

Financial Results for the First Quarter Ended June 30, 2018 (Reference)

August 1, 2018
Sojitz Corporation

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Caution regarding Forward-looking Statements

This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by such forward-looking statements due to various factors including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements.

The company will provide timely disclosure of any material changes, events, or other relevant issues.

I . Financial Results for the First Quarter and Full Year Forecast of Fiscal Year Ending March 31, 2019



Summary of Profit or Loss

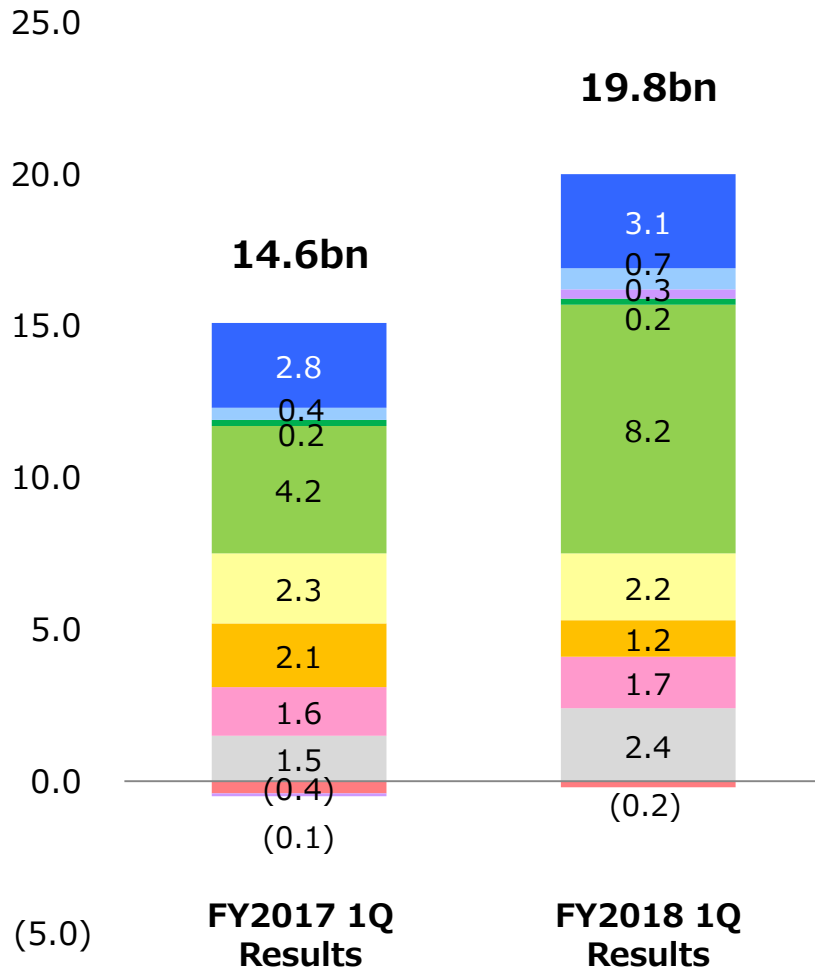
(Billions of Yen)	FY2017 1Q Results	FY2018 1Q Results	Difference	FY2018 Forecast	Achieved
Revenue	432.4	467.9	+35.5	—	—
Gross profit	51.6	59.9	+8.3	240.0	25%
Share of profit (loss) of investments accounted for using the equity method	5.9	5.6	(0.3)	26.0	22%
Profit before tax	19.1	27.3	+8.2	86.0	32%
Profit for the Year attributable to owners of the Company	14.6	19.8	+5.2	63.0	31%
Core earnings	17.9	22.2	+4.3	86.0	26%

Summary of Profit or Loss

Profit for the Year by segment

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

(Billions of Yen)



Factor behind year on year change in earnings

- **Automotive ¥ 3.1 billion (up ¥0.3 billion YoY)**
 Increased due to gains on sales of automotive-related companies despite rebound from one-time income recorded in the previous equivalent period
- **Aerospace & Transportation Project ¥ 0.7 billion (up ¥ 0.3 billion YoY)**
 Increased due to gains on sales of aircraft
- **Machinery & Medical Infrastructure ¥ 0.3 billion (up ¥ 0.4 billion YoY)**
 Increased due to recording of revenue associated with infrastructure projects
- **Energy & Social Infrastructure ¥ 0.2 billion (UP ¥ 0 billion YoY)**
 Unchanged year on year
- **Metals & Mineral Resources ¥ 8.2 billion (up ¥ 4.0 billion YoY)**
 Increased due to higher prices and transaction volumes of coal and other resources
- **Chemicals ¥ 2.2 billion (down ¥ (0.1) billion YoY)**
 Unchanged year on year
- **Foods & Agriculture Business ¥ 1.2 billion (down ¥ (0.9) billion YoY)**
 Decreased due to higher material costs in overseas fertilizer businesses
- **Retail & Lifestyle Business ¥ 1.7 billion (up ¥ 0.1 billion YoY)**
 Unchanged year on year
- **Industrial Infrastructure & Urban Development ¥ (0.2) billion (up ¥ 0.2 billion YoY)**
 Unchanged year on year
- **Other ¥ 2.4 billion (up ¥ 0.9 billion YoY)**

FY2018 Forecast Profit for the Year by Segment

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

(Billions of Yen)	FY2018 1Q Results	FY2018 Forecast	Achieved
Automotive	3.1	5.5	56%
Aerospace & Transportation Project	0.7	4.0	18%
Machinery & Medical Infrastructure	0.3	3.0	10%
Energy & Social Infrastructure	0.2	4.5	4%
Metals & Mineral Resources	8.2	20.5	40%
Chemicals	2.2	10.5	21%
Foods & Agriculture Business	1.2	4.5	27%
Retail & Lifestyle Business	1.7	5.5	31%
Industrial Infrastructure & Urban Development	(0.2)	1.5	—
Other	2.4	3.5	69%
Total	19.8	63.0	31%

Progress Overview

- **Automotive ¥ 3.1 billion**
Performance generally as budgeted
- **Aerospace & Transportation Project ¥ 0.7 billion**
Earning contributions anticipated from progress in railroad projects along with earnings from second-half aircraft-related transactions
- **Machinery & Medical Infrastructure ¥ 0.3 billion**
Earnings from industrial machinery-related transactions and revenue associated with infrastructure projects anticipated
- **Energy & Social Infrastructure ¥ 0.2 billion**
Earning contributions from domestic and overseas power generation businesses and from affiliates anticipated in the second half of the fiscal year
- **Metals & Mineral Resources ¥ 8.2 billion**
Forecast unchanged, despite strong conditions in markets for coal and certain other commodities
- **Chemicals ¥ 2.2 billion**
Performance generally as budgeted
- **Foods & Agriculture Business ¥ 1.2 billion**
Conditions, including higher material costs in overseas fertilizer businesses, more or less as budgeted
- **Retail & Lifestyle Business ¥ 1.7 billion**
Performance generally as budgeted
- **Industrial Infrastructure & Urban Development ¥ (0.2) billion**
Earnings contributions from overseas industrial park businesses anticipated in the second half of fiscal year

