

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2018 (IFRS)

February 5, 2019
Sojitz Corporation

Results Highlights

◆ In the nine-month period ended December 31, 2018, the global economy that had been supported by strong consumption thus far showed signs of decline due to economic slowdown in China and falling resource prices. Looking ahead, caution is warranted with regard to economic trends in China as well as internal affairs and diplomatic issues in the United States, the unclear outlook for negotiations regarding the United Kingdom's withdrawal from the European Union, and exchange rates and economic trends in emerging countries. The Company's revenue for the nine-month period ended December 31, 2018, was up year on year due to increased sales in the Metals & Mineral Resources Division, a result of rises in prices and transactions volumes for coal and other resources, and in the Automotive Division, a result of the acquisition of new domestic and overseas automotive dealership and other businesses. Profit for the period (attributable to owners of the Company) rose year on year, thanks to higher gross profit and gains on sales of automobile-related companies.

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

Revenue 1,410.6 billion yen (+57.0 billion yen / +4.2%)
Gross profit 181.8 billion yen (+12.9 billion yen / +7.6%)

- Increase in revenue and gross profit in the Metals & Mineral Resources Division due to higher prices and transaction volumes for coal and other resources
- Increase in revenue and gross profit in the Automotive Division due to the new acquisition of a domestic and overseas automobile dealership businesses

Profit for the period (attributable to owners of the Company)
53.7 billion yen (+8.9 billion yen / +20.0%)

- Increase in gross profit
- Increase in other income due to gains on a sale of automobile-related company

(Reference)

- Effective from the fiscal year ending March 31, 2019, inventories associated with transactions in which the Company acts as a transaction agent will be recorded under trade and other receivables in conjunction with the application of IFRS 15—Revenue from Contracts with Customers.

- In addition, core operating cash flow and core cash flow have been adopted under cash flows from the fiscal year ending March 31, 2019.

◆ Earnings forecast for the fiscal year ending March 31, 2019
Full-year earnings forecasts were revised as follows.
(November 1, 2018)

Profit for the year 70.0 billion yen
(attributable to owners of the Company)

(Initial assumptions)
Exchange rate (annual average: ¥/US\$) : 105

◆ Cash dividends per share for the fiscal year ending March 31, 2019
Forecast for year-end dividends per share was revised to 9.50 yen.
(previously 7.50 yen)

Interim 7.50 yen per share
Year-end 9.50 yen per share (forecast)

*1 Core earnings = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividend income + Share of profit (loss) of investments accounted for using the equity method

*2 Core operating cash flow = Net cash provided by (used in) operating activities – Changes in working capital

*3 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.)

* 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.

Consolidated Statements of Profit or Loss

| | FY2018 9-month | | | FY2017 9-month | | Reasons for the Difference | FY2018 Forecast c | Percentage Achieved a/c |
|--|----------------|---------------|---------------|----------------|----------------|--|-------------------|-------------------------|
| | Results a | 1H Results | 3Q Results | Results b | Difference a-b | | | |
| Revenue | 1,410.6 | 941.8 | 468.8 | 1,353.6 | 57.0 | | | |
| Gross profit | 181.8 | 120.9 | 60.9 | 168.9 | 12.9 | | 240.0 | 76% |
| Selling, general and administrative expenses | | | | | | | | |
| Personnel expenses | (72.0) | (48.1) | (23.9) | (66.4) | (5.6) | | | |
| Non-personnel expenses | (50.7) | (33.9) | (16.8) | (48.5) | (2.2) | | | |
| Depreciation | (5.0) | (3.3) | (1.7) | (4.2) | (0.8) | | | |
| Provision of allowance for doubtful accounts | (0.4) | (0.3) | (0.1) | (0.1) | (0.3) | | | |
| (Total selling, general and administrative expenses) | (128.1) | (85.6) | (42.5) | (119.2) | (8.9) | | (172.0) | |
| Other income/expenses | | | | | | | | |
| Gain/loss on sale and disposal of fixed assets, net | 1.0 | 0.9 | 0.1 | (0.1) | 1.1 | | | |
| Impairment loss on fixed assets | (0.5) | (0.1) | (0.4) | (0.2) | (0.3) | | | |
| Gain on reorganization of subsidiaries/associates | 8.0 | 8.0 | 0.0 | 3.9 | 4.1 | Sales of an automotive-related company and a solar power generation business company | | |
| Loss on reorganization of subsidiaries/associates | (2.8) | (2.4) | (0.4) | (4.6) | 1.8 | | | |
| Other operating income/expenses | (1.5) | (0.8) | (0.7) | (1.6) | 0.1 | | | |
| (Total other income/expenses) | 4.2 | 5.6 | (1.4) | (2.6) | 6.8 | | 4.0 | |
| Financial income/costs | | | | | | | | |
| Interest earned | 5.1 | 3.6 | 1.5 | 4.0 | 1.1 | | | |
| Interest expenses | (11.8) | (7.8) | (4.0) | (11.1) | (0.7) | | | |
| (Interest expenses, net) | (6.7) | (4.2) | (2.5) | (7.1) | 0.4 | | | |
| Dividends received | 4.1 | 2.6 | 1.5 | 3.7 | 0.4 | | | |
| Other financial income/costs | 0.1 | 0.3 | (0.2) | 0.0 | 0.1 | | | |
| (Financial income/costs, net) | (2.5) | (1.3) | (1.2) | (3.4) | 0.9 | | (4.0) | |
| Share of profit (loss) of investments accounted for using the equity method | 18.8 | 11.9 | 6.9 | 17.1 | 1.7 | | 27.0 | |
| Profit before tax | 74.2 | 51.5 | 22.7 | 60.8 | 13.4 | | 95.0 | 78% |
| Income tax expenses | (16.6) | (11.5) | (5.1) | (12.2) | (4.4) | | (20.5) | |
| Profit for the period (Profit attributable to) | 57.6 | 40.0 | 17.6 | 48.6 | 9.0 | | 74.5 | 77% |
| Owners of the Company | 53.7 | 37.1 | 16.6 | 44.8 | 8.9 | | 70.0 | 77% |
| Non-controlling interests | 3.9 | 2.9 | 1.0 | 3.8 | 0.1 | | 4.5 | |
| Core earnings*1 | 70.3 | 45.9 | 24.4 | 63.5 | 6.8 | | 91.0 | |

Consolidated Statements of Financial Position

| | Dec. 31, 2018 | | | Mar. 31, 2018 | | | Reasons for the Difference |
|---|----------------|----------------|----------------|---|--|--|--|
| | d | e | Difference d-e | | | | |
| Current assets | 1,335.5 | 1,376.3 | (40.8) | | | | |
| Cash and cash equivalents | 285.3 | 305.2 | (19.9) | | | | |
| Time deposits | 2.9 | 2.8 | 0.1 | | | | |
| Trade and other receivables | 766.6 | 549.9 | 216.7 | Change in account item resulted from application of new IFRS standard | | | |
| Inventories | 207.0 | 396.0 | (189.0) | | | | |
| Other current assets | 73.7 | 122.4 | (48.7) | | | | Decrease associated with aircraft-related businesses |
| Non-current assets | 987.3 | 974.1 | 13.2 | | | | |
| Property, plant and equipment | 186.3 | 172.1 | 14.2 | Increase due to acquisition of overseas papermaking company | | | |
| Goodwill | 65.8 | 65.8 | 0.0 | | | | |
| Intangible assets | 45.9 | 44.1 | 1.8 | | | | |
| Investment property | 23.6 | 24.5 | (0.9) | | | | |
| Investments accounted for using the equity method | 588.3 | 590.2 | (1.9) | | | | |
| Other non-current assets | 77.4 | 77.4 | 0.0 | | | | |
| Total assets | 2,322.8 | 2,350.4 | (27.6) | | | | |
| Current liabilities | 840.8 | 846.0 | (5.2) | | | | |
| Trade and other payables | 580.3 | 654.2 | (73.9) | Decrease in tobacco and machinery-related businesses | | | |
| Bonds and borrowings | 186.1 | 113.5 | 72.6 | Increase due to transference of non-current liabilities to current liabilities and new borrowings | | | |
| Other current liabilities | 74.4 | 78.3 | (3.9) | | | | |
| Non-current liabilities | 840.6 | 879.3 | (38.7) | | | | |
| Bonds and borrowings | 755.6 | 798.0 | (42.4) | Decrease due to transference of non-current liabilities to current liabilities | | | |
| Retirement benefit liabilities | 22.1 | 22.0 | 0.1 | | | | |
| Other non-current liabilities | 62.9 | 59.3 | 3.6 | | | | |
| Total liabilities | 1,681.4 | 1,725.3 | (43.9) | | | | |
| Share capital | 160.3 | 160.3 | - | | | | |
| Capital surplus | 146.6 | 146.5 | 0.1 | | | | |
| Treasury stock | (0.9) | (0.2) | (0.7) | Decrease due to change in foreign exchange rates and stock prices | | | |
| Other components of equity | 101.5 | 124.3 | (22.8) | | | | |
| Retained earnings | 190.9 | 155.5 | 35.4 | Profit for the period +53.7 | | | |
| Total equity attributable to owners of the Company | 598.4 | 586.4 | 12.0 | Dividends (16.9) | | | |
| Non-controlling interests | 43.0 | 38.7 | 4.3 | | | | |
| Total equity | 641.4 | 625.1 | 16.3 | | | | |
| Total liabilities and equity | 2,322.8 | 2,350.4 | (27.6) | | | | |
| Gross interest-bearing debt | 941.7 | 911.5 | +30.2 | | | | |
| Net interest-bearing debt | 653.5 | 603.5 | +50.0 | | | | |
| Net debt/equity ratio (times)* | 1.09 | 1.03 | +0.06 | | | | |
| Equity ratio* | 25.8% | 25.0% | +0.8% | | | | |
| Current ratio | 158.8% | 162.7% | (3.9)% | | | | |
| Long-term debt ratio | 80.2% | 87.5% | (7.3)% | | | | |

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

Comprehensive Income

| | FY2018 9-month | | | FY2017 9-month | |
|--|----------------|-------------|--------------|----------------|----------------|
| | Results a | 1H Results | 3Q Results | Results b | Difference a-b |
| Profit for the period | 57.6 | 40.0 | 17.6 | 48.6 | 9.0 |
| Other comprehensive income | (23.1) | 2.6 | (25.7) | 18.2 | (41.3) |
| Total comprehensive income for the period | 34.5 | 42.6 | (8.1) | 66.8 | (32.3) |
| Comprehensive income attributable to: | | | | | |
| Owners of the Company | 31.3 | 39.5 | (8.2) | 62.7 | (31.4) |
| Non-controlling interests | 3.2 | 3.1 | 0.1 | 4.1 | (0.9) |

Cash Flows

| | FY2018 9-month | | | FY2017 9-month | | | Factors Affecting Circled Figures |
|---|----------------|---------------|----------------|----------------|-----------|----------------|--|
| | Results a | Results b | Difference a-b | Results a | Results b | Difference a-b | |
| Cash flows from operating activities | 16.9 | (62.7) | 79.6 | | | | Higher revenue due to increased business earnings |
| Cash flows from investing activities | (32.5) | (91.0) | 58.5 | | | | Outflows due to investment in U.S. gas-fired thermal power generation business |
| Free cash flows | (15.6) | (153.7) | 138.1 | | | | |
| Cash flows from financing activities | (4.9) | 145.9 | (150.8) | | | | Outflows due to dividends paid |
| Core operating cash flow*2 | 63.1 | 59.2 | 3.9 | | | | |
| Core cash flow*3 | 42.2 | (80.3) | 122.5 | | | | |

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2018 (IFRS) – Supplementary Materials

February 5, 2019
Sojitz Corporation

(Billions of yen)

(Billions of yen)

Operating Results

| | FY2018 3Q Results | FY2017 3Q Results | Difference | FY2018 Revised Forecast (Feb. 5, 2019) | Percentage Achieved |
|---|-------------------|-------------------|------------|--|---------------------|
| Revenue | 1,410.6 | 1,353.6 | +57.0 | - | - |
| Gross profit | 181.8 | 168.9 | +12.9 | 240.0 | 76% |
| Selling, general and administrative expenses | (128.1) | (119.2) | (8.9) | (172.0) | |
| Other income/expenses | 4.2 | (2.6) | +6.8 | 4.0 | |
| Financial income/costs | (2.5) | (3.4) | +0.9 | (4.0) | |
| Share of profit (loss) of investments accounted for using the equity method | 18.8 | 17.1 | +1.7 | 27.0 | |
| Profit before tax | 74.2 | 60.8 | +13.4 | 95.0 | 78% |
| Profit for the period (Profit attributable to) | 57.6 | 48.6 | +9.0 | 74.5 | 77% |
| Owners of the Company | 53.7 | 44.8 | +8.9 | 70.0 | 77% |
| Non-controlling interests | 3.9 | 3.8 | +0.1 | 4.5 | |
| Core earnings*1 | 70.3 | 63.5 | +6.8 | 91.0 | |
| Comprehensive income attributable to owners of the Company | 31.3 | 62.7 | (31.4) | | |

*1 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

| | Dec. 31, 2018 | Mar. 31, 2018 | Difference | Mar. 31, 2019 Revised Forecast (Feb. 5, 2019) |
|---|----------------|----------------|------------|---|
| Total assets | 2,322.8 | 2,350.4 | (27.6) | 2,320.0 |
| Total equity*2 | 598.4 | 586.4 | +12.0 | 610.0 |
| Equity ratio | 25.8% | 25.0% | +0.8% | 26.3% |
| Net interest-bearing debt | 653.5 | 603.5 | +50.0 | 620.0 |
| Net D/E ratio (times) | 1.09 | 1.03 | +0.06 | 1.0 |
| Risk assets*3 | 360.0 | 350.0 | +10.0 | - |
| Ratio of risk assets to equity (times) | 0.6 | 0.6 | 0.0 | - |

*2 "Total equity" above refers to "Total equity attributable to owners of the Company" and is used as the denominator when calculating "Net D/E ratio" and the numerator when calculating "Equity ratio."

