0 billion yen	⇒ 50.0 billion yen

(Assumptions)

Exchange rate (annual average: ¥/US\$)	: 110
Crude oil price (US\$/bbl)	: 50 (Brent)

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

Interim	5.00 yen per share
Year-end	5.00 yen per share (forecast)

\*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.

## Consolidated Statements of Profit or Loss

	FY2017 1st Half			FY2016 1st Half		Reasons for the Difference	FY2017 Forecast c	Percentage Achieved a/c
	Results a	1Q Results	2Q Results	Results b	Difference a-b			
<b>Net sales (JGAAP)*1</b>	2,044.3	1,000.7	1,043.6	1,776.7	267.6		4,100.0	50%
<b>Gross profit</b>	111.5	51.6	59.9	91.8	19.7		227.0	49%
<b>Gross profit margin</b>	5.45%	5.16%	5.74%	5.17%	0.28%		5.54%	
<b>Selling, general and administrative expenses</b>	(43.6)	(21.7)	(21.9)	(41.7)	(1.9)			
Personnel expenses	(43.6)	(21.7)	(21.9)	(41.7)	(1.9)			
Non-personnel expenses	(32.3)	(15.7)	(16.6)	(30.0)	(2.3)			
Depreciation	(2.8)	(1.3)	(1.5)	(2.8)	0.0			
Provision of allowance for doubtful accounts	0.2	0.2	0.0	(0.1)	0.3			
(Total selling, general and administrative expenses)	(78.5)	(38.5)	(400.0)	(74.6)	(3.9)		(166.0)	
<b>Other income/expenses</b>	0.0	0.0	0.0	0.0	0.0			
Gain/loss on sale and disposal of fixed assets, net	0.0	0.0	0.0	0.0	0.0			
Impairment loss on fixed assets	0.0	0.0	0.0	(2.8)	2.8			
Gain on sale of subsidiaries/associates	1.6	1.1	0.5	1.3	0.3			
Loss on reorganization of subsidiaries/associates	(4.3)	(0.2)	(4.1)	(0.4)	(3.9)	Loss related to oil and gas interests		
Other operating income/expenses	(0.4)	0.1	(0.5)	0.9	(1.3)			
(Total other income/expenses)	(3.1)	1.0	(4.1)	(1.0)	(2.1)		(5.0)	
<b>Operating profit</b>	29.9	14.1	15.8	16.2	13.7		56.0	53%
<b>Financial income/costs</b>	2.4	1.3	1.1	1.9	0.5			
Interest earned	2.4	1.3	1.1	1.9	0.5			
Interest expenses	(7.4)	(3.8)	(3.6)	(7.5)	0.1			
(Interest expenses, net)	(5.0)	(2.5)	(2.5)	(5.6)	0.6			
Dividends received	2.1	1.6	0.5	2.2	(0.1)			
Other financial income/costs	0.0	0.0	0.0	0.0	0.0			
(Financial income/costs, net)	(2.9)	(0.9)	(2.0)	(3.4)	0.5		(7.0)	
Share of profit (loss) of investments accounted for using the equity method	10.9	5.9	5.0	6.7	4.2	Increase in profit of steel-related operating company	21.0	
<b>Profit before tax</b>	37.9	19.1	18.8	19.5	18.4		70.0	54%
<b>Income tax expenses</b>	(7.6)	(3.2)	(4.4)	(2.7)	(4.9)		(16.0)	
<b>Profit for the period (Profit attributable to)</b>	30.3	15.9	14.4	16.8	13.5		54.0	56%
<b>Owners of the Company</b>	27.2	14.6	12.6	15.4	11.8		50.0	54%
Non-controlling interests	3.1	1.3	1.8	1.4	1.7		4.0	
<b>Revenue</b>	884.0	432.4	451.6	734.6	149.4			
<b>Core earnings*2</b>	40.8	17.9	22.9	20.6	20.2		75.0	

## Comprehensive Income

	FY2017 1st Half			FY2016 1st Half	
	Results a	1Q Results	2Q Results	Results b	Difference a-b
<b>Profit for the period</b>	30.3	15.9	14.4	16.8	13.5
<b>Other comprehensive income</b>	6.5	4.5	2.0	(57.9)	64.4
<b>Total comprehensive income for the period</b>	36.8	20.4	16.4	(41.1)	77.9
<b>Comprehensive income attributable to:</b>					
<b>Owners of the Company</b>	33.6	19.6	14.0	(40.4)	74.0
Non-controlling interests	3.2	0.8	2.4	(0.7)	3.9

## Cash Flows

	FY2017 1st Half		FY2016 1st Half		Factors Affecting Circled Figures
	Results a	Results b	Results a	Results b	
<b>Cash flows from operating activities</b>	(15.8)	40.4	(56.2)		Cash decrease due to increase in trade receivables and inventories
<b>Cash flows from investing activities</b>	(37.6)	(21.8)	(15.8)		Outflows for acquisition of an automobile parts quality inspection business in North America
<b>Free cash flows</b>	(53.4)	18.6	(72.0)		
<b>Cash flows from financing activities</b>	52.0	(49.6)	101.6		Inflows from new borrowings

## Consolidated Statements of Financial Position

	Sep. 30, 2017			Mar. 31, 2017			Reasons for the Difference
	d	e	Difference d-e	d	e	Difference d-e	
<b>Current assets</b>	1,367.8	1,229.8	138.0				
Cash and cash equivalents	308.4	308.6	(0.2)	Increase in chemical and automobile businesses and impact of period ending on a holiday			
Time deposits	7.5	5.7	1.8				
Trade and other receivables	594.2	563.5	30.7	Increase in tobacco, real estate and coal businesses			
Inventories	335.8	271.3	64.5				
Other current assets	121.9	80.7	41.2	Increase due to aircraft-related business			
<b>Non-current assets</b>	954.5	908.7	45.8				
Property, plant and equipment	181.0	172.2	8.8				
Goodwill	68.2	57.6	10.6				
Intangible assets	34.2	34.1	0.1				
Investment property	23.0	21.1	1.9				
Investments accounted for using the equity method	578.9	559.6	19.3	Increase due to new acquisition and rising stock prices			
Other non-current assets	69.2	64.1	5.1				
<b>Total assets</b>	2,322.3	2,138.5	183.8				
<b>Current liabilities</b>	809.4	717.8	91.6				
Trade and other payables	563.6	483.1	80.5	Increase in tobacco business, as well as impact of period ending on a holiday			
Bonds and borrowings	162.7	158.7	4.0				
Other current liabilities	83.1	76.0	7.1				
<b>Non-current liabilities</b>	901.2	842.7	58.5				
Bonds and borrowings	819.9	766.7	53.2	Increase due to issuance of bonds and new borrowings			
Retirement benefits liabilities	22.1	21.4	0.7				
Other non-current liabilities	59.2	54.6	4.6				
<b>Total liabilities</b>	1,710.6	1,560.5	150.1				
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	137.5	132.7	4.8				
Retained earnings	135.1	111.2	23.9	Profit for the period +27.2 Dividends (5.0)			
<b>Total equity attributable to owners of the Company</b>	579.2	550.5	28.7				
Non-controlling interests	32.5	27.5	5.0				
<b>Total equity</b>	611.7	578.0	33.7				
<b>Total liabilities and equity</b>	2,322.3	2,138.5	183.8				
Gross interest-bearing debt	982.6	925.4	+57.2				
Net interest-bearing debt	666.7	611.1	+55.6				
Net debt/equity ratio (times)*	1.15	1.11	+0.04				
Equity ratio*	24.9%	25.7%	(0.8)%				
Current ratio	169.0%	171.3%	(2.3)%				
Long-term debt ratio	83.4%	82.9%	+0.5%				

\* "Total equity attributable to owners of the Company" is used as the denominator when calculating "Net DER" and the numerator when calculating "Equity ratio."

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

November 2, 2017  
Sojitz Corporation

(Billions of yen)

(Billions of yen)

Operating Results					Segment Performance [Gross Profit]					Segment Performance [Profit for the Period (Attributable to owners of the Company)]									
	FY2017 1H	FY2016 1H	Difference	FY2017 Forecast (Nov. 2, 2017)	Percentage Achieved		FY2017 1H	FY2016 1H	Difference	FY2017 Revised Forecast	FY2017 Initial Forecast	FY2017 1H	FY2016 1H	Difference	Main Factors Behind Difference	FY2017 Revised Forecast	FY2017 Initial Forecast	Progress Overview	(Reference) FY2016 Results
<b>Net sales (JGAAP)*1</b>	<b>2,044.3</b>	<b>1,776.7</b>	+267.6	<b>4,100.0</b>	50%														
<b>Gross profit</b>	<b>111.5</b>	<b>91.8</b>	+19.7	<b>227.0</b>	49%	<b>Auto- motive</b>	<b>15.6</b>	11.4	+4.2	<b>33.0</b>	<b>33.0</b>	<b>4.3</b>	1.7	+2.6	Increased due to higher automobile sales volumes in overseas automobile assembly and wholesale businesses	<b>5.0</b>	<b>4.0</b>	Forecast raised based on 1st half performance	<b>3.6</b>
Gross profit margin	5.45%	5.17%		5.54%		<b>Aerospace &amp; IT Business</b>	<b>10.9</b>	12.8	(1.9)	<b>28.0</b>	<b>28.0</b>	<b>0.9</b>	(0.8)	+1.7	Impairment losses recorded on Company-owned ships during the 2nd half of FY2016	<b>5.0</b>	<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>
Selling, general and administrative expenses	(78.5)	(74.6)	(3.9)	(166.0)		<b>Infra- structure &amp; Environment Business</b>	<b>13.1</b>	9.0	+4.1	<b>24.0</b>	<b>24.0</b>	<b>3.6</b>	1.5	+2.1	Increased due to earnings contributions from infrastructure-related businesses and higher volume of industrial machinery transactions	<b>5.0</b>	<b>5.0</b>	Performance generally as budgeted	<b>4.2</b>
Other income/expenses	(3.1)	(1.0)	(2.1)	(5.0)		<b>Energy</b>	<b>1.4</b>	0.1	+1.3	<b>4.0</b>	<b>4.0</b>	<b>(4.3)</b>	(3.0)	(1.3)	Decreased due to one-time losses related to oil and gas interests	<b>(4.0)</b>	<b>1.0</b>	Forecast lowered in light of one-time losses related to oil and gas interests	<b>(0.6)</b>
<b>Operating profit</b>	<b>29.9</b>	<b>16.2</b>	+13.7	<b>56.0</b>	53%	<b>Metals &amp; Coal</b>	<b>12.7</b>	4.8	+7.9	<b>25.0</b>	<b>20.0</b>	<b>9.5</b>	1.0	+8.5	Increased due to higher prices of coal and other resources, in addition to recovery of steel market conditions	<b>17.0</b>	<b>13.0</b>	Forecast raised in reflection of higher prices for coal and other resources	<b>10.0</b>
Financial income/costs	(2.9)	(3.4)	+0.5	(7.0)		<b>Chemicals</b>	<b>22.8</b>	18.1	+4.7	<b>43.0</b>	<b>43.0</b>	<b>4.8</b>	3.9	+0.9	Increased due to new acquisition of a European chemical distributor and marketing company, higher methanol prices, and higher volume of plastic resin transactions	<b>8.0</b>	<b>8.0</b>	Performance generally as budgeted	<b>8.3</b>
Share of profit (loss) of investments accounted for using the equity method	10.9	6.7	+4.2	21.0		<b>Foods &amp; Agriculture Business</b>	<b>11.9</b>	13.0	(1.1)	<b>21.0</b>	<b>21.0</b>	<b>4.3</b>	4.1	+0.2	Increased due to firm performance of overseas fertilizer businesses	<b>5.0</b>	<b>5.0</b>	Performance generally as budgeted	<b>(6.9)</b>
<b>Profit before tax</b>	<b>37.9</b>	<b>19.5</b>	+18.4	<b>70.0</b>	54%	<b>Retail &amp; Lifestyle Business</b>	<b>17.2</b>	18.2	(1.0)	<b>36.0</b>	<b>36.0</b>	<b>2.7</b>	4.7	(2.0)	Decreased due to absence of gain on sales of shopping centers in Japan recorded in the 1st quarter of FY2016	<b>5.0</b>	<b>5.0</b>	Performance generally as budgeted	<b>7.3</b>
<b>Profit for the period</b> (Profit attributable to)	<b>30.3</b>	<b>16.8</b>	+13.5	<b>54.0</b>	56%	<b>Industrial Infrastructure &amp; Urban Development</b>	<b>3.4</b>	2.7	+0.7	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>	0.9	(0.9)	Decreased as a result of fewer lot sales in some overseas industrial park businesses	<b>2.0</b>	<b>2.0</b>	Earnings contributions from overseas industrial park businesses and domestic real estate businesses anticipated in 2nd half of fiscal year	<b>1.3</b>
<b>Owners of the Company</b>	<b>27.2</b>	<b>15.4</b>	+11.8	<b>50.0</b>	54%	<b>Other</b>	<b>2.5</b>	1.7	+0.8	<b>5.0</b>	<b>5.0</b>	<b>1.4</b>	1.4	0.0		<b>2.0</b>	<b>2.0</b>		<b>3.7</b>
Non-controlling interests	3.1	1.4	+1.7	4.0															
Core earnings*2	40.8	20.6	+20.2	75.0															
Revenue	884.0	734.6	+149.4																
Comprehensive income attributable to owners of the Company	33.6	(40.4)	+74.0																

\*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				
	Sep. 30, 2017	Mar. 31, 2017	Difference	Mar. 31, 2018 Forecast (Nov. 2, 2017)
<b>Total assets</b>	<b>2,322.3</b>	<b>2,138.5</b>	+ 183.8	<b>2,350.0</b>
<b>Total equity*3</b>	<b>579.2</b>	<b>550.5</b>	+ 28.7	<b>600.0</b>
<b>Equity ratio</b>	<b>24.9%</b>	<b>25.7%</b>	(0.8)%	<b>25.5%</b>
<b>Net interest-bearing debt</b>	<b>666.7</b>	<b>611.1</b>	+ 55.6	<b>650.0</b>
<b>Net D/E ratio (times)</b>	<b>1.15</b>	<b>1.11</b>	+ 0.04	<b>1.08</b>
<b>Risk assets</b>	<b>310.0</b>	<b>320.0</b>	(10.0)	-
<b>Ratio of risk assets to equity (times)</b>	<b>0.5</b>	<b>0.6</b>	(0.1)	-

\*3 "Total Equity" above refers to "total equity attributable to owners of the Company" and is used as the denominator when calculating "Net DER" and numerator when calculating the "Equity Ratio."

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<b>Total</b>	<b>111.5</b>	91.8	+19.7	<b>227.0</b>	<b>222.0</b>	<b>27.2</b>	15.4	+11.8	<b>50.0</b>	<b>50.0</b>	<b>40.8</b>
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### Commodity Prices and Exchange Rates

	FY2016 Results (Apr.- Sep. '16 Avg.)	FY2017 Assumption (Annual Avg.)	FY2017 Results (Apr.- Sep. '17 Avg.)	Latest Data (as of October 27, 2017)
<b>Crude oil (Brent)**1</b>	US\$47.0/bbl	US\$50.0/bbl	US\$51.5/bbl	US\$60.4/bbl
<b>Thermal coal**2</b>	US\$59.4/t	US\$77.5/t	US\$86.1/t	US\$97.2/t
<b>Exchange rate**3</b>	¥105.4/US\$	¥110.0/US\$	¥111.3/US\$	¥114.2/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 ¥30 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 exchange rate fluctuations 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. ¥1.8 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 Half Ended September 30, 2017 (IFRS)

November 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: November 10, 2017

Scheduled date of delivery of dividends: December 1, 2017

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 Half Ended September 30, 2017 (April 1, 2017 - September 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 half ended September 30, 2017	2,044,315	15.1	29,905	84.5	37,915	94.3	30,272	80.6	27,241	77.4	36,764	—
September 30, 2016	1,776,674	(11.9)	16,213	(1.8)	19,516	(29.6)	16,761	(27.0)	15,359	(25.5)	(41,192)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the first half ended September 30, 2017	21.78	21.77
September 30, 2016	12.28	12.27

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 September 30, 2017	2,322,301	611,664	579,123	24.9
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	—	5.00	—	—	—
March 31, 2017 (forecast)	—	—	—	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	56,000	8.5	70,000	20.8	50,000	22.7	39.97

Note 1: Changes in consolidated earnings forecast for the year ending March 31, 2018 : Yes

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 September 30, 2017: 1,251,499,501 As of September 30, 2016: 1,251,499,501

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

As of September 30, 2017 : 524,568 As of March 31, 2016 : 516,753

3. Average number of outstanding shares during the periods:

For the first half ended September 30, 2017 (accumulative): 1,250,977,863

For the first half ended September 30, 2016 (accumulative): 1,251,013,379

\* 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 Six-Month Period Ended September 30, 2017

#### Economic Environment

In the six-month period ended September 30, 2017, conditions in the global economy proved firm due to the support of solid economic growth in both developed and emerging countries. Resource prices were likewise stable amidst bullish demand.

In the United States, stable economic growth continued against a backdrop of growth in capital investment, exports, and consumer spending. 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. However, there was a lingering sense of opaqueness in light of factors including the narrow victory in Germany's general election by the party previously in power, the slow progress in negotiations regarding the United Kingdom's withdrawal from the European Union, and Greece's ongoing debt crisis.

Conditions in the Chinese economy were strong, supported by increased investment in infrastructure and real estate and solid consumer spending. Conversely, the outlook for China is uncertain due to concern surrounding the economic policies implemented following the 19th National Congress, the country's response to issues relating to North Korea, 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, brisk internal consumption, and other means.

Japan grew steadily amidst favorable increases in corporate earnings and capital investment as well as robust consumer spending.

#### Financial Performance

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

Net sales (*)	Net sales were up 15.1% year on year, to ¥2,044,315 million, due to increased sales in the Metals & Coal Division, resulting from higher prices and transactions volume for coal and other resources, as well as increased sales in the Chemicals Division, resulting from the new acquisition of a European chemical distributor and marketing company and higher volume of plastic resin transactions.
Gross profit	Gross profit increased ¥19,672 million year on year, to ¥111,460 million. This increase can be attributed to profit growth in the Metals & Coal Division, resulting from higher selling prices for the 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 ¥13,692 million year on year, to ¥29,905 million, as a result of the higher gross profit.
Profit before tax	Profit before tax increased ¥18,399 million year on year, to ¥37,915 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 ¥7,643 million from profit before tax of ¥37,915 million, profit for the period amounted to ¥30,272 million, up ¥13,511 million year on year. Profit for the period (attributable to owners of the Company) increased ¥11,882 million year on year, to ¥27,241 million.
Comprehensive income for the period	Comprehensive income for the period of ¥36,764 million was recorded, compared with comprehensive loss for the period of ¥41,192 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 ¥33,609 million was recorded, compared with comprehensive loss for the period (attributable to owners of the Company) of ¥40,512 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 six-month period ended September 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 28.5% year on year, to ¥164,778 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 ¥2,591 million year on year, to ¥4,303 million, due to higher gross profit and increased share of profit (loss) of investments accounted for using the equity method.

#### Aerospace & IT Business

Net sales (JGAAP) decreased 10.1% year on year, to ¥246,212 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 ¥915 million was recorded, compared with loss for the period (attributable to owners of the Company) of ¥756 million in the previous equivalent period, when impairment losses on Company-owned ships were recorded.

#### Infrastructure & Environment Business

Net sales (JGAAP) decreased 4.6% year on year, to ¥99,699 million, as a result of lower plant-related transactions. Profit for the period (attributable to owners of the Company) increased ¥2,093 million year on year, to ¥3,631 million, due to earnings contributions from infrastructure-related businesses and higher volume of industrial machinery transactions.

#### Energy

Net sales (JGAAP) increased 25.3% year on year, to ¥41,606 million, due to a rise in petroleum product sales prices. Loss for the period (attributable to owners of the Company) increased ¥1,261 million, to ¥4,289 million, as a result of losses related to oil and gas interests.

#### Metals & Coal

Net sales (JGAAP) increased 39.7% year on year, to ¥269,719 million, as a result of higher prices and transactions volumes for coal and other resources. Profit for the period (attributable to owners of the Company) increased ¥8,479 million, to ¥9,509 million. Factors contributing to this increase include higher gross profit, itself a product of a rise in selling prices in overseas coal operations, and growth in share of profit of investments accounted for using the equity method attributable to steel business and other companies.

#### Chemicals

Net sales (JGAAP) increased 27.0% year on year, to ¥357,715 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) was up ¥899 million year on year, to ¥4,814 million, because gross profit rose on the back of higher methanol prices.

#### Foods & Agriculture Business

Net sales (JGAAP) increased 15.7%, to ¥183,650 million, following higher grain and feed material transactions. Profit for the period (attributable to owners of the Company) rose ¥205 million year on year, to ¥4,296 million.

#### Retail & Lifestyle Business

Net sales (JGAAP) increased 13.3% year on year, to ¥644,265 million, following a rise in heat-not-burn cigarette transaction volumes. Profit for the period (attributable to owners of the Company) was down ¥1,913 million, to ¥2,747 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) increased 15.0%, to ¥14,094 million, due to growth in earnings from real estate transactions. Profit for the period (attributable to owners of the Company) was down ¥876 million year on year, to ¥32 million, as a result of a decline in share of profit of investments accounted for using the equity method.

## (2) Financial Position

### Consolidated Balance Sheet

Total assets on September 30, 2017, stood at ¥2,322,301 million, up ¥183,835 million from March 31, 2017. This increase was mainly attributable to the expansion of tobacco-, real estate- and coal-related inventories and a rise in other current assets associated with aircraft-related transactions.

Total liabilities at September 30, 2017, amounted to ¥1,710,637 million, up ¥150,142 million from March 31, 2017, following an increase in trade and other payables under current liabilities associated with tobacco transactions and a rise in interest-bearing debt attributable to new borrowings.

Total equity attributable to owners of the Company was ¥579,123 million on September 30, 2017, up ¥28,610 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 from foreign exchange and stock price movements.

Sojitz consequently, on September 30, 2017, the current ratio was 169.0%, the long-term debt ratio was 83.4%, and the equity ratio\* was 24.9%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥666,751 million on September 30, 2017, a ¥55,744 million increase from March 31, 2017. This resulted in the Company's net debt equity ratio\* equaling 1.15 times at September 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\$1.9 billion (of which US\$920 million has been used).