Summary of Balance Sheets

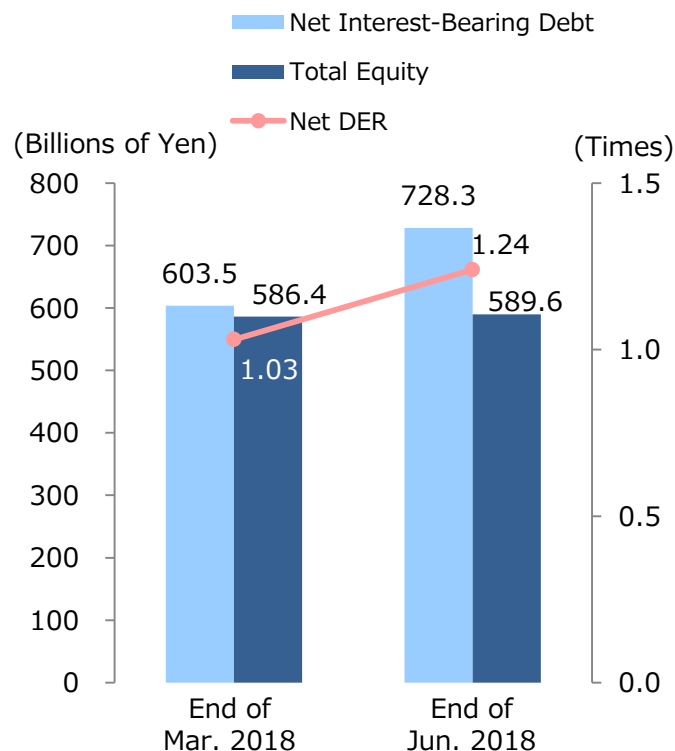
(Billions of Yen)	End of Mar. 2018	End of Jun. 2018	Difference	End of Mar. 2019 (Forecast)
Total Assets	2,350.4	2,366.8	+16.4	2,400.0
Total equity*1	586.4	589.6	+3.2	630.0
Equity Ratio	25.0%	24.9%	(0.1)%	26.3%
Net interest-bearing debt	603.5	728.3	+124.8	650.0
Net DER (Times)	1.03	1.24	+0.21	1.0
Risk Assets*2 vs. Total equity	350.0 0.6 times	350.0 0.6 times	+0 +0times	—
Current Ratio	162.7%	173.0%	+10.3%	—
Long-term debt ratio	87.5%	84.3%	(3.2)%	—

(*1) "Total equity attributable to owners of the Company" is recognized as "Total equity" above, and is also used in the denominator of the "Net DER" and the numerator of the "Equity ratio".

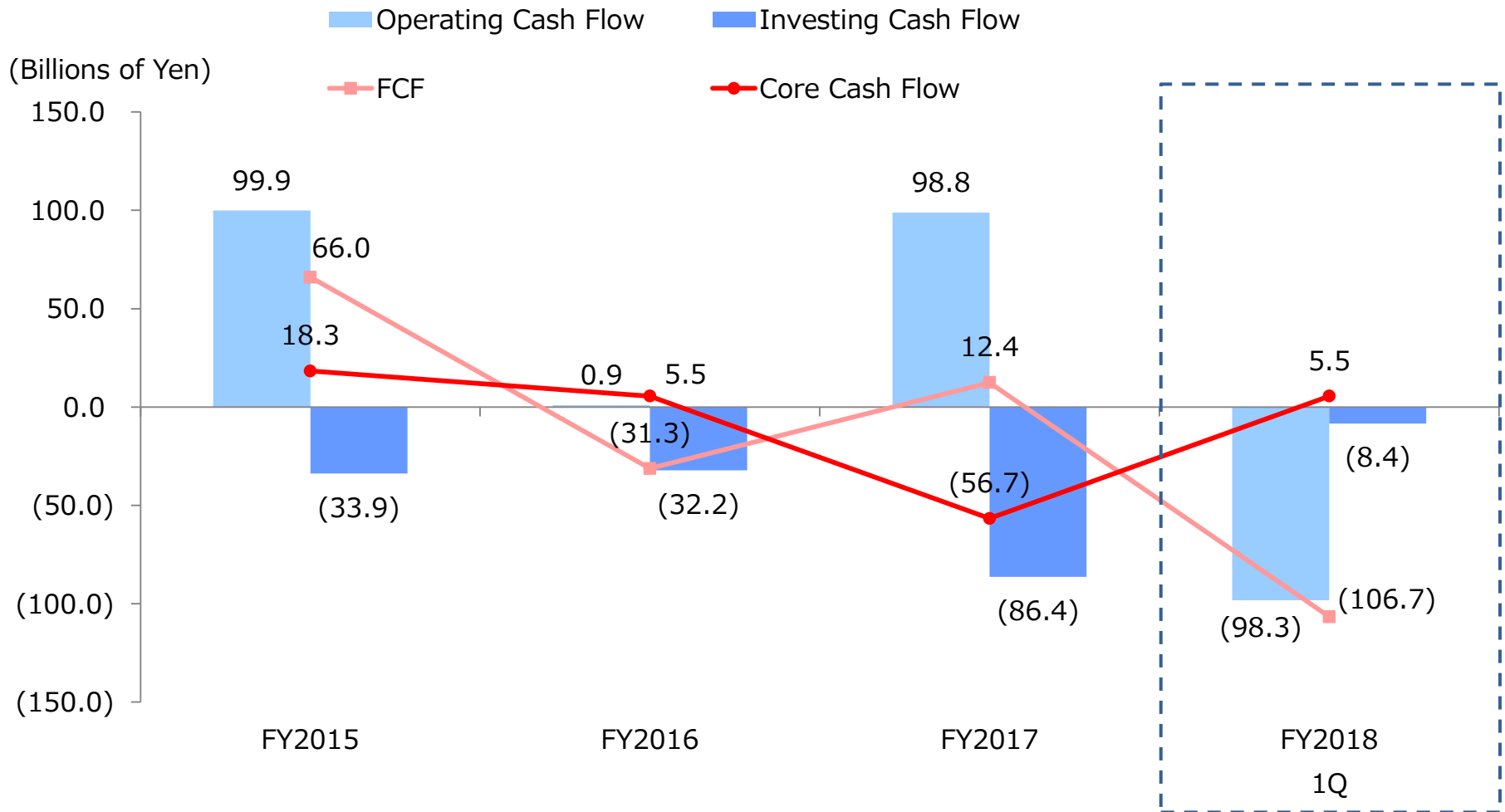
(*2) The method of measuring risk assets mainly for goodwill was revised in the three-month period ended June 30, 2018. Figures for the year ended March 31, 2018, have been restated to reflect this change.