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

Caution regarding forward-looking statements

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Segment Performance [Gross Profit]

| | FY2018 3Q | FY2017 3Q | Difference | FY2018 Revised Forecast (Feb. 5, 2019) | FY2018 Revised Forecast (Nov. 1, 2018) |
|--|-------------|-------------|------------|--|--|
| Automotive | 31.9 | 25.3 | +6.6 | 40.0 | 40.0 |
| Aerospace & Transportation Project | 10.9 | 10.8 | +0.1 | 17.0 | 17.0 |
| Machinery & Medical Infrastructure | 9.4 | 13.9 | (4.5) | 13.0 | 13.0 |
| Energy & Social Infrastructure | 13.1 | 13.8 | (0.7) | 21.0 | 21.0 |
| Metals & Mineral Resources | 29.8 | 20.2 | +9.6 | 33.0 | 31.0 |
| Chemicals | 35.2 | 33.4 | +1.8 | 45.0 | 47.0 |
| Foods & Agriculture Business | 13.6 | 15.8 | (2.2) | 19.0 | 19.0 |
| Retail & Lifestyle Business | 29.5 | 26.4 | +3.1 | 39.0 | 39.0 |
| Industrial Infrastructure & Urban Development | 4.5 | 5.4 | (0.9) | 8.0 | 8.0 |
| Other | 3.9 | 3.9 | +0.0 | 5.0 | 5.0 |

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

| | FY2018 3Q | FY2017 3Q | Difference | Main Factors Behind Difference | FY2018 Revised Forecast (Feb. 5, 2019) | FY2018 Revised Forecast (Nov. 1, 2018) | Progress Overview | (Reference) FY2017 Results |
|--|--------------|--------------|------------|--|--|--|---|----------------------------|
| Automotive | 5.0 | 6.0 | (1.0) | Despite earnings contributions from newly consolidated subsidiaries, decreased due to impacts of currency depreciation on Russian wholesale operations and higher tax expenses following sale of investments accounted for using the equity method | 5.5 | 5.5 | Performance generally as forecast | 6.5 |
| Aerospace & Transportation Project | 2.9 | 1.8 | +1.1 | Increased due to gains on sales of aircraft and earnings contributions accompanying progress in railroad projects | 4.0 | 4.0 | Performance generally as forecast | 3.3 |
| Machinery & Medical Infrastructure | 1.6 | 4.6 | (3.0) | Decreased due to absence of revenue associated with infrastructure projects recorded in the previous equivalent period | 3.0 | 3.0 | Earnings from industrial machinery- and infrastructure-related transactions anticipated in the fourth quarter, performance generally in line with forecasts | 5.7 |
| Energy & Social Infrastructure | 3.2 | (2.3) | +5.5 | Increased due to absence of one-time loss on oil and gas interests recorded in the previous equivalent period and a gain on the sale of an overseas solar power business operating company | 4.5 | 4.5 | Performance generally as forecast | (5.8) |
| Metals & Mineral Resources | 23.6 | 15.1 | +8.5 | Increased due to higher prices and transaction volumes of coal and other resources | 29.5 | 28.5 | Upward revision to forecasts to reflect benefits of higher prices of coal and other resources | 21.9 |
| Chemicals | 7.0 | 6.9 | +0.1 | Almost unchanged year on year | 9.5 | 10.5 | Despite strong performance in methanol operations, downward revision to forecasts in light of one-time losses overseas and economic slowdown associated with trade friction between the United States and China | 8.7 |
| Foods & Agriculture Business | 2.7 | 4.6 | (1.9) | Decreased due to higher material costs and lower sales volumes in overseas fertilizer businesses | 3.5 | 3.5 | Performance generally as forecast | 4.0 |
| Retail & Lifestyle Business | 4.8 | 4.2 | +0.6 | Increased due to strong performance in all businesses | 5.5 | 5.5 | Performance generally as forecast | 5.6 |
| Industrial Infrastructure & Urban Development | (0.2) | 0.5 | (0.7) | Decreased due to fewer overseas industrial parks turned over | 1.5 | 1.5 | Earning contributions from real estate held for sale in Japan and overseas industrial park businesses anticipated in the fourth quarter | 2.1 |
| Other | 3.1 | 3.4 | (0.3) | | 3.5 | 3.5 | | 4.8 |

| | | | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|
| Total | 181.8 | 168.9 | +12.9 | 240.0 | 240.0 | 53.7 | 44.8 | +8.9 |
|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|

| | | |
|-------------|-------------|-------------|
| 70.0 | 70.0 | 56.8 |
|-------------|-------------|-------------|

Commodity Prices and Exchange Rates

| | FY2017 Results (Apr.-Dec. '17 Avg.) | FY2018 Initial Assumption (Annual Avg.) | FY2018 Results (Apr.-Dec. '18 Avg.) | Latest Data (as of Jan. 30, 2019) |
|--------------------------|-------------------------------------|---|-------------------------------------|-----------------------------------|
| Crude oil (Brent) | US\$54.8/bbl | US\$60.0/bbl | US\$73.1/bbl | US\$61.7/bbl |
| Thermal coal**1 | US\$91.0/t | US\$85.0/t | US\$109.1/t | US\$99.8/t |
| Exchange rate**2 | ¥111.8/US\$ | ¥105.0/US\$ | ¥111.3/US\$ | ¥109.4/US\$ |

**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 annually.

(Reference) Effective April 1, 2018, the Company underwent the following changes in divisions as part of a structural reorganization. Figures for FY2017 3Q and FY2017 have been restated to reflect these changes.

Overview of Structural Reorganization Conducted Effective April 1, 2018

- The Aerospace & IT Business Division, the Infrastructure & Environment Business Division, and the Energy Division were reorganized to form the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division, and the Energy & Social Infrastructure Division.

- The name of the Metals & Coal Division has been changed to the Metals & Mineral Resources Division.

Financial Results for the Third Quarter Ended December 31, 2018 (Reference)

February 5, 2019
Sojitz Corporation

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Full Year Forecast of Fiscal Year Ending March 31, 2019

II . Dividends

【Supplemental Data】

I. Segment Information


II. Summary of Financial Results

Caution regarding Forward-looking Statements

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

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



Summary of Financial Results for the Third Quarter Ended December 31, 2018

- Third-quarter profit for the period of ¥53.7 billion recorded, representing 77% of full-year forecast
- Forecast for year-end dividend raised by ¥2.0, to ¥9.5 per share (annual dividend of ¥17.0 per share, consolidated payout ratio of 30.4%), in reflection of nine-month profit for the period and full-year forecast

(will be determined at general shareholders' meeting in June, 2019)

| | FY2017 Results | FY2018 3Q Results | FY2018 Initial Forecast | FY2018 Revised Forecast |
|---|----------------|-------------------|-------------------------|--------------------------|
| Profit for the period (attributable to owners of the Company) | ¥56.8bn | ¥53.7bn | ¥63.0bn | ¥70.0bn (Nov.1, 2018) |
| Cash divided per share | ¥11 | — | ¥15 | ¥17 (Feb.5, 2019) |
| ROA | 2.5% | — | 2.7% | 3.0% |
| ROE | 10.0% | — | 10.4% | 11.7% |
| Net DER (Times) | 1.03 | 1.09 | 1.0 | 1.0 |

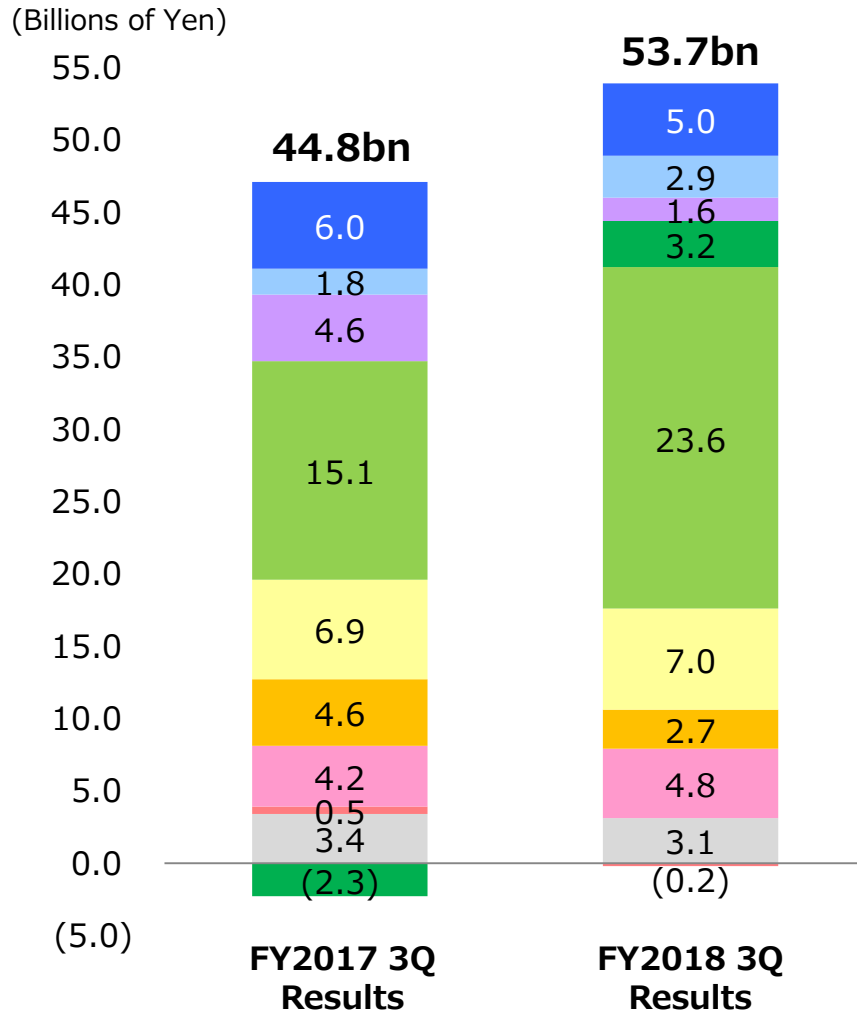
Summary of Profit or Loss

| (Billions of Yen) | FY2017 3Q Results | FY2018 3Q Results | Difference | FY2018 Initial Forecast | FY2018 Revised Forecast (Feb.5,2019) | Achieved |
|--|----------------------|----------------------|------------|-------------------------------|---|----------|
| Revenue | 1,353.6 | 1,410.6 | +57.0 | — | — | — |
| Gross profit | 168.9 | 181.8 | +12.9 | 240.0 | 240.0 | 76% |
| Share of profit (loss) of investments accounted for using the equity method | 17.1 | 18.8 | +1.7 | 26.0 | 27.0 | 70% |
| Profit before tax | 60.8 | 74.2 | +13.4 | 86.0 | 95.0 | 78% |
| Profit for the Year attributable to owners of the Company | 44.8 | 53.7 | +8.9 | 63.0 | 70.0 | 77% |
| Core earnings | 63.5 | 70.3 | +6.8 | 86.0 | 91.0 | 77% |

Summary of Profit or Loss

Profit for the Year by segment

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



Factor behind year on year change in earnings

- **Automotive ¥5.0 billion (down ¥(1.0) billion YoY)**
 Despite earnings contributions from newly consolidated subsidiaries, decreased due to impacts of currency depreciation on Russian wholesale operations and higher tax expenses following sale of investments accounted for using the equity method
- **Aerospace & Transportation Project ¥2.9 billion (up ¥1.1 billion YoY)**
 Increased due to gains on sales of aircraft and earnings contributions accompanying progress in railroad projects
- **Machinery & Medical Infrastructure ¥1.6 billion (down ¥(3.0) billion YoY)**
 Decreased due to absence of revenue associated with infrastructure projects recorded in the previous equivalent period
- **Energy & Social Infrastructure ¥3.2 billion (up ¥5.5 billion YoY)**
 Increased due to absence of one-time loss on oil and gas interests recorded in the previous equivalent period and a gain on the sale of an overseas solar power business operating company
- **Metals & Mineral Resources ¥23.6 billion (up ¥8.5 billion YoY)**
 Increased due to higher prices and transaction volumes of coal and other resources
- **Chemicals ¥7.0 billion (up ¥0.1 billion YoY)**
 Almost unchanged year on year
- **Foods & Agriculture Business ¥2.7 billion (down ¥(1.9) billion YoY)**
 Decreased due to higher material costs and lower sales volumes in overseas fertilizer businesses
- **Retail & Lifestyle Business ¥4.8 billion (up ¥0.6 billion YoY)**
 Increased due to strong performance in all businesses
- **Industrial Infrastructure & Urban Development ¥(0.2) billion (down ¥(0.7) billion YoY)**
 Decreased due to fewer overseas industrial parks turned over
- **Other ¥3.1 billion (down ¥(0.3) billion YoY)**

FY2018 Forecast Profit for the Year (attributable to Owners of the Company) by Segment

| (Billions of Yen) | FY2018 3Q Results | FY2018 Revised Forecast (Nov.1,2018) | FY2018 Revised Forecast (Feb.5,2019) |
|---|-------------------------|---|---|
| Automotive | 5.0 | 5.5 | 5.5 |
| Aerospace & Transportation Project | 2.9 | 4.0 | 4.0 |
| Machinery & Medical Infrastructure | 1.6 | 3.0 | 3.0 |
| Energy & Social Infrastructure | 3.2 | 4.5 | 4.5 |
| Metals & Mineral Resources | 23.6 | 28.5 | 29.5 |
| Chemicals | 7.0 | 10.5 | 9.5 |
| Foods & Agriculture Business | 2.7 | 3.5 | 3.5 |
| Retail & Lifestyle Business | 4.8 | 5.5 | 5.5 |
| Industrial Infrastructure & Urban Development | (0.2) | 1.5 | 1.5 |
| Other | 3.1 | 3.5 | 3.5 |
| Total | 53.7 | 70.0 | 70.0 |