### Consolidated Cash Flows

In the six-month period ended September 30, 2017, operating activities used net cash flow of ¥15,770 million, investing activities used net cash of ¥37,611 million, and financing activities provided net cash of ¥52,034 million. Sojitz ended the period with cash and cash equivalents of ¥308,403 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 ¥15,770 million, compared with net cash provided by



operating activities of ¥40,427 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 increase in trade and other receivables in the Chemicals Division and an increase in tobacco-related inventories in the Retail & Lifestyle Business Division.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥37,611 million, up ¥15,736 million year on year. Investment outlays for the acquisition of an automobile parts quality inspection business in North America exceeded investment inflows from the collection of loans receivable.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥52,034 million, compared with net cash used in financing activities of ¥49,647 million in the previous equivalent period, largely as a result of proceeds from borrowings.

### (3) Consolidated Earnings Forecast

In light of changes in the operating environment, the forecasts for full-year financial results for the year ending March 31, 2018 projected in May 1, 2017 was revised as follows.

Net sales (\*1) ¥4,100.0 billion (unchanged from initial forecast)

Gross profit (\*2) ¥227.0 billion (increased ¥5.0 billion (2.3%) compared to initial forecast)

Operating profit ¥56.0 billion (increased ¥1.0 billion (1.8%) compared to initial forecast)

Profit before tax ¥70.0 billion (increased ¥1.0 billion (1.4%) compared to initial forecast)

Profit for the year (attributable to owners of the Company) ¥50.0 billion yen (unchanged from initial forecast))

(\*1) Net sales is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

(\*2) A full-year forecast for gross profit was not previously disclosed. However, we later chose to release a forecast for this item given that it provides valuable information for evaluating the Company's performance using the consolidated financial statements.

In regard to the consolidated earnings forecast for the year ending March 31, 2018, the Company expects to increase its forecast for gross profit by ¥5.0 billion, to ¥227.0 billion, based on the fact that resources prices are exceeding initial expectations and out of consideration for performance in the six-month period ended September 30, 2017.

Operating profit and profit before tax are expected to both be ¥1.0 billion higher than initially forecast, reaching ¥56.0 billion and ¥70.0 billion, respectively, because of the recording of losses related to oil and gas interests that were not accounted for by the initial forecasts. The forecast for profit for the year (attributable to owners of the Company) has not been changed from the initial forecast.

#### 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 September 30, 2017
<b>Assets</b>		
Current assets		
Cash and cash equivalents	308,632	308,403
Time deposits	5,728	7,461
Trade and other receivables	563,458	594,221
Derivative financial assets	3,919	4,519
Inventories	271,327	335,797
Income tax receivables	3,647	3,122
Other current assets	72,417	112,797
Subtotal	1,229,130	1,366,324
Assets held for sale	616	1,470
Total current assets	1,229,747	1,367,794
Non-current assets		
Property, plant and equipment	172,201	181,030
Goodwill	57,594	68,198
Intangible assets	34,148	34,209
Investment property	21,100	22,969
Investments accounted for using the equity method	386,740	393,381
Trade and other receivables	45,485	51,660
Other investments	172,944	185,474
Derivative financial assets	36	31
Other non-current assets	9,815	9,259
Deferred tax assets	8,650	8,291
Total non-current assets	908,719	954,507
Total assets	2,138,466	2,322,301
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	483,049	563,656
Bonds and borrowings	158,698	162,747
Derivative financial liabilities	3,669	4,795
Income tax payables	9,190	7,264
Provisions	2,124	2,368
Other current liabilities	60,912	66,951
Subtotal	717,646	807,783
Liabilities directly related to assets held for sale	101	1,649
Total current liabilities	717,748	809,433
Non-current liabilities		
Bonds and borrowings	766,669	819,868
Trade and other payables	3,709	4,341
Derivative financial liabilities	4,004	4,062
Retirement benefits liabilities	21,381	22,143
Provisions	20,792	19,862
Other non-current liabilities	6,490	6,879
Deferred tax liabilities	19,698	24,045
Total non-current liabilities	842,747	901,204
Total liabilities	1,560,495	1,710,637
Equity		
Share capital	160,339	160,339
Capital surplus	146,513	146,512
Treasury stock	(170)	(172)
Other components of equity	132,682	137,394
Retained earnings	111,149	135,049
Total equity attributable to owners of the Company	550,513	579,123
Non-controlling interests	27,457	32,540
Total equity	577,970	611,664
Total liabilities and equity	2,138,466	2,322,301

## (2) Consolidated Statements of Profit or Loss

(In millions of yen)

	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	For the 1st Half Ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Revenue		
Sales of goods	691,144	839,901
Sales of service and others	43,433	44,142
Total revenue	734,578	884,044
Cost of sales	(642,789)	(772,583)
Gross profit	91,788	111,460
Selling, general and administrative expenses	(74,594)	(78,516)
Other income(expenses)		
Gain(loss)on sale and disposal of fixed assets, net	15	(2)
Impairment loss on fixed assets	(2,808)	(21)
Gain on sale of subsidiaries/associates	1,293	1,628
Loss on reorganization of subsidiaries/associates	(438)	(4,315)
Other operating income	4,328	3,446
Other operating expenses	(3,370)	(3,772)
Total other income(expenses)	(980)	(3,038)
Operating profit	16,213	29,905
Financial income		
Interests earned	1,890	2,385
Dividends received	2,219	2,054
Other financial expenses	—	43
Total financial income	4,109	4,482
Financial costs		
Interest expenses	(7,466)	(7,371)
Other financial costs	(26)	—
Total financial costs	(7,493)	(7,371)
Share of profit(loss)of investments accounted for using the equity method	6,686	10,898
Profit before tax	19,516	37,915
Income tax expenses	(2,754)	(7,643)
Profit for the period	16,761	30,272
Profit for the period attributable to:		
Owners of the Company	15,359	27,241
Non-controlling interests	1,402	3,030
Total	16,761	30,272
Net sales*	1,776,674	2,044,315

\* Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as an transaction agent.

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

(In Millions of Yen)

	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	For the 1st Half Ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Profit for the period	16,761	30,272
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(484)	4,197
Remeasurements of defined benefit pension plans	7	(33)
Share of other comprehensive income of investments accounted for using the equity method	(4,207)	(1,374)
Total items that will not be reclassified to profit or loss	(4,684)	2,789
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(42,241)	1,964
Cash flow hedges	(560)	706
Share of other comprehensive income of investments accounted for using the equity method	(10,468)	1,032
Total items that may be reclassified subsequently to profit or loss	(53,269)	3,702
Other comprehensive income for the period, net of tax	(57,954)	6,492
Total comprehensive income for the period	(41,192)	36,764
Total comprehensive income for the period attributable to:		
Owners of the Company	(40,512)	33,609
Non-controlling interests	(680)	3,155
Total	(41,192)	36,764

## (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				(49,963)	(4,721)	(1,204)
Total comprehensive income for the period	—	—	—	(49,963)	(4,721)	(1,204)
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					20	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(0)	—	20	—
Balance as of September 30, 2016	160,339	146,514	(162)	(10,313)	94,203	(7,343)

Balance as of April 1, 2017	160,339	146,513	(170)	31,537	106,268	(5,124)
Profit for the period						
Other comprehensive income				3,284	2,663	442
Total comprehensive income for the period	—	—	—	3,284	2,663	442
Purchase of treasury stock		(0)	(2)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				(1)		
Reclassification from other components of equity to retained earnings					(1,677)	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(2)	(1)	(1,677)	
Balance as of September 30, 2017	160,339	146,512	(172)	34,821	107,254	(4,681)

## (4) Consolidated Statements of Changes in Equity

(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			15,359	15,359	1,402	16,761
Other comprehensive income	16	(55,871)		(55,871)	(2,082)	(57,954)
Total comprehensive income for the period	16	(55,871)	15,359	(40,512)	(680)	(41,192)
Purchase of treasury stock				(0)		(0)
Dividends			(5,004)	(5,004)	(756)	(5,760)
Change in ownership interests in subsidiaries without loss/acquisition of control			(0)	(0)		(0)
Reclassification from other components of equity to retained earnings	(16)	3	(3)	—		—
Other changes			(127)	(127)	164	37
Total contributions by and distributions to owners of the Company	(16)	3	(5,134)	(5,131)	(591)	(5,723)
Balance as of September 30, 2016	—	76,546	91,470	474,709	28,091	502,800

Balance as of April 1, 2017	—	132,682	111,149	550,513	27,457	577,970
Profit for the period			27,241	27,241	3,030	30,272
Other comprehensive income	(23)	6,367		6,367	124	6,492
Total comprehensive income for the period	(23)	6,367	27,241	33,609	3,155	36,764
Purchase of treasury stock				(2)		(2)
Dividends			(5,003)	(5,003)	(755)	(5,759)
Change in ownership interests in subsidiaries without loss/acquisition of control		(1)	0	(1)	0	(0)
Reclassification from other components of equity to retained earnings	23	(1,653)	1,653	—		—
Other changes			8	8	2,683	2,691
Total contributions by and distributions to owners of the Company	23	(1,655)	(3,341)	(4,999)	1,927	(3,071)
Balance as of September 30, 2017	—	137,394	135,049	579,123	32,540	611,664



## (5) Consolidated Statements of Cash Flows

(In millions of yen)

	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	For the 1st Half Ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
<b>Cash flows from operating activities</b>		
Profit for the period	16,761	30,272
Depreciation and amortization	11,582	10,893
Impairment loss of fixed assets	2,808	21
Finance (income) costs	3,383	2,888
Share of (profit) loss of investments accounted for using the equity method	(6,686)	(10,898)
(Gain) loss on sale of fixed assets	(15)	2
Income tax expenses	2,754	7,643
(Increase) decrease in trade and other receivables	22,316	(32,799)
(Increase) decrease in inventories	2,670	(63,564)
Increase (decrease) in trade and other payables	(12,852)	75,814
Increase (decrease) in retirement benefits liabilities	(1,371)	486
Others	266	(33,490)
Subtotal	41,619	(12,729)
Interests earned	1,672	2,128
Dividends received	9,100	11,805
Interests paid	(7,498)	(7,423)
Income taxes paid	(4,466)	(9,551)
Net cash provided (used) by/in operating activities	40,427	(15,770)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,658)	(14,372)
Proceeds from sale of property, plant and equipment	963	581
Purchase of intangible assets	(784)	(1,513)
(Increase) decrease in short-term loans receivable	(1,070)	571
Payment for long-term loans receivable	(1,149)	(604)
Collection of long-term loans receivable	200	551
Purchase of subsidiaries	(120)	(11,651)
Proceeds from (payments for) sale of subsidiaries	960	117
Purchase of investments	(7,775)	(11,994)
Proceeds from sale of investments	1,456	3,915
Others	(1,897)	(3,213)
Net cash provided (used) by/in investing activities	(21,875)	(37,611)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term debts and commercial papers	(6,937)	11,072
Proceeds from long-term borrowings	54,616	102,747
Repayment of long-term borrowings	(81,384)	(57,750)
Proceeds from issuance of bonds	9,946	9,940
Redemption of bonds	(20,000)	(10,030)
Proceeds from non-controlling interest holders	524	2,592
Purchase of treasury stock	(0)	(2)
Dividends paid	(5,004)	(5,003)
Dividends paid to non-controlling interest holders	(756)	(755)
Others	(651)	(774)
Net cash provided (used) by/in financing activities	(49,647)	52,034
Net increase (decrease) in cash and cash equivalents	(31,094)	(1,347)
Cash and cash equivalents at the beginning of the period	344,414	308,632
Effect of exchange rate changes on cash and cash equivalents	(10,615)	1,118
Cash and cash equivalents at the end of the period	302,703	308,403

## (6) Segment information

For the first half ended September 30, 2016 (April 1, 2016 - September 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	70,847	38,748	55,766	19,180	115,715	182,469	73,210
Inter-segment revenue	4	885	14	19	1	15	5
Total revenue	70,852	39,634	55,780	19,199	115,717	182,484	73,216
Segment profit (loss)	1,712	(756)	1,538	(3,028)	1,030	3,915	4,091
Net sales (Note)							
External	128,208	273,870	104,478	33,193	193,094	281,628	158,703

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	145,396	12,322	713,657	20,920	—	734,578
Inter-segment revenue	48	175	1,169	167	(1,336)	—
Total revenue	145,445	12,497	714,827	21,087	(1,336)	734,578
Segment profit (loss)	4,660	908	14,072	(396)	1,682	15,359

Net sales (Note)						
External	568,848	12,259	1,754,286	22,388	—	1,776,674

Segment profit (loss) is reconciled based on the profit for the period attributable to owners of the Company under the consolidated statements of profit and loss.

Reconciliation of segment profit of 1,682 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 1,504 million yen, and unallocated dividend income and others of 179 million yen.

For the first half ended September 30, 2017 (April 1, 2017 – September 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	81,124	38,173	63,805	21,015	163,875	251,157	87,122
Inter-segment revenue	1	1,537	9	15	—	7	6
Total revenue	81,125	39,711	63,815	21,030	163,875	251,165	87,128
Segment profit (loss)	4,303	915	3,631	(4,289)	9,509	4,814	4,296
Net sales (Note)							
External	164,778	246,212	99,699	41,606	269,719	357,715	183,650

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	144,384	14,150	864,809	19,234	—	884,044
Inter-segment revenue	31	227	1,835	160	(1,996)	—
Total revenue	144,415	14,377	866,645	19,395	(1,996)	884,044
Segment profit (loss)	2,747	32	25,962	(359)	1,638	27,241

Net sales (Note)						
External	644,265	14,094	2,021,742	22,573	—	2,044,315

Segment profit (loss) is reconciled based on the profit for the period attributable to owners of the Company under the consolidated statements of profit and loss.

Reconciliation of segment profit of 1,638 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 1,706 million yen, and unallocated dividend income and others of (67) million yen.

Note: Net sales is calculated based on Japanese generally accepted accounting practices (JGAAP), and represents the total amount of the transactions in which the Group took part as the business operator and those in which the Group took part as an agent.

# 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**

# Summary of Profit or Loss

## - Profit for the period by segment -

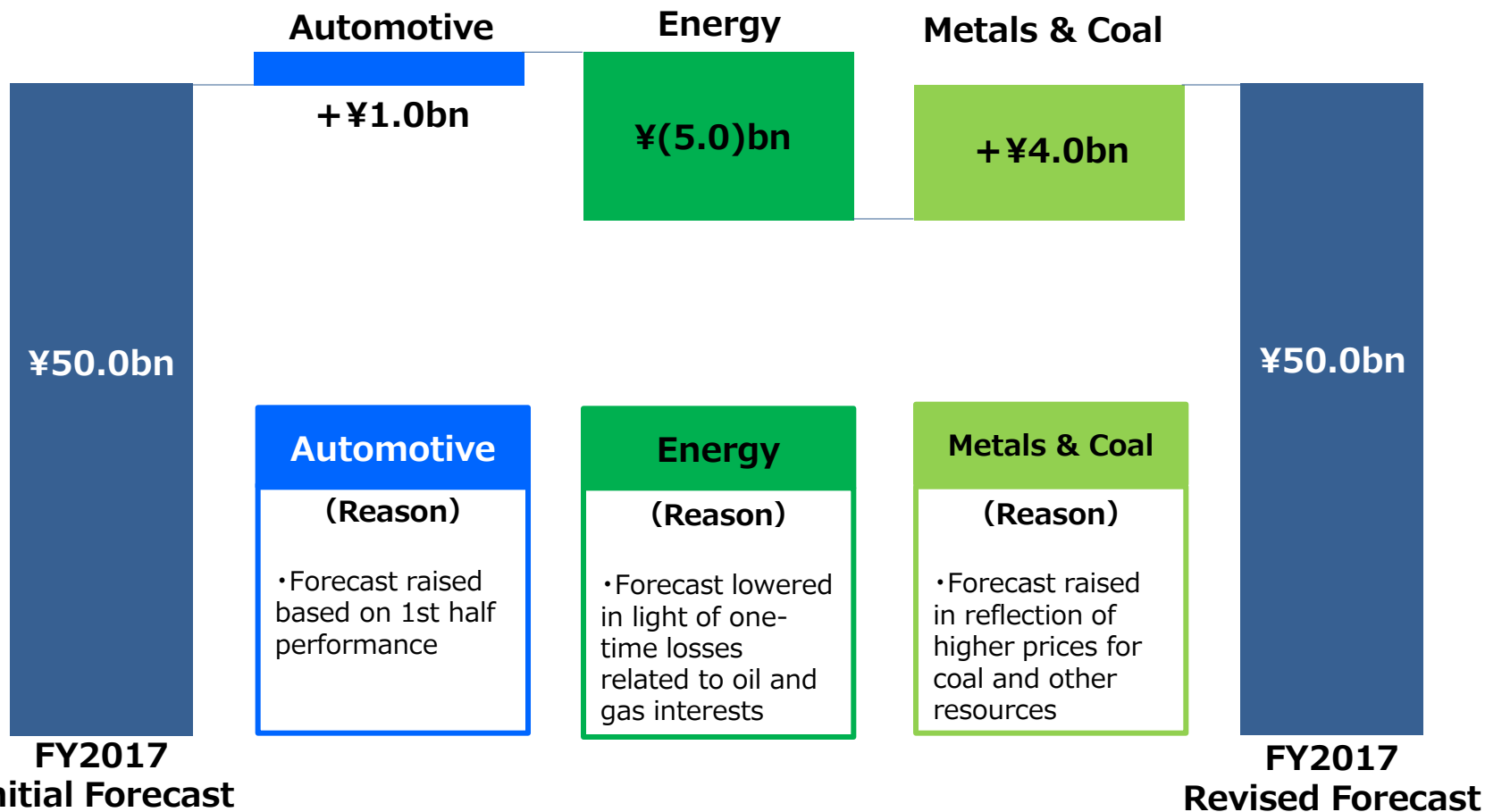
- Achieved 54% of forecasted profit for the year
- Revisions to full-year forecasts for Automotive Division, Energy Division, and Metals & Coal Division

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

# FY2017 Forecast

## - Profit for the year by segment -

- Forecast raised by ¥1.0 billion in Automotive Division and ¥4.0 billion in Metals & Coal Division
- Forecast lowered by ¥5.0 billion in Energy Division



# 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

Investment and loan  
FY2017 Plan

¥150.0bn

## Automotive

- ◆ Expansion of dealership businesses
- ◆ Entry into new fields in pursuit of future growth

## (New Initiatives)

- ▶ Parts quality inspection business in North America



## Aerospace & IT Business

- ◆ Broadening of aerospace field operations
- ◆ Airport business

- ▶ Aircraft part-out business
- ▶ Business jet operations
- ▶ 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





# 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
Automotive-related business	<ul style="list-style-type: none"> <li>• Dealership businesses in the Americas</li> <li>• Automotive parts quality inspection business in North America</li> </ul>
Aerospace-related business	<ul style="list-style-type: none"> <li>• Part-out business</li> <li>• Business jet</li> </ul>
Renewable energy business	<ul style="list-style-type: none"> <li>• Domestic solar power business</li> <li>• Overseas solar power business</li> </ul>
Infrastructure-related business	<ul style="list-style-type: none"> <li>• Overseas IPP businesses</li> </ul>
Energy-related business	<ul style="list-style-type: none"> <li>• Overseas LNG Terminal</li> </ul>
Chemical-related business	<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

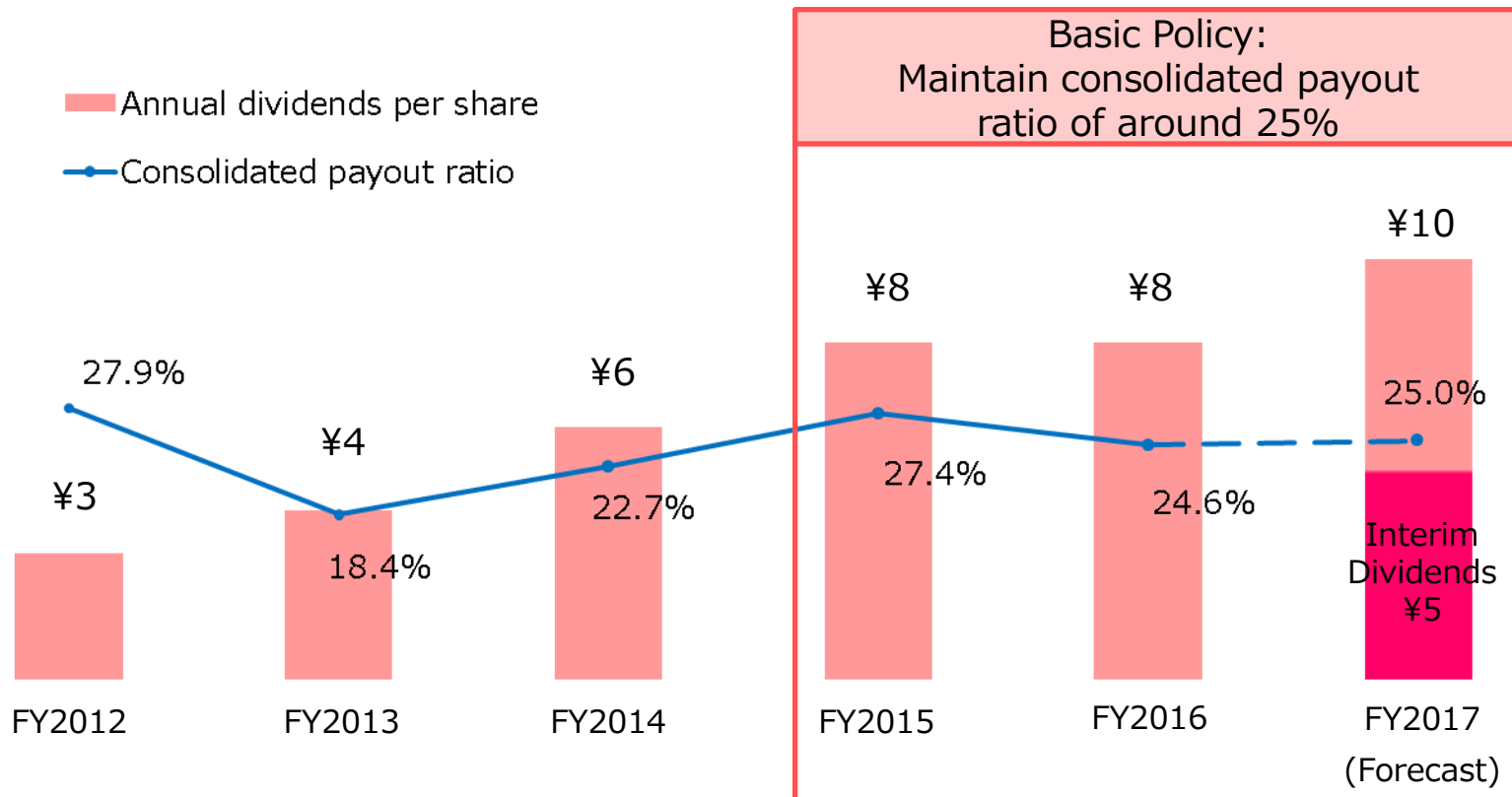
Portion of FY2017 profit for the year to be generated by these projects