Changes in Total Equity (End of Mar. 2018 vs. End of Jun. 2018, Breakdown)

- Profit for the period attributable to owners of the Company ¥ 19.8 billion
- Dividends paid ¥ (7.5) billion



Summary of Free Cash Flows



*Core cash flow = Core operating cash flow + Post-adjustment net cash provided by (used in) investing activities – Dividends paid (Post-adjustment net cash provided by (used in) investing activities is net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

Investments and Loans for the First Quarter Ended June 30, 2018

FY2018 1Q Results	Main Businesses
Investments and Loans	<ul style="list-style-type: none"> ■ Automobile dealership business in Russia ■ IPP business in the United States ■ Domestic and overseas solar power generation business ■ Papermaking company in Vietnam <p style="text-align: right;">etc.</p>
Investments and Loans Results	Approx. ¥25.0bn
Asset Reduction	<ul style="list-style-type: none"> ■ Sales of an automotive-related company ■ Sales of solar power generation business company ■ Sales of aircraft <p style="text-align: right;">etc.</p>
Asset Reduction Results	Approx. ¥24.0bn

Major One-time Gain/Loss for the First Quarter Ended June 30, 2018

	FY2017 1Q Results		FY2018 1Q Results	
Non-Resource	¥ 1.6 billion	<ul style="list-style-type: none"> •Automobile parts business <p>etc.</p>	¥ 4.4 billion	<ul style="list-style-type: none"> •Sale of automobile-related companies •Sales of aircraft <p>etc.</p>
Resource	¥ (0.2) billion	—	¥ (0.3) billion	<ul style="list-style-type: none"> •Sale of oil and gas interests <p>etc.</p>
Total (After income tax expenses)	¥ 1.4 billion		¥ 4.1 billion	

Commodity Prices, Foreign Exchange, and Interest Rate

	FY2017 Results (Apr.-Jun. Avg.)	FY2018 Assumptions (Annual Avg.)	FY2018 Results (Apr.-Jun Avg.)	Latest Data (As of July 26, 2018)
Crude oil (Brent)	US\$50.8/bbl	US\$60.0/bbl	US\$75.0/bbl	US\$74.5/bbl
Thermal Coal *1	US\$79.8/t	US\$85.0/t	US\$105.3/t	US\$120.7/t
Exchange rate *2	¥111.4/US\$	¥105.0/US\$	¥109.5/US\$	¥110.7/US\$
Interest rate (TIBOR)	0.06%	0.06%	0.07%	0.07%

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

*2 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.5 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.25 billion annually, and total equity by approx. ¥2.0 billion.

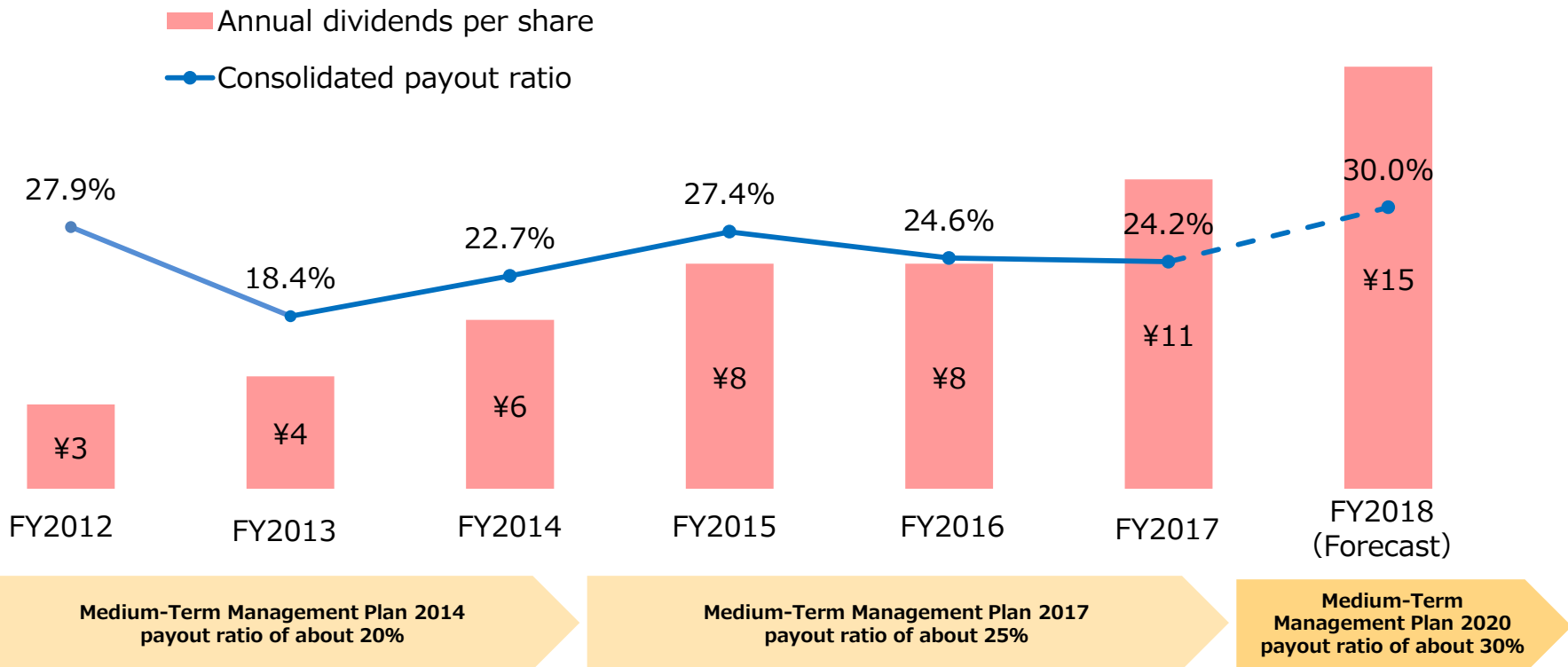
II. Dividends

Dividend Policy

Basic Dividend Policy

Sojitz recognizes that paying stable, continuous dividends is a management priority, together with enhancing shareholder value and boosting competitiveness through the accumulation and effective use of retained earnings.

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



【Supplemental Data】

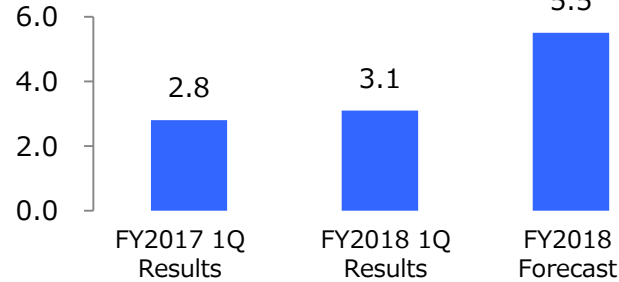
I. Segment Information

Automotive



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

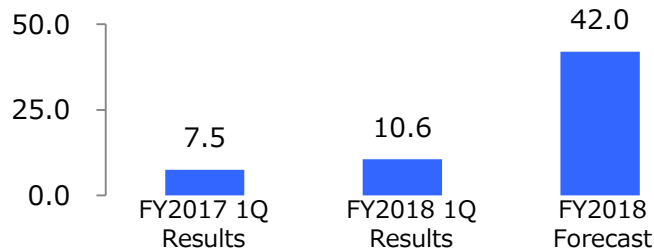
(Billions of Yen)



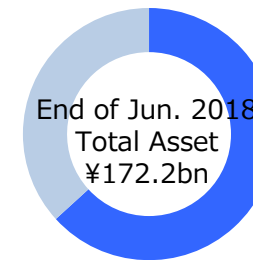
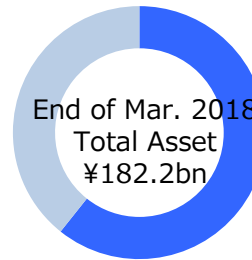
【Progress Overview】
Performance generally as budgeted