Progress Overview

- **Automotive ¥5.0 billion**
Performance generally as forecast
- **Aerospace & Transportation Project ¥2.9 billion**
Performance generally as forecast
- **Machinery & Medical Infrastructure ¥1.6 billion**
Earnings from industrial machinery- and infrastructure-related transactions anticipated in the fourth quarter, performance generally in line with forecasts
- **Energy & Social Infrastructure ¥3.2 billion**
Performance generally as forecast
- **Metals & Mineral Resources ¥23.6 billion**
Upward revision to forecasts to reflect benefits of higher prices of coal and other resources
- **Chemicals ¥7.0 billion**
Despite strong performance in methanol operations, downward revision to forecasts in light of one-time losses overseas and economic slowdown associated with trade friction between the United States and China
- **Foods & Agriculture Business ¥2.7 billion**
Performance generally as forecast
- **Retail & Lifestyle Business ¥4.8 billion**
Performance generally as forecast
- **Industrial Infrastructure & Urban Development ¥ (0.2) billion**
Earning contributions from real estate held for sale in Japan and overseas industrial park businesses anticipated in the fourth quarter

Summary of Balance Sheets

| (Billions of Yen) | End of Mar. 2018 | End of Dec. 2018 | Difference | End of Mar. 2019 Revised Forecast (Feb.5,2019) |
|---------------------------------------|--------------------|-------------------|------------------|--|
| Total Assets | 2,350.4 | 2,322.8 | (27.6) | 2,320.0 |
| Total equity*1 | 586.4 | 598.4 | +12.0 | 610.0 |
| Equity Ratio | 25.0% | 25.8% | +0.8% | 26.3% |
| Net interest-bearing debt | 603.5 | 653.5 | +50.0 | 620.0 |
| Net DER (Times) | 1.03 | 1.09 | +0.06 | 1.0 |
| Risk Assets*2 vs. Total equity | 350.0 0.6 times | 360.0 0.6times | +10.0 ±0times | — |
| Current Ratio | 162.7% | 158.8% | (3.9)% | — |
| Long-term debt ratio | 87.5% | 80.2% | (7.3)% | — |

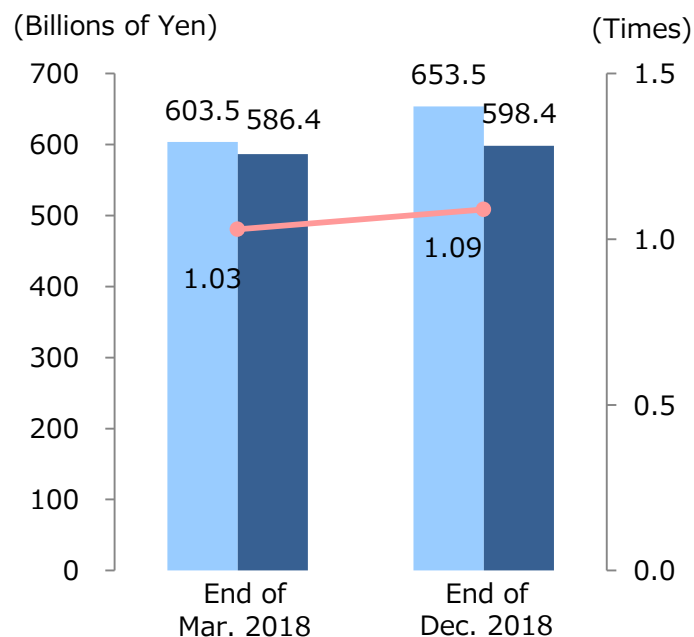
(*1) "Total equity attributable to owners of the Company" is recognized as "Total equity" above, and is also used in the denominator of the "Net DER" and the numerator of the "Equity ratio".

(*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.

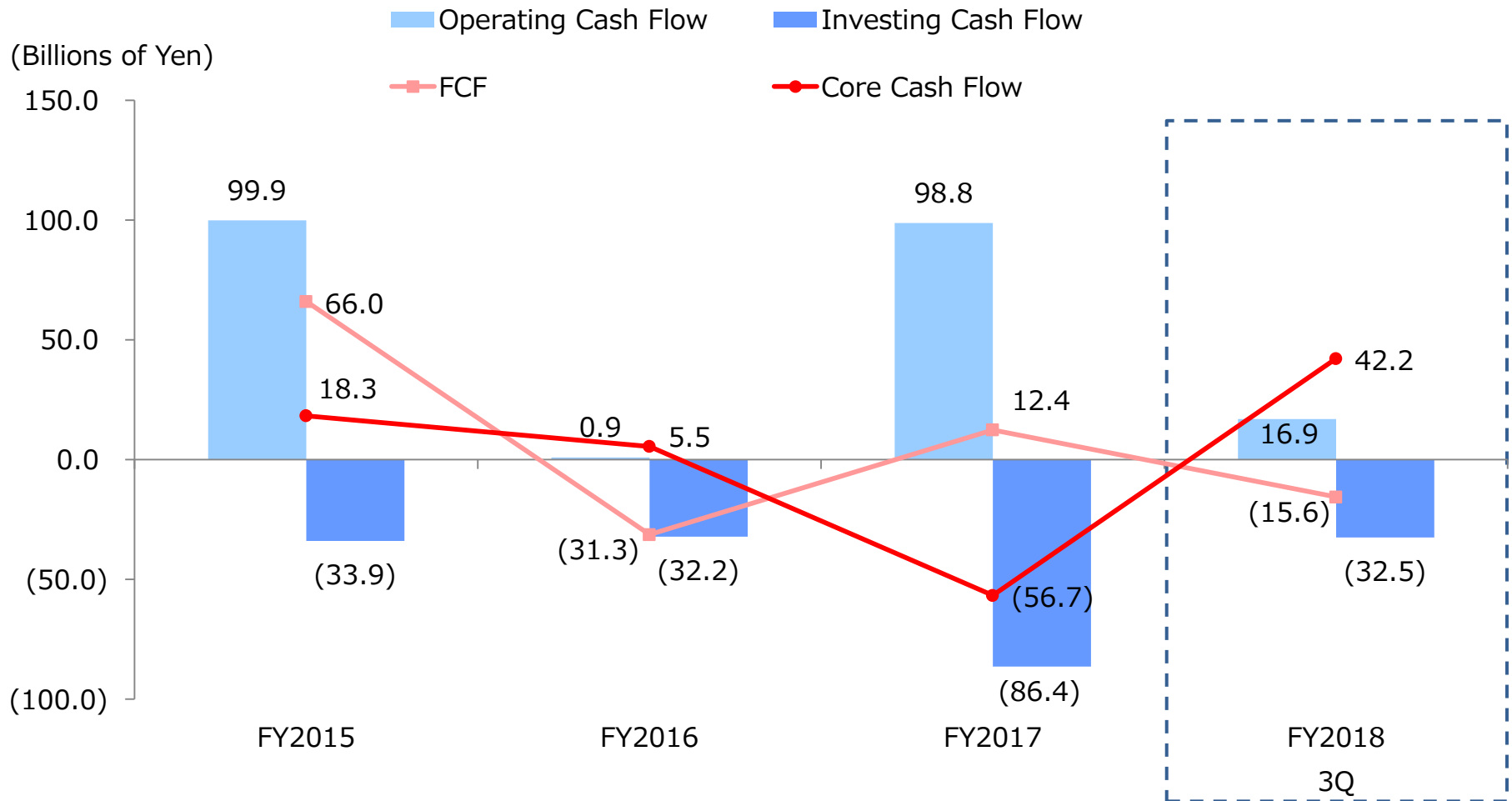
Changes in Total Equity (End of Mar. 2018 vs. End of Dec. 2018, Breakdown)

- Profit for the period attributable to owners of the Company ¥ 53.7 billion
- Dividends paid ¥ (16.9) billion

■ Net Interest-Bearing Debt
■ Total Equity
—●— Net DER



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 Third Quarter Ended December 31, 2018

| FY2018 3Q Results | Main Businesses |
|-------------------------------|--|
| Investments and Loans | <ul style="list-style-type: none"> ■ Automobile dealership business in Russia ■ Engineering company in Thailand ■ IPP business in the United States ■ Domestic and overseas solar power generation business ■ Investment in and operation of shopping centers in Japan ■ Foods-related company in Vietnam ■ Papermaking company in Vietnam <p style="text-align: right;">etc.</p> |
| Investments and Loans Results | Approx. ¥70.0bn |
| Asset Reduction | <ul style="list-style-type: none"> ■ Sales of an automotive-related company ■ Sales of aircraft ■ Sales of solar power generation business company ■ Sales of oil and gas interests ■ Sales of securities held by the company <p style="text-align: right;">etc.</p> |
| Asset Reduction Results | Approx. ¥67.0bn |

Major One-time Gain/Loss for the Third Quarter Ended December 31, 2018

| | FY2017 3Q Results | | FY2018 3Q Results | |
|--------------------------------------|-------------------|---|-------------------|--|
| Non-Resource | ¥ 5.4 billion | <ul style="list-style-type: none"> • Automobile parts business • Infrastructure-related earnings etc. | ¥ 3.3 billion | <ul style="list-style-type: none"> • Sale of automobile-related companies • Sales of aircraft etc. |
| Resource | ¥ (1.2) billion | <ul style="list-style-type: none"> • Oil and gas interests | ¥ 0.6 billion | <ul style="list-style-type: none"> • Sale of oil and gas interests etc. |
| Total (After income tax expenses) | ¥ 4.2 billion | | ¥ 3.9 billion | |

Growth of Resource and Non-Resource Profit

| (Billions of yen) | FY2017 3Q Results | FY2018 3Q Results | Difference | Medium-Term Management Plan 2017 | | |
|---|-------------------------|-------------------------|------------|----------------------------------|-------------------|-------------------|
| | | | | FY2015 Results | FY2016 Results | FY2017 Results |
| ① Profit for the year (attributable to Owners of the Company) | 44.8 | 53.7 | +8.9 | 36.5 | 40.8 | 56.8 |
| (② Total one-time income movements) | 4.2 | 3.9 | (0.3) | 0.0 | (6.0) | (7.0) |
| ① - ② Profit for the year [(attributable to owners of the Company)] (Excluding one-time income movements) | 40.6 | 49.8 | +9.2 | 36.5 | 46.8 | 63.8 |
| Resource | 8.3 | 18.4 | +10.1 | (0.5) | 0.3 | 13.8 |
| Non-Resource | 32.3 | 31.4 | (0.9) | 37.0 | 46.5 | 50.0 |

Commodity Prices, Foreign Exchange, and Interest Rate

| | FY2017 Results (Apr.-Dec. Avg.) | FY2018 Initial Assumptions (Annual Avg.) | FY2018 Results (Apr.-Dec. Avg.) | Latest Data (As of January 30, 2019) |
|--------------------------|------------------------------------|---|------------------------------------|---|
| Crude oil (Brent) | US\$54.8/bbl | US\$60.0/bbl | US\$73.1/bbl | US\$61.7/bbl |
| Thermal Coal *1 | US\$91.0/t | US\$85.0/t | US\$109.1/t | US\$99.8/t |
| Exchange rate *2 | ¥111.8/US\$ | ¥105.0/US\$ | ¥111.3/US\$ | ¥109.4/US\$ |
| Interest rate (TIBOR) | 0.07% | 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.

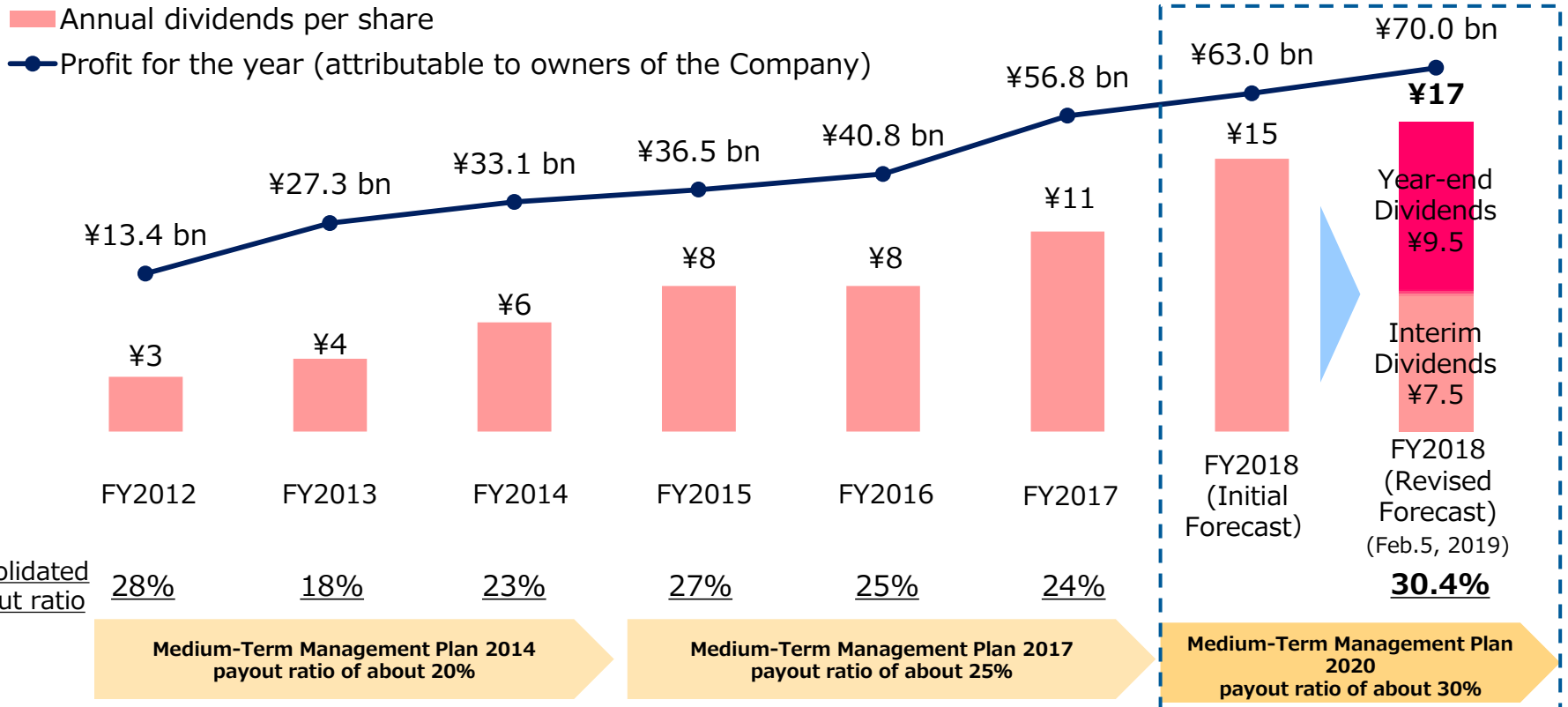
II. Dividends

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】

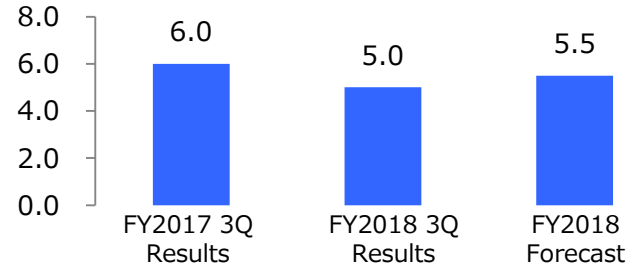
I. Segment Information

Automotive



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

(Billions of Yen)