**¥5.0 billion**

# 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. Financial Results for the Second Quarter and Full-Year Forecast of Fiscal Year Ending March 31, 2018



# Summary of Profit or Loss

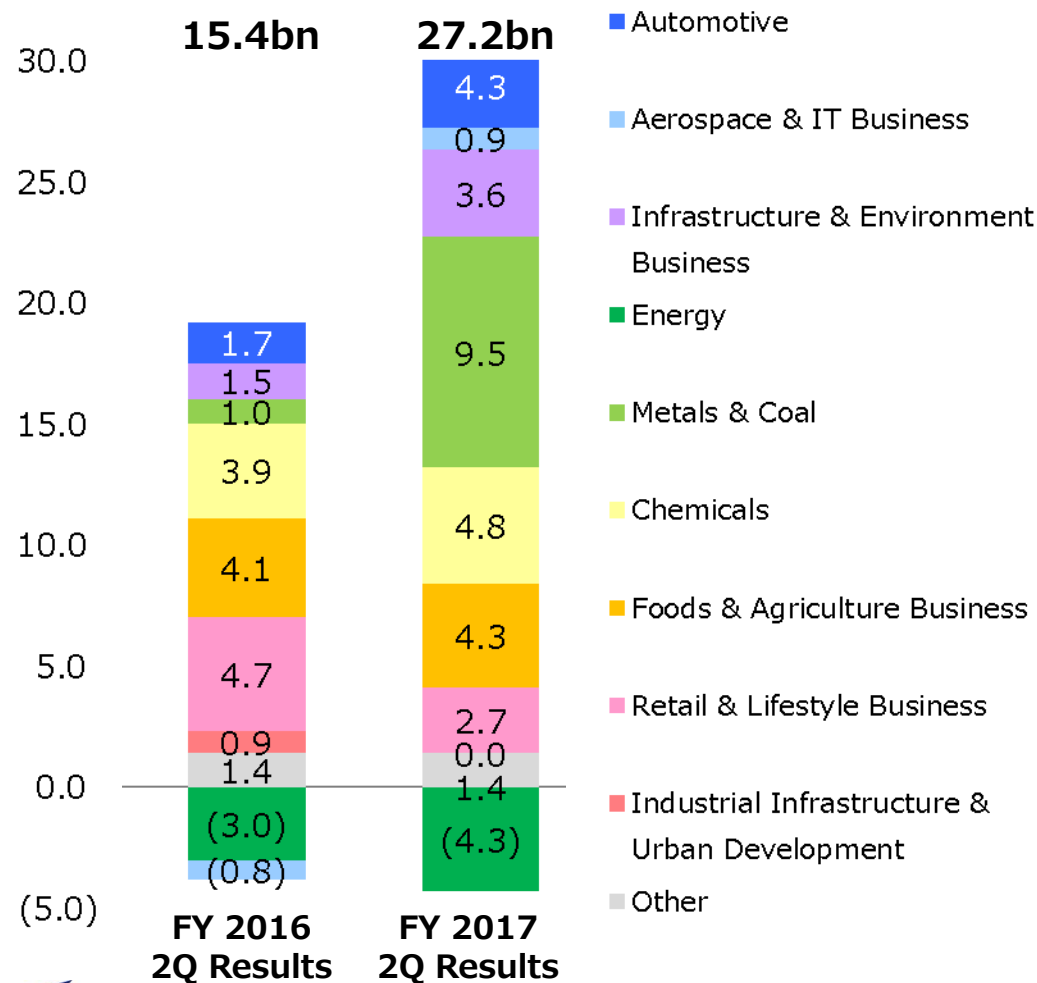
(Billions of yen)	FY2016 2Q Results	FY2017 2Q Results	Difference	FY2017 Initial Forecast	FY2017 Forecast (Nov. 2, 2017)	Achieved
<b>Net Sales (JGAAP)</b>	1,776.7	2,044.3	+267.6	4,100.0	4,100.0	50%
<b>Gross Profit</b>	91.8	111.5	+19.7	222.0	227.0	49%
<b>Operating Profit</b>	16.2	29.9	+13.7	55.0	56.0	53%
<b>Share of profit (loss) of investments accounted for using the equity method</b>	6.7	10.9	+4.2	21.0	21.0	52%
<b>Profit before tax</b>	19.5	37.9	+18.4	69.0	70.0	54%
<b>Profit for the period attributable to owners of the Company</b>	15.4	27.2	+11.8	50.0	50.0	54%
<b>Core Earnings</b>	20.6	40.8	+20.2	70.0	75.0	54%

# 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)



### Factors behind year on year change in earnings

- Automotive ¥ 4.3 billion (up ¥ 2.6 billion YoY)**  
 Increased due to higher automobile sales volumes in overseas automobile assembly and wholesale businesses
- Aerospace & IT business ¥ 0.9 billion (up ¥ 1.7 billion YoY)**  
 Impairment losses recorded on Company-owned ships during the 2nd half of FY2016
- Infrastructure & Environment Business ¥ 3.6 billion (up ¥ 2.1 billion YoY)**  
 Increased due to earnings contributions from infrastructure-related businesses and higher volume of industrial machinery transactions
- Energy ¥ (4.3) billion (down ¥ (1.3) billion YoY)**  
 Decreased due to one-time losses related to oil and gas interests
- Metals & Coal ¥ 9.5 billion (up ¥ 8.5 billion YoY)**  
 Increased due to higher prices of coal and other resources, in addition to recovery of steel market conditions
- Chemicals ¥ 4.8 billion (up ¥ 0.9 billion YoY)**  
 Increased due to new acquisition of a European chemical distributor and marketing company, higher methanol prices, and higher volume of plastic resin transactions
- Foods & Agriculture Business ¥ 4.3 billion (up ¥ 0.2 billion YoY)**  
 Increased due to firm performance of overseas fertilizer businesses
- Retail & Lifestyle Business ¥ 2.7 billion (down ¥ (2.0) billion YoY)**  
 Decreased due to absence of gain on sales of shopping centers in Japan recorded in the 1st quarter of FY2016
- Industrial Infrastructure & Urban Development ¥ 0.0 billion (down ¥ (0.9) billion YoY)**  
 Decreased as a result of fewer lot sales in some overseas industrial park businesses

# FY2017 Forecast

## - Profit for the year by segment -

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

(Billions of yen)	FY2017 2Q Results	FY2017 Initial Forecast	FY2017 Forecast (Nov. 2, 2017)
Automotive	4.3	4.0	5.0
Aerospace & IT Business	0.9	5.0	5.0
Infrastructure & Environment Business	3.6	5.0	5.0
Energy	(4.3)	1.0	(4.0)
Metals & Coal	9.5	13.0	17.0
Chemicals	4.8	8.0	8.0
Foods & Agriculture Business	4.3	5.0	5.0
Retail & Lifestyle Business	2.7	5.0	5.0
Industrial Infrastructure & Urban Development	0.0	2.0	2.0
Other	1.4	2.0	2.0
<b>Total</b>	<b>27.2</b>	<b>50.0</b>	<b>50.0</b>

### Progress Overview

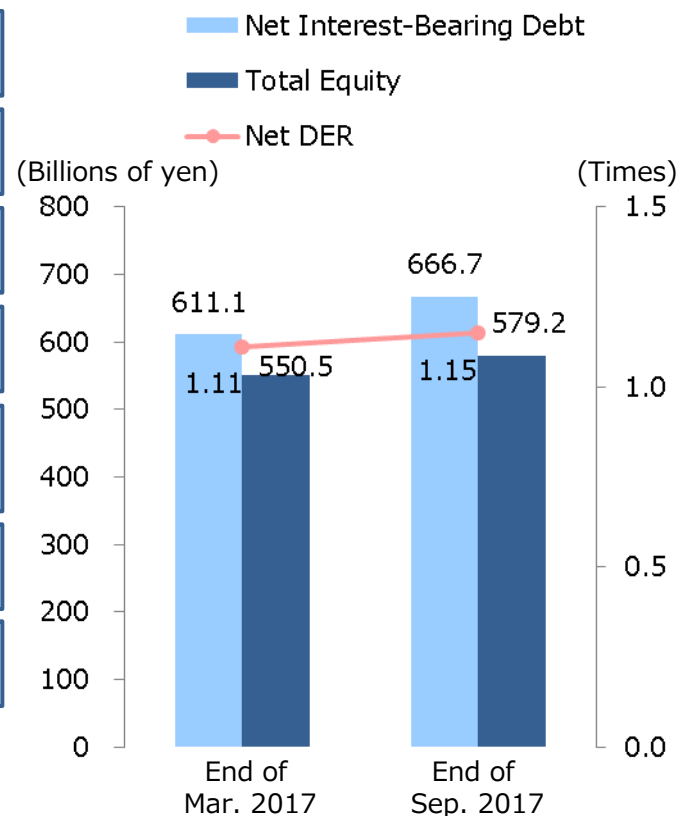
- **Automotive ¥ 4.3 billion**  
Forecast raised based on 1st half performance
- **Aerospace & IT Business ¥ 0.9 billion**  
Earnings contributions from aircraft-related transactions and IT industry-related business anticipated in 2nd half of fiscal year
- **Infrastructure & Environment Business ¥ 3.6 billion**  
Performance generally as budgeted
- **Energy ¥ (4.3) billion**  
Forecast lowered in light of one-time losses related to oil and gas interests
- **Metals & Coal ¥ 9.5 billion**  
Forecast raised in reflection of higher prices for coal and other resources
- **Chemicals ¥ 4.8 billion**  
Performance generally as budgeted
- **Foods & Agriculture Business ¥ 4.3 billion**  
Performance generally as budgeted
- **Retail & Lifestyle Business ¥ 2.7 billion**  
Performance generally as budgeted
- **Industrial Infrastructure & Urban Development ¥ 0.0 billion**  
Earnings contributions from overseas industrial park businesses and domestic real estate businesses anticipated in 2nd half of fiscal year

# Summary of Balance Sheets

(Billions of yen)	End of Mar. 2017	End of Sep. 2017	Difference	End of Mar. 2018 (Forecast)
<b>Total Assets</b>	2,138.5	2,322.3	+183.8	2,350.0
<b>Total Equity*</b>	550.5	579.2	+28.7	600.0
<b>Equity Ratio</b>	25.7%	24.9%	(0.8)%	25.5%
<b>Net Interest-Bearing Debt</b>	611.1	666.7	+55.6	650.0
<b>Net DER (Times)</b>	1.11	1.15	+0.04	1.08
<b>Risk Assets vs. Total Equity</b>	320.0 0.6 times	310.0 0.5times	(10.0) (0.1)times	—
<b>Current Ratio</b>	171.3%	169.0%	(2.3)%	—
<b>Long-term Debt Ratio</b>	82.9%	83.4%	+0.5%	—

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

- Profit for the period ¥ 27.2 billion
- Dividends paid ¥ (5.0) billion

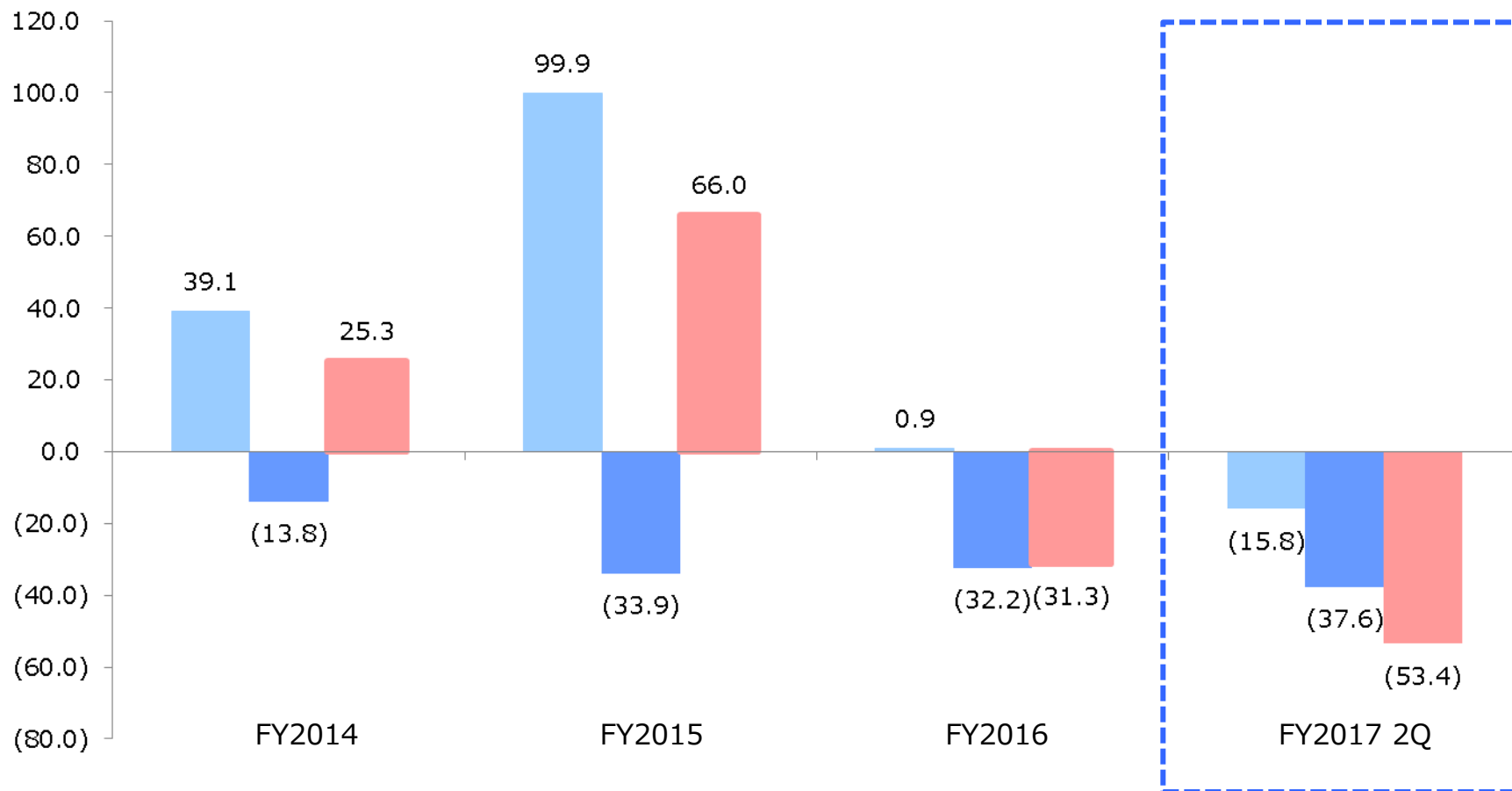


(\*) "Total Equity" above refers to "total equity attributable to owners of the Company" and is used as the denominator when calculating "Net DER" and numerator when calculating the "Equity Ratio."

# Summary of Free Cash Flows

- Cash Flows from Operating Activities
- Cash Flows from Investing Activities
- Free Cash Flows

(Billions of yen)





# Investment and Loan / Asset Reduction for FY2017 2Q

FY2017 2Q Results	Main Businesses
Investment and Loan	<ul style="list-style-type: none"><li>■ Automotive parts quality inspection business in North America</li><li>■ Aircraft related business</li><li>■ IPP businesses in the United States</li><li>■ Domestic and overseas solar power businesses</li><li>■ ASEAN retail businesses</li><li>■ Real estate businesses in Japan</li><li>■ Capital expenditure for resource businesses</li></ul>
Investment and Loan Total	¥90.0 bn
Asset Reduction Total	¥5.0 bn

# Major One-time Gain/Loss for FY2017 2Q

	FY2016 2Q Results		FY2017 2Q Results	
	Billions of yen	Main Factor	Billions of yen	Main Factor
Impairment loss on fixed assets	(2.8)	<ul style="list-style-type: none"> <li>•Company-owned ships</li> <li>•Oil and gas interests, etc.</li> </ul>	—	
Gain on sale of subsidiaries/ associates	+ 1.3	<ul style="list-style-type: none"> <li>•Chemicals related subsidiary, etc.</li> </ul>	+ 1.6	<ul style="list-style-type: none"> <li>•Automotive parts business, etc.</li> </ul>
Loss on reorganization of subsidiaries	(0.4)	<ul style="list-style-type: none"> <li>•Resin manufacturer, etc.</li> </ul>	(4.3)	<ul style="list-style-type: none"> <li>•Oil and gas interests, etc.</li> </ul>
<b>Total</b>	<b>¥ (1.9) billion</b>		<b>¥ (2.7) billion</b>	

\* Figures above represent amounts before adjustment for taxes.

# Commodity Prices, Foreign Exchange, and Interest Rate

	FY2016 Results (Apr.-Sep. Avg.)	FY2017 Assumptions (Annual Avg.)	FY2017 Results (Apr.-Sep. Avg.)	Latest Data (As of Oct. 27, 2017)
Crude Oil (Brent)*1	US\$47.0/bbl	US\$50.0/bbl	US\$51.5/bbl	US\$60.4/bbl
Thermal Coal *2	US\$59.4/t	US\$77.5/t	US\$86.1/t	US\$97.2/t
Exchange Rate *3	¥105.4/US\$	¥110.0/US\$	¥111.3/US\$	¥114.2/US\$
Interest Rate (TIBOR)	0.07%	0.06%	0.06%	0.07%

- \*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. ¥30 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 exchange rate fluctuations 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. ¥1.8 billion.

# 【Supplemental Data】

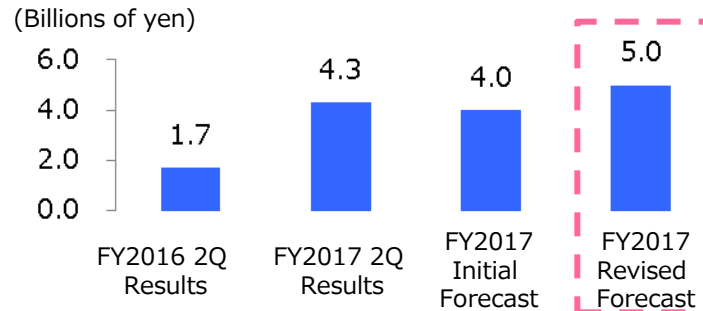
## Ⅱ . Segment Information

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# Automotive



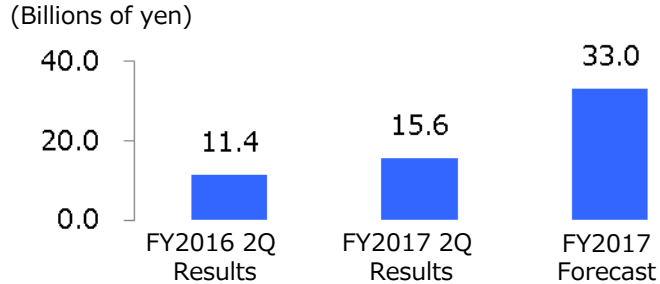
## Profit for the Period (attributable to owners of the Company)



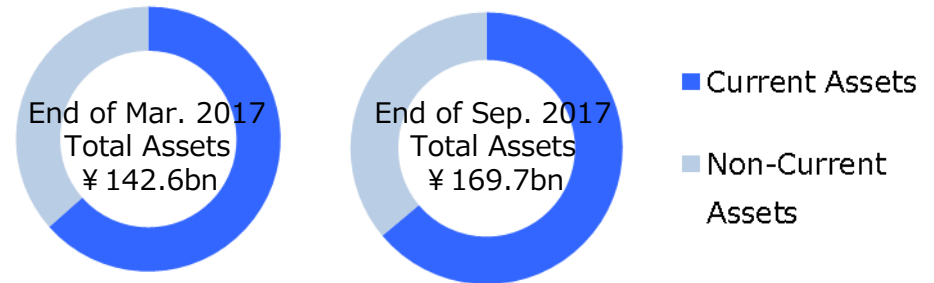
### 【Progress Overview】

Forecast raised based on 1st half performance

## Gross Profit



## Asset Structure



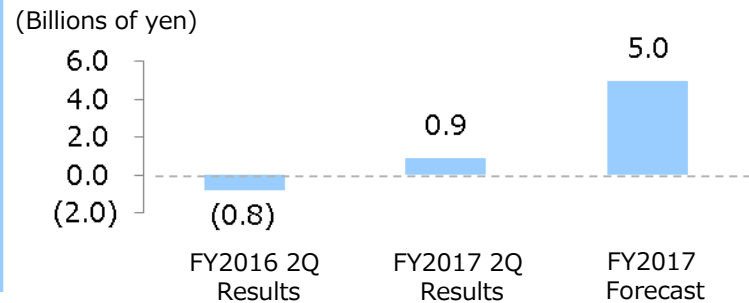
## FY 2017 2Q Results

(Billions of Yen)	FY2016 2Q Results	FY2017 2Q Results
Gross profit	11.4	15.6
Operating profit	2.3	5.1
Share of profit of investments accounted for using the equity method	0.7	1.5
Profit for the period (attributable to owners of the Company)	1.7	4.3
	End of Mar. 2017	End of Sep. 2017
Total assets	142.6	169.7

# Aerospace & IT Business



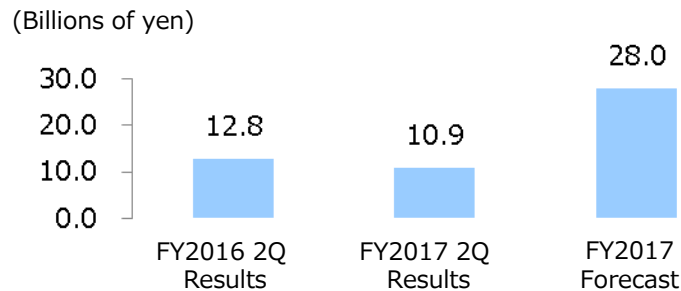
## Profit for the Period (attributable to owners of the Company)



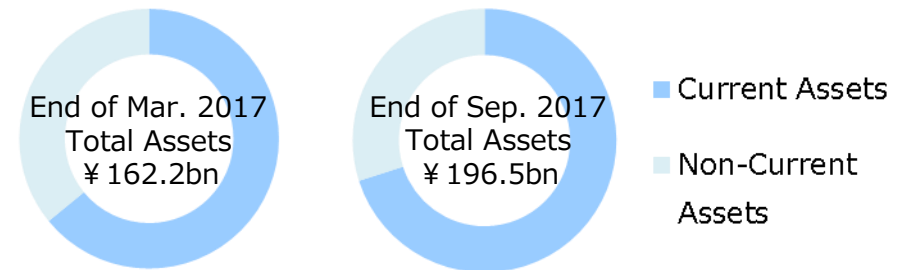
### 【Progress Overview】

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

## Gross Profit



## Asset Structure



## FY2017 2Q Results

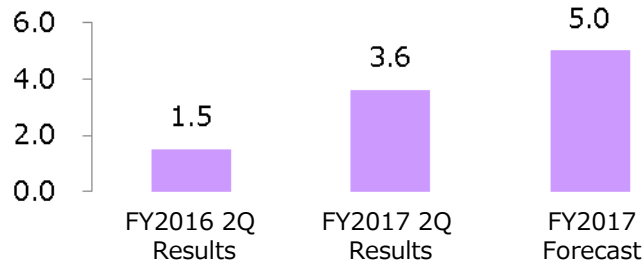
(Billions of Yen)	FY2016 2Q Results	FY2017 2Q Results
Gross profit	12.8	10.9
Operating profit (loss)	(0.1)	2.0
Share of profit of investments accounted for using the equity method	0.2	0.2
Profit (loss) for the period (attributable to owners of the Company)	(0.8)	0.9
	End of Mar. 2017	End of Sep. 2017
Total assets	162.2	196.5