Gross profit

(Billions of Yen)



Asset Structure



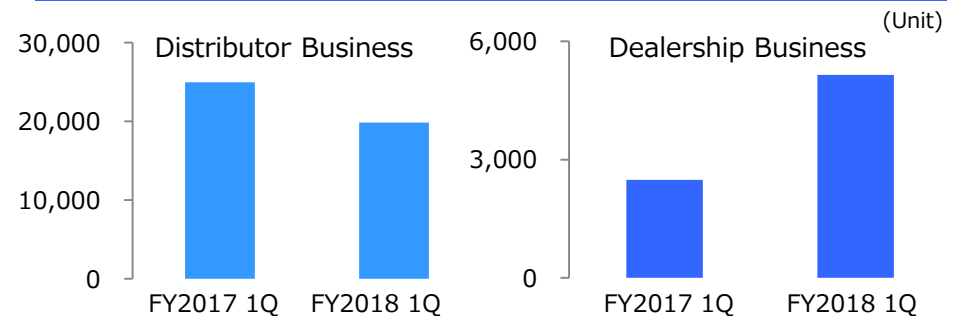
■ Current Assets
■ Non-Current Assets

FY2018 1Q Results

(Billions of Yen)

	FY2017 1Q Results	FY2018 1Q Results
Gross profit	7.5	10.6
Share of profit of investments accounted for using the equity method	0.9	0.3
Profit for the period (attributable to owners of the Company)	2.8	3.1
	End of Mar. 2018	End of Jun. 2018
Total assets	182.2	172.2

Vehicle Sales

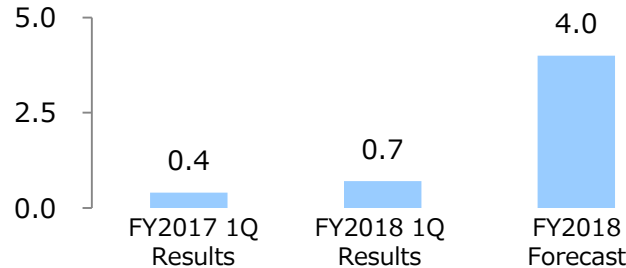


Aerospace & Transportation Project



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

(Billions of Yen)

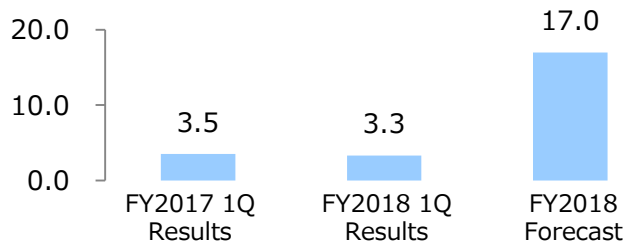


【Progress Overview】

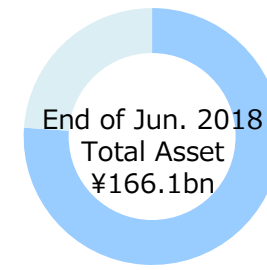
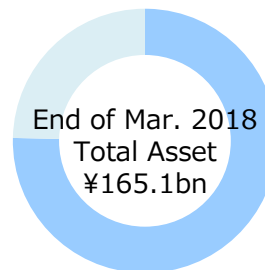
Earning contributions anticipated from progress in railroad projects along with earnings from second-half aircraft-related transactions

Gross profit

(Billions of Yen)



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2018 1Q Results

(Billions of Yen)

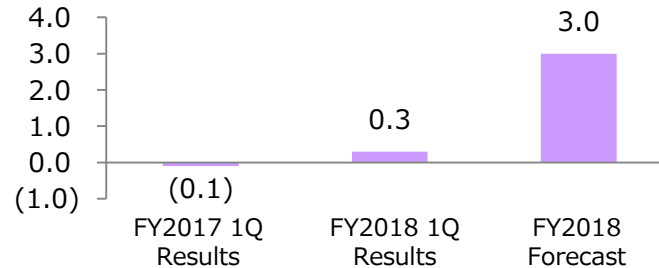
	FY2017 1Q Results	FY2018 1Q Results
Gross profit	3.5	3.3
Share of profit of investments accounted for using the equity method	0.0	0.3
Profit for the period (attributable to owners of the Company)	0.4	0.7
	End of Mar. 2018	End of Jun. 2018
Total assets	165.1	166.1

Machinery & Medical Infrastructure



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

(Billions of Yen)

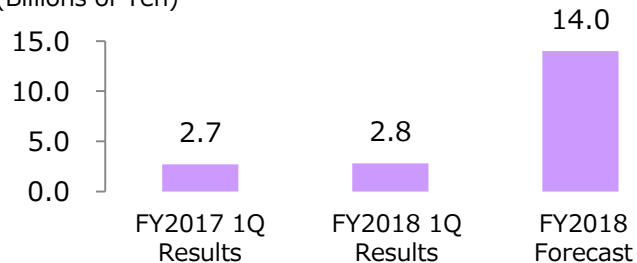


【Progress Overview】

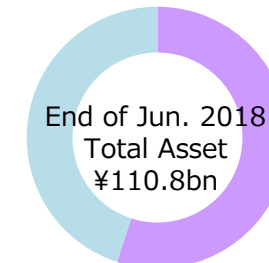
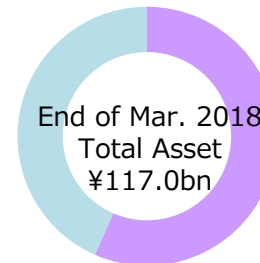
Earnings from industrial machinery-related transactions and revenue associated with infrastructure projects anticipated

Gross profit

(Billions of Yen)



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2018 1Q Results

(Billions of Yen)

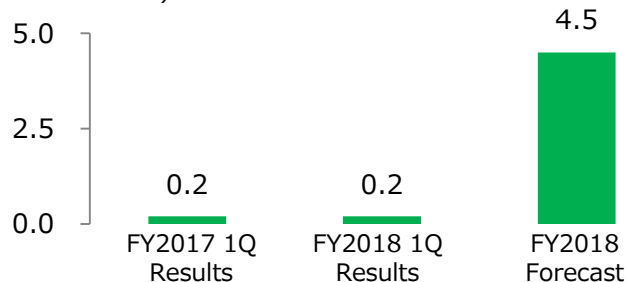
	FY2017 1Q Results	FY2018 1Q Results
Gross profit	2.7	2.8
Share of profit of investments accounted for using the equity method	0.1	0.1
Profit for the period (attributable to owners of the Company)	(0.1)	0.3
	End of Mar. 2018	End of Jun. 2018
Total assets	117.0	110.8

Energy & Social Infrastructure



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

(Billions of Yen)