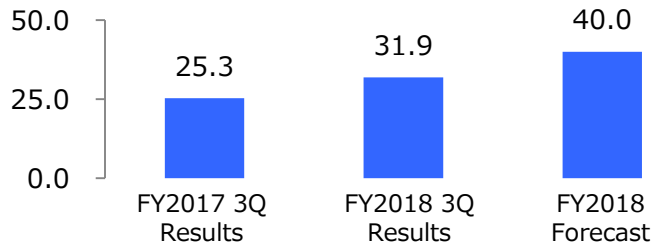


【Progress Overview】

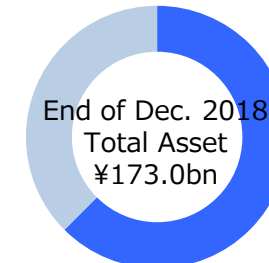
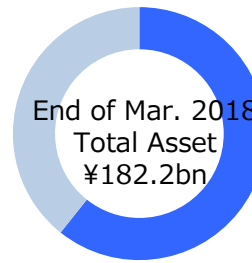
Performance generally as forecast

Gross profit

(Billions of Yen)



Asset Structure



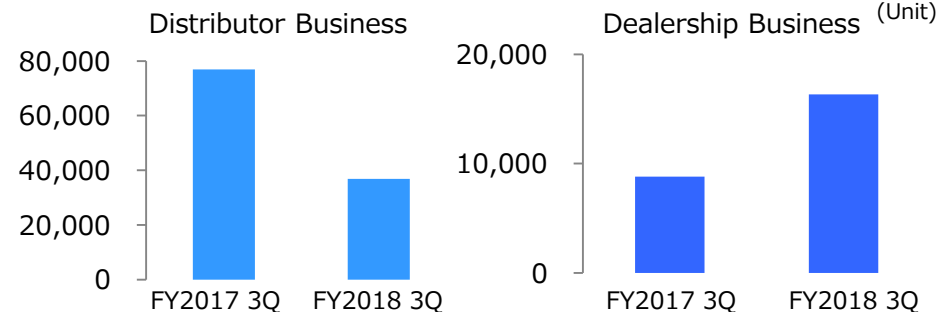
■ Current Assets
■ Non-Current Assets

FY2018 3Q Results

(Billions of Yen)

| | FY2017 3Q Results | FY2018 3Q Results |
|--|-------------------|-------------------|
| Gross profit | 25.3 | 31.9 |
| Share of profit of investments accounted for using the equity method | 1.7 | 0.5 |
| Profit for the period (attributable to owners of the Company) | 6.0 | 5.0 |
| | End of Mar. 2018 | End of Dec. 2018 |
| Total assets | 182.2 | 173.0 |

Vehicle Sales

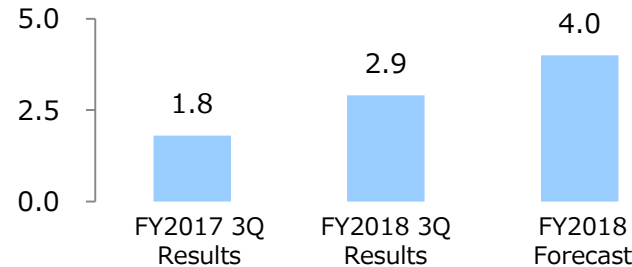


Aerospace & Transportation Project



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

(Billions of Yen)

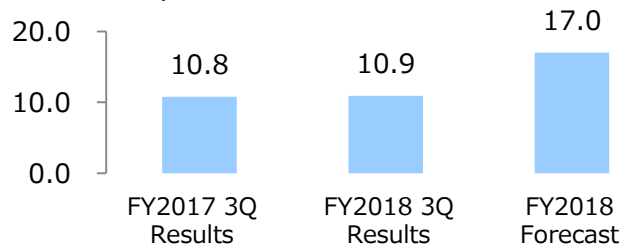


【Progress Overview】

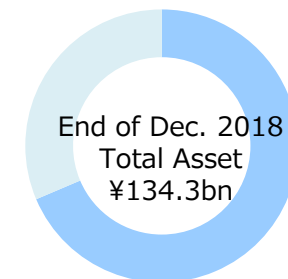
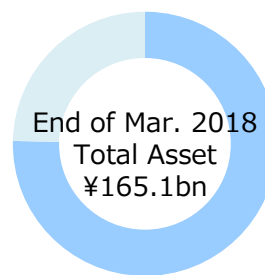
Performance generally as forecast

Gross profit

(Billions of Yen)



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2018 3Q Results

(Billions of Yen)

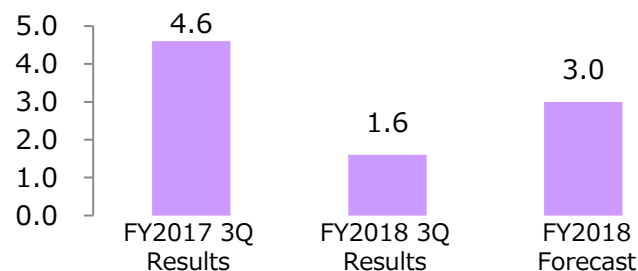
| | FY2017 3Q Results | FY2018 3Q Results |
|--|-------------------|-------------------|
| Gross profit | 10.8 | 10.9 |
| Share of profit of investments accounted for using the equity method | 0.4 | 0.8 |
| Profit for the period (attributable to owners of the Company) | 1.8 | 2.9 |
| | End of Mar. 2018 | End of Dec. 2018 |
| Total assets | 165.1 | 134.3 |

Machinery & Medical Infrastructure



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

(Billions of Yen)

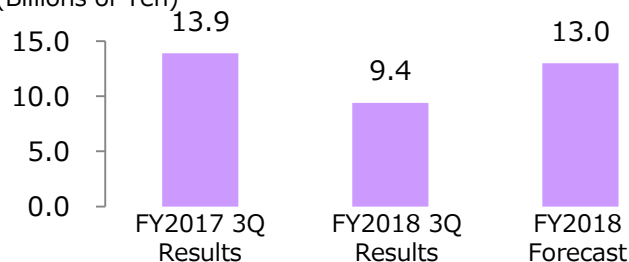


【Progress Overview】

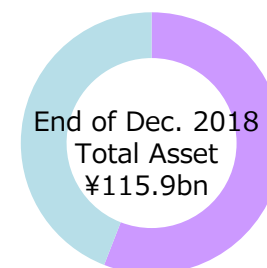
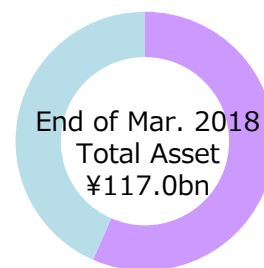
Earnings from industrial machinery- and infrastructure-related transactions anticipated in the fourth quarter, performance generally in line with forecasts

Gross profit

(Billions of Yen)



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2018 3Q Results

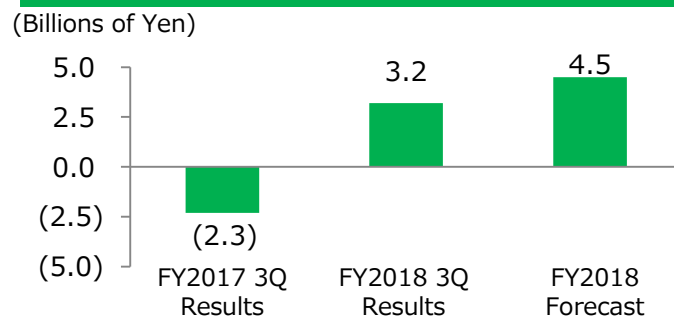
(Billions of Yen)

| | FY2017 3Q Results | FY2018 3Q Results |
|--|-------------------|-------------------|
| Gross profit | 13.9 | 9.4 |
| Share of profit of investments accounted for using the equity method | 0.4 | 0.6 |
| Profit for the period (attributable to owners of the Company) | 4.6 | 1.6 |
| | End of Mar. 2018 | End of Dec. 2018 |
| Total assets | 117.0 | 115.9 |

Energy & Social Infrastructure

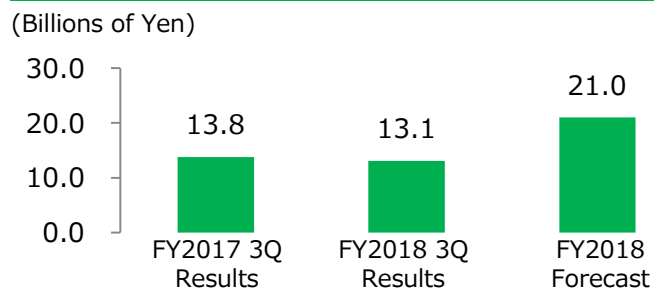


Profit for the period (attributable to owners of the Company)

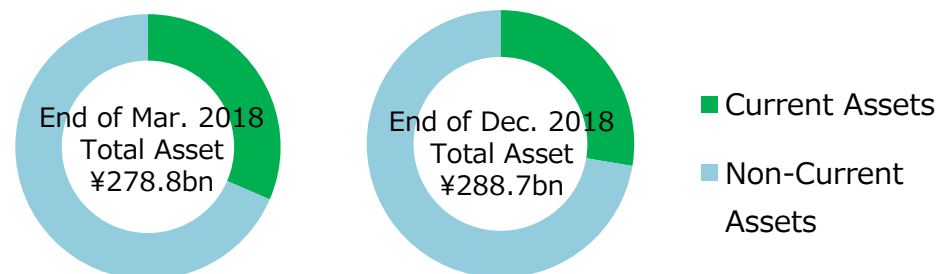


【Progress Overview】
Performance generally as forecast

Gross profit



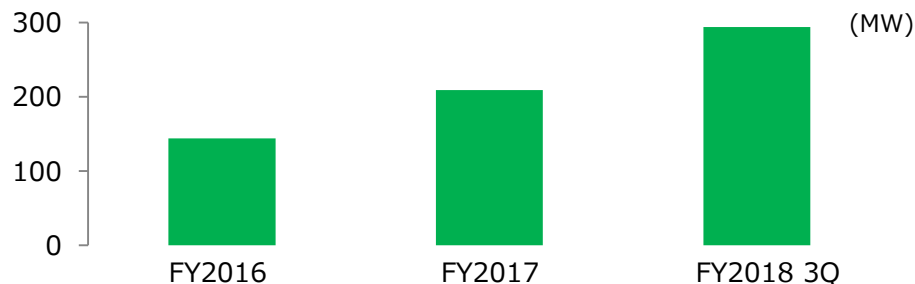
Asset Structure



FY2018 3Q Results

| (Billions of Yen) | FY2017 3Q Results | FY2018 3Q Results |
|--|-------------------|-------------------|
| Gross profit | 13.8 | 13.1 |
| Share of profit of investments accounted for using the equity method | 1.0 | 2.5 |
| Profit (loss) for the period (attributable to owners of the Company) | (2.3) | 3.2 |
| | End of Mar. 2018 | End of Dec. 2018 |
| Total assets | 278.8 | 288.7 |

Sojitz's Share of Renewable Energy Generation

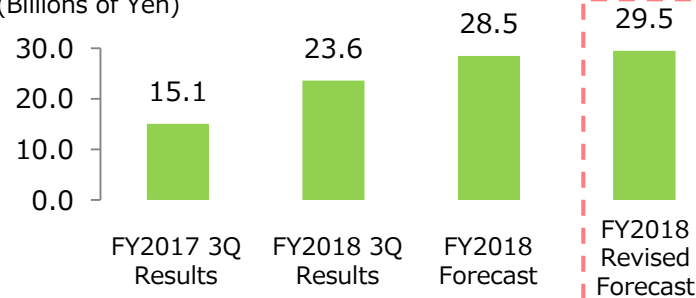


Metals & Mineral Resources



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

(Billions of Yen)

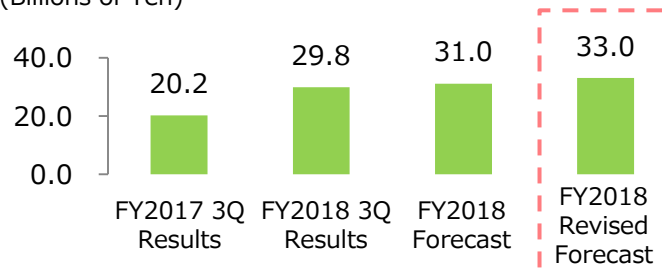


【Progress Overview】

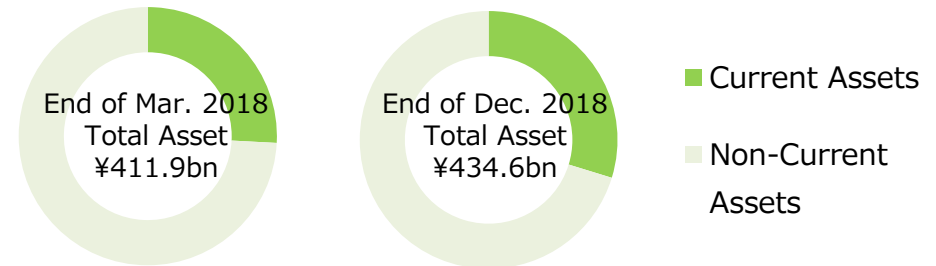
Upward revision to forecasts to reflect benefits of higher prices of coal and other resources