# Infrastructure & Environment Business



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

(Billions of yen)

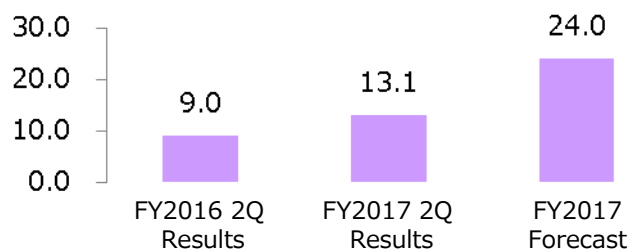


### 【Progress Overview】

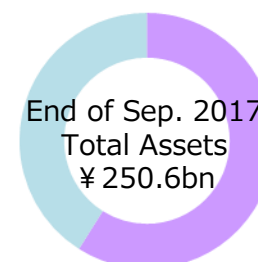
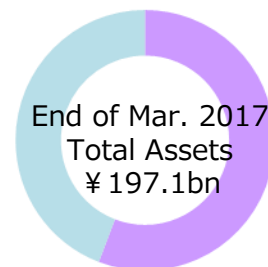
Performance generally as budgeted

## Gross Profit

(Billions of yen)



## Asset Structure



■ Current Assets  
■ Non-Current Assets

## FY2017 2Q Results

(Billions of Yen)

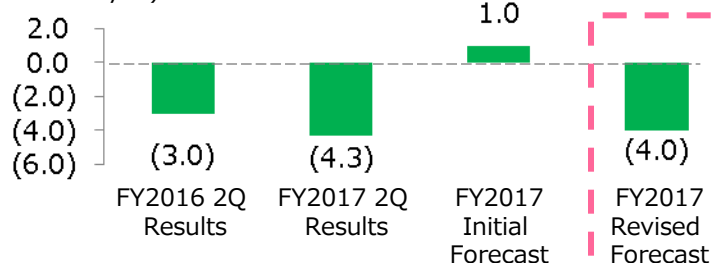
	FY2016 2Q Results	FY2017 2Q Results
Gross profit	9.0	13.1
Operating profit	1.5	5.2
Share of profit of investments accounted for using the equity method	1.0	0.4
Profit for the period (attributable to owners of the Company)	1.5	3.6
	End of Mar. 2017	End of Sep. 2017
Total assets	197.1	250.6

# Energy



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

(Billions of yen)

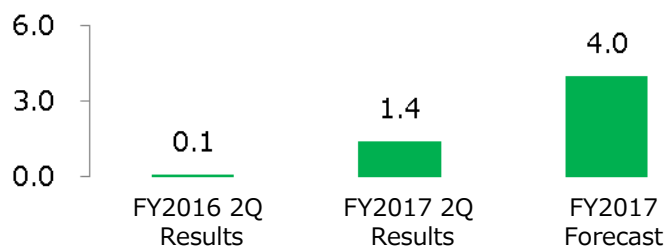


### 【Progress Overview】

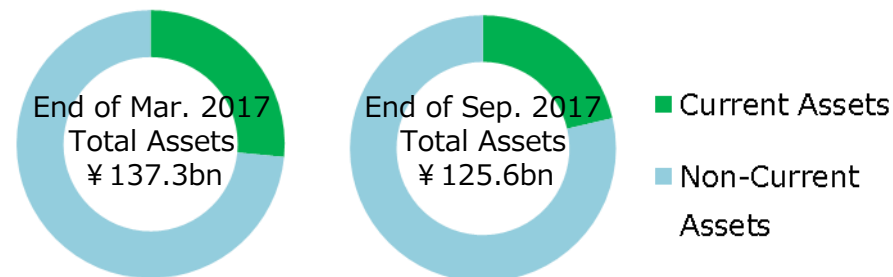
Forecasts lowered in light of one-time losses related to oil and gas interests

## Gross Profit

(Billions of yen)



## Asset Structure

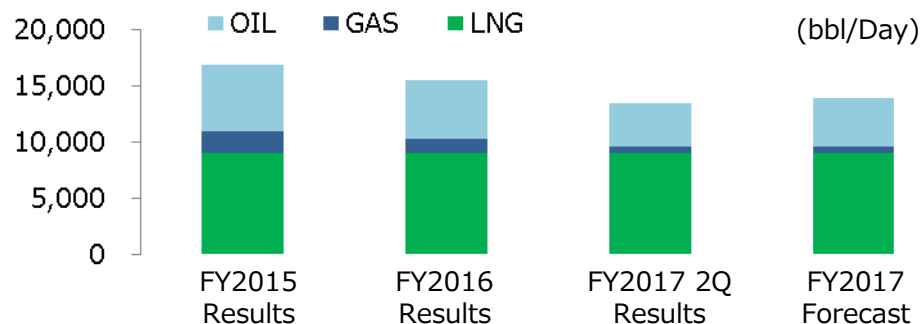


## FY2017 2Q Results

(Billions of Yen)

	FY2016 2Q Results	FY2017 2Q Results
Gross profit	0.1	1.4
Operating profit (loss)	(3.0)	(4.6)
Share of profit of investments accounted for using the equity method	0.0	0.2
Profit (loss) for the period (attributable to owners of the Company)	(3.0)	(4.3)
	End of Mar. 2017	End of Sep. 2017
Total assets	137.3	125.6

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

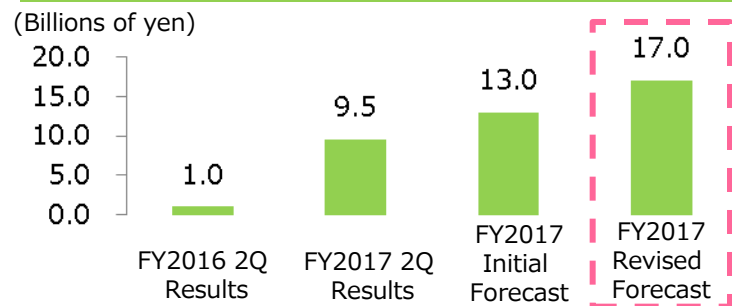




# Metals & Coal

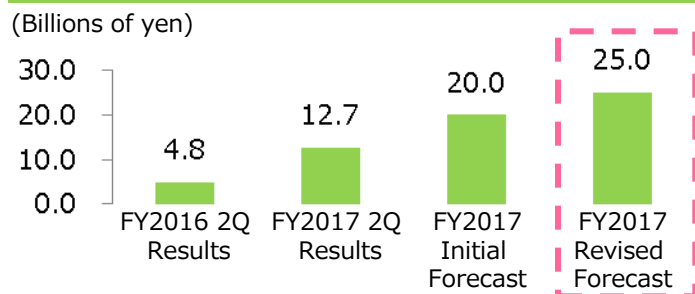


## Profit for the Period (attributable to owners of the Company)

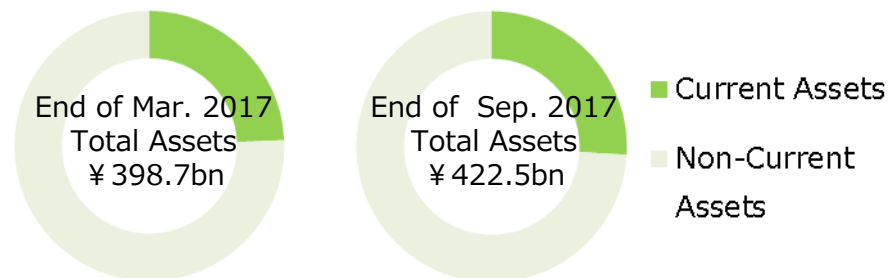


**【Progress Overview】**  
Forecasts raised in reflection of higher prices for coal and other resources

## Gross Profit



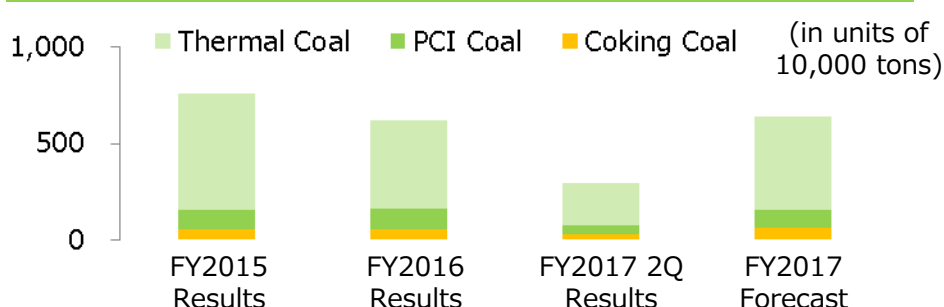
## Asset Structure



## FY2017 2Q Results

(Billions of Yen)	FY2016 2Q Results	FY2017 2Q Results
Gross profit	4.8	12.7
Operating profit (loss)	(0.7)	6.0
Share of profit of investments accounted for using the equity method	3.2	7.3
Profit for the period (attributable to owners of the Company)	1.0	9.5
	End of Mar. 2017	End of Sep. 2017
Total assets	398.7	422.5

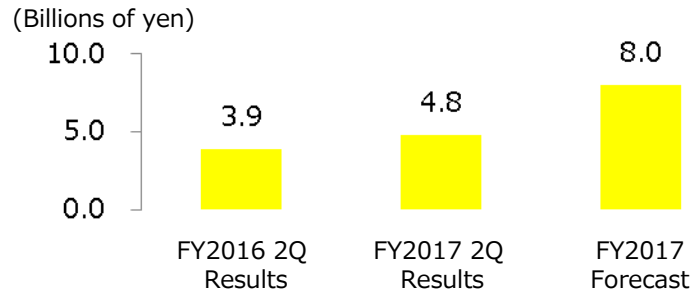
## Sales Volume for Coal



# Chemicals



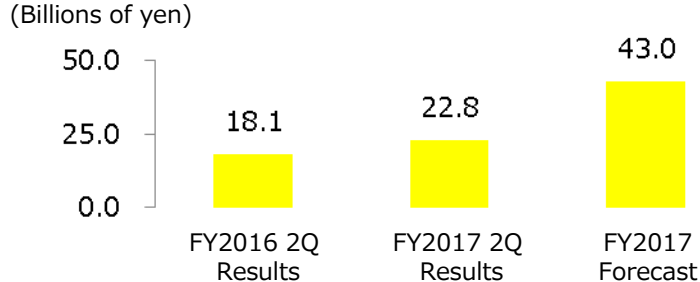
## Profit for the Period (attributable to owners of the Company)



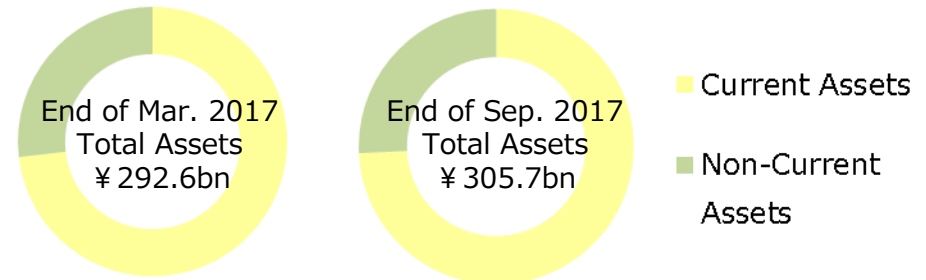
### 【Progress Overview】

Performance generally as budgeted

## Gross Profit



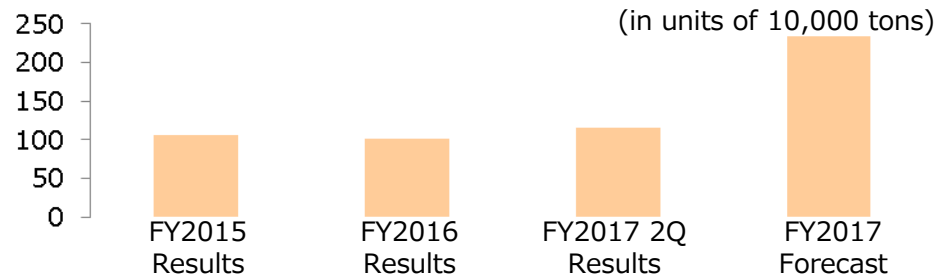
## Asset Structure



## FY2017 2Q Results

(Billions of Yen)	FY2016 2Q Results	FY2017 2Q Results
Gross profit	18.1	22.8
Operating profit	5.9	7.4
Share of profit of investments accounted for using the equity method	0.5	0.6
Profit for the period (attributable to owners of the Company)	3.9	4.8
	End of Mar. 2017	End of Sep. 2017
Total assets	292.6	305.7

## Sales Volume for Methanol



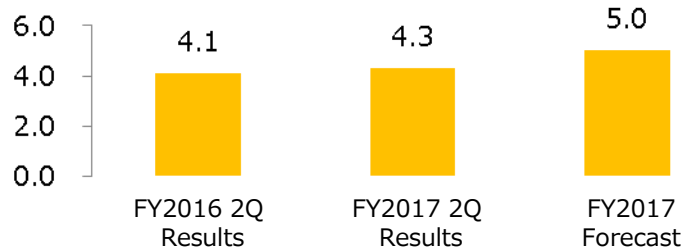
\*Sales volume from FY2017 2Q results onward includes sales by solvadis.

# Foods & Agriculture Business



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

(Billions of yen)

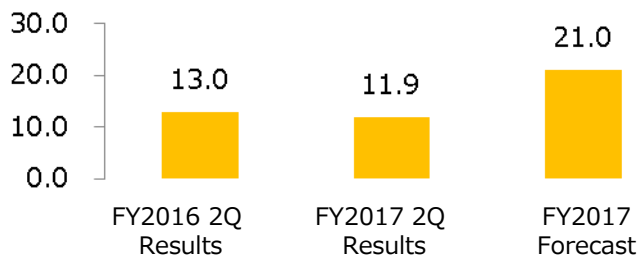


### 【Progress Overview】

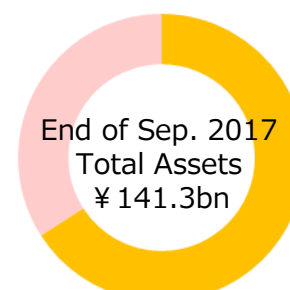
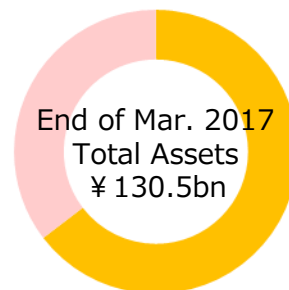
Performance generally as budgeted

## Gross Profit

(Billions of yen)



## Asset Structure



■ Current Assets  
■ Non-Current Assets

## FY2017 2Q Results

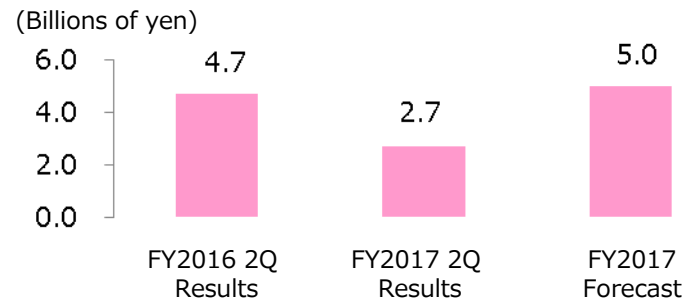
(Billions of Yen)

	FY2016 2Q Results	FY2017 2Q Results
Gross profit	13.0	11.9
Operating profit	6.8	6.2
Share of profit (loss) of investments accounted for using the equity method	(0.1)	0.5
Profit for the period (attributable to owners of the Company)	4.1	4.3
	End of Mar. 2017	End of Sep. 2017
Total assets	130.5	141.3

# Retail & Lifestyle Business



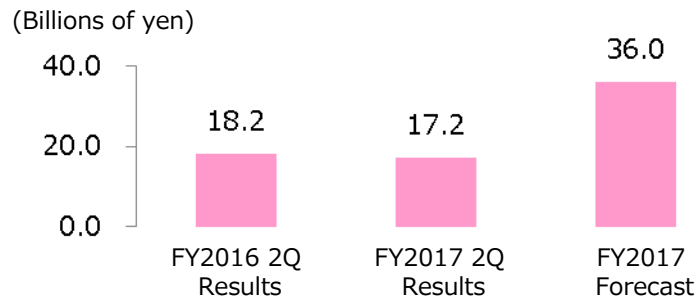
## Profit for the Period (attributable to owners of the Company)



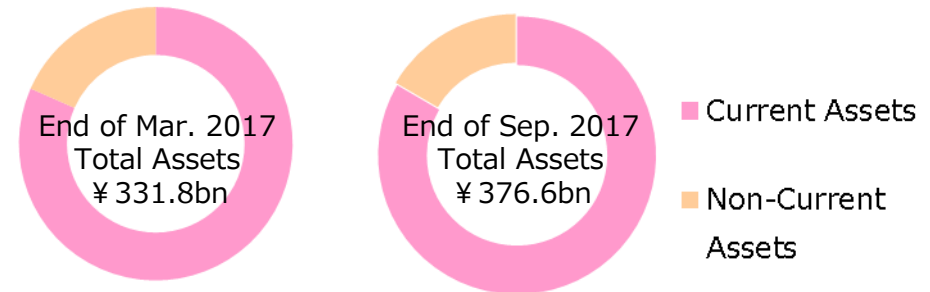
## 【Progress Overview】

Performance generally as budgeted

## Gross Profit



## Asset Structure



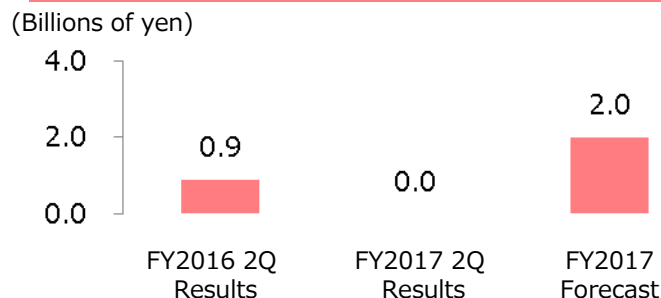
## FY2017 2Q Results

(Billions of Yen)	FY2016 2Q Results	FY2017 2Q Results
Gross profit	18.2	17.2
Operating profit	5.2	4.6
Share of profit of investments accounted for using the equity method	0.3	0.1
Profit for the period (attributable to owners of the Company)	4.7	2.7
	End of Mar. 2017	End of Sep. 2017
Total assets	331.8	376.6

# Industrial Infrastructure & Urban Development



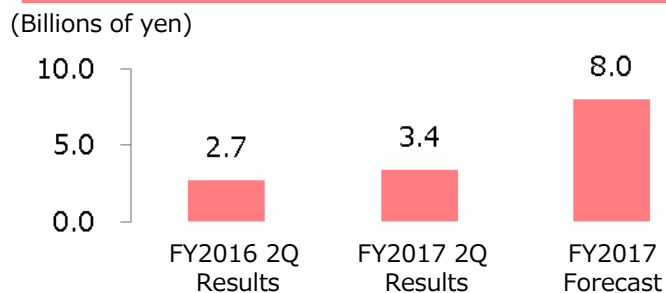
## Profit for the Period (attributable to owners of the Company)



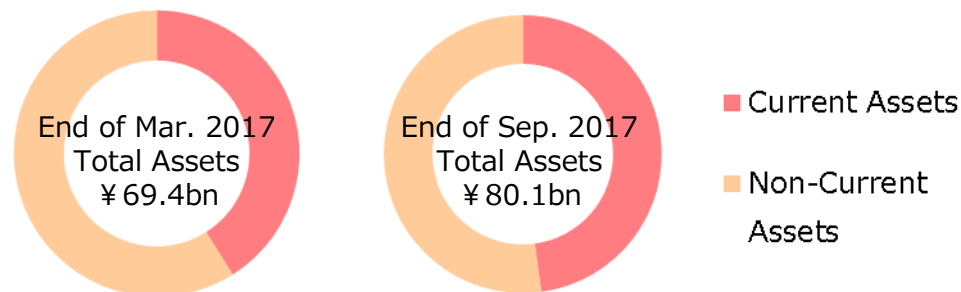
### 【Progress Overview】

Earnings contributions from overseas industrial park businesses and domestic real estate businesses anticipated in 2nd half of fiscal year

## Gross Profit



## Asset Structure



## FY2017 2Q Results

(Billions of Yen)	FY2016 2Q Results	FY2017 2Q Results
Gross profit	2.7	3.4
Operating profit	0.6	1.0
Share of profit of investments accounted for using the equity method	0.9	0.2
Profit for the period (attributable to owners of the Company)	0.9	0.0
	End of Mar. 2017	End of Sep. 2017
Total assets	69.4	80.1

【Supplemental Data】

Ⅲ. 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 2Q
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	2,044.3
Gross profit	277.7	235.6	178.2	192.7	217.1	187.2	198.2	197.7	180.7	200.7	111.5
Operating profit	92.4	52.0	16.1	37.5	57.5	25.5	23.7	33.6	29.2	51.6	29.9
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	10.9
Profit before tax	88.4	37.1	18.9	39.3	58.5	28.1	44.0	52.6	44.3	58.0	37.9
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	27.2
Core earnings	110.7	48.3	14.4	41.9	65.8	38.5	68.0	66.3	41.6	54.2	40.8
(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)