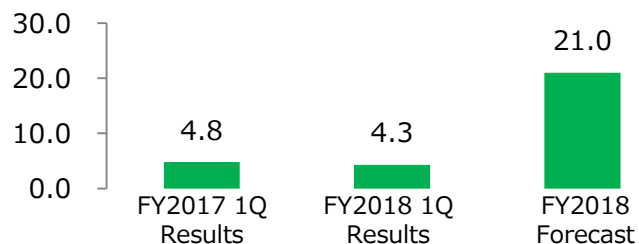


【Progress Overview】

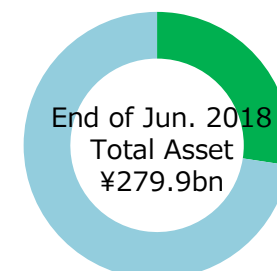
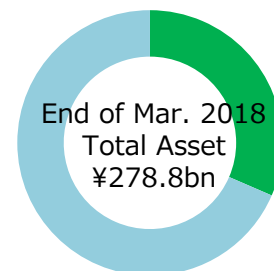
Earning contributions from domestic and overseas power generation businesses and from affiliates anticipated in the second half of the fiscal year

Gross profit

(Billions of Yen)



Asset Structure



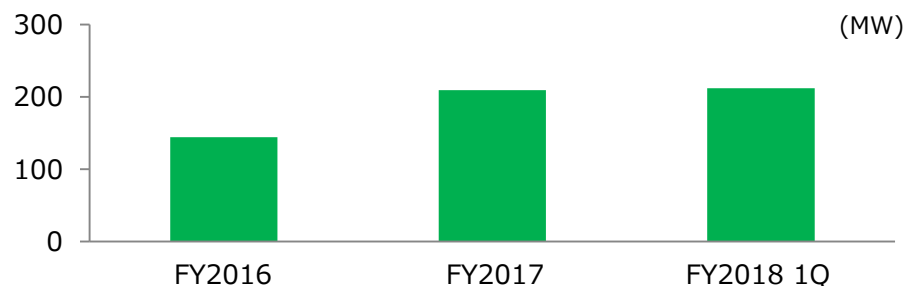
■ Current Assets
■ Non-Current Assets

FY2018 1Q Results

(Billions of Yen)

	FY2017 1Q Results	FY2018 1Q Results
Gross profit	4.8	4.3
Share of profit of investments accounted for using the equity method	0.2	0.0
Profit (loss) for the period (attributable to owners of the Company)	0.2	0.2
	End of Mar. 2018	End of Jun. 2018
Total assets	278.8	279.9

Sojitz's Share of Renewable Energy Generation

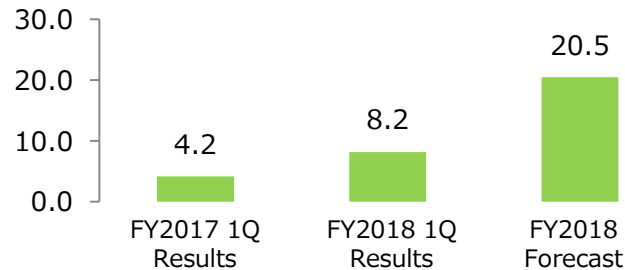


Metals & Mineral Resources



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

(Billions of Yen)

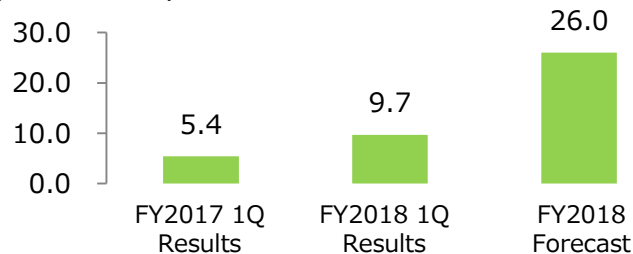


【Progress Overview】

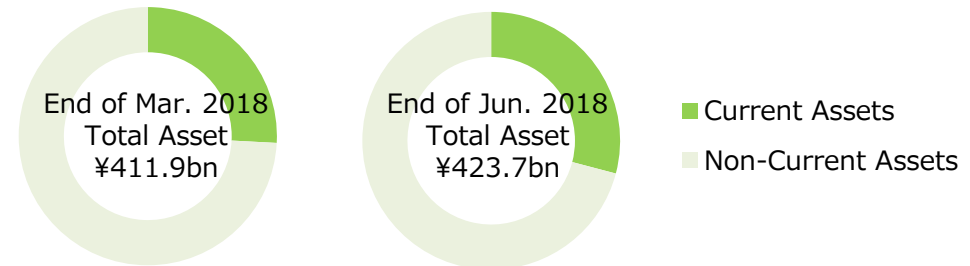
Forecast unchanged, despite strong conditions in markets for coal and certain other commodities

Gross profit

(Billions of Yen)



Asset Structure

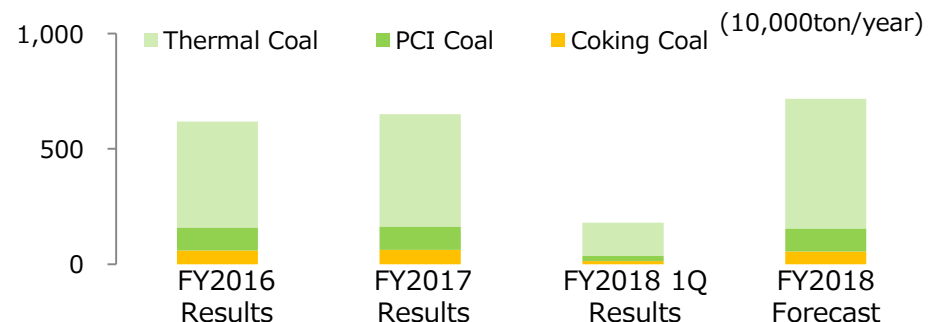


FY2018 1Q Results

(Billions of Yen)

	FY2017 1Q Results	FY2018 1Q Results
Gross profit	5.4	9.7
Share of profit of investments accounted for using the equity method	3.8	4.6
Profit for the period (attributable to owners of the Company)	4.2	8.2
	End of Mar. 2018	End of Jun. 2018
Total assets	411.9	423.7

Sales Volume for Coal

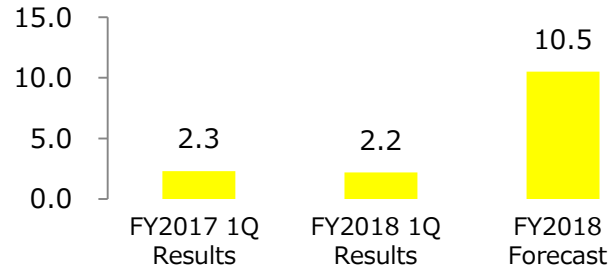


Chemicals



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

(Billions of Yen)

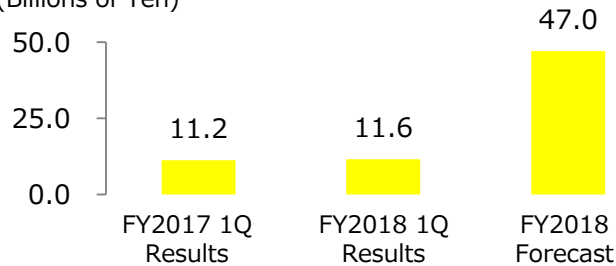


【Progress Overview】

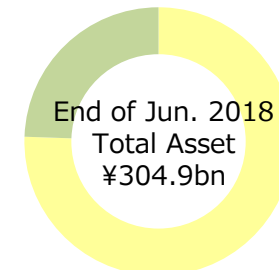
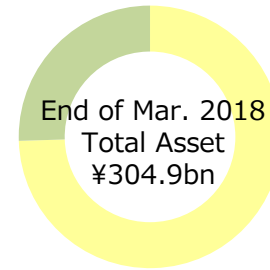
Performance generally as budgeted