Gross profit

(Billions of Yen)



Asset Structure

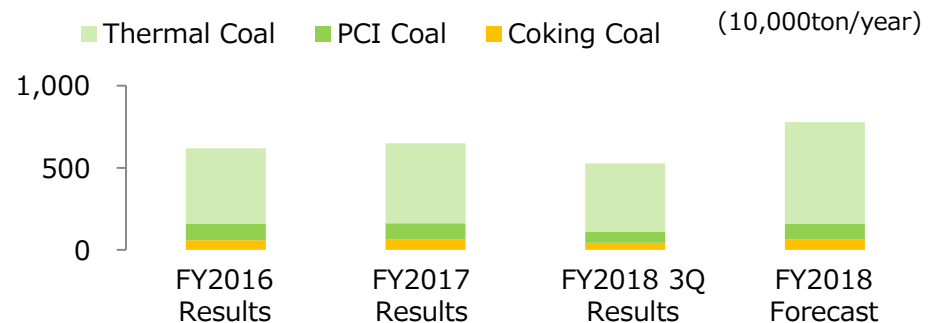


FY2018 3Q Results

(Billions of Yen)

| | FY2017 3Q Results | FY2018 3Q Results |
|--|-------------------|-------------------|
| Gross profit | 20.2 | 29.8 |
| Share of profit of investments accounted for using the equity method | 11.3 | 13.3 |
| Profit for the period (attributable to owners of the Company) | 15.1 | 23.6 |
| | End of Mar. 2018 | End of Dec. 2018 |
| Total assets | 411.9 | 434.6 |

Sales Volume for Coal

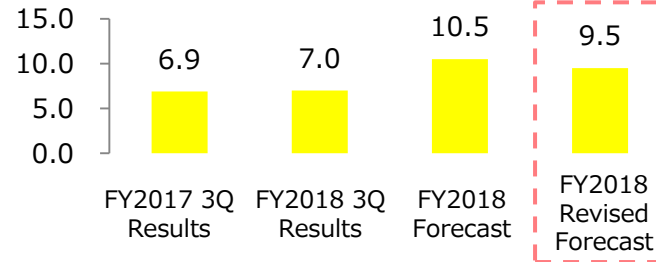


Chemicals



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

(Billions of Yen)

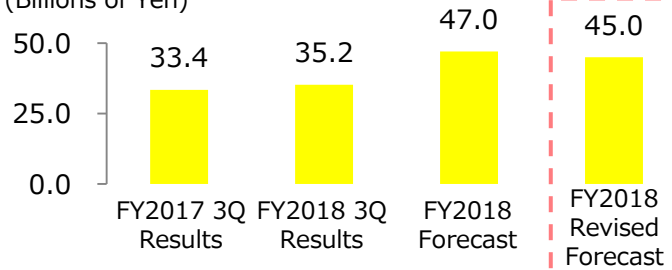


【Progress Overview】

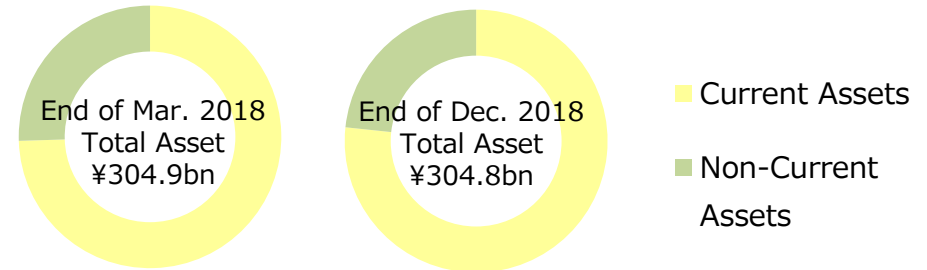
Despite strong performance in methanol operations, downward revision to forecasts in light of one-time losses overseas and economic slowdown associated with trade friction between the United States and China

Gross profit

(Billions of Yen)



Asset Structure

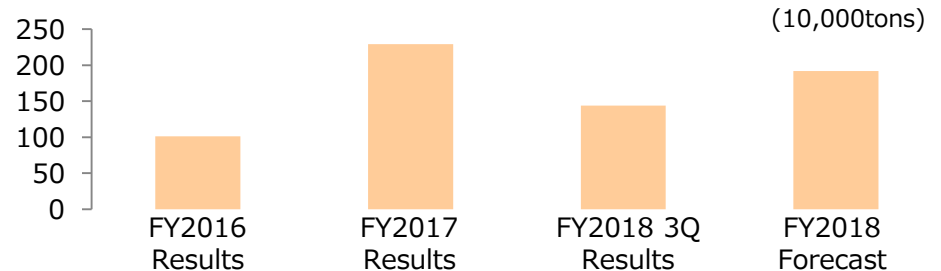


FY2018 3Q Results

(Billions of Yen)

| | FY2017 3Q Results | FY2018 3Q Results |
|--|-------------------|-------------------|
| Gross profit | 33.4 | 35.2 |
| Share of profit of investments accounted for using the equity method | 1.1 | 0.8 |
| Profit for the period (attributable to owners of the Company) | 6.9 | 7.0 |
| | End of Mar. 2018 | End of Dec. 2018 |
| Total assets | 304.9 | 304.8 |

Sales Volume for Methanol



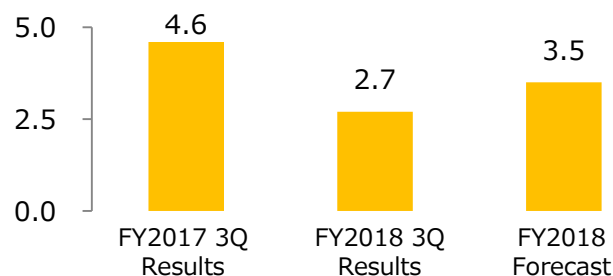
* FY2017 or later includes the sales volumes of solvadis holdings S.a.r.l.

Foods & Agriculture Business



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

(Billions of Yen)

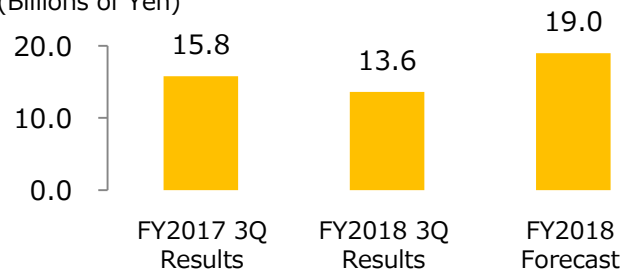


【Progress Overview】

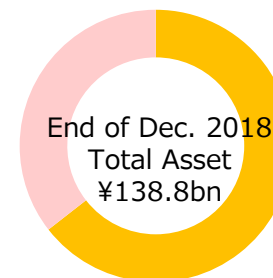
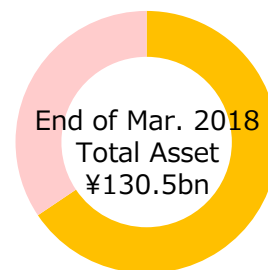
Performance generally as forecast

Gross profit

(Billions of Yen)



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2018 3Q Results

(Billions of Yen)

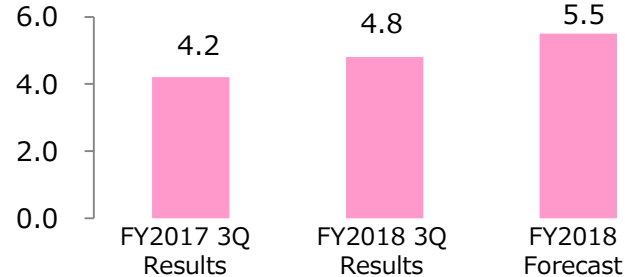
| | FY2017 3Q Results | FY2018 3Q Results |
|---|-------------------|-------------------|
| Gross profit | 15.8 | 13.6 |
| Share of profit (loss) of investments accounted for using the equity method | 0.6 | 0.0 |
| Profit for the period (attributable to owners of the Company) | 4.6 | 2.7 |
| | End of Mar. 2018 | End of Dec. 2018 |
| Total assets | 130.5 | 138.8 |

Retail & Lifestyle Business



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

(Billions of Yen)

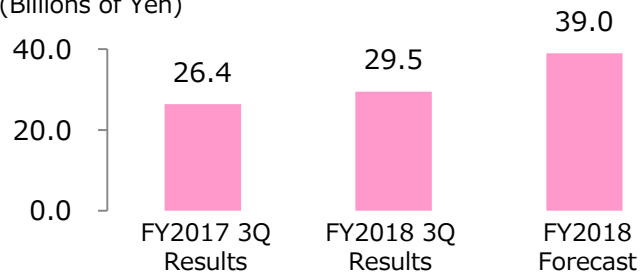


【Progress Overview】

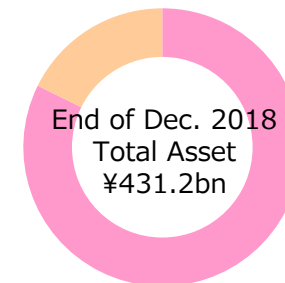
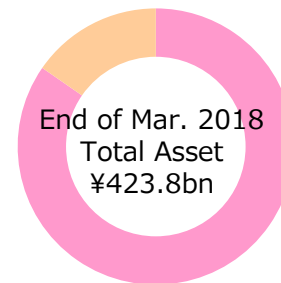
Performance generally as forecast

Gross profit

(Billions of Yen)



Asset Structure



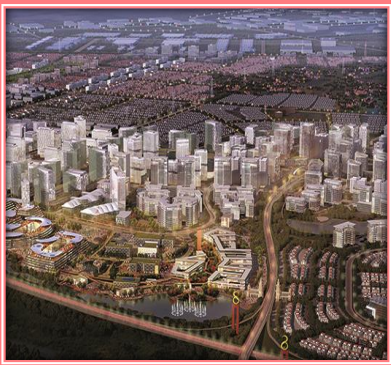
■ Current Assets
■ Non-Current Assets

FY2018 3Q Results

(Billions of Yen)

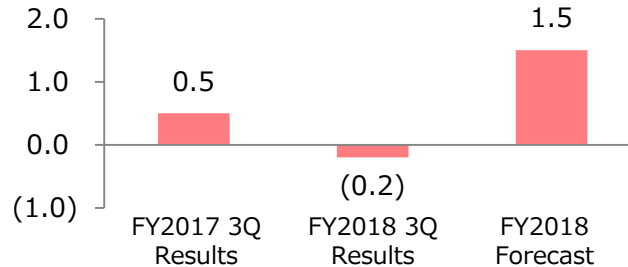
| | FY2017 3Q Results | FY2018 3Q Results |
|--|-------------------|-------------------|
| Gross profit | 26.4 | 29.5 |
| Share of profit of investments accounted for using the equity method | 0.0 | (0.1) |
| Profit for the period (attributable to owners of the Company) | 4.2 | 4.8 |
| | End of Mar. 2018 | End of Dec. 2018 |
| Total assets | 423.8 | 431.2 |

Industrial Infrastructure & Urban Development



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

(Billions of Yen)

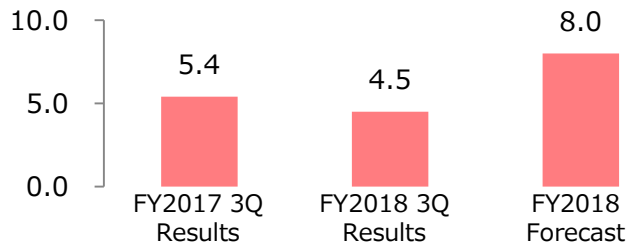


【Progress Overview】

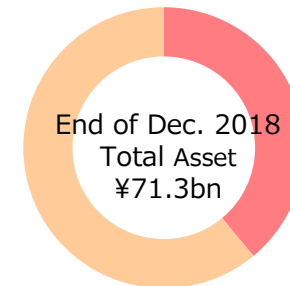
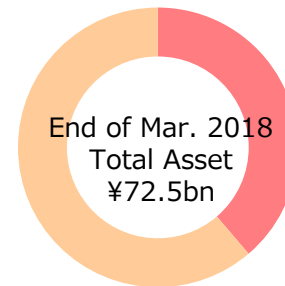
Earning contributions from real estate held for sale in Japan and overseas industrial park businesses anticipated in the fourth quarter

Gross profit

(Billions of Yen)



Asset Structure



■ Current Assets
■ Non-Current Assets

FY2018 3Q Results

(Billions of Yen)

| | FY2017 3Q Results | FY2018 3Q Results |
|--|-------------------|-------------------|
| Gross profit | 5.4 | 4.5 |
| Share of profit of investments accounted for using the equity method | 0.5 | 0.3 |
| Profit for the period (attributable to owners of the Company) | 0.5 | (0.2) |
| | End of Mar. 2018 | End of Dec. 2018 |
| Total assets | 72.5 | 71.3 |

Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

| Segment | Company | Subsidiary/ Associate | FY2017 3Q | FY2018 3Q | Difference |
|--------------------------------------|--|--------------------------|--------------|--------------|------------|
| ■ Automotive | Sojitz Automotive Group | Subsidiary | 1.1 | 0.7 | (0.4) |
| ■ Automotive | Sojitz de Puerto Rico Corporation | Subsidiary | 1.0 | 1.3 | 0.3 |
| ■ Automotive | Subaru Motor LLC | Subsidiary | 0.4 | (0.1) | (0.5) |
| ■ Automotive | Sojitz Quality, Inc | Subsidiary | 0.1 | 0.3 | 0.2 |
| ■ Aerospace & Transportation Project | Sojitz Aerospace Corporation | Subsidiary | 0.5 | 0.4 | (0.1) |
| ■ Aerospace & Transportation Project | Sojitz Marine & Engineering Corporation | Subsidiary | 0.4 | 0.4 | 0.0 |
| ■ Machinery & Medical Infrastructure | Sojitz Machinery Corporation | Subsidiary | 0.7 | 0.5 | (0.2) |
| ■ Machinery & Medical Infrastructure | Sojitz Hospital PPP Investment B.V. | Subsidiary | 0.4 | 1.4 | 1.0 |
| ■ Machinery & Medical Infrastructure | First Technology China Ltd. | Subsidiary | 0.5 | 0.5 | 0.0 |
| ■ Energy & Social Infrastructure | Nissho Electronics Corporation | Subsidiary | (0.4) | 0.4 | 0.8 |
| ■ Energy & Social Infrastructure | Tokyo Yuso Corporation | Subsidiary | 0.4 | 0.3 | (0.1) |
| ■ Energy & Social Infrastructure | LNG Japan Corporation | Associate | 0.4 | 1.0 | 0.6 |
| ■ Metals & Mineral Resources | Sojitz Coal Resources Pty. Ltd. | Subsidiary | 4.2 | 6.5 | 2.3 |
| ■ Metals & Mineral Resources | Sojitz Moolarben Resources Pty. Ltd. | Subsidiary | 2.1 | 3.2 | 1.1 |
| ■ Metals & Mineral Resources | Sojitz Resources (Australia) Pty. Ltd. | Subsidiary | (0.1) | 1.3 | 1.4 |
| ■ Metals & Mineral Resources | Japan Alumina Associates (Australia) Pty. Ltd. | Associate | 0.3 | 0.2 | (0.1) |
| ■ Metals & Mineral Resources | Metal One Corporation | Associate | 7.1 | 7.4 | 0.3 |

*1 Associate = Equity in earnings

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

Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

| Segment | Company | Subsidiary/ Associate | FY2017 3Q | FY2018 3Q | Difference |
|---|--|--------------------------|--------------|--------------|------------|
| Chemicals | Sojitz Pla-Net Corporation | Subsidiary | 1.6 | 1.2 | (0.4) |
| Chemicals | PT. Kaltim Methanol Industri | Subsidiary | 1.8 | 3.6 | 1.8 |
| Chemicals | solvadis holding S.a.r.l. | Subsidiary | 0.4 | 0.3 | (0.1) |
| Foods & Agriculture Business | Atlas Fertilizer Corporation | Subsidiary | 0.4 | 0.4 | 0.0 |
| Foods & Agriculture Business | Japan Vietnam Fertilizer Company | Subsidiary | 0.5 | 0.3 | (0.2) |
| Retail & Lifestyle Business | Sojitz Building Materials Corporation | Subsidiary | 0.6 | 0.4 | (0.2) |
| Retail & Lifestyle Business | Sojitz Foods Corporation | Subsidiary | 1.9 | 2.0 | 0.1 |
| Retail & Lifestyle Business | Sojitz Fashion Co., Ltd. | Subsidiary | 0.6 | 0.6 | 0.0 |
| Industrial Infrastructure & Urban Development | Sojitz New Urban Development Corporation | Subsidiary | 0.3 | (0.3) | (0.6) |

*1 Associate = Equity in earnings

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

For information on the following listed companies, please refer to their respective corporate websites.

Energy & Social Infrastructure Division: SAKURA Internet Inc. (equity-method associate)

Chemicals Division: Pla Matels Corporation (consolidated subsidiary)

Foods & Agriculture Business Division: Fuji Nihon Seito Corporation (equity-method associate), Thai Central Chemical Public Company Limited (consolidated subsidiary)

Retail & Lifestyle Business Division: JALUX Inc. (equity-method associate), Tri-Stage inc. (equity-method associate)

Industrial Infrastructure & Urban Development Division: PT. Puradelta Lestari. Tbk (equity-method associate)

【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 3Q |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| 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 | 1,410.6 |
| Gross profit | 277.7 | 235.6 | 178.2 | 192.7 | 217.1 | 187.2 | 198.2 | 197.7 | 180.7 | 200.7 | 232.4 | 181.8 |
| 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 | 18.8 |
| 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 | 74.2 |
| 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 | 53.7 |
| Core earnings | 110.7 | 48.3 | 14.4 | 41.9 | 65.8 | 38.5 | 68.0 | 66.3 | 41.6 | 54.2 | 90.8 | 70.3 |
| 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.

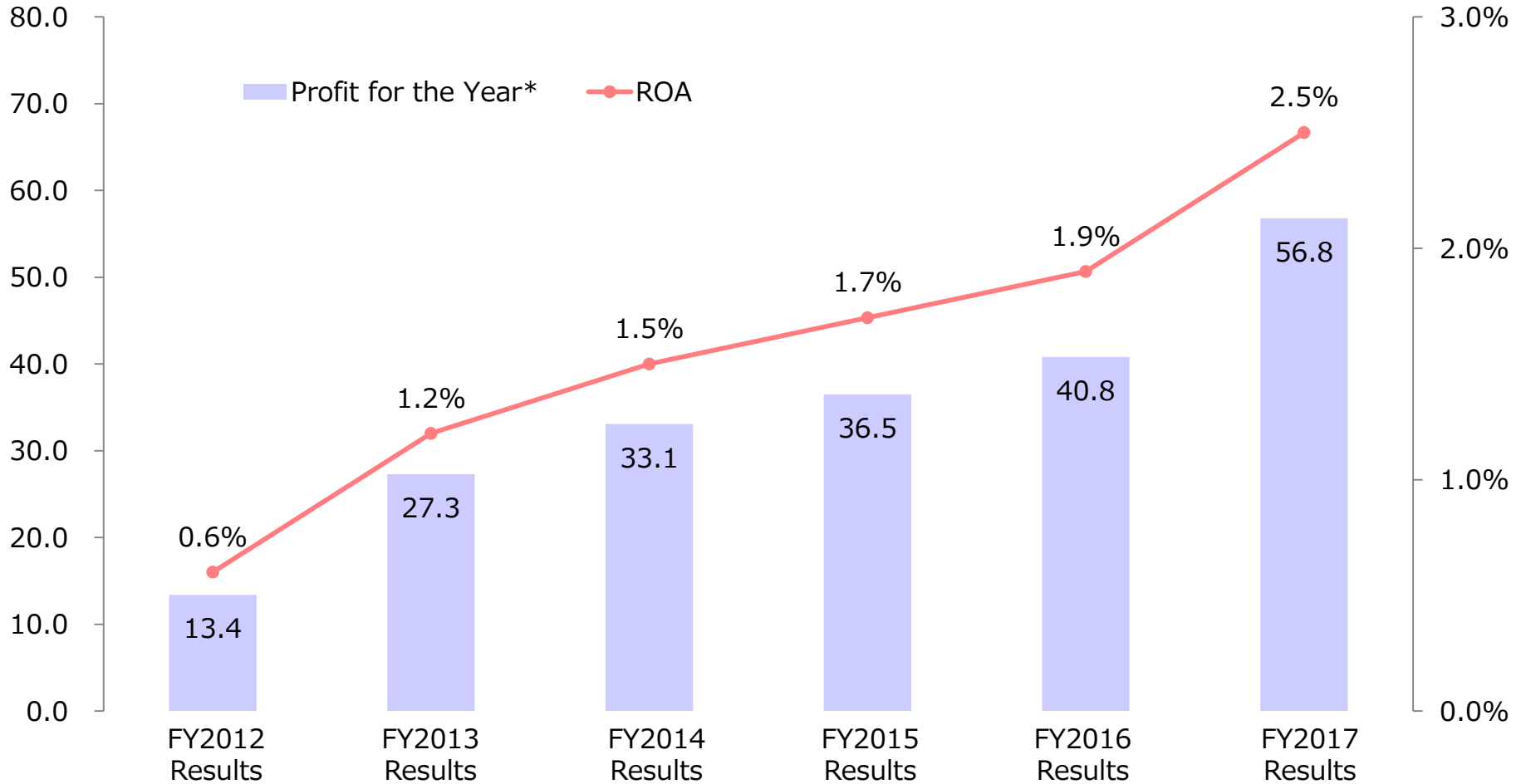
Summary of Balance Sheets (Results)

| (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 Dec. 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 | 2,322.8 |
| Total equity | 476.0 | 319.0 | 352.4 | 330.0 | 330.0 | 382.6 | 459.9 | 550.9 | 520.3 | 550.5 | 586.4 | 598.4 |
| Equity ratio | 17.8% | 13.8% | 16.3% | 15.6% | 15.1% | 17.8% | 20.7% | 24.0% | 25.3% | 25.7% | 25.0% | 25.8% |
| Net interest-bearing debt | 918.9 | 865.3 | 737.8 | 700.6 | 676.4 | 643.3 | 640.2 | 629.6 | 571.6 | 611.1 | 603.5 | 653.5 |
| 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 | 1.1 |
| 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 | 360.0 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% | 158.8% |
| Long-term debt ratio | 54.0% | 66.7% | 74.3% | 72.3% | 73.3% | 76.0% | 78.7% | 79.9% | 81.8% | 82.9% | 87.5% | 80.2% |

(*) 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

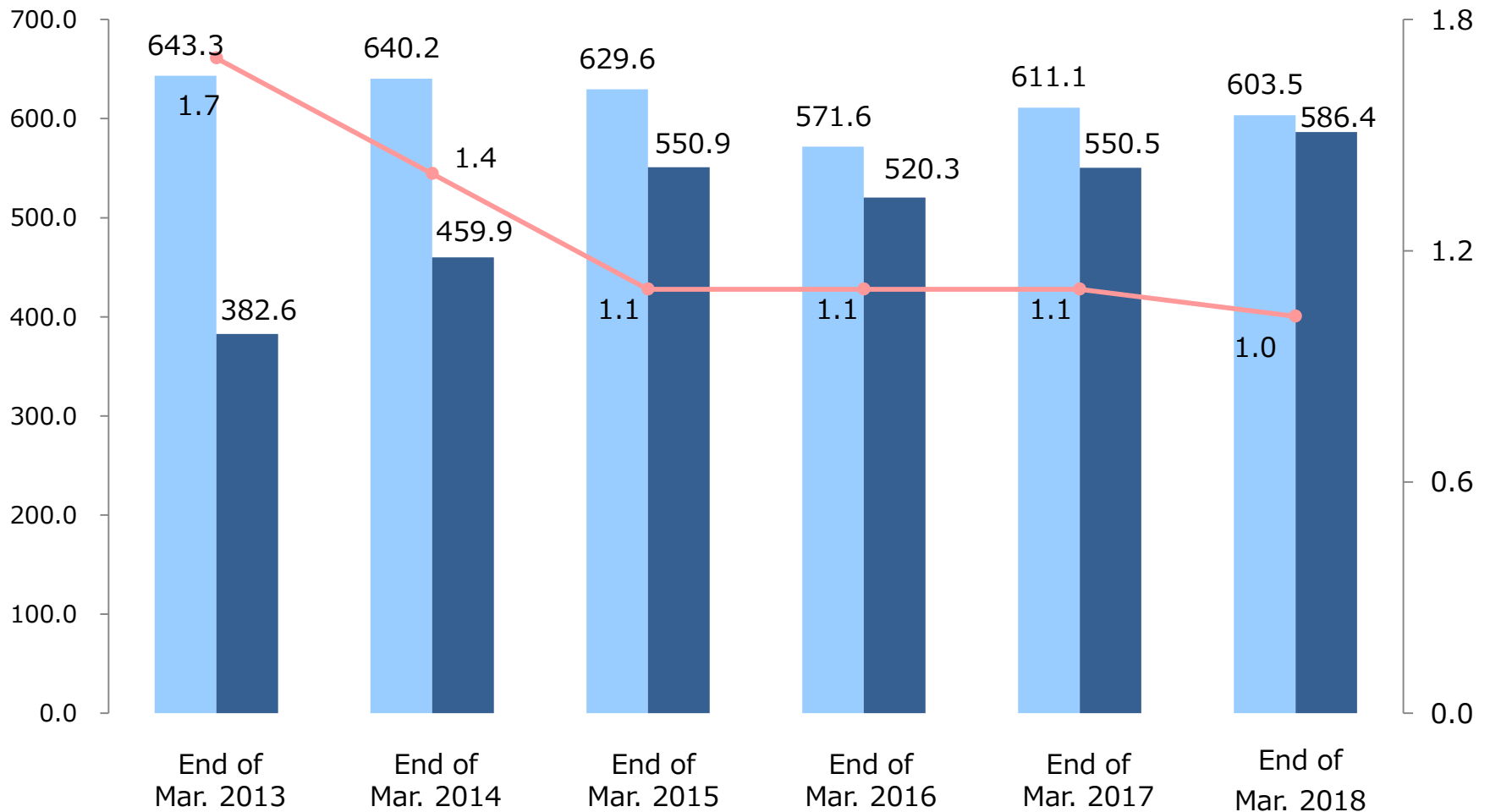
(Billions of Yen)

Net Interest-Bearing Debt

Total Equity

Net DER

(Times)





sojitz

New way, New value

Summary of Consolidated Financial Results for the Third Quarter Ended December 31, 2018 (IFRS)

February 5, 2019

Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

Company representative: Masayoshi Fujimoto, President & CEO

Contact information: Taku Imai, GM, Public Relations Dept. TEL +81-3-6871-3404

Scheduled filing date of quarterly financial report: February 13, 2019

Scheduled date of delivery of dividends: -

Supplementary materials for the quarterly financial results: Yes

Investor conference for the quarterly financial results: Yes

(Rounded down to millions of Japanese Yen)

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2018 (April 1, 2018 - December 31, 2018)

(1) Consolidated Operating Results

Description of % is indicated as the change rate compared with the same period last year.

| | Revenue | | 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 | % |
| For the third quarter ended | | | | | | | | | | |
| December 31, 2018 | 1,410,630 | 4.2 | 74,225 | 22.0 | 57,623 | 18.5 | 53,711 | 20.0 | 34,429 | (48.4) |
| December 31, 2017 | 1,353,606 | 20.8 | 60,838 | 53.1 | 48,625 | 50.8 | 44,769 | 48.8 | 66,778 | 189.5 |

| | Basic earnings per share | Diluted earnings per share |
|-----------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| For the third quarter ended | | |
| December 31, 2018 | 42.97 | 42.97 |
| December 31, 2017 | 35.79 | 35.78 |

Note : 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 | | | | |
| December 31, 2018 | 2,322,842 | 641,487 | 598,473 | 25.8 |
| March 31, 2018 | 2,350,351 | 625,124 | 586,464 | 25.0 |

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, 2018 | - | 5.00 | - | 6.00 | 11.00 |
| March 31, 2019 | - | 7.50 | - | - | - |
| March 31, 2019 (forecast) | - | - | - | 9.50 | 17.00 |

Note : Changes in cash dividend forecast : Yes

3. Consolidated Earnings Forecast for the Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)

Description of % is indicated as the change rate compared with the same period last year.

| | Profit attributable to owners of the Company | | Basic earnings per share |
|---------------------|--|------|--------------------------|
| | Millions of Yen | % | Yen |
| For the Year Ending | | | |
| March 31, 2019 | | | |
| Full-year | 70,000 | 23.1 | 56.01 |

Note 1 : Changes in cash dividend forecast : No

Note 2 : 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 : Yes

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 December 31, 2018: 1,251,499,501 As of March 31, 2018: 1,251,499,501

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

As of December 31, 2018 : 2,259,096 As of March 31, 2018 : 528,747

3. Average number of outstanding shares during the periods:

For the third quarter ended December 31, 2018 (accumulative): 1,250,045,944

For the third quarter ended December 31, 2017 (accumulative): 1,250,976,421

The Company established the Executive Compensation Board Incentive Plan Trust in the six-month period ended September 30, 2018. The trust account associated with this trust holds 1,727,600 shares of the Company's stock, which are treated as treasury stock.