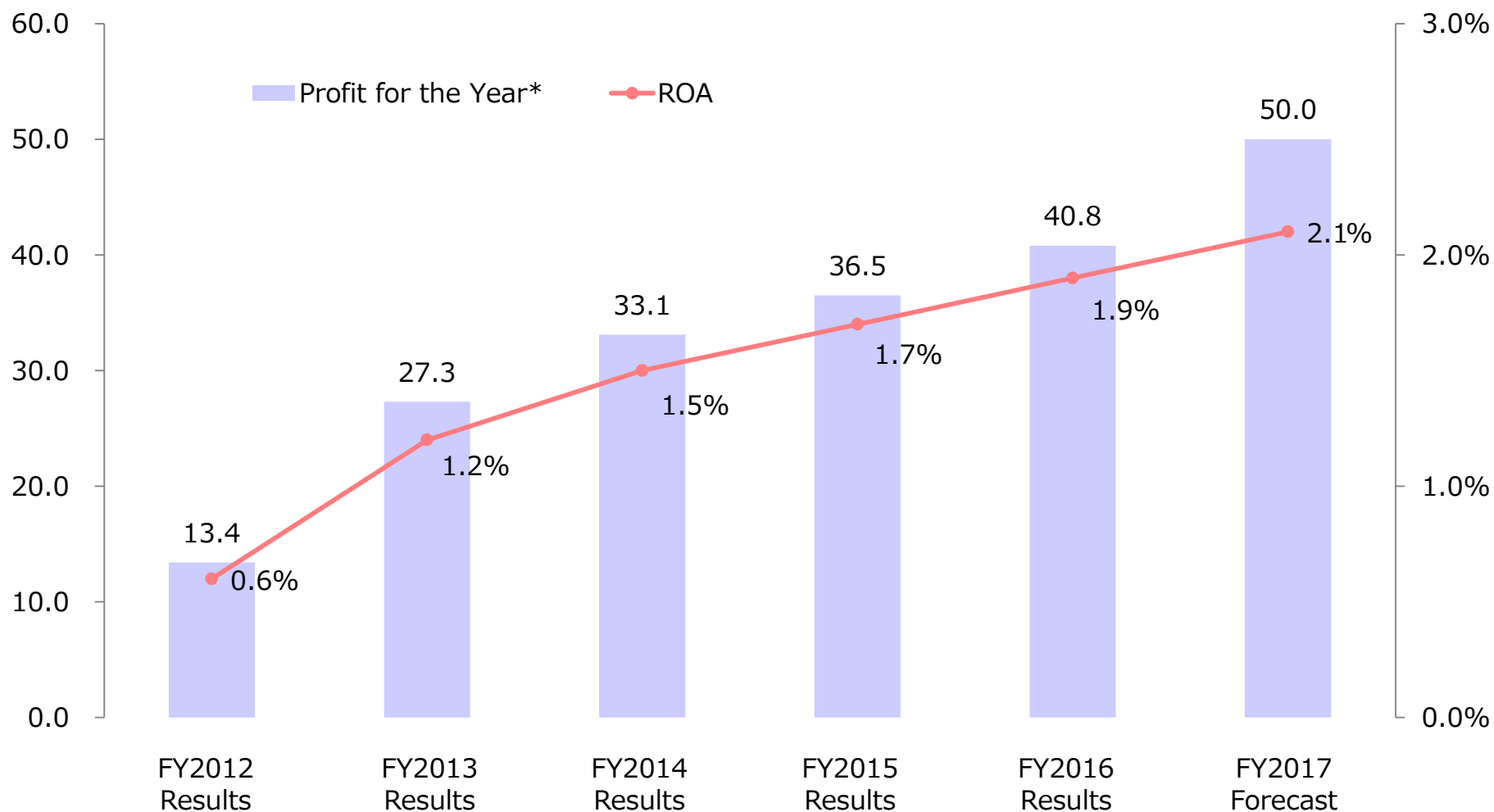
(Billions of yen)	End of Mar. 2008	End of Mar. 2009	End of Mar. 2010	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Sep. 2017
Total Assets	2,669.4	2,313.0	2,160.9	2,117.0	2,190.7	2,150.1	2,220.2	2,297.4	2,056.7	2,138.5	2,322.3
Total Equity	476.0	319.0	352.4	330.0	330.0	382.6	459.9	550.9	520.3	550.5	579.2
Equity Ratio	17.8%	13.8%	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	24.9%
Net Interest-Bearing Debt	918.9	865.3	737.8	700.6	676.4	643.3	640.2	629.6	571.6	611.1	666.7
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	310.0 0.5
Current Ratio	121.1%	141.7%	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	169.0%
Long-term Debt Ratio	54.0%	66.7%	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	83.4%

(\*) 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.



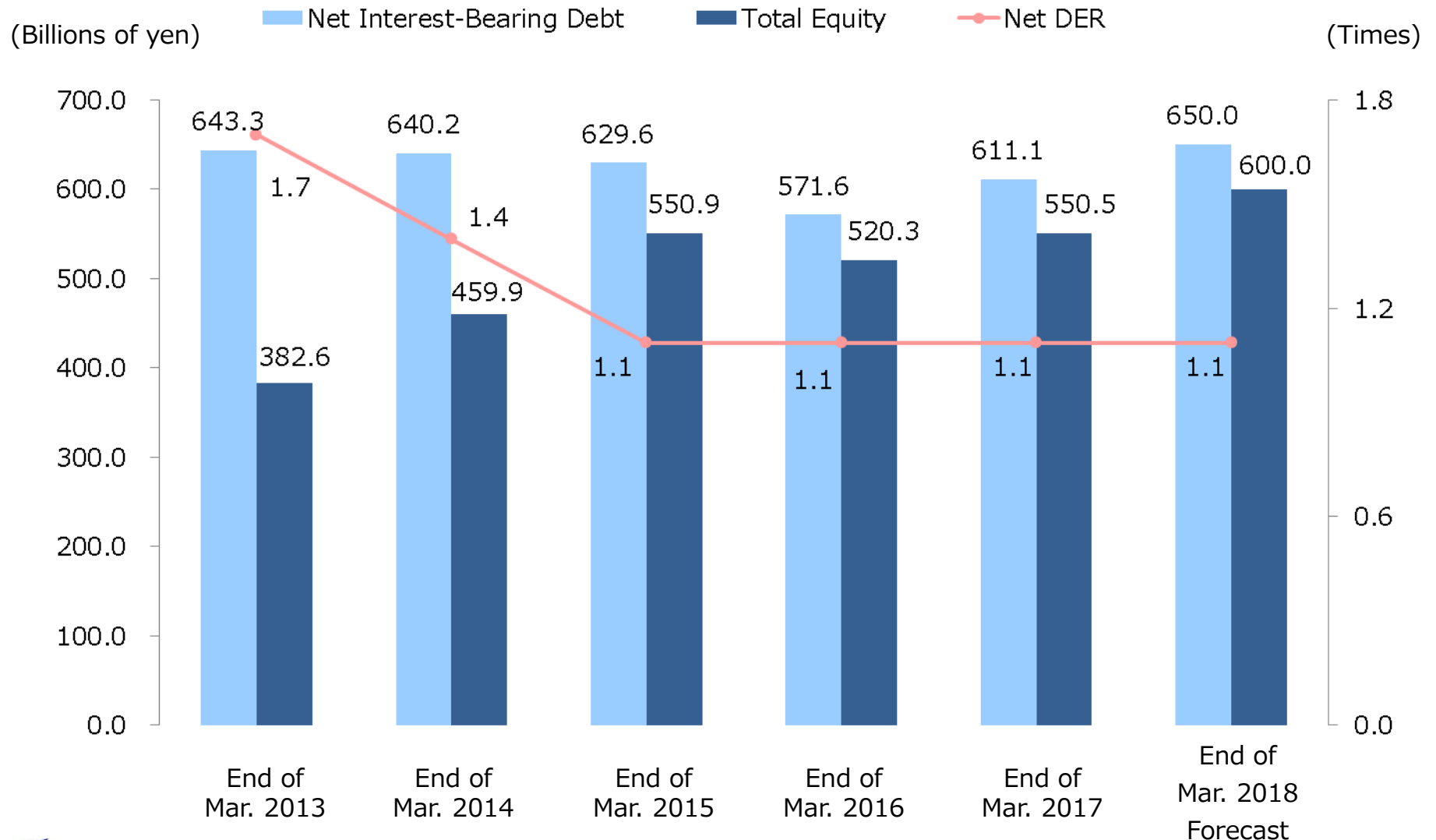
# Summary of Profit or Loss

(Billions of yen)



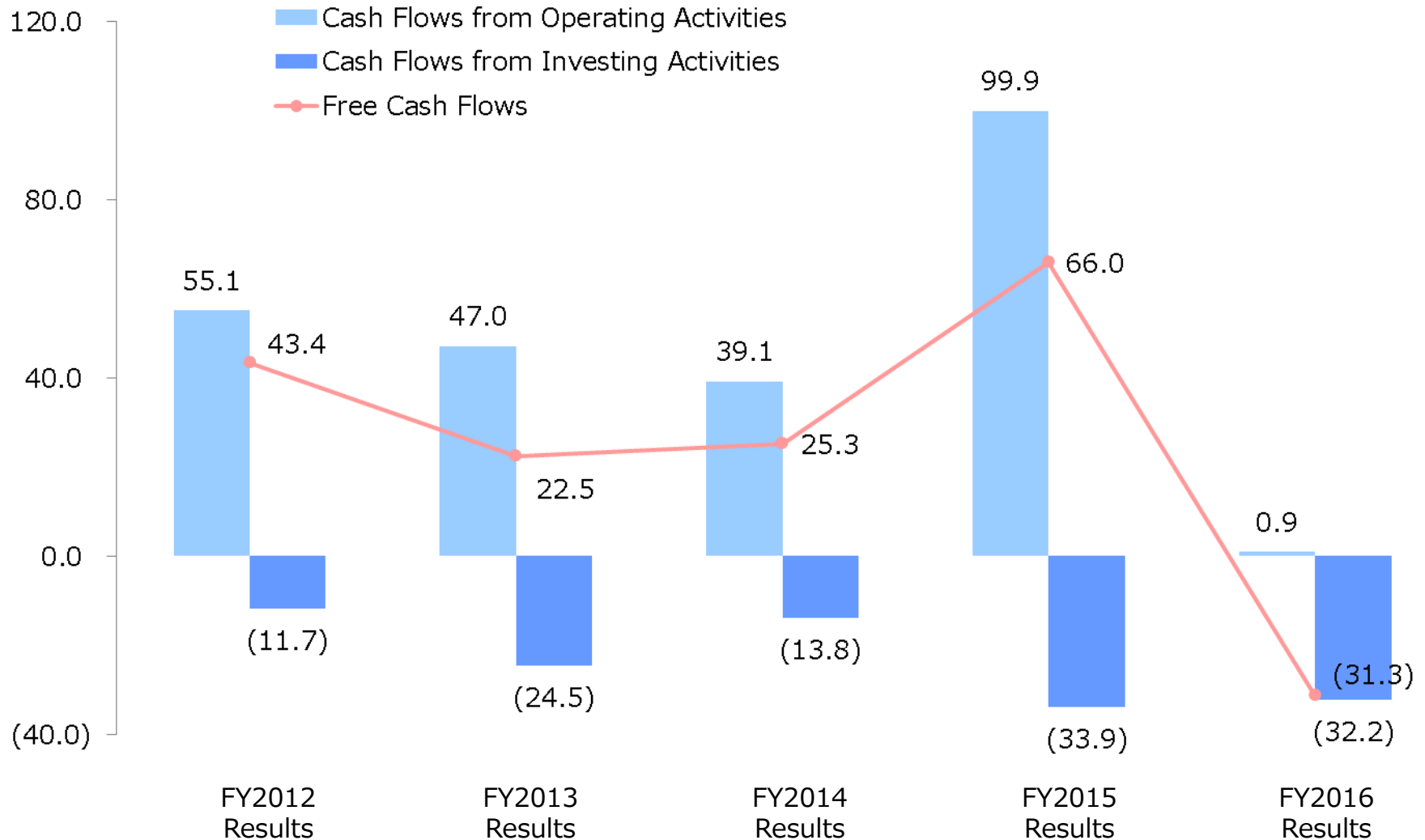
\* Attributable to owners of the Company

# Summary of Balance Sheets



# Summary of Cash Flow

(Billions of yen)





***sojitz***

***New way, New value***

Consolidated Financial Results  
for the First Half Fiscal Year ending March 31, 2018  
(From April 1, 2017 to March 31, 2018)

Contents

◆ Consolidated Statements of Cash Flows for the First Half Ended September 30, 2017	P.	1	~	2
◆ Segment Information	P.	3	~	4
◆ Increase/Decrease in the Number of Consolidated Subsidiaries and Equity-method Associates	P.	5	~	6
◆ Performances of Major Consolidated Subsidiaries and Equity-method Associates	P.	7		
◆ Country Risk Exposure (Consolidated)	P.	8		
◆ Real Estate (Consolidated)	P.	9		
◆ Number of Employees by Business Segment (Consolidated)	P.	10		
◆ News Releases for the First Half Ended September 30, 2017	P.	11		
◆ Forecast for the Year Ending March 31, 2018	P.	12		
◆ Change of Consolidated Statements of Financial Position (IFRS)	P.	13		
◆ Change of Consolidated Statements of Profit or Loss, Profit or Loss and Other Comprehensive Income (IFRS)	P.	14		
◆ Change of Consolidated Statements of Cash Flows (IFRS)	P.	15		
◆ Change of Consolidated Balance Sheets (JGAAP)	P.	16		
◆ Change of Consolidated Statements of Income and Comprehensive Income (JGAAP)	P.	17		
◆ Change of Consolidated Statements of Cash Flows (JGAAP)	P.	18		

**Consolidated Statements of Cash Flows**  
**for the First Half Ended September 30, 2017**

(Millions of Yen)

	For the 1st Half Ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	For the 1st Half Ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
<b>Cash flows from operating activities</b>		
Profit for the period	16,761	30,272
Depreciation and amortization	11,582	10,893
Impairment loss of fixed assets	2,808	21
Financial (income) costs	3,383	2,888
Share of (profit) loss of investments accounted for using the equity method	(6,686)	(10,898)
(Gain) loss on sale of fixed assets	(15)	2
Income tax expenses	2,754	7,643
(Increase) decrease in trade and other receivables	22,316	(32,799)
(Increase) decrease in inventories	2,670	(63,564)
Increase (decrease) in trade and other payables	(12,852)	75,814
Increase (decrease) in retirement benefits liabilities	(1,371)	486
Others	266	(33,490)
Subtotal	41,619	(12,729)
Interests earned	1,672	2,128
Dividends received	9,100	11,805
Interests paid	(7,498)	(7,423)
Income taxes paid	(4,466)	(9,551)
<b>Net cash provided (used) by/in operating activities</b>	<b>40,427</b>	<b>(15,770)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,658)	(14,372)
Proceeds from sale of property, plant and equipment	963	581
Purchase of intangible assets	(784)	(1,513)
(Increase) decrease in short-term loans receivable	(1,070)	571
Payment for long-term loans receivable	(1,149)	(604)
Collection of long-term loans receivable	200	551
Purchase of subsidiaries	(120)	(11,651)
Proceeds from (payments for) sale of subsidiaries	960	117
Purchase of investments	(7,775)	(11,994)
Proceeds from sale of investments	1,456	3,915
Others	(1,897)	(3,213)
<b>Net cash provided (used) by/in investing activities</b>	<b>(21,875)</b>	<b>(37,611)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings and commercial papers	(6,937)	11,072
Proceeds from long-term borrowings	54,616	102,747
Repayment of long-term borrowings	(81,384)	(57,750)
Proceeds from issuance of bonds	9,946	9,940
Redemption of bonds	(20,000)	(10,030)
Proceeds from non-controlling interest holders	524	2,592
Purchase of treasury stock	(0)	(2)
Dividends paid	(5,004)	(5,003)
Dividends paid to non-controlling interest holders	(756)	(755)
Others	(651)	(774)
<b>Net cash provided (used) by/in financing activities</b>	<b>(49,647)</b>	<b>52,034</b>
Net increase (decrease) in cash and cash equivalents	(31,094)	(1,347)
Cash and cash equivalents at the beginning of the period	344,414	308,632
Effect of exchange rate changes on cash and cash equivalents	(10,615)	1,118
Cash and cash equivalents at the end of the period	302,703	308,403

**Consolidated Statements of Cash Flows**  
**for the First Half Ended September 30, 2017 (Supplementary)**

	FY 2017 1H	Details
<b>① Net cash provided (used) by/in operating activities</b>		
	(Billions of Yen)	
1. Profit for the period before tax and depreciation and amortization	48.8	
2. Excluding profits/losses that do not affect cash flow	2.9	Impairment loss on fixed assets, Financial income/costs
3. Adjustment of profits/losses related to investment activities	(10.9)	Share of profit of investments accounted for using the equity method Gain (loss) on sale and disposal of fixed assets
4. Other	(56.6)	Increase in inventories and trade and other receivables
<b>Total</b>	<b>(15.8)</b>	
<b>② Net cash provided (used) by/in investing activities</b>		
1. Non-current assets		
Purchase of property, plant and equipment	(14.4)	Overseas power business etc.
Purchase of intangible assets	(1.5)	
Proceeds from sale of property, plant and equipment	0.6	
<b>Sub-total</b>	<b>(15.3)</b>	
2. Investments		
Payments for acquisition of subsidiaries and investments	(23.6)	Automotive parts quality inspection business in North America etc.
Proceeds from sale of subsidiaries and investments	4.0	
<b>Sub-total</b>	<b>(19.6)</b>	
3. Loans receivable		
Decrease (increase) in short-term loans receivable	0.6	
Payments of long-term loans receivable	(0.6)	
Collection of long-term loans receivable	0.6	
<b>Sub-total</b>	<b>0.6</b>	
4. Other	(3.3)	
<b>Total</b>	<b>(37.6)</b>	
<b>Free cash flow (①+②)</b>	<b>(53.4)</b>	
<b>③ Net cash provided (used) by/in financing activities</b>		
1. Increase (decrease) in short-term borrowings and commercial papers	11.1	
2. Long-term loans payable		
Proceeds from long-term loans payable	102.7	
Repayment of long-term loans payable	(57.8)	
<b>Sub-total</b>	<b>44.9</b>	
3. Bonds		
Proceeds from issuance of bonds	9.9	
Redemption of bonds	(10.0)	
<b>Sub-total</b>	<b>(0.1)</b>	
4. Cash dividends paid	(5.0)	
5. Other	1.1	
<b>Total</b>	<b>52.0</b>	

## Segment information

For the first half ended September 30, 2016 (April 1, 2016 - September 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	70,847	38,748	55,766	19,180	115,715	182,469	73,210
Inter-segment revenue	4	885	14	19	1	15	5
Total revenue	70,852	39,634	55,780	19,199	115,717	182,484	73,216
Segment profit (loss)	1,712	(756)	1,538	(3,028)	1,030	3,915	4,091
Net sales (Note)							
External	128,208	273,870	104,478	33,193	193,094	281,628	158,703

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	145,396	12,322	713,657	20,920	—	734,578
Inter-segment revenue	48	175	1,169	167	(1,336)	—
Total revenue	145,445	12,497	714,827	21,087	(1,336)	734,578
Segment profit (loss)	4,660	908	14,072	(396)	1,682	15,359

Net sales (Note)						
External	568,848	12,259	1,754,286	22,388	—	1,776,674

Reconciliation of segment profit of 1,682 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 1,504 million yen, and unallocated dividend income and others of 179 million yen.

For the first half ended September 30, 2017 (April 1, 2017 – September 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	81,124	38,173	63,805	21,015	163,875	251,157	87,122
Inter-segment revenue	1	1,537	9	15	—	7	6
Total revenue	81,125	39,711	63,815	21,030	163,875	251,165	87,128
Segment profit (loss)	4,303	915	3,631	(4,289)	9,509	4,814	4,296
Net sales (Note)							
External	164,778	246,212	99,699	41,606	269,719	357,715	183,650

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	144,384	14,150	864,809	19,234	—	884,044
Inter-segment revenue	31	227	1,835	160	(1,996)	—
Total revenue	144,415	14,377	866,645	19,395	(1,996)	884,044
Segment profit (loss)	2,747	32	25,962	(359)	1,638	27,241

Net sales (Note)						
External	644,265	14,094	2,021,742	22,573	—	2,044,315

Reconciliation of segment profit of 1,638 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 1,706 million yen, and unallocated dividend income and others of (67) million yen.

Note: Net sales is calculated based on Japanese generally accepted accounting practices (JGAAP), and represents the total amount of the transactions in which the Group took part as the business operator and those in which the Group took part as an agent.



Details of Business Segments

【Net sales】	(Billions of Yen)			<u>Reasons for change</u>
	<u>FY 2016 1H</u>	<u>FY 2017 1H</u>	<u>Change</u>	
Automotive	128.2	164.8	36.6	Net sales increased due to higher export trading transactions for the Philippines and off-shore transactions and a rise in automobile sales volumes in overseas automobile wholesale businesses
Aerospace & IT Business	273.9	246.2	(27.7)	Net sales decreased due to lower aircraft-related transactions
Infrastructure & Environment Business	104.5	99.7	(4.8)	Net sales decreased due to lower plant-related transactions
Energy	33.2	41.6	8.4	Net sales increased due to a rise in petroleum product sales prices
Metals & Coal	193.1	269.7	76.6	Net sales increased due to higher prices and transaction volumes for coal and other resources
Chemicals	281.6	357.7	76.1	Net sales increased due to the new acquisition of a European chemical distribution and marketing company as well as of higher volume of plastic resin transactions
Foods & Agriculture Business	158.7	183.7	25.0	Net sales increased due to higher grain and feed material transactions
Retail & Lifestyle Business	568.8	644.3	75.5	Net sales increased due to a rise in heat-not-burn cigarette transaction volumes
Industrial Infrastructure & Urban Development	12.3	14.1	1.8	Net sales increased due to growth in earnings from real estate transactions
Other	22.4	22.5	0.1	
<b>Consolidated</b>	<b>1,776.7</b>	<b>2,044.3</b>	<b>267.6</b>	

【Profit for the period】	(Billions of Yen)			<u>Reasons for change</u>
	<u>FY 2016 1H</u>	<u>FY 2017 1H</u>	<u>Change</u>	
Automotive	1.7	4.3	2.6	Profit increased due to higher automobile sales volumes in overseas automobile assembly and wholesale businesses
Aerospace & IT Business	(0.8)	0.9	1.7	Profit increased due to absence of impairment losses on Company-owned ships recorded during the 2nd half of FY2016
Infrastructure & Environment Business	1.5	3.6	2.1	Profit increased due to earnings contributions from infrastructure-related businesses and higher volume of industrial machinery transactions
Energy	(3.0)	(4.3)	(1.3)	Profit decreased due to one-time losses related to oil and gas interests
Metals & Coal	1.0	9.5	8.5	Profit increased due to higher prices of coal and other resources, in addition to recovery of steel market conditions
Chemicals	3.9	4.8	0.9	Profit increased due to new acquisition of a European chemical distributor and marketing company, higher methanol prices, and higher volume of plastic resin transactions
Foods & Agriculture Business	4.1	4.3	0.2	Profit increased due to firm performance of overseas fertilizer businesses
Retail & Lifestyle Business	4.7	2.7	(2.0)	Profit decreased due to absence of gain on sales of shopping centers in Japan recorded in the 1st quarter of FY2016
Industrial Infrastructure & Urban Development	0.9	0.0	(0.9)	Profit decreased due to fewer lot sales in some overseas industrial park businesses
Other	1.4	1.4	0.0	
<b>Consolidated</b>	<b>15.4</b>	<b>27.2</b>	<b>11.8</b>	

Increase/Decrease in the Number of  
Consolidated Subsidiaries and Equity-method Associates

Changes in the number of consolidated subsidiaries and equity-method associates during the first half of FY 2017  
(April 1, 2017 - September 30, 2017)

(Number of Companies)	As of March 31, 2017	As of September 30, 2017	Changes
Subsidiaries	298	306	8
Equity-method Associates	118	125	7
<b>Total</b>	<b>416</b>	<b>431</b>	<b>15</b>

Changes in major subsidiaries during the first half of FY2017 (April 1, 2017 - September 30, 2017)

**○ Major new subsidiaries**

Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Automotive	Stratosphere Quality LLC	Automobile parts quality inspection business (U.S.A.)
Infrastructure & Environment Business	Alten RE Developments America B.V.	Investment company for solar power business (Mexico)

Equity-method associates

(Segment)	(Company name)	(Main business)
Aerospace & IT Business	Japan Airport Management Partners Co. Ltd.	Investment company for operations at Palau International Airport (Hong Kong)
Retail & Lifestyle Business	FB Food Service (2017) Ltd.	Food service distribution business (Thailand)

**○ Major companies excluded from consolidation**

Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Foods & Agriculture Business	Kajitz Foods Corporation	Sale of frozen food

Equity-method associates

(Segment)	(Company name)	(Main business)
Retail & Lifestyle Business	Beijing Sanyuan Sojitz Foods & Logistics Co., Ltd.	Distribution, wholesale, and export business for refrigerated, frozen, and room temperature food (China)

Impact on the Profit due to  
Increase and Decrease of Consolidated Subsidiaries  
(compared with the year - earlier period)

Increase

(Billions of Yen)

	Net Sales	Gross Profit	Profit for the period
Consolidated subsidiaries	39.5	3.4	0.2

Decrease

(Billions of Yen)

	Net Sales	Gross Profit	Profit for the period
Consolidated subsidiaries	(8.8)	(2.9)	0.0

(Note)

In general, figures in the above tables are based on the financial statements prepared by each company.