Gross profit

(Billions of Yen)



Asset Structure



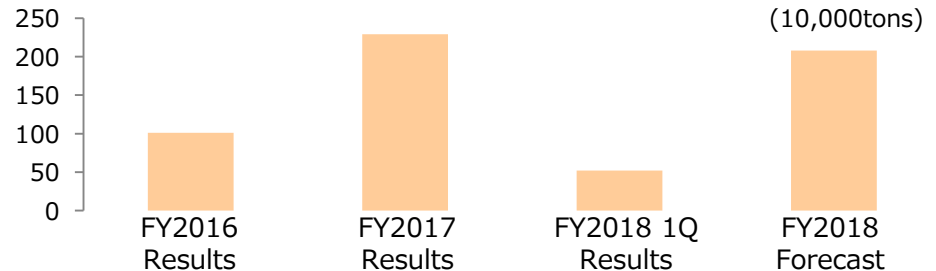
■ Current Assets
■ Non-Current Assets

FY2018 1Q Results

(Billions of Yen)

	FY2017 1Q Results	FY2018 1Q Results
Gross profit	11.2	11.6
Share of profit of investments accounted for using the equity method	0.3	0.2
Profit for the period (attributable to owners of the Company)	2.3	2.2
	End of Mar. 2018	End of Jun. 2018
Total assets	304.9	304.9

Sales Volume for Methanol

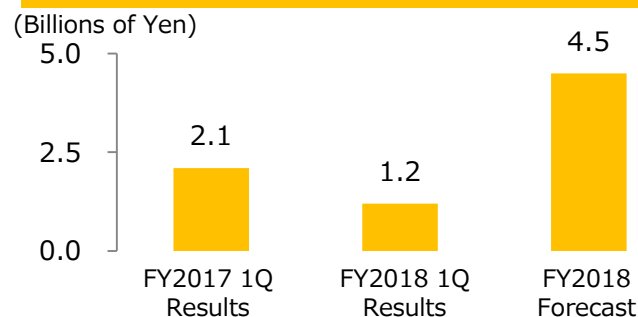


* FY2017 or later includes the sales volumes of solvadis holdings S.a.r.l.

Foods & Agriculture Business



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

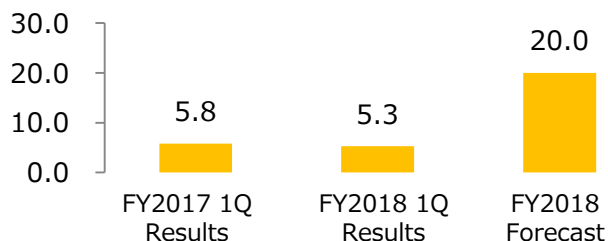


【Progress Overview】

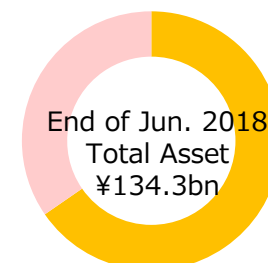
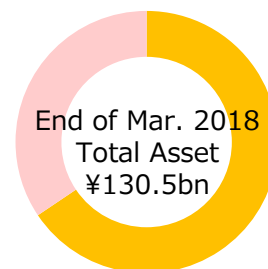
Conditions, including higher material costs in overseas fertilizer businesses, more or less as budgeted

Gross profit

(Billions of Yen)



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2018 1Q Results

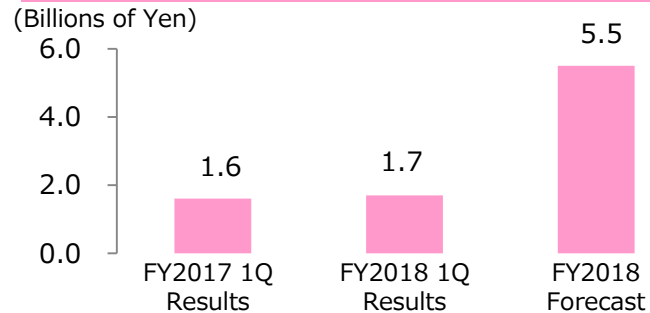
(Billions of Yen)

	FY2017 1Q Results	FY2018 1Q Results
Gross profit	5.8	5.3
Share of profit (loss) of investments accounted for using the equity method	0.2	0.1
Profit for the period (attributable to owners of the Company)	2.1	1.2
	End of Mar. 2018	End of Jun. 2018
Total assets	130.5	134.3

Retail & Lifestyle Business

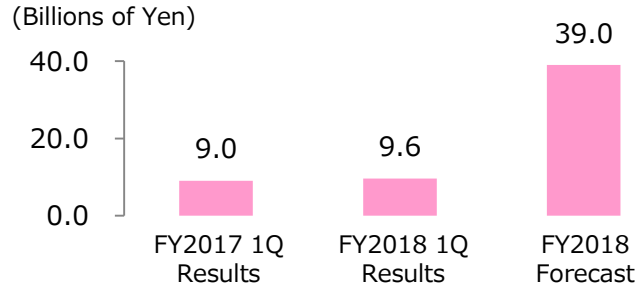


Profit for the Year (attributable to owners of the Company)

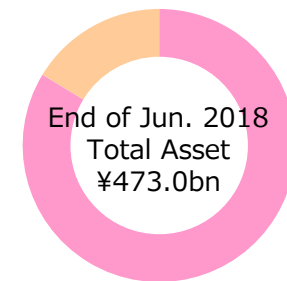
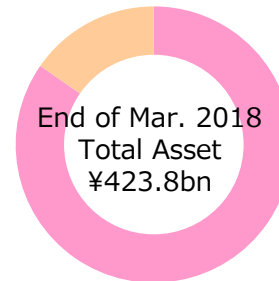


【Progress Overview】
Performance generally as budgeted

Gross profit



Asset Structure



■ Current Assets
■ Non-Current Assets

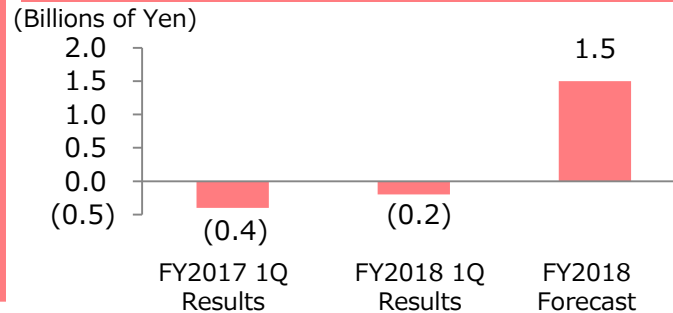
FY2018 1Q Results

(Billions of Yen)	FY2017 1Q Results	FY2018 1Q Results
Gross profit	9.0	9.6
Share of profit of investments accounted for using the equity method	0.2	0.0
Profit for the period (attributable to owners of the Company)	1.6	1.7
	End of Mar. 2018	End of Jun. 2018
Total assets	423.8	473.0