* 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 Nine-Month Period Ended December 31, 2018

Economic Environment

In the nine-month period ended December 31, 2018, the global economy that had been supported by strong consumption thus far showed signs of decline due to economic slowdown in China and falling resource prices. Looking ahead, caution is warranted with regard to economic trends in China as well as internal affairs and diplomatic issues in the United States, the unclear outlook for negotiations regarding the United Kingdom's withdrawal from the European Union, and exchange rates and economic trends in emerging countries.

The United States continued to experience stable economic growth due to strong consumer spending and capital investment stimulated by tax reform measures. Conversely, stock prices were poor against a backdrop of concern regarding the potential impacts of the trade friction between the United States and China and the debt ceiling issues stemming from the House of Representatives and the Senate being controlled by different political parties.

Europe enjoyed strong consumer spending and capital investment accompanied by ongoing economic growth centered on Germany and France.

However, there was a growing sense of opaqueness in light of factors such as concern regarding the United Kingdom's consensus-lacking withdrawal from the European Union and the political protests in France.

In China, the slowdown in the economy is becoming ever more apparent amid sluggish infrastructure investment and consumer spending. In addition, ongoing caution is required with regard to the potential impacts of the increasingly more serious trade disputes with the United States and trends in government economic measures.

Despite the concern regarding currency depreciation stemming from the interest rate hike in the United States, Asia enjoyed strong conditions centered on internal consumption following a reprieve from the currency depreciation declines associated with uncertainty regarding the U.S. government administration and the flexible interest rate policies of Asian countries. However, this did not alleviate the need to monitor trends pertaining to the economic slowdown in China and the trade friction between the United States and China.

In Japan, relatively stable economic growth was achieved as the strong consumer spending trends outweighed the temporary impacts of typhoons, earthquakes, and other natural disasters.

Financial Performance

Sojitz Corporation's consolidated business results for the third quarter ended December 31, 2018 are presented below.

| | |
|---------|---|
| Revenue | Revenue was up 4.2% year on year, to ¥1,410,630 million, due to increased sales in the Metals & Mineral Resources Division, a result of rises in prices and transactions volumes for coal and other resources; in the Automotive Division, a result of the acquisition of new domestic and overseas automotive dealership and other businesses. |
|---------|---|

| | |
|-------------------------------------|---|
| Gross profit | Gross profit increased ¥12,901 million year on year, to ¥181,771 million, as a result of the rise in revenue. |
| Profit before tax | Profit before tax increased ¥13,387 million year on year, to ¥74,225 million, as a result of higher gross profit combined with a rise in other income associated with gains on a sale of automobile-related company. |
| Profit for the period | After deducting income tax expenses of ¥16,602 million from profit before tax of ¥74,225 million, profit for the period amounted to ¥57,623 million, up ¥8,998 million year on year. Profit for the period (attributable to owners of the Company) increased ¥8,942 million year on year, to ¥53,711 million. |
| Comprehensive income for the period | Although profit for the period increased, comprehensive income for the period decreased ¥32,349 million year on year, to ¥34,429 million, because foreign currency translation differences for foreign operations placed downward pressure on income and financial assets measured at fair value through other comprehensive income were down. Comprehensive income for the period (attributable to owners of the Company) was down ¥31,394 million year on year, to ¥31,259 million. |

Results for the nine-month period ended December 31, 2018, are summarized by segment below.

Effective April 1, 2018, the Aerospace & IT Business Division, Infrastructure & Environment Business Division, and the Energy Division were reorganized to the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division, and the Energy & Social Infrastructure Division. In addition, the name of the Metals & Coal Division was changed to the Metals & Mineral Resources Division.

Automotive

Revenue was up 34.7% year on year, to ¥185,690 million, due to the acquisition of new domestic and overseas automotive dealership and other businesses. Profit for the period (attributable to owners of the Company) decreased ¥952 million, to ¥5,042 million, as a decline in share of profit of investments accounted for using the equity method counteracted the benefits of a rise in other income associated with a gain on the sale of an automobile-related company.

Aerospace & Transportation Project

Revenue was down 21.7% year on year, to ¥20,785 million, due to the absence of gains on new ship turnovers recorded in the previous equivalent period. Despite a decrease in gross profit, profit for the period (attributable to owners of the Company) rose ¥1,090 million, to ¥2,943 million, due to an increase in other income associated with gains on sales of aircraft.

Machinery & Medical Infrastructure

Revenue was down 9.6% year on year, to ¥75,743 million, as a result of a decline in industrial machinery transactions. Profit for the period (attributable to owners of the Company) decreased ¥3,019 million, to ¥1,560 million, due to the rebound from earnings contributions from infrastructure-related projects recorded in the previous equivalent period.

Energy & Social Infrastructure

Revenue was down 36.7%, to ¥51,286 million, as a result of lower petroleum product transactions. Profit for the period (attributable to owners of the Company) of ¥3,237 million was recorded, in comparison with loss for the period (attributable to owners of the Company) of ¥2,324 million in the nine-month period

ended December 31, 2017, because of a gain on the sales of an overseas solar power business operating company.

Metals & Mineral Resources

Revenue was up 22.5%, to ¥300,604 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) rose ¥8,510 million, to ¥23,573 million, due to higher gross profit and an increase in share of profit of investments accounted for using the equity method.

Chemicals

Revenue was down 0.9% year on year, to ¥382,601 million, following the Company's withdrawal from low-profit transactions. Profit for the period (attributable to owners of the Company) increased ¥112 million, to ¥7,004 million, as a result of an increase in gross profit stemming from a rise in the price of methanol.

Foods & Agriculture Business

Revenue was down 14.4%, to ¥101,304 million, following lower feed material transactions. Profit for the period (attributable to owners of the Company) decreased ¥1,918 million, to ¥2,679 million, as a result of a decline in the profit of overseas fertilizer businesses.

Retail & Lifestyle Business

Revenue was up 10.1% year on year, to ¥243,830 million, as a result of higher beef transactions following the lifting of safeguard. Profit for the period (attributable to owners of the Company) increased ¥597 million, to ¥4,819 million.

Industrial Infrastructure & Urban Development

Revenue was down 7.5% year on year, to ¥20,840 million, because of lower real estate transactions. Loss for the period (attributable to owners of the Company) of ¥161 million was recorded, in comparison with profit for the period (attributable to owners of the Company) of ¥529 million in the nine-month period ended December 31, 2017.

(2) Financial Position

Consolidated Balance Sheet

Total assets on December 31, 2018, stood at ¥2,322,842 million, down ¥27,509 million from March 31, 2018. This decrease was largely a result of other current assets that were decreased in aircraft-related business.

Total liabilities at December 31, 2018, amounted to ¥1,681,355 million, down ¥43,872 million from March 31, 2018. This decrease was largely due to decrease in trade and other payables associated with tobacco- and machinery-related transactions under current liabilities.

Total equity attributable to owners of the Company was ¥598,473 million on December 31, 2018, up ¥12,009 million from March 31, 2018. This increase was largely due to accumulation of profit for the period (attributable to owners of the Company).

Sojitz consequently, on December 31, 2018, the current ratio was 158.8%, the long-term debt ratio was 80.2%, and the equity ratio* was 25.8%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥653,571 million on December 31, 2018, ¥50,121 million increase

from March 31, 2018. This resulted in the Company's net debt equity ratio* equaling 1.09 times at December 31, 2018.

(*) 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 2020, which began in the year ending March 31, 2019, the Sojitz Group continued to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has been endeavored 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 did not issue straight bonds in the nine-month period ended December 31, 2018. However, Sojitz will continue to closely monitor interest rates and market conditions and will consider floating 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\$0.64 billion has been used).

Consolidated Cash Flows

In the nine-month period ended December 31, 2018, operating activities provided net cash flow of ¥16,940 million, investing activities used net cash of ¥32,450 million, and financing activities provided net cash of ¥4,911 million. Sojitz ended the period with cash and cash equivalents of ¥285,266 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥16,940 million, compared with net cash used in operating activities of ¥62,665 million in the previous equivalent period, in spite of outflows due to an increase in working capital.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥32,450 million, down ¥58,526 million year on year. Investment outflows for investment in a U.S. gas-fired thermal power generation business and a solar power generation business exceeded inflows from the sale of investments.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥4,911 million, compared with net cash provided by financing activities of ¥145,919 million in the previous equivalent period. Dividends paid and other factors decreasing cash outweighed inflows in forms such as proceeds from borrowings.

(3) Consolidated Earnings Forecast

There has been no change to the consolidated earnings forecast announced together with financial results for the six-month period ended September 30, 2018.

*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)

| | FY 2017 (As of March 31, 2018) | FY 2018 (As of December 31, 2018) |
|---|-----------------------------------|--------------------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalent | 305,241 | 285,266 |
| Time deposits | 2,788 | 2,863 |
| Trade and other receivables | 549,789 | 766,659 |
| Derivatives | 2,703 | 4,117 |
| Inventories | 396,020 | 206,982 |
| Income tax receivables | 5,094 | 5,826 |
| Other current assets | 106,234 | 63,757 |
| Subtotal | 1,367,872 | 1,335,474 |
| Assets as held for sale | 8,425 | 18 |
| Total current assets | 1,376,297 | 1,335,492 |
| Non-current assets | | |
| Property, plant and equipment | 172,135 | 186,306 |
| Goodwill | 65,842 | 65,779 |
| Intangible assets | 44,057 | 45,866 |
| Investment property | 24,486 | 23,607 |
| Investments accounted for using the equity method | 407,284 | 417,629 |
| Trade and other receivables | 63,824 | 62,951 |
| Other investments | 182,949 | 170,690 |
| Derivatives | 49 | 47 |
| Other non-current assets | 8,794 | 9,449 |
| Deferred tax assets | 4,630 | 5,022 |
| Total non-current assets | 974,053 | 987,350 |
| Total assets | 2,350,351 | 2,322,842 |
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 654,138 | 580,242 |
| Bonds and borrowings | 113,497 | 186,136 |
| Derivatives | 3,394 | 5,076 |
| Income tax payables | 13,632 | 7,237 |
| Provisions | 2,069 | 1,108 |
| Other current liabilities | 55,004 | 60,939 |
| Subtotal | 841,735 | 840,740 |
| Liabilities directly related to assets as held for sale | 4,182 | 13 |
| Total current liabilities | 845,918 | 840,754 |
| Non-current liabilities | | |
| Bonds and borrowings | 797,982 | 755,564 |
| Trade and other payables | 4,759 | 5,906 |
| Derivatives | 2,634 | 2,600 |
| Retirement benefits liabilities | 22,016 | 22,073 |
| Provisions | 21,000 | 23,148 |
| Other non-current liabilities | 9,968 | 11,310 |
| Deferred tax liabilities | 20,946 | 19,997 |
| Total non-current liabilities | 879,308 | 840,600 |
| Total liabilities | 1,725,227 | 1,681,355 |
| Equity | | |
| Share capital | 160,339 | 160,339 |
| Capital surplus | 146,512 | 146,605 |
| Treasury stock | (174) | (865) |
| Other components of equity | 124,348 | 101,496 |
| Retained earnings | 155,437 | 190,897 |
| Total equity attributable to owners of the Company | 586,464 | 598,473 |
| Non-controlling interests | 38,659 | 43,014 |
| Total equity | 625,124 | 641,487 |
| Total liabilities and equity | 2,350,351 | 2,322,842 |