Performances of Major Consolidated Subsidiaries and Equity-method Associates (Major Consolidated Subsidiaries)

								(Billions of Yen)		
Segment	Company	Main Business	Group Ownership		FY2016 1H	FY2016	FY2017 1H			
Automotive	Sojitz Automotive Group, Inc.	Automobile dealership	100.0%	Gross Profit	3.9	8.4	4.3			
				Profit for the Year	0.4	0.8	0.5			
	Sojitz de Puerto Rico Corporation	Import and sales of automobiles	100.0%	Gross Profit	1.7	3.7	1.9			
				Profit for the Year	0.5	1.0	0.5			
Aerospace & IT Business	Sojitz Aerospace Corporation	Import/export and sales of aerospace-related equipment, components and materials	100.0%	Gross Profit	1.6	4.1	1.6			
				Profit for the Year	0.3	1.1	0.3			
	Sojitz Marine & Engineering Corporation	Sales, purchase and charter brokerage of new and used vessels, ship operation management, sales and import/export of marine-related equipment and materials	100.0%	Gross Profit	1.5	3.2	1.7			
				Profit for the Year	0.2	0.7	0.4			
	Nissho Electronics Corporation	Providing leading-edge IT systems and network services	100.0%	Gross Profit	4.9	10.6	4.2			
				Profit for the Year	0.5	1.5	0.3			
Infrastructure & Environment Business	Sojitz Machinery Corporation	Import/export and sales of general machinery	100.0%	Gross Profit	2.5	5.0	2.2			
				Profit for the Year	0.5	1.0	0.3			
Energy	Sojitz Energy Venture Inc.	Investment in oil and gas mines	100.0%	Gross Profit	(0.6)	(0.6)	0.1			
				Profit for the Year	(0.6)	2.0	(0.0)			
	Sojitz Energy Project Limited	Investment in oil and gas mines	100.0%	Gross Profit	(0.4)	(0.8)	(0.1)			
				Profit for the Year	(0.8)	(3.2)	(0.4)			
Metals & Coal	Sojitz Coal Resources Pty Ltd.	Investment in coal mines	100.0%	Gross Profit	(0.0)	6.4	4.6			
				Profit for the Year	(0.5)	3.5	2.8			
	Sojitz Moolarben Resources, Pty. Ltd.	Investment in a coal mine	100.0%	Gross Profit	0.6	2.2	1.9			
				Profit for the Year	0.3	1.3	1.2			
	Sojitz Resources (Australia) Pty. Ltd.	Investment in an alumina refinery	100.0%	Gross Profit	(0.0)	0.1	0.1			
				Profit for the Year	(0.2)	(0.2)	(0.1)			
Chemicals	Sojitz Pla-Net Corporation	Sales of plastic raw materials, products	100.0%	Gross Profit	4.8	10.2	5.8			
				Profit for the Year	0.5	1.5	1.0			
	PT. Kaltim Methanol Industri	Manufacture and sales of methanol	85.0%	Gross Profit	1.3	2.9	2.3			
				Profit for the Year	0.8	1.9	1.5			
	Pla Matels Corporation	Sales of plastic raw materials, products	46.6%	Gross Profit	1.6	3.3	1.9			
				Profit for the Year	0.2	0.5	0.4			
Retail & Lifestyle Business	Sojitz Building Materials Corporation	Trading company specializing in sales of construction materials	100.0%	Gross Profit	2.8	5.8	2.8			
				Profit for the Year	0.4	1.0	0.4			
	Sojitz Foods Corporation	Sales of sugar, agricultural, livestock and marine products, various raw ingredients, processed foods, dairy products and other foodstuffs	100.0%	Gross Profit	3.1	6.6	3.6			
				Profit for the Year	0.7	1.8	1.2			
Overseas	Sojitz Corporation of America	Overseas subsidiary	100.0%	Gross Profit	5.4	11.1	5.6			
				Profit for the Year	0.8	1.9	0.9			
	Sojitz Europe plc	Overseas subsidiary	100.0%	Gross Profit	1.4	3.0	1.4			
				Profit for the Year	0.2	0.3	(0.1)			
	Sojitz Asia Pte. Ltd.	Overseas subsidiary	100.0%	Gross Profit	4.8	10.2	6.4			
				Profit for the Year	0.8	2.0	1.5			

\*The above figures were prepared by the Company after each company's switch to IFRS, and may therefore differ from past figures released by these companies.

Performances of Major Consolidated Subsidiaries and Equity-method Associates (Major Consolidated Equity-method Associates)

								(Billions of Yen)		
Segment	Company	Main Business	Group Ownership		FY2016 1H	FY2016	FY2017 1H			
Energy	LNG Japan Corporation	LNG business and related investments	50.0%	Equity in Earnings	(0.0)	1.6	0.1			
Metals & Coal	Cariboo Copper Corp.	Investment in a copper mine	50.0%	Equity in Earnings	(0.4)	(0.4)	0.5			
	Japan Alumina Associates (Australia) Pty. Ltd.	Production of alumina	50.0%	Equity in Earnings	(0.3)	(0.3)	0.2			
	Metal One Corporation	Integrated steel trading company	40.0%	Equity in Earnings	3.1	7.2	4.5			
Retail & Lifestyle Business	JALUX Inc.	Logistics and service provision in the in-flight, airport retail, lifestyle-related, and customer service business fields	22.0%	Equity in Earnings	0.2	0.6	0.3			
Industrial Infrastructure & Urban Dvelopment	PT. Puradelta Lestari Tbk	Urban development including industrial parks	25.0%	Equity in Earnings	0.9	1.5	0.2			

\*The above figures were prepared by the Company after each company's switch to IFRS, and may therefore differ from past figures released by these companies.

## Country Risk Exposure (Consolidated)

### Exposure (As of September 30, 2017)

(Note)

We calculate exposure for the consolidated Sojitz Group by tallying assets that are exposed to country risk.

We disclose exposure for the entire Sojitz Group and for the following assets: investments, loans, guarantees, and operating receivables and inventories (grouped as "operating receivables"); cash and deposits and financial assets (grouped as "cash and deposits, etc."); bad debts, non-current assets, etc. (grouped as "other assets").

Exposure is tallied on the following bases:

- Country risk: Exposure is calculated based on the country in which credit counterparties, etc., are present.
- Substantial country risk: Exposure is adjusted based on the substantial country of risk, regardless of counterparties' country of domicile.

(Billions of Yen)

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	3.0	0.0	0.0	30.0	20.9	9.9	63.8	66.2
Indonesia	19.1	0.0	0.0	11.4	6.4	2.3	39.2	59.6
Philippines	21.3	0.1	0.0	26.8	2.8	2.1	53.1	29.7
China (include Hong Kong)	12.3	0.0	0.6	64.3	8.7	4.9	90.8	87.4
(China)	11.3	0.0	6.0	46.9	6.5	1.4	66.7	72.3
(Hong Kong)	1.0	0.0	0.0	17.4	2.2	3.5	24.1	15.1
Brazil	8.3	0.4	0.3	3.9	1.9	14.0	28.8	62.2
Argentina	0.4	0.0	0.0	8.4	0.0	1.5	10.3	2.0
Russia	1.7	0.0	0.0	12.9	4.8	0.2	19.6	10.6
India	13.6	3.9	0.2	35.8	0.2	3.5	57.2	43.8
Vietnam	2.5	0.0	0.2	14.4	4.3	6.3	27.7	25.9
<b>Total</b>	<b>82.2</b>	<b>4.4</b>	<b>1.3</b>	<b>207.9</b>	<b>50.0</b>	<b>44.7</b>	<b>390.5</b>	<b>387.4</b>

(Reference)

### Exposure (As of March 31, 2017)

(Billions of Yen)

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	2.7	0.0	0.0	30.3	22.6	9.5	65.1	68.2
Indonesia	21.1	0.1	0.0	13.1	5.6	3.3	43.2	63.1
Philippines	20.9	0.1	0.1	19.5	1.1	2.1	43.8	27.2
China (include Hong Kong)	13.8	0.0	0.5	56.3	10.7	4.5	85.8	85.0
(China)	12.7	0.0	0.5	40.2	7.8	1.0	62.2	69.3
(Hong Kong)	1.1	0.0	0.0	16.1	2.9	3.5	23.6	15.7
Brazil	6.5	0.4	0.3	4.1	2.0	13.5	26.8	58.3
Argentina	0.3	0.0	0.0	7.2	0.0	1.5	9.0	2.6
Russia	1.6	0.0	0.0	11.1	4.7	0.2	17.6	10.8
India	16.2	3.9	0.0	33.7	0.2	3.5	57.5	43.8
Vietnam	2.8	0.0	0.2	14.5	5.5	6.1	29.1	27.2
<b>Total</b>	<b>85.9</b>	<b>4.5</b>	<b>1.1</b>	<b>189.8</b>	<b>52.4</b>	<b>44.2</b>	<b>377.9</b>	<b>386.2</b>

## Real Estate (Consolidated)

### Book value and unrealized profits of real estate for sale

(Billions of Yen)

	As of March 31, 2017		As of September 30, 2017		Change	
	Book Value	<u>unrealized profits</u>	Book Value	<u>unrealized profits</u>	Book Value	<u>unrealized profits</u>
Company	—	—	9.5	—	9.5	—
Consolidated subsidiaries	17.2	<u>2.2</u>	21.7	<u>1.9</u>	4.5	<u>(0.3)</u>
Consolidated Total	17.2	<u>2.2</u>	31.2	<u>1.9</u>	14.0	<u>(0.3)</u>

### Book value of real estate (land, building and structure) in property, plant and equipment

(Billions of Yen)

	As of March 31, 2017	As of September 30, 2017	Change
Company	5.1	5.3	0.2
Consolidated subsidiaries	61.9	61.5	(0.4)
Consolidated Total	67.0	66.8	(0.2)

### Book value of real estate for investment

(Billions of Yen)

	As of March 31, 2017	As of September 30, 2017	Change
Company	1.4	1.4	0.0
Consolidated subsidiaries	19.7	21.6	1.9
Consolidated Total	21.1	23.0	1.9

## Number of Employees by Business Segment (Consolidated)

(Number of Employees)

	As of March 31, 2017			As of September 30, 2017			Change		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Automotive	91	1,761	1,852	100	4,050	4,150	9	2,289	2,298
Aerospace & IT Business	81	1,263	1,344	87	1,311	1,398	6	48	54
Infrastructure & Environment Business	204	830	1,034	208	836	1,044	4	6	10
Energy	74	126	200	75	121	196	1	(5)	(4)
Metals & Coal	162	350	512	167	360	527	5	10	15
Chemicals	259	1,374	1,633	258	1,420	1,678	(1)	46	45
Foods & Agriculture Business	109	1,800	1,909	111	1,819	1,930	2	19	21
Retail & Lifestyle Business	174	2,952	3,126	172	2,881	3,053	(2)	(71)	(73)
Industrial Infrastructure & Urban Development	57	680	737	58	1,007	1,065	1	327	328
Other	664	1,230	1,894	697	1,260	1,957	33	30	63
Total	1,875	12,366	14,241	1,933	15,065	16,998	58	2,699	2,757

(Notes)

Employee headcounts above indicate personnel employed by Sojitz and its subsidiaries including employees seconded by Sojitz Corporation.

(Reference)

Employee headcounts for Sojitz Corporation (including employees seconded by Sojitz Corporation to subsidiaries) were as follows: as of March 31, 2017: 2,318; as of September 30, 2017: 2,401

## News Releases for the First Half Ended September 30, 2017

Segment	Date	Title
<b>Automotive</b>		
	2017/7/6	Sojitz and Green Tec Acquire Stratosphere Quality to Enter North America's Quality Assurance Business
<b>Aerospace &amp; IT Business</b>		
	2017/7/21	Sojitz to Expand Business Jet Segment with "Phenix Jet" Brand
	2017/8/21	Sojitz and Japan Airport Terminal Join Project to Manage Operations at Palau International Airport
	2017/9/1	Announcement regarding Merger of Nissho Electronics with Sojitz Systems
<b>Infrastructure &amp; Environment Business</b>		
	2017/4/6	Sojitz Acquires Stake in Gas-fired Power Plant in Northeastern U.S.
	2017/5/11	Sojitz Commences Commercial Operations at Recently-Completed Solar Power Plant in Rokkasho-mura, Kamikita-gun, Aomori
	2017/6/23	Sojitz Enters Solar Power Business in the Republic of Chile
	2017/7/21	Sojitz Joins Hospital Project in the Republic of Turkey
	2017/7/31	Sojitz Joins Wind Power Project in Ireland
	2017/8/9	Sojitz Joins Largest Solar Power Project in Mexico - Breaking New Ground for Japanese Companies in the Country -
<b>Chemicals</b>		
	2017/4/18	Sojitz Corporation Subsidiary (Pla Matels Corporation) Revises Full-Year Earnings Forecasts
<b>Foods &amp; Agriculture</b>		
	2017/8/8	IoT and AI Verification Tests for Sojitz Tuna Farm Takashima's Fishery Business - Memorandum Concluded with NTT DOCOMO and Information Services International-Dentsu -
<b>Retail &amp; Lifestyle Business</b>		
	2017/6/13	Sojitz Enters Food Service Distribution Business in Thailand - Expanding the Food Value Chain in the ASEAN Region -
	2017/7/21	Sojitz Building Materials Begins Sale of the Teretek Resin Injection Solution, a Subsidence Solution and Ground Improvement Technology
<b>Industrial Infrastructure &amp; Urban Development</b>		
	2017/5/30	PanaHome Corporation and Sojitz Group Announce Joint Venture to Build Sustainable Smart Town, Kota Deltamas
<b>Other</b>		
	2017/4/28	Sojitz Selected for Reconstruction Agency's "New Tohoku" Interaction Model Project" - Sojitz Group Companies to Collaborate on Continuous Reconstruction Support -
	2017/5/1	Announcement of Losses Recorded on the Non-Consolidated Financial Statements for the Year Ended March 31, 2017
	2017/5/2	Sojitz Opens New Office in San Jose, CA
	2017/7/12	Aid for Heavy Rain Damage in Northern Kyushu
	2017/8/28	Sojitz, i-Cynap, and Kyocera Communication Systems Form Partnership to Enter Logistics IoT Service using "Sigfox" Network
	2017/9/28	Sojitz Corporation Announces Executive Appointments



## Forecast for the Year Ending March 31, 2018

(Billions of Yen)

	FY 2016	FY 2017		
	Results	First half period	Initial Full-Year Forecast	Revised Full-Year Forecast
Net sales *	3,745.5	2,044.3	4,100.0	4,100.0
Gross profit	200.7	111.5	222.0	227.0
Selling, general and administrative expenses	(153.0)	(78.5)	(166.0)	(166.0)
Other income (expenses)	3.9	(3.1)	(1.0)	(5.0)
Operating profit	51.6	29.9	55.0	56.0
Finance income/costs	(6.3)	(2.9)	(7.0)	(7.0)
Share of profit (loss) of investments accounted for using the equity method	12.7	10.9	21.0	21.0
Profit before tax	58.0	37.9	69.0	70.0
Profit for the year (Attributable to owners of the Company)	40.8	27.2	50.0	50.0

\* 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.

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

(Billions of Yen)

	FY 2016	FY 2017		
	Results	First half period	Initial Full-Year Forecast	Revised Full-Year Forecast
Automotive	3.6	4.3	4.0	5.0
Aerospace & IT Business	9.9	0.9	5.0	5.0
Infrastructure & Environment Business	4.2	3.6	5.0	5.0
Energy	(0.6)	(4.3)	1.0	(4.0)
Metals & Coal	10.0	9.5	13.0	17.0
Chemicals	8.3	4.8	8.0	8.0
Foods & Agriculture Business	(6.9)	4.3	5.0	5.0
Retail & Lifestyle Business	7.3	2.7	5.0	5.0
Industrial Infrastructure & Urban Development	1.3	0.0	2.0	2.0
Other	3.7	1.4	2.0	2.0
Total	40.8	27.2	50.0	50.0

Change of Consolidated Statements of Financial Position (IFRS)

(Millions of Yen)

	FY 2011	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017 1H
<b>Current assets</b>							
Cash and cash equivalents	425,595	424,371	420,658	403,748	344,414	308,632	308,403
Time deposits	16,114	9,313	4,362	5,464	6,657	5,728	7,461
Trade and other receivables	544,525	508,690	524,826	559,291	496,156	563,458	594,221
Other investments	697	-	-	-	-	-	-
Derivatives	3,676	4,100	5,185	6,977	6,593	3,919	4,519
Inventories	284,038	297,389	301,979	270,274	237,111	271,327	335,797
Income tax receivables	2,725	4,778	4,907	3,712	6,068	3,647	3,122
Other current assets	57,124	41,231	46,759	63,122	49,017	72,417	112,797
Assets as held for sale	4,098	1,303	13,143	10,905	326	616	1,470
<b>Total current assets</b>	<b>1,338,596</b>	<b>1,291,178</b>	<b>1,321,824</b>	<b>1,323,497</b>	<b>1,146,344</b>	<b>1,229,747</b>	<b>1,367,794</b>
<b>Non-current assets</b>							
Property, plant and equipment	219,581	231,840	213,934	217,912	186,957	172,201	181,030
Goodwill	46,390	45,725	46,264	50,164	53,055	57,594	68,198
Intangible assets	71,922	63,207	60,958	53,882	38,829	34,148	34,209
Investment property	46,359	40,055	25,334	19,459	18,369	21,100	22,969
Investments accounted for using the equity method	257,379	279,815	336,761	394,055	377,597	386,740	393,381
Trade and other receivables	65,498	62,963	60,310	45,017	44,558	45,485	51,660
Other investments	113,222	114,596	133,625	174,791	173,618	172,944	185,474
Derivatives	115	229	209	1,865	163	36	31
Other non-current assets	16,293	10,976	9,683	7,483	9,668	9,815	9,259
Deferred tax assets	15,332	9,461	11,329	9,227	7,507	8,650	8,291
<b>Total non-current assets</b>	<b>852,095</b>	<b>858,871</b>	<b>898,411</b>	<b>973,860</b>	<b>910,325</b>	<b>908,719</b>	<b>954,507</b>
<b>Total assets</b>	<b>2,190,692</b>	<b>2,150,050</b>	<b>2,220,236</b>	<b>2,297,358</b>	<b>2,056,670</b>	<b>2,138,466</b>	<b>2,322,301</b>
<b>Current liabilities</b>							
Trade and other payables	557,198	515,989	514,585	490,865	439,245	483,049	563,656
Bonds and borrowings	298,455	258,375	227,216	208,360	168,264	158,698	162,747
Derivatives	8,989	15,952	6,400	8,803	3,728	3,669	4,795
Income tax payables	9,065	7,038	8,038	7,570	6,630	9,190	7,264
Provisions	4,074	1,419	1,207	4,271	2,525	2,124	2,368
Other current liabilities	60,314	50,150	54,402	53,807	53,294	60,912	66,951
Liabilities directly related to assets as held for sale	1,221	-	-	6,860	88	101	1,649
<b>Total current liabilities</b>	<b>939,317</b>	<b>848,926</b>	<b>811,850</b>	<b>780,538</b>	<b>673,776</b>	<b>717,748</b>	<b>809,433</b>
<b>Non-current liabilities</b>							
Bonds and borrowings	819,591	818,632	838,060	830,409	754,434	766,669	819,868
Trade and other payables	13,050	9,816	10,463	9,545	9,696	3,709	4,341
Derivatives	3,042	1,884	1,721	2,942	5,001	4,004	4,062
Retirement benefits liabilities	15,674	16,158	16,917	17,943	18,727	21,381	22,143
Provisions	14,378	18,892	20,798	25,098	18,949	20,792	19,862
Other non-current liabilities	10,619	7,313	7,321	7,591	7,475	6,490	6,879
Deferred tax liabilities	19,834	17,127	20,143	32,631	18,891	19,698	24,045
<b>Total non-current liabilities</b>	<b>896,193</b>	<b>889,824</b>	<b>915,426</b>	<b>926,163</b>	<b>833,176</b>	<b>842,747</b>	<b>901,204</b>
<b>Total liabilities</b>	<b>1,835,511</b>	<b>1,738,751</b>	<b>1,727,277</b>	<b>1,706,702</b>	<b>1,506,953</b>	<b>1,560,495</b>	<b>1,710,637</b>
<b>Equity</b>							
Share capital	160,339	160,339	160,339	160,339	160,339	160,339	160,339
Capital surplus	146,518	146,518	146,515	146,515	146,514	146,513	146,512
Treasury stock	(147)	(148)	(157)	(159)	(161)	(170)	(172)
Other components of equity	23,580	62,826	119,617	194,557	132,415	132,682	137,394
Retained earnings	(327)	13,053	33,538	49,731	81,245	111,149	135,049
Total equity attributable to owners of the Company	329,962	382,589	459,853	550,983	520,353	550,513	579,123
Non-controlling interests	25,218	28,709	33,105	39,672	29,363	27,547	32,540
<b>Total equity</b>	<b>355,180</b>	<b>411,298</b>	<b>492,959</b>	<b>590,656</b>	<b>549,716</b>	<b>577,970</b>	<b>611,664</b>
<b>Total liabilities and equity</b>	<b>2,190,692</b>	<b>2,150,050</b>	<b>2,220,236</b>	<b>2,297,358</b>	<b>2,056,670</b>	<b>2,138,466</b>	<b>2,322,301</b>

(Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.