Industrial Infrastructure & Urban Development



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

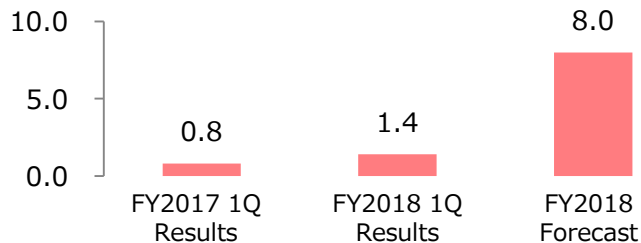


【Progress Overview】

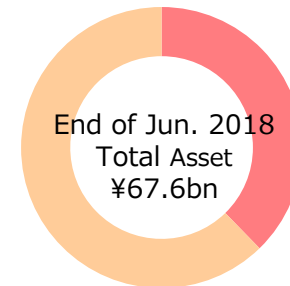
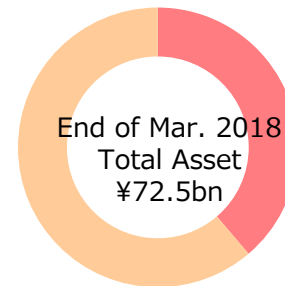
Earning contributions from overseas industrial park businesses anticipated in the second half of fiscal year

Gross profit

(Billions of Yen)



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2018 1Q Results

(Billions of Yen)

	FY2017 1Q Results	FY2018 1Q Results
Gross profit	0.8	1.4
Share of profit of investments accounted for using the equity method	0.3	0.0
Profit for the period (attributable to owners of the Company)	(0.4)	(0.2)
	End of Mar. 2018	End of Jun. 2018
Total assets	72.5	67.6

Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2017 1Q	FY2018 1Q	Difference
Automotive	Sojitz Automotive Group	Subsidiary	0.3	0.2	(0.1)
Automotive	Sojitz de Puerto Rico Corporation	Subsidiary	0.4	0.5	0.1
Aerospace & Transportation Project	Sojitz Aerospace Corporation	Subsidiary	0.1	0.1	0.0
Aerospace & Transportation Project	Sojitz Marine & Engineering Corporation	Subsidiary	0.1	0.2	0.1
Machinery & Medical Infrastructure	Sojitz Machinery Corporation	Subsidiary	0.0	0.1	0.1
Energy & Social Infrastructure	Nissho Electronics Corporation	Subsidiary	(0.1)	(0.1)	0.0
Energy & Social Infrastructure	LNG Japan Corporation	Associate	0.2	(0.2)	(0.4)
Metals & Mineral Resources	Sojitz Coal Resources Pty. Ltd.	Subsidiary	1.0	2.2	1.2
Metals & Mineral Resources	Sojitz Moolarben Resources Pty. Ltd.	Subsidiary	0.5	1.0	0.5
Metals & Mineral Resources	Sojitz Resources (Australia) Pty. Ltd.	Subsidiary	0.0	0.5	0.5
Metals & Mineral Resources	Japan Alumina Associates (Australia) Pty. Ltd.	Associate	0.1	0.0	(0.1)
Metals & Mineral Resources	Metal One Corporation	Associate	2.6	2.8	0.2

*1 Associate = Equity in earnings

*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2017 1Q	FY2018 1Q	Difference
Chemicals	Sojitz Pla-Net Corporation	Subsidiary	0.5	0.3	(0.2)
Chemicals	PT. Kaltim Methanol Industri	Subsidiary	0.7	1.2	0.5
Chemicals	solvadis holding S.a.r.l	Subsidiary	0.2	0.1	(0.1)
Retail & Lifestyle Business	Sojitz Building Materials Corporation	Subsidiary	0.1	0.1	0.0
Retail & Lifestyle Business	Sojitz Foods Corporation	Subsidiary	0.8	0.9	0.1
Retail & Lifestyle Business	Sojitz Fashion Co., Ltd.	Subsidiary	0.2	0.2	0.0
Retail & Lifestyle Business	JALUX Inc.	Associate	0.1	0.2	0.1
Industrial Infrastructure & Urban Development	Sojitz New Urban Development Corporation	Subsidiary	(0.3)	(0.3)	0.0
Industrial Infrastructure & Urban Development	PT. Puradelta Lestari Tbk	Associate	0.3	0.0	(0.3)
Overseas Subsidiary	Sojitz Corporation of America	Subsidiary	0.4	1.0	0.6
Overseas Subsidiary	Sojitz Europe plc	Subsidiary	(0.1)	0.0	0.1
Overseas Subsidiary	Sojitz Asia Pte. Ltd.	Subsidiary	0.7	0.7	0.0

*1 Associate = Equity in earnings

*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

【Supplemental Data】

II. Summary of Financial Results



Summary of Profit or Loss (Results)

(Billions of Yen)	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 1Q
Net sales (JGAAP)	5,771.0	5,166.2	3,844.4	4,014.6	4,321.7	3,934.5	4,046.6	4,105.3	4,006.6	3,745.5	4,209.1	–
Revenue	–	–	–	–	2,006.6	1,747.8	1,803.1	1,809.7	1,658.1	1,555.3	1,816.5	467.9
Gross profit	277.7	235.6	178.2	192.7	217.1	187.2	198.2	197.7	180.7	200.7	232.4	59.9
Operating profit	92.4	52.0	16.1	37.5	57.5	25.5	23.7	33.6	29.2	51.6	59.8	–
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	25.1	5.6
Profit before tax	88.4	37.1	18.9	39.3	58.5	28.1	44.0	52.6	44.3	58.0	80.3	27.3
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	56.8	19.8
Core earnings	110.7	48.3	14.4	41.9	65.8	38.5	68.0	66.3	41.6	54.2	90.8	22.2
ROA	2.4%	0.8%	0.4%	0.7%	(0.0)%	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	–
ROE	13.0%	4.8%	2.6%	4.7%	(0.3)%	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	–