(2) Consolidated Statements of Profit or Loss

(In millions of Yen)

| | FY 2017 9-month (From April 1, 2017 To December 31, 2017) | FY 2018 9-month (From April 1, 2018 To December 31, 2018) |
|---|---|---|
| Revenue | | |
| Sale of goods | 1,283,540 | 1,330,732 |
| Sales of service and others | 70,065 | 79,898 |
| Total revenue | 1,353,606 | 1,410,630 |
| Cost of sales | (1,184,735) | (1,228,859) |
| Gross profit | 168,870 | 181,771 |
| Selling, general and administrative expenses | (119,243) | (128,124) |
| Other income(expenses) | | |
| Gain(loss) on sale and disposal of fixed assets, net | (143) | 955 |
| Impairment loss on fixed assets | (195) | (507) |
| Gain on reorganization of subsidiaries/associates | 3,917 | 8,019 |
| Loss on reorganization of subsidiaries/associates | (4,636) | (2,787) |
| Other operating income | 4,625 | 3,928 |
| Other operating expenses | (6,105) | (5,376) |
| Total other income/expenses | (2,537) | 4,231 |
| Financial income | | |
| Interests earned | 4,019 | 5,127 |
| Dividends received | 3,741 | 4,125 |
| Other financial income | 60 | 102 |
| Total financial income | 7,821 | 9,355 |
| Financial costs | | |
| Interest expenses | (11,132) | (11,757) |
| Total financial cost | (11,132) | (11,757) |
| Share of profit(loss) of investments accounted for using the equity method | 17,059 | 18,749 |
| Profit before tax | 60,838 | 74,225 |
| Income tax expenses | (12,212) | (16,602) |
| Profit for the period | 48,625 | 57,623 |
| Profit attributable to: | | |
| Owners of the Company | 44,769 | 53,711 |
| Non-controlling interests | 3,856 | 3,911 |
| Total | 48,625 | 57,623 |

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

(In millions of Yen)

| | FY 2017 9-month (From April 1, 2017 To December 31, 2017) | FY 2018 9-month (From April 1, 2018 To December 31, 2018) |
|--|---|---|
| Profit for the period | 48,625 | 57,623 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through other comprehensive income | 8,512 | (12,986) |
| Remeasurements of defined benefit pension plans | (421) | (145) |
| Share of other comprehensive income of investments accounted for using the equity method | 5,555 | 1,865 |
| Total items that will not be reclassified to profit or loss | 13,647 | (11,266) |
| Items that may be reclassified subsequently to profit or loss | | |
| Foreign currency translation differences for foreign operations | 3,666 | (8,247) |
| Cash flow hedges | 369 | (568) |
| Share of other comprehensive income of investments accounted for using the equity method | 469 | (3,110) |
| Total items that may be reclassified subsequently to profit or loss | 4,505 | (11,926) |
| Other comprehensive income for the year, net of tax | 18,152 | (23,193) |
| Total comprehensive income for the period | 66,778 | 34,429 |
| Total comprehensive income for the period attributable to: | | |
| Owners of the Company | 62,653 | 31,259 |
| Non-controlling interests | 4,125 | 3,170 |
| Total | 66,778 | 34,429 |

(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, 2017 | 160,339 | 146,513 | (170) | 31,537 | 106,268 | (5,124) |
| Profit for the period | | | | | | |
| Other comprehensive income | | | | 4,405 | 13,854 | 52 |
| Total comprehensive income for the period | — | — | — | 4,405 | 13,854 | 52 |
| Purchase of treasury stock | | (0) | (2) | | | |
| Dividends | | | | | | |
| Change in ownership interests in subsidiaries without loss/acquisition of control | | | | (8) | | |
| Reclassification from other components of equity to retained earnings | | | | | (1,467) | |
| Other changes | | | | | | |
| Total contributions by and distributions to owners of the Company | — | (0) | (2) | (8) | (1,467) | — |
| Balance as of December 31, 2017 | 160,339 | 146,512 | (173) | 35,934 | 118,655 | (5,071) |
| Balance as of April 1, 2018 | 160,339 | 146,512 | (174) | 17,709 | 111,072 | (4,432) |
| Impact of change in accounting policies | | | | | | |
| Balance as of April 1, 2018 (Revised) | 160,339 | 146,512 | (174) | 17,709 | 111,072 | (4,432) |
| Profit for the period | | | | | | |
| Other comprehensive income | | | | (11,553) | (10,968) | 201 |
| Total comprehensive income for the period | — | — | — | (11,553) | (10,968) | 201 |
| Purchase of treasury stock | | (0) | (691) | | | |
| Dividends | | | | | | |
| Change in ownership interests in subsidiaries without loss/acquisition of control | | | | (50) | | |
| Reclassification from other components of equity to retained earnings | | | | | (482) | |
| Share remuneration transaction | | 92 | | | | |
| Other changes | | | | | | |
| Total contributions by and distributions to owners of the Company | — | 92 | (691) | (50) | (482) | — |
| Balance as of December 31, 2018 | 160,339 | 146,605 | (865) | 6,105 | 99,621 | (4,230) |

(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, 2017 | — | 132,682 | 111,149 | 550,513 | 27,457 | 577,970 |
| Profit for the period | | | 44,769 | 44,769 | 3,856 | 48,625 |
| Other comprehensive income | (428) | 17,883 | | 17,883 | 269 | 18,152 |
| Total comprehensive income for the period | (428) | 17,883 | 44,769 | 62,653 | 4,125 | 66,778 |
| Purchase of treasury stock | | | | (3) | | (3) |
| Dividends | | | (11,258) | (11,258) | (1,029) | (12,288) |
| Change in ownership interests in subsidiaries without loss/acquisition of control | | (8) | 5 | (3) | (31) | (34) |
| Reclassification from other components of equity to retained earnings | 428 | (1,038) | 1,038 | — | | — |
| Other changes | | | (16) | (16) | 2,805 | 2,788 |
| Total contributions by and distributions to owners of the Company | 428 | (1,047) | (10,231) | (11,282) | 1,744 | (9,537) |
| Balance as of December 31, 2017 | — | 149,517 | 145,687 | 601,884 | 33,327 | 635,211 |

| | | | | | | |
|---|-------|----------|----------|----------|---------|----------|
| Balance as of April 1, 2018 | — | 124,348 | 155,437 | 586,464 | 38,659 | 625,124 |
| Impact of change in accounting policies | | | (444) | (444) | | (444) |
| Balance as of April 1, 2018 (Revised) | — | 124,348 | 154,993 | 586,020 | 38,659 | 624,679 |
| Profit for the period | | | 53,711 | 53,711 | 3,911 | 57,623 |
| Other comprehensive income | (132) | (22,452) | | (22,452) | (741) | (23,193) |
| Total comprehensive income for the period | (132) | (22,452) | 53,711 | 31,259 | 3,170 | 34,429 |
| Purchase of treasury stock | | | | (691) | | (691) |
| Dividends | | | (16,888) | (16,888) | (1,919) | (18,808) |
| Change in ownership interests in subsidiaries without loss/acquisition of control | | (50) | (54) | (104) | 1,939 | 1,834 |
| Reclassification from other components of equity to retained earnings | 132 | (349) | 349 | — | | — |
| Share remuneration transaction | | | | 92 | | 92 |
| Other changes | | | (1,214) | (1,214) | 1,165 | (49) |
| Total contributions by and distributions to owners of the Company | 132 | (399) | (17,807) | (18,805) | 1,184 | (17,621) |
| Balance as of December 31, 2018 | — | 101,496 | 190,897 | 598,473 | 43,014 | 641,487 |

(5) Consolidated Statements of Cash Flows

(In millions of Yen)

| | FY 2017 9-month (From April 1, 2017 to December 31, 2017) | FY 2018 9-month (From April 1, 2018 to December 31, 2018) |
|---|---|---|
| Cash flows from operating activities | | |
| Profit for the period | 48,625 | 57,623 |
| Depreciation and amortization | 16,251 | 15,941 |
| Impairment loss of fixed assets | 195 | 507 |
| Finance (income) costs | 3,310 | 2,401 |
| Share of (profit)loss of investments accounted for using the equity method | (17,059) | (18,749) |
| (Gain) loss on sale of fixed assets, net | 143 | (955) |
| Income tax expenses | 12,212 | 16,602 |
| (Increase)decrease in trade and other receivables | (38,436) | 38,627 |
| (Increase)decrease in inventories | (120,708) | (27,091) |
| Increase (decrease) in trade and other payables | 75,750 | (74,593) |
| Changes in other assets and liabilities | (38,457) | 16,894 |
| Increase (decrease) in retirement benefits liabilities | 462 | (80) |
| Others | 533 | (1,244) |
| Subtotal | (57,175) | 25,884 |
| Interests earned | 3,264 | 3,824 |
| Dividends received | 14,985 | 19,550 |
| Interests paid | (10,710) | (11,533) |
| Income taxes paid | (13,029) | (20,785) |
| Net cash provided (used) by/in operating activities | (62,665) | 16,940 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (21,079) | (20,947) |
| Proceeds from sale of property, plant and equipment | 590 | 4,774 |
| Purchase of intangible assets | (2,310) | (3,305) |
| (Increase)decrease in short-term loans receivable | 1,853 | 284 |
| Payment for long-term loans receivable | (30,333) | (2,072) |
| Collection of long-term loans receivable | 1,310 | 5,037 |
| Proceeds from (payments for) acquisition of subsidiaries | (20,203) | (3,794) |
| Proceeds from (payments for) sale of subsidiaries | 225 | 1,498 |
| Purchase of investments | (23,061) | (29,504) |
| Proceeds from sale of investments | 7,491 | 15,507 |
| Others | (5,461) | 72 |
| Net cash provided (used) by/in investing activities | (90,976) | (32,450) |
| Cash flows from financing activities | | |
| Increase (decrease) in short-term borrowings and commercial papers | 80,934 | 66,270 |
| Proceeds from long-term borrowings | 150,252 | 56,766 |
| Repayment of long-term borrowings | (74,493) | (108,646) |
| Proceeds from issuance of bonds | 9,940 | — |
| Redemption of bonds | (10,030) | (30) |
| Payment for acquisition of subsidiary's interests from non-controlling interests | — | (1,195) |
| Proceeds from non-controlling interest holders | 2,623 | 2,861 |
| Purchase of treasury stock | (3) | (691) |
| Dividends paid | (11,258) | (16,888) |
| Dividends paid to non-controlling interest holders | (1,029) | (1,919) |
| Others | (1,014) | (1,438) |
| Net cash provided (used) by/in financing activities | 145,919 | (4,911) |
| Net increase (decrease) in cash and cash equivalents | (7,722) | (20,421) |
| Cash and cash equivalents at the beginning of the year | 308,632 | 305,241 |
| Effect of exchange rate changes on cash and cash equivalents | 2,052 | 446 |
| Cash and cash equivalents at the end of the period | 302,962 | 285,266 |

(6) Changes in Accounting Policies Based on Requirements of International Financial Reporting Standards

With the exception of the following policies, the accounting policies applied to the consolidated financial statements for the nine-month period ended December 31, 2018, are the same as those applied to consolidated financial statements for the year ended March 31, 2018.

Effective April 1, 2018, the Company has applied the following mandatory standards.

| Standard | Name | New / revised policies |
|----------|---------------------------------------|---|
| IFRS 15 | Revenue from Contracts with Customers | Revision of accounting treatment and disclosure method pertaining to recognition of revenue |
| IFRS 9 | Financial Instruments (2014 version) | Revision to methods of classifying and measuring financial instruments, revision to hedge accounting methods, and revision to provisions for impairment of financial assets based on expected credit loss model |

1) IFRS 15—Revenue from Contracts with Customers

Effective April 1, 2018, the Company applied IFRS 15—Revenue from Contracts with Customers. As a transitional measure for the application of this standard, the standard has been applied retroactively to previous periods and the balance of retaining earnings on April 1, 2018, has been adjusted to reflect the cumulative effect amount of this retroactive application.

In conjunction with the application of IFRS 15—Revenue from Contracts with Customers, the Company has adopted an approach of recognizing the amount of profit to which the Company is expected to be entitled due to the transfer of goods or services to customers based on the following five-step model.

Step 1. Identify the contract(s) with a customer

Step 2. Identify the performance obligations in the contract

Step 3. Determine the transaction price

Step 4. Allocate the transaction price to the performance obligations in the contract

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15—Revenue from Contracts, the Company will be viewed as the main transacting entity if the goods or services to be provided to the customer are in the Company's control prior to their provision and will be viewed as an agent if the goods or services are not in its control prior to provision.

Previously, the Company has recognized inventory assets for transactions for which the Company recognized profit at net value as an agent (agent transaction) in cases when the goods or services to be provided were temporarily in the legal possession of the Group.

Under IFRS 15—Revenue from Contracts, however, the Group is judged not be in control of inventories during agent transactions, and said inventories are therefore recognized under trade and other receivables.

As a result of the application of this standard, inventories on the consolidated statements of financial position for the nine-month period ended December 31, 2018, were reduced by ¥169,300 million, and trade and other receivables were increased by the same amount.

The impact of this change on revenue and other income items on the consolidated statements of profit or loss for the nine-month period ended December 31, 2018, was minimal.

2) IFRS 9—Financial Instruments (2014 version)

Effective April 1, 2018, the Company applied IFRS 9—Financial Instruments (2014 version).

As a transitional measure for the application of this standard, the standard has been applied retroactively to previous periods and the balance of retaining earnings on April 1, 2018, has been adjusted to reflect the cumulative effect of this retroactive application. Some exceptions to this retroactive application do exist.

The application of IFRS 9—Financial Instruments (2014 version) did not have a material impact on the consolidated financial statements of the Company.

(a) Classifications of Financial Assets

Under the previously applied IFRS 9—Financial Instruments (2010 version), financial assets of a liability nature were classified as either financial assets measured at amortized cost or financial assets measured at fair value through profit or loss. In IFRS 9—Financial Instruments (2014 version), a new classification for financial assets of a liability nature was created: financial assets measured at fair value through other comprehensive income. When the following conditions are fulfilled, the Company will classify financial assets of a liability nature as financial assets measured at fair value through other comprehensive income.

- When the financial asset is held for a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- When the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Judgements regarding business models were made based on the status of businesses and the circumstances surrounding these businesses as of the date of application.

(b) Impairment of Financial Assets

Previously, impairment of financial assets was performed based on the loss model described in IAS 39—Financial Instruments: Recognition and Measurement. In conjunction with the application of IFRS 9—Financial Instruments (2014 version), impairment will be recognized based on an expected credit loss model. The expected credit loss model will be applied to financial assets measured at amortized cost.

(c) Hedge Accounting

Previously, hedge accounting was performed in accordance with IAS 39—Financial Instruments: Recognition and Measurement. With the application of IFRS 9—Financial Instruments (2014 version), hedge accounting will be performed based on the new general hedge accounting model. The new general hedge accounting model requires that the hedging relationship be integrated