## Change of Consolidated Statements of Profit or Loss (IFRS)

(Millions of Yen)

	FY 2011	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017 1H
<b>Revenue</b>							
Sales of goods	1,915,992	1,659,233	1,714,176	1,718,165	1,566,839	1,463,536	839,901
Sales of services and others	90,657	88,517	88,928	91,535	91,233	91,813	44,142
<b>Total revenue</b>	<b>2,006,649</b>	<b>1,747,750</b>	<b>1,803,104</b>	<b>1,809,701</b>	<b>1,658,072</b>	<b>1,555,349</b>	<b>884,044</b>
<b>Cost of sales</b>	<b>(1,789,582)</b>	<b>(1,560,504)</b>	<b>(1,604,882)</b>	<b>(1,612,013)</b>	<b>(1,477,333)</b>	<b>(1,354,664)</b>	<b>(772,583)</b>
<b>Gross profit</b>	<b>217,066</b>	<b>187,245</b>	<b>198,221</b>	<b>197,688</b>	<b>180,739</b>	<b>200,685</b>	<b>111,460</b>
Selling, general and administrative expenses	(153,663)	(151,091)	(151,628)	(149,739)	(154,416)	(153,038)	(78,516)
<b>Other income (expenses)</b>							
Gain (loss) on sale and disposal of fixed assets, net	1,839	2,209	6,132	1,058	1,498	4,797	(2)
Impairment loss on fixed assets	(3,190)	(11,549)	(19,461)	(17,446)	(24,051)	(4,618)	(21)
Gain on sale of subsidiaries/associates	957	2,138	1,666	1,758	12,909	10,358	1,628
Loss on reorganization of subsidiaries/associates	(1,728)	(3,525)	(2,684)	(2,080)	(1,349)	(8,174)	(4,315)
Other operating income	11,705	10,702	10,429	17,193	20,646	9,566	3,446
Other operating expenses	(15,513)	(10,636)	(18,980)	(14,882)	(6,733)	(7,958)	(3,772)
<b>Operating profit</b>	<b>57,472</b>	<b>25,493</b>	<b>23,694</b>	<b>33,550</b>	<b>29,242</b>	<b>51,618</b>	<b>29,905</b>
<b>Total Financial income</b>	<b>8,875</b>	<b>8,022</b>	<b>9,213</b>	<b>9,395</b>	<b>8,242</b>	<b>8,068</b>	<b>4,482</b>
Interests earned	5,552	4,984	5,359	4,860	3,893	3,903	2,385
Dividends received	3,283	2,761	3,810	4,456	4,349	4,165	2,054
Other financial income	39	276	43	78	-	-	43
<b>Total Financial costs</b>	<b>(24,186)</b>	<b>(21,247)</b>	<b>(19,855)</b>	<b>(18,975)</b>	<b>(16,379)</b>	<b>(14,405)</b>	<b>(7,371)</b>
Interest expenses	(23,848)	(21,247)	(19,855)	(18,975)	(16,316)	(14,382)	(7,371)
Other financial costs	(338)	-	-	-	(63)	(22)	-
<b>Share of profit (loss) of investments accounted for using the equity method</b>	<b>16,296</b>	<b>15,784</b>	<b>30,979</b>	<b>28,613</b>	<b>23,163</b>	<b>12,673</b>	<b>10,898</b>
<b>Profit before tax</b>	<b>58,457</b>	<b>28,052</b>	<b>44,033</b>	<b>52,584</b>	<b>44,269</b>	<b>57,955</b>	<b>37,915</b>
<b>Income tax expenses</b>	<b>(56,735)</b>	<b>(11,058)</b>	<b>(11,949)</b>	<b>(14,933)</b>	<b>(7,782)</b>	<b>(13,879)</b>	<b>(7,643)</b>
<b>Profit for the year</b>	<b>1,722</b>	<b>16,993</b>	<b>32,083</b>	<b>37,650</b>	<b>36,486</b>	<b>44,075</b>	<b>30,272</b>
<b>Profit attributable to:</b>							
<b>Owners of the Company</b>	<b>(1,040)</b>	<b>13,448</b>	<b>27,250</b>	<b>33,075</b>	<b>36,526</b>	<b>40,760</b>	<b>27,241</b>
Non-controlling interests	2,762	3,544	4,833	4,575	(39)	3,314	3,030
<b>Net sales*<sup>1</sup></b>	<b>4,321,734</b>	<b>3,934,456</b>	<b>4,046,577</b>	<b>4,105,295</b>	<b>4,006,649</b>	<b>3,745,549</b>	<b>2,044,315</b>
							(Billions of Yen)
<b>Core earnings*<sup>2</sup></b>	<b>65.8</b>	<b>38.5</b>	<b>68.0</b>	<b>66.3</b>	<b>41.6</b>	<b>54.2</b>	<b>408</b>

(Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.

\*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) + Interest expense-net + Dividends received + Share of profit (loss) of investments accounted for using the equity method

## Change of Consolidated Statements of Profit or Loss and Other Comprehensive Income (IFRS)

(Millions of Yen)

	FY2011	FY2012	FY 2013	FY2014	FY2015	FY2016	FY2017 1H
<b>Profit for the year</b>	<b>1,722</b>	<b>16,993</b>	<b>32,083</b>	<b>37,650</b>	<b>36,486</b>	<b>44,075</b>	<b>30,272</b>
<b>Other comprehensive income</b>							
<b>Items that will not be reclassified to profit or loss</b>							
Financial assets measured at fair value through other comprehensive income	(1,010)	11,172	15,065	46,787	(1,232)	9,977	4,197
Remeasurements of defined benefit pension plans	(872)	(398)	(425)	(925)	(725)	478	▲ 33
Share of other comprehensive income of investments accounted for using the equity method					(4,868)	(3,686)	▲ 1,374
<b>Total items that will not be reclassified to profit or loss</b>	<b>(1,883)</b>	<b>10,774</b>	<b>14,639</b>	<b>45,862</b>	<b>(6,826)</b>	<b>6,768</b>	<b>2,789</b>
<b>Items that may be reclassified subsequently to profit or loss</b>							
Foreign currency translation differences for foreign operations	(12,505)	34,509	40,578	34,811	(44,362)	(7,958)	1,964
Cash flow hedges	(945)	(528)	1,184	(3,405)	(2,709)	693	706
Share of other comprehensive income of investments accounted for using the equity method	-	-	-	-	(10,993)	554	1,032
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(13,450)</b>	<b>33,980</b>	<b>41,763</b>	<b>31,405</b>	<b>(58,065)</b>	<b>(6,710)</b>	<b>3,702</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>(15,334)</b>	<b>44,754</b>	<b>56,403</b>	<b>77,268</b>	<b>(64,892)</b>	<b>57</b>	<b>6,492</b>
<b>Total comprehensive income for the year</b>	<b>(13,611)</b>	<b>61,748</b>	<b>88,487</b>	<b>114,919</b>	<b>(28,405)</b>	<b>44,133</b>	<b>36,764</b>
<b>Total comprehensive income attributable to:</b>							
<b>Owners of the Company</b>	<b>(16,177)</b>	<b>56,171</b>	<b>82,221</b>	<b>107,347</b>	<b>(25,379)</b>	<b>40,289</b>	<b>33,609</b>
Non-controlling interests	2,565	5,576	6,265	7,571	(3,025)	3,843	3,155
<b>Total</b>	<b>(13,611)</b>	<b>61,748</b>	<b>88,487</b>	<b>114,919</b>	<b>(28,405)</b>	<b>44,133</b>	<b>36,764</b>

(Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.

Change of Consolidated Statements of Cash Flows (IFRS)

(Millions of Yen)

	FY 2011	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017 1H
<b>Cash flows from operating activities</b>							
Profit for the period	1,722	16,993	32,083	37,650	36,486	44,075	30,272
Depreciation and amortization	29,529	31,047	36,100	31,683	30,059	23,442	10,893
Impairment loss on fixed assets	3,190	11,549	19,461	17,446	24,051	4,618	21
Finance (income) costs	15,311	13,225	10,641	9,579	8,136	6,337	2,888
Share of (profit) loss of investments accounted for using the equity method	(16,296)	(15,784)	(30,979)	(28,613)	(23,163)	(12,673)	(10,898)
(Gain) loss on sale of fixed assets, net	(1,839)	(2,209)	(6,132)	(1,058)	(1,498)	(4,797)	2
Income tax expense	56,735	11,058	11,949	14,933	7,782	13,879	7,643
(Increase) decrease in trade and other receivables	(8,089)	40,625	4,226	(18,583)	55,835	(60,463)	(32,799)
(Increase) decrease in inventories	(16,765)	(709)	(6,151)	31,396	28,270	(31,853)	(63,564)
Increase (decrease) in trade and other payables	35,373	(30,116)	(10,640)	(27,908)	(43,767)	40,158	75,814
Increase (decrease) in retirement benefits liabilities	455	985	390	674	320	(1,409)	486
Others	11,224	(1,839)	(1,451)	(19,792)	(15,528)	(7,611)	(33,490)
Subtotal	110,550	74,825	59,498	47,408	106,986	13,702	(12,729)
Interests earned	5,583	5,082	5,225	4,709	3,785	3,496	2,128
Dividends received	12,457	13,777	16,424	18,439	20,326	12,818	11,805
Interests paid	(24,217)	(21,840)	(20,308)	(19,261)	(16,746)	(14,872)	(7,423)
Income taxes paid	(15,650)	(16,722)	(13,842)	(12,186)	(14,412)	(14,287)	(9,551)
<b>Net cash provided (used) by/in operating activities</b>	<b>88,723</b>	<b>55,124</b>	<b>46,997</b>	<b>39,109</b>	<b>99,939</b>	<b>857</b>	<b>▲ 15,770</b>
<b>Cash flows from investing activities</b>							
Purchase of property, plant and equipment	(34,101)	(29,473)	(23,579)	(31,258)	(31,943)	(31,830)	(14,372)
Proceeds from sale of property, plant and equipment	12,655	14,384	13,578	767	11,846	8,340	581
Purchase of intangible assets	(6,978)	(8,310)	(4,522)	(3,566)	(3,061)	(2,219)	(1,513)
(Increase) decrease in short-term loans receivable	2,646	3,400	(1,706)	2,470	1,083	(4,408)	571
Payment for long-term loans receivable	(13,492)	(11,704)	(3,423)	(4,174)	(4,157)	(3,867)	(604)
Collection of long-term loans receivable	969	2,399	5,202	1,165	1,919	1,232	551
Proceeds from (payments for) acquisition of subsidiaries	(2,340)	(5,624)	(7,024)	(5,222)	(9,100)	(5,408)	(11,651)
Proceeds from (payments for) sale of subsidiaries	(707)	1,530	232	10	(467)	(51)	117
Purchase of investments	(4,144)	(2,646)	(23,658)	(8,455)	(6,315)	(16,263)	(11,994)
Proceeds from sale of investments	10,311	17,831	7,910	10,681	6,731	16,473	3,915
Others	(7,098)	6,559	12,521	23,791	(445)	5,822	(3,213)
<b>Net cash provided (used) by/in investing activities</b>	<b>(42,280)</b>	<b>(11,652)</b>	<b>(24,469)</b>	<b>(13,792)</b>	<b>(33,910)</b>	<b>(32,179)</b>	<b>(37,611)</b>
<b>Free Cash Flow</b>	<b>46,443</b>	<b>43,472</b>	<b>22,528</b>	<b>25,317</b>	<b>66,029</b>	<b>(31,322)</b>	<b>(53,381)</b>
<b>Cash flows from financing activities</b>							
Increase (decrease) in short-term borrowings and commercial papers	8,797	(10,928)	(14,714)	(29,012)	(30,383)	14,697	11,072
Proceeds from long-term borrowings	127,338	236,109	170,858	163,996	122,767	160,331	102,747
Repayment of long-term borrowings	(134,014)	(248,449)	(178,687)	(179,780)	(173,948)	(164,596)	(57,750)
Proceeds from issuance of bonds	39,800	9,953	29,862	29,820	-	19,891	9,940
Redemption of bonds	(67,719)	(35,000)	(30,000)	(20,000)	(20,000)	(20,035)	(10,030)
Proceeds from sale of subsidiaries' interests to non-controlling interest holders	7,249	-	-	-	5	-	-
Payment for acquisition of subsidiaries' interests from non-controlling interest holders	(5,756)	(468)	(0)	(129)	(18)	-	-
Proceeds from non-controlling interest holders	1,261	71	104	3,209	323	771	2,592
Purchase of treasury stock	(11)	(1)	(11)	(2)	(2)	(10)	(2)
Dividends paid	(3,753)	(3,753)	(4,378)	(5,629)	(9,382)	(10,008)	(5,003)
Dividends paid to non-controlling interest holders	(1,801)	(1,659)	(1,805)	(2,320)	(1,763)	(2,563)	(755)
Others	(922)	(2,050)	(2,160)	(2,752)	(2,292)	(2,507)	(774)
<b>Net cash provided (used) by/in financing activities</b>	<b>(29,530)</b>	<b>(56,177)</b>	<b>(30,931)</b>	<b>(42,600)</b>	<b>(114,695)</b>	<b>(4,029)</b>	<b>52,034</b>
Net increase (decrease) in cash and cash equivalents	16,913	(12,706)	(8,403)	(17,282)	(48,666)	(35,350)	(1,347)
Cash and cash equivalents at the beginning of the period	411,632	425,595	424,371	420,658	403,748	344,414	308,632
Effect of exchange rate changes on cash and cash equivalents	(2,950)	11,481	4,690	372	(10,667)	(430)	1,118
<b>Cash and cash equivalents at the end of the period</b>	<b>425,595</b>	<b>424,371</b>	<b>420,658</b>	<b>403,748</b>	<b>344,414</b>	<b>308,632</b>	<b>308,403</b>

(Note) We have prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") since the fiscal year ended March 31, 2013. The date of transition to IFRSs was April 1, 2011.

Change of Consolidated Balance Sheets (JGAAP)

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<b>Current assets</b>										
Cash and deposits	435,671	426,082	521,937	471,570	380,195	421,629	455,728	415,694	442,706	433,584
Notes and accounts receivable-trade	708,982	618,086	613,513	672,658	691,492	522,397	462,233	478,880	490,708	456,455
Short-term investment securities	17,705	7,150	6,471	7,251	9,180	2,123	6,131	5,437	1,297	100
Inventories	239,499	194,694	214,163	315,885	422,158	382,899	248,629	243,210	270,645	292,105
Short-term loans receivable	188,002	41,000	44,237	23,182	11,609	9,375	7,943	8,518	5,667	2,222
Deferred tax assets	13,346	7,482	8,886	8,591	19,179	15,821	13,484	15,402	4,577	4,132
Other	171,637	139,590	116,416	130,636	156,000	129,237	100,216	106,832	88,132	79,120
Allowance for doubtful accounts	(39,926)	(10,957)	(15,172)	(14,695)	(13,869)	(10,312)	(9,089)	(7,347)	(5,583)	(3,449)
<b>Total current assets</b>	<b>1,734,918</b>	<b>1,423,129</b>	<b>1,510,454</b>	<b>1,615,081</b>	<b>1,675,946</b>	<b>1,473,172</b>	<b>1,285,277</b>	<b>1,266,629</b>	<b>1,298,151</b>	<b>1,264,271</b>
<b>Property, plant and equipment</b>	<b>493,163</b>	<b>246,652</b>	<b>246,665</b>	<b>229,966</b>	<b>232,018</b>	<b>209,720</b>	<b>222,665</b>	<b>215,774</b>	<b>233,260</b>	<b>228,332</b>
<b>Intangible assets</b>	<b>66,228</b>	<b>103,850</b>	<b>100,131</b>	<b>99,127</b>	<b>133,343</b>	<b>114,855</b>	<b>114,445</b>	<b>132,595</b>	<b>124,497</b>	<b>126,114</b>
Goodwill	41,375	79,989	76,897	69,925	65,466	60,685	54,305	51,474	44,612	39,865
Other	24,852	23,860	23,233	29,202	67,876	54,170	60,139	81,120	79,884	86,248
<b>Investments and other assets</b>	<b>781,335</b>	<b>673,924</b>	<b>663,403</b>	<b>671,857</b>	<b>625,514</b>	<b>513,798</b>	<b>538,093</b>	<b>501,678</b>	<b>464,419</b>	<b>467,500</b>
Investment securities	410,531	409,307	488,291	518,615	480,993	351,466	327,869	333,050	313,897	338,744
Long-term loans receivable	182,093	102,142	38,867	39,304	36,961	27,908	25,113	13,370	22,415	31,311
Bad debts	-	286,934	176,527	162,305	109,440	92,378	88,358	79,971	68,164	59,670
Deferred tax assets	97,507	58,051	23,880	19,754	31,053	64,137	61,432	52,881	22,442	13,710
Real estate for investment	-	-	-	-	-	-	53,261	33,993	31,934	26,608
Other	234,988	54,820	58,793	49,916	44,400	39,435	39,264	48,168	52,788	43,830
Allowance for doubtful accounts	(143,786)	(237,332)	(122,956)	(118,039)	(77,335)	(61,526)	(57,207)	(59,758)	(47,223)	(46,375)
<b>Total noncurrent assets</b>	<b>1,340,726</b>	<b>1,024,427</b>	<b>1,010,200</b>	<b>1,000,951</b>	<b>990,875</b>	<b>838,375</b>	<b>875,204</b>	<b>850,049</b>	<b>822,177</b>	<b>821,947</b>
Deferred assets	1,377	921	1,024	3,475	2,529	1,410	436	281	266	190
<b>Total assets</b>	<b>3,077,022</b>	<b>2,448,478</b>	<b>2,521,679</b>	<b>2,619,507</b>	<b>2,669,352</b>	<b>2,312,958</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>2,120,596</b>	<b>2,086,410</b>
<b>Current liabilities</b>										
Notes and accounts payable-trade	479,264	472,513	451,438	531,508	578,995	418,811	377,468	414,984	461,799	436,696
Short-term loans payable	1,320,861	933,100	775,555	501,055	497,208	351,841	256,652	247,656	282,524	242,267
Commercial papers	141,200	139,200	29,200	10,000	25,000	35,000	10,000	2,000	2,000	2,000
Current portion of bonds	38,858	43,050	9,358	896	75,100	42,136	40,120	60,000	35,000	30,000
Income taxes payable	7,788	7,644	7,774	8,811	8,246	7,230	5,949	6,591	8,850	5,407
Deferred tax liabilities	257	422	41	34	53	597	44	146	87	245
Provision for bonuses	3,108	4,234	5,148	7,412	7,686	5,503	5,497	5,845	6,254	6,154
Other	220,979	154,515	138,198	159,778	191,161	178,734	145,801	153,321	150,906	136,238
<b>Total current liabilities</b>	<b>2,212,318</b>	<b>1,754,681</b>	<b>1,416,716</b>	<b>1,219,497</b>	<b>1,383,451</b>	<b>1,039,857</b>	<b>841,533</b>	<b>890,544</b>	<b>947,422</b>	<b>859,010</b>
<b>Noncurrent liabilities</b>										
Bonds payable	61,167	16,048	99,036	245,540	141,496	155,120	123,647	82,719	80,000	60,000
Long-term loans payable	430,640	296,927	473,109	560,187	560,281	702,861	763,098	723,926	691,018	715,478
Deferred tax liabilities	10,463	7,544	13,553	13,078	16,685	15,528	14,743	19,009	20,596	19,509
Deferred tax liabilities for land revaluation	-	-	445	1,238	1,193	1,045	944	774	696	-
Provision for retirement benefits	7,928	29,046	25,558	22,526	19,410	16,174	13,280	13,136	14,232	14,998
Provision for directors' retirement benefits	-	-	-	1,394	958	872	931	833	648	630
Other	26,259	30,639	29,185	24,409	25,548	25,994	25,336	30,505	35,509	34,244
<b>Total noncurrent liabilities</b>	<b>536,459</b>	<b>380,206</b>	<b>640,887</b>	<b>868,374</b>	<b>765,572</b>	<b>917,597</b>	<b>941,981</b>	<b>870,905</b>	<b>842,702</b>	<b>844,862</b>
<b>Total liabilities</b>	<b>2,748,778</b>	<b>2,134,887</b>	<b>2,057,603</b>	<b>2,087,872</b>	<b>2,149,024</b>	<b>1,957,454</b>	<b>1,783,514</b>	<b>1,761,449</b>	<b>1,790,125</b>	<b>1,703,872</b>
<b>Shareholders' equity</b>	<b>392,391</b>	<b>331,674</b>	<b>389,677</b>	<b>428,464</b>	<b>451,619</b>	<b>454,491</b>	<b>458,819</b>	<b>471,688</b>	<b>464,026</b>	<b>470,808</b>
Capital stock	150,606	336,122	130,549	122,790	160,339	160,339	160,339	160,339	160,339	160,339
Capital surplus	346,619	487,686	166,754	158,593	152,160	152,160	152,160	152,160	152,160	152,160
Retained earnings	(104,802)	(492,048)	92,487	147,206	139,264	142,157	146,489	159,358	151,706	158,488
Treasury stock	(32)	(86)	(113)	(126)	(145)	(166)	(169)	(170)	(179)	(179)
<b>Accumulated Other Comprehensive Income</b>	<b>(76,156)</b>	<b>(51,433)</b>	<b>37,273</b>	<b>60,122</b>	<b>24,412</b>	<b>(135,500)</b>	<b>(106,402)</b>	<b>(141,659)</b>	<b>(158,121)</b>	<b>(117,272)</b>
Valuation difference on available-for-sale securities	16,692	32,629	90,547	94,316	60,280	6,236	14,845	12,310	7,626	13,710
Deferred gains or losses on hedges	-	-	-	623	1,345	1,510	2,357	3,022	935	(104)
Revaluation reserve for land	(5,469)	(4,869)	(2,619)	(1,935)	(2,530)	(1,907)	(2,055)	(2,302)	(2,120)	3
Foreign currency translation adjustment	(87,379)	(79,193)	(50,655)	(32,882)	(34,684)	(141,340)	(121,550)	(153,984)	(163,686)	(129,496)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	-	-	-	-	-	-	-	(706)	(875)	(1,385)
<b>Minority interests</b>	<b>12,009</b>	<b>33,349</b>	<b>37,125</b>	<b>43,048</b>	<b>44,296</b>	<b>36,512</b>	<b>24,987</b>	<b>25,481</b>	<b>24,565</b>	<b>29,000</b>
<b>Total net assets</b>	<b>328,244</b>	<b>313,590</b>	<b>464,076</b>	<b>531,635</b>	<b>520,327</b>	<b>355,503</b>	<b>377,404</b>	<b>355,510</b>	<b>330,471</b>	<b>382,537</b>
<b>Total liabilities and net assets</b>	<b>3,077,022</b>	<b>2,448,478</b>	<b>2,521,679</b>	<b>2,619,507</b>	<b>2,669,352</b>	<b>2,312,958</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>2,120,596</b>	<b>2,086,410</b>