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

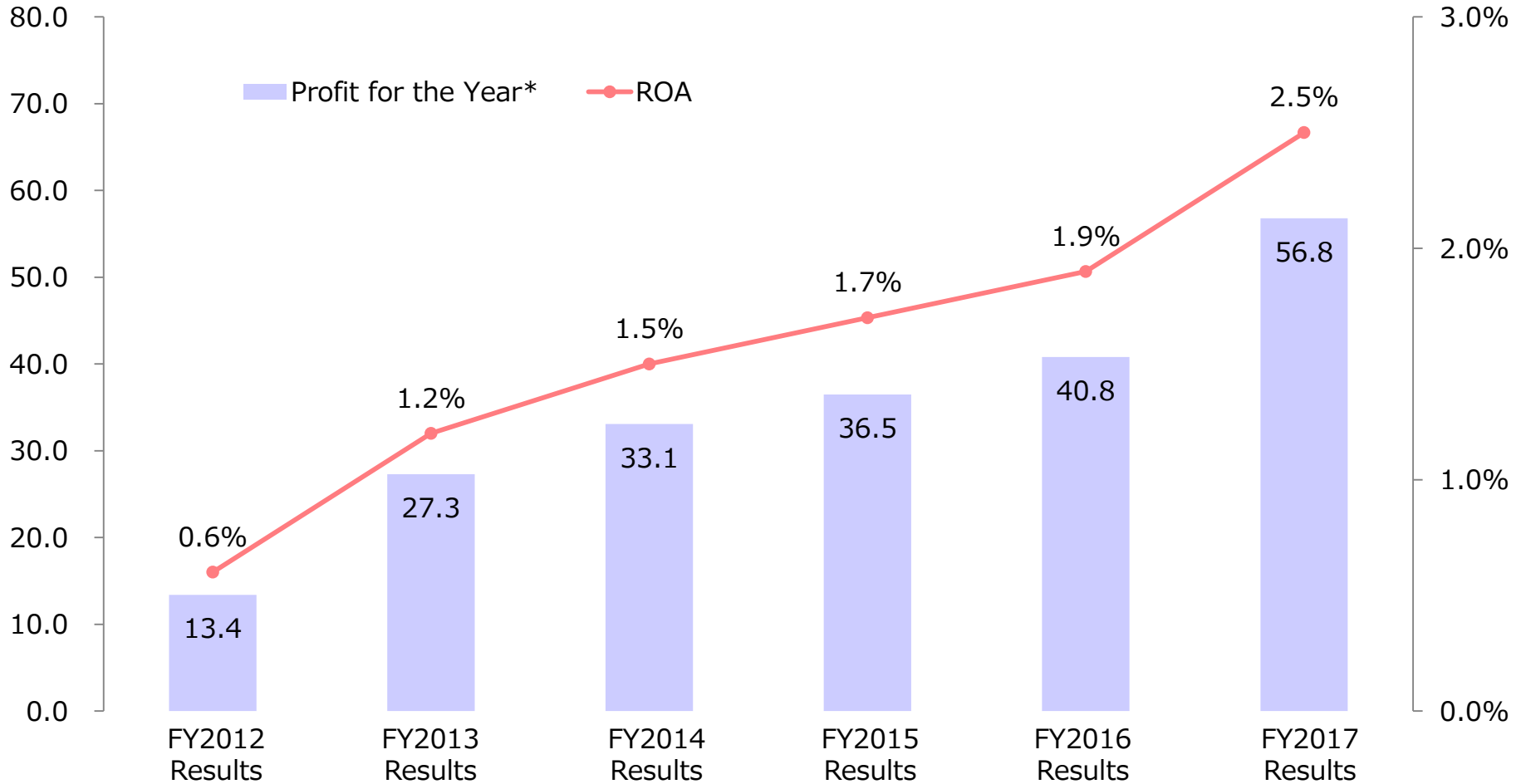
Summary of Balance Sheets (Results)

(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 Mar. 2018	End of Jun. 2018
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	2,350.4	2,366.8
Total equity	476.0	319.0	352.4	330.0	330.0	382.6	459.9	550.9	520.3	550.5	586.4	589.6
Equity ratio	17.8%	13.8%	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	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	603.5	728.3
Net DER (times)	1.9	2.7	2.1	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.0	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	350.0 0.6	350.0 0.6
Current ratio	121.1%	141.7%	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	173.0%
Long-term debt ratio	54.0%	66.7%	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	84.3%

(*) 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

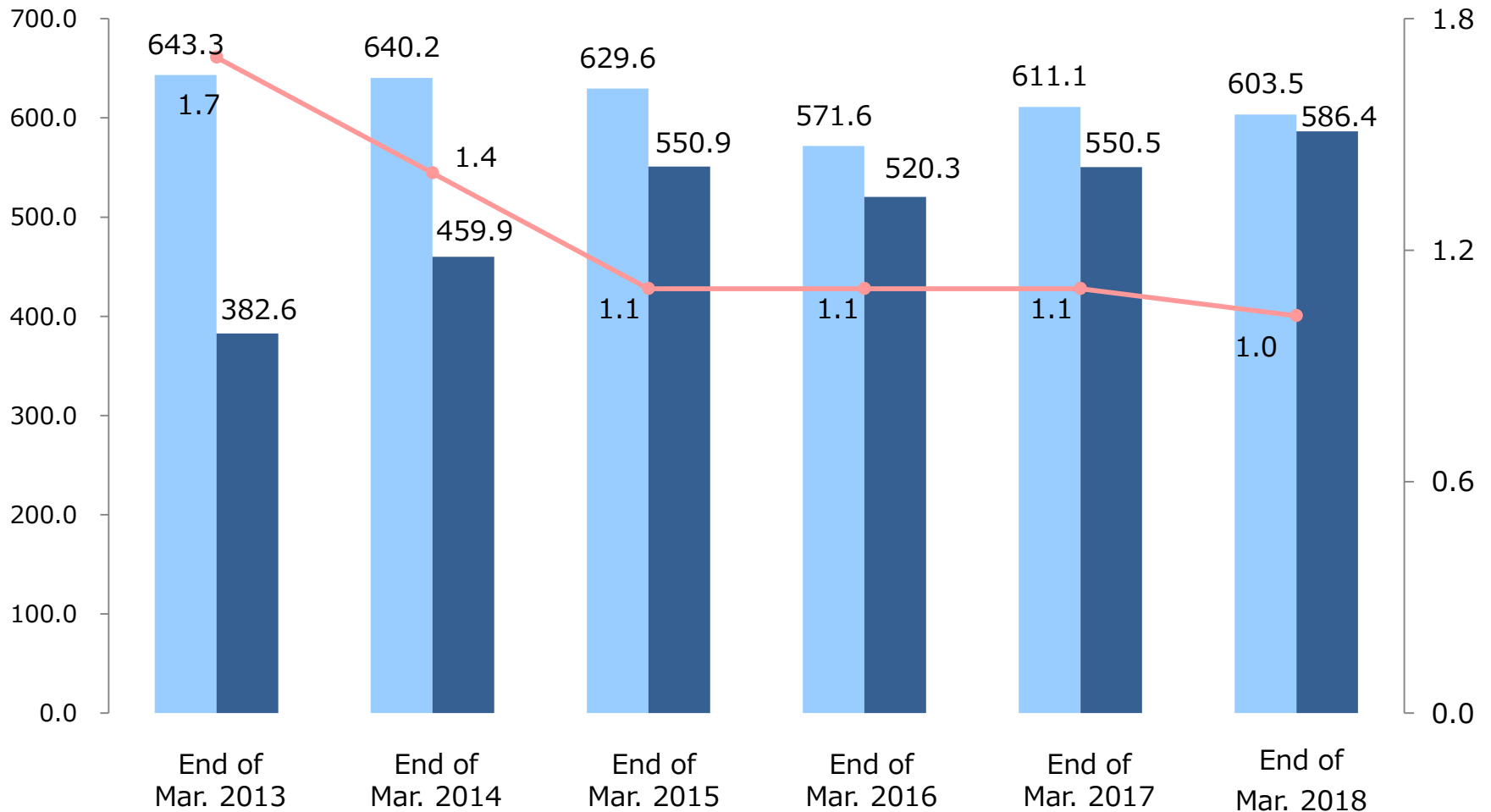
(Billions of Yen)

Net Interest-Bearing Debt

Total Equity

Net DER

(Times)





sojitz

New way, New value