Change of Consolidated Statements of Income (JGAAP)

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<b>Net sales</b>	<b>5,861,737</b>	<b>4,675,903</b>	<b>4,972,059</b>	<b>5,218,153</b>	<b>5,771,028</b>	<b>5,166,182</b>	<b>3,844,418</b>	<b>4,014,639</b>	<b>4,494,237</b>	<b>3,955,907</b>
<b>Cost of sales</b>	<b>(5,612,714)</b>	<b>(4,431,656)</b>	<b>(4,729,892)</b>	<b>(4,963,686)</b>	<b>(5,493,296)</b>	<b>(4,930,564)</b>	<b>(3,666,215)</b>	<b>(3,821,914)</b>	<b>(4,262,671)</b>	<b>(3,763,842)</b>
<b>Gross profit</b>	<b>249,022</b>	<b>244,247</b>	<b>242,166</b>	<b>254,466</b>	<b>277,732</b>	<b>235,618</b>	<b>178,203</b>	<b>192,725</b>	<b>231,566</b>	<b>192,064</b>
Selling, general and administrative expenses	(189,074)	(178,725)	(165,964)	(176,533)	(185,368)	(183,611)	(162,074)	(155,205)	(167,044)	(158,759)
<b>Operating income</b>	<b>59,948</b>	<b>65,521</b>	<b>76,202</b>	<b>77,932</b>	<b>92,363</b>	<b>52,006</b>	<b>16,128</b>	<b>37,519</b>	<b>64,522</b>	<b>33,305</b>
<b>Non-operating income</b>	<b>58,269</b>	<b>51,648</b>	<b>59,718</b>	<b>62,030</b>	<b>61,095</b>	<b>29,977</b>	<b>37,245</b>	<b>43,973</b>	<b>37,142</b>	<b>39,952</b>
Interest income	24,572	18,431	13,213	14,995	13,715	9,597	4,632	4,308	5,994	4,924
Dividends income	4,543	3,653	6,816	6,052	5,004	8,349	5,040	4,081	4,978	2,587
Equity in earnings of affiliates	5,929	10,741	19,149	23,752	28,911	2,455	9,179	19,297	12,566	15,588
Gain on sales of investment securities	6,231	2,382	2,042	1,872	61	-	-	-	-	-
Penalty income	-	-	-	-	-	-	3,802	-	-	-
Foreign exchange profits	-	-	-	-	-	-	-	-	-	5,408
Other	16,992	16,439	18,496	15,357	13,402	9,574	14,591	16,285	13,603	11,443
<b>Total non-operating income</b>	<b>▲ 69,757</b>	<b>▲ 59,082</b>	<b>▲ 57,147</b>	<b>(50,427)</b>	<b>(51,979)</b>	<b>(48,347)</b>	<b>(39,672)</b>	<b>(36,176)</b>	<b>(39,436)</b>	<b>(38,779)</b>
Interest expenses	(53,590)	(45,833)	(38,571)	(38,332)	(33,101)	(29,145)	(25,808)	(23,917)	(24,212)	(21,021)
Interest on commercial papers	(2,085)	(2,920)	(1,572)	(89)	(183)	(306)	(178)	(18)	(5)	(4)
Foreign exchange losses	-	-	-	-	(5,664)	(5,243)	-	(2,848)	(145)	-
Loss on valuation of derivatives	-	-	-	-	-	-	-	-	(3,307)	(10,568)
Other	(14,081)	(10,328)	(17,003)	(12,005)	(13,030)	(13,651)	(13,685)	(9,392)	(11,765)	(7,185)
<b>Ordinary Income</b>	<b>48,461</b>	<b>58,088</b>	<b>78,773</b>	<b>89,535</b>	<b>101,480</b>	<b>33,636</b>	<b>13,702</b>	<b>45,316</b>	<b>62,228</b>	<b>34,478</b>
Extraordinary income/losses - net	(90,563)	(438,167)	(9,358)	(1,449)	(13,135)	3,434	5,192	(6,004)	(775)	(2,759)
<b>Income before income taxes and minority interests</b>	<b>(42,101)</b>	<b>(380,079)</b>	<b>69,414</b>	<b>88,085</b>	<b>88,344</b>	<b>37,070</b>	<b>18,894</b>	<b>39,312</b>	<b>61,454</b>	<b>31,719</b>
Income taxes-current	(12,282)	(11,331)	(16,484)	(18,841)	(20,118)	(19,229)	(8,562)	(11,400)	(18,482)	(11,441)
Income taxes-deferred	23,058	(18,287)	(5,840)	(4,971)	(2,062)	2,490	294	(9,103)	(43,821)	(2,012)
<b>Income before minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,626</b>	<b>18,808</b>	<b>(850)</b>	<b>18,265</b>
Minority interests in income	(2,282)	(2,778)	(3,383)	(5,506)	(3,469)	(1,330)	(1,832)	(2,826)	(2,799)	(4,002)
<b>Net income</b>	<b>(33,609)</b>	<b>(412,475)</b>	<b>43,706</b>	<b>58,766</b>	<b>62,693</b>	<b>19,001</b>	<b>8,794</b>	<b>15,981</b>	<b>(3,649)</b>	<b>14,263</b>
										(Billions of Yen)
<b>Core earnings</b>	<b>41.9</b>	<b>51.4</b>	<b>78.5</b>	<b>89.8</b>	<b>110.7</b>	<b>48.3</b>	<b>14.4</b>	<b>41.9</b>	<b>65.0</b>	<b>35.4</b>

Core earnings = Operating income (before allowance for doubtful receivables and write-offs) + Interest expense-net + Dividends received + Equity in earnings of affiliates

Change of Consolidated Statements of Comprehensive Income (JGAAP)

(Millions of Yen)

	FY2009	FY2010	FY2011	FY2012
<b>Income before minority interests</b>	<b>10,626</b>	<b>18,808</b>	<b>(850)</b>	<b>18,265</b>
<b>Other comprehensive income</b>	<b>29,563</b>	<b>(35,462)</b>	<b>(16,772)</b>	<b>38,585</b>
Valuation difference on available-for-sale securities	3,786	(1,557)	(2,802)	5,216
Deferred gains or losses on hedges	641	1,165	(1,899)	1,277
Revaluation reserve for land	-	-	77	-
Foreign currency translation adjustment	14,217	(26,545)	(1,302)	20,417
Unfunded retirement benefit obligation with respect to foreign consolidated companies	63	129	(184)	(201)
Share of other comprehensive income of associates accounted for using equity	10,854	(8,654)	(10,660)	11,875
<b>comprehensive income</b>	<b>40,189</b>	<b>(16,653)</b>	<b>(17,622)</b>	<b>56,851</b>
(comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	37,869	(18,317)	(20,212)	49,939
Comprehensive income attributable to minority interests	2,319	1,663	2,589	6,911

## Change of Consolidated Statements of Cash Flows (JGAAP)

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<b>Net cash provided by (used in) operating activities</b>										
Income before income taxes and minority interests	(42,101)	(380,079)	69,414	88,085	88,344	37,070	18,894	39,312	61,454	31,719
Depreciation and amortization	33,557	24,784	25,958	23,928	28,844	26,698	23,196	24,096	33,289	30,944
Impairment loss	-	-	2,022	3,393	6,994	12,151	9,402	9,687	6,101	11,893
Loss on valuation of investment securities	8,998	13,415	950	3,957	6,085	15,132	16,543	801	2,640	1,530
Amortization of goodwill	-	-	-	4,016	3,564	5,119	4,443	4,548	4,998	4,774
Increase (decrease) in allowance for doubtful accounts	23,570	64,121	(110,810)	(6,148)	(41,067)	(16,127)	(3,977)	1,619	(15,162)	(3,590)
Increase (decrease) in provision for retirement benefits	-	(7,843)	(3,630)	(3,015)	(2,926)	(2,088)	(3,296)	901	1,130	1,744
Interest and dividends income	(29,116)	(22,084)	(20,030)	(21,048)	(18,719)	(17,947)	(9,672)	(8,390)	(10,972)	(7,512)
Interest expenses	55,675	48,754	40,143	38,421	33,284	29,452	25,987	23,936	24,217	21,026
Foreign exchange losses (gains)	-	(322)	320	3	5,053	5,294	(1,832)	3,907	445	(9,447)
Equity in (earnings) losses of affiliates	(5,929)	(10,741)	(19,149)	(23,752)	(28,911)	(2,455)	(9,179)	(19,297)	(12,566)	(15,588)
Loss (gain) on sales of investment securities	(21,945)	360	(4,025)	(14,787)	(9,265)	(30,217)	(32,375)	(755)	(9,286)	(10,255)
Loss (gain) on sales and retirement of noncurrent assets	4,317	95,495	(2,238)	(9,452)	285	(6,263)	(990)	(4,386)	(2,393)	(2,632)
Loss (gain) on step acquisitions	-	-	-	-	-	-	-	(10,307)	(194)	-
Decrease (increase) in notes and accounts receivable-trade	101,743	7,171	26,492	(62,697)	(26,135)	118,034	57,221	(30,328)	(19,910)	35,621
Decrease (increase) in inventories	52,938	45,102	(8,492)	(99,052)	(108,510)	10,703	80,618	(6,997)	(25,494)	(13,210)
Increase (decrease) in notes and accounts payable-trade	(49,161)	(15,770)	(34,978)	78,685	55,154	(108,118)	(46,575)	52,368	47,570	(21,792)
Other, net	(13,649)	156,538	116,555	39,759	62,223	43,779	(2,433)	8,790	27,277	17,224
Subtotal	118,898	18,905	78,502	40,296	54,297	120,218	125,972	89,506	113,145	72,448
Interest and dividends income received	39,428	22,006	21,761	22,693	34,621	30,871	18,120	13,172	18,933	18,757
Interest expenses paid	(58,914)	(49,858)	(40,673)	(37,868)	(33,408)	(29,016)	(26,379)	(24,013)	(23,883)	(21,588)
Payments for loss on litigation	-	-	-	-	-	-	-	-	-	(3,082)
Income taxes paid	(12,252)	(10,827)	(16,434)	(18,081)	(20,102)	(18,344)	(10,490)	(10,801)	(16,593)	(15,011)
<b>Net cash provided by (used in) operating activities</b>	<b>87,160</b>	<b>(19,774)</b>	<b>43,155</b>	<b>7,040</b>	<b>35,407</b>	<b>103,729</b>	<b>107,222</b>	<b>67,863</b>	<b>91,600</b>	<b>51,524</b>
<b>Net cash provided by (used in) investing activities</b>										
Decrease (increase) in time deposits	(15,090)	9,832	2,541	9,392	(268)	3,862	(301)	5,591	(11,048)	7,790
Decrease (increase) in short-term investment securities	6,687	18,111	(1,151)	84	(190)	1,420	292	(344)	623	37
Purchase of property, plant and equipment	(10,848)	(8,358)	(25,518)	(28,774)	(40,354)	(43,718)	(21,189)	(27,252)	(35,745)	(26,886)
Proceeds from sales of property, plant and equipment	3,794	77,419	16,462	38,255	7,969	16,452	5,443	6,654	13,419	15,306
Purchase of intangible assets	-	-	-	-	-	(21,821)	(7,264)	(21,195)	(8,698)	(11,802)
Purchase of investment securities	(11,590)	(17,936)	(24,380)	(35,763)	(48,013)	(35,104)	(19,098)	(20,647)	(10,025)	(3,085)
Proceeds from sales and redemption of investment securities	79,691	80,361	59,272	46,480	40,234	51,925	66,099	14,228	19,402	18,484
Decrease (increase) in short-term loans receivable	30,625	58,176	27,022	36,315	13,891	13,355	4,857	3,049	3,745	3,453
Payments of long-term loans receivable	(35,559)	(8,180)	(9,717)	(22,914)	(7,136)	(2,360)	(2,263)	(4,481)	(13,548)	(11,697)
Collection of long-term loans receivable	24,410	26,810	37,546	8,576	2,361	3,085	1,785	11,173	1,489	2,412
Net increase(decrease) from purchase of consolidated subsidiaries	(2,756)	(2,013)	(296)	(4,408)	(8,156)	(5,692)	23	2,551	(2,340)	(5,624)
Net increase(decrease) from sale of consolidated subsidiaries	(2,736)	(1,223)	937	3	(109)	65	(49)	(460)	(707)	1,530
Other, net	6,400	8,109	16,436	(4,541)	(28,951)	1,331	103	11,229	1,144	(3,500)
<b>Net cash provided by (used in) investing activities</b>	<b>73,030</b>	<b>241,109</b>	<b>99,155</b>	<b>42,706</b>	<b>(68,723)</b>	<b>(17,198)</b>	<b>28,439</b>	<b>(19,903)</b>	<b>(42,287)</b>	<b>(13,580)</b>
<b>Free Cash Flow</b>	<b>160,190</b>	<b>221,335</b>	<b>142,310</b>	<b>49,746</b>	<b>(33,316)</b>	<b>86,531</b>	<b>135,661</b>	<b>47,960</b>	<b>49,313</b>	<b>37,944</b>
<b>Net cash provided by (used in) financing activities</b>										
Net increase (decrease) in short-term loans payable	(189,312)	85,255	(233,618)	(201,386)	(54,258)	(57,272)	(41,620)	(49,686)	3,433	(9,419)
Net increase (decrease) in commercial papers	119,600	(2,000)	(110,000)	(19,200)	15,000	10,000	(25,000)	(8,000)	-	-
Proceeds from long-term loans payable	176,441	203,706	487,025	274,898	211,648	308,571	244,907	167,047	128,061	236,109
Repayment of long-term loans payable	(409,663)	(487,734)	(262,600)	(266,922)	(154,977)	(234,144)	(240,962)	(155,603)	(133,646)	(247,581)
Proceeds from issuance of bonds	47,225	9,998	154,872	374,626	45,905	55,686	-	19,900	39,800	9,953
Redemption of bonds	(85,794)	(40,088)	(46,030)	(12,668)	(999)	(75,212)	(33,489)	(41,047)	(67,719)	(35,000)
Proceeds from issuance of common stock/preferred stock	272,223	19,389	-	-	-	-	-	-	-	-
Repurchase of preferred stock	-	-	(44,000)	(240,920)	(102,000)	-	-	-	-	-
Proceeds from stock issuance to minority shareholders	510	155	56	474	922	522	13	463	66	68
Purchase of treasury stock	(46)	(32)	(26)	(11)	(18)	(20)	(1)	(1)	(9)	(0)
Cash dividends paid	-	-	-	-	(12,322)	(11,125)	(4,339)	(1,876)	(3,753)	(3,753)
Cash dividends paid to minority shareholders	(359)	(913)	(805)	(1,621)	(1,817)	(2,513)	(1,374)	(1,924)	(1,416)	(1,382)
Other, net	572	-	(678)	(2,744)	(806)	(450)	(730)	(1,325)	(1,193)	(1,732)
<b>Net cash provided by (used in) financing activities</b>	<b>(68,602)</b>	<b>(212,264)</b>	<b>(55,805)</b>	<b>(95,476)</b>	<b>(53,723)</b>	<b>(5,958)</b>	<b>(102,597)</b>	<b>(72,054)</b>	<b>(36,376)</b>	<b>(52,737)</b>
Effect of exchange rate change on cash and cash equivalents	(5,630)	(882)	11,921	3,419	(4,289)	(40,332)	6,825	(14,470)	(923)	11,890
Net increase (decrease) in cash and cash equivalents	85,958	8,188	98,426	(42,310)	(91,328)	40,241	39,890	(38,564)	12,012	(2,902)
Cash and cash equivalents at beginning of period	310,441	401,240	409,266	506,254	464,273	373,883	414,419	454,262	415,261	427,274
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	4,840	(162)	(1,438)	329	939	294	(48)	(436)	-	-
<b>Cash and cash equivalents</b>	<b>401,240</b>	<b>409,266</b>	<b>506,254</b>	<b>464,273</b>	<b>373,883</b>	<b>414,419</b>	<b>454,262</b>	<b>415,261</b>	<b>427,274</b>	<b>424,371</b>

## 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

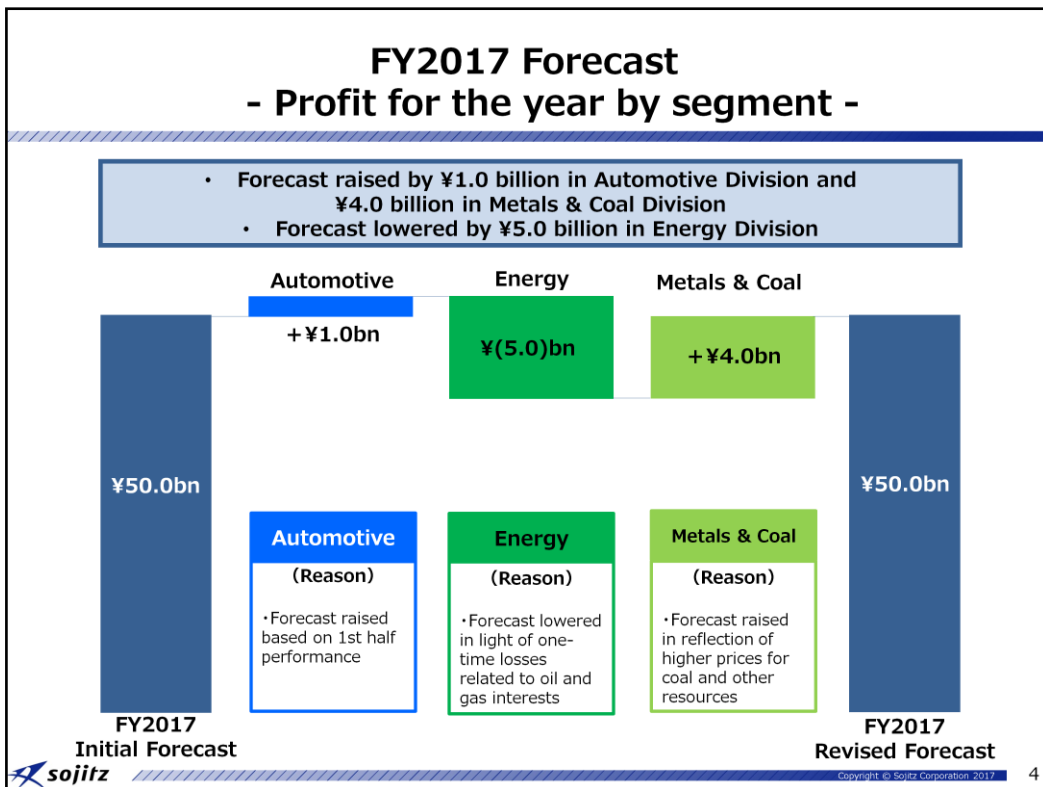
(Billions of yen)	FY2017 2Q Results	FY2017 Initial Forecast	Achieved	FY2017 Revised Forecast
<b>Profit for the period (attributable to owners of the Company)</b>	<b>27.2</b>	<b>50.0</b>	<b>54%</b>	<b>50.0</b>
Automotive	4.3	4.0	108%	5.0
Aerospace & IT Business	0.9	5.0	18%	5.0
Infrastructure & Environment 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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3

- 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.



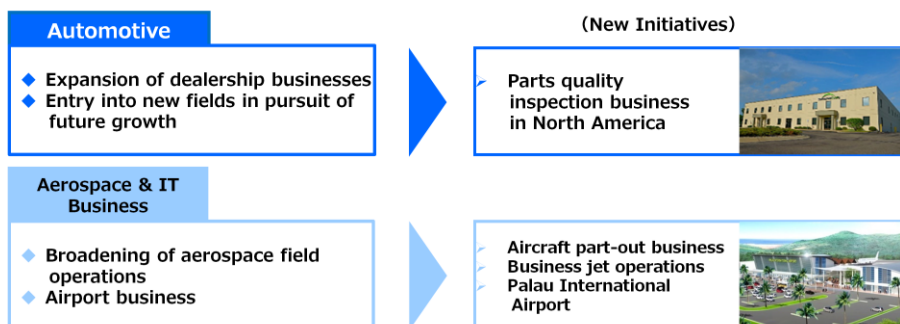
- This slide provides more information regarding the revisions to the forecasts for the Automotive Division, the Energy Division, and the Metals & Coal Division.
- In the Automotive Division, the full-year forecast for profit for the year was raised by ¥1.0 billion in light of the impressive performance 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

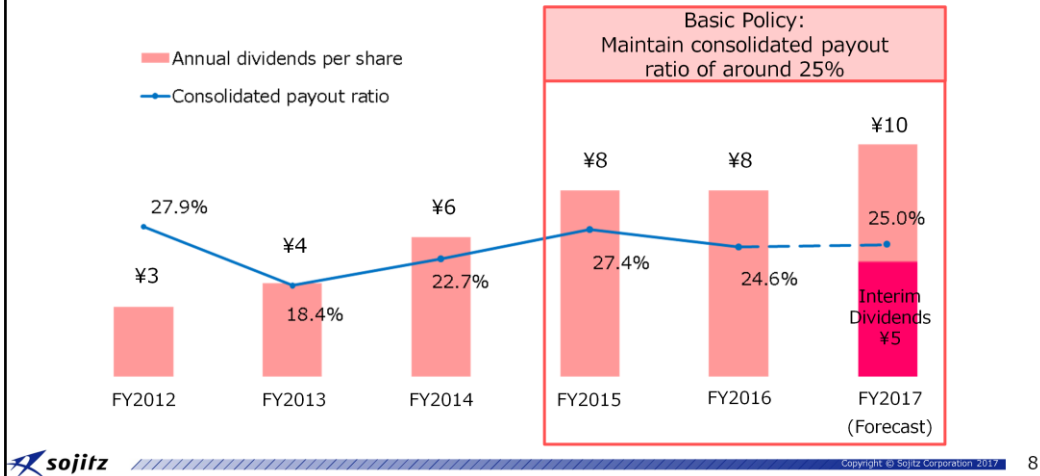
# ¥5.0 billion

- 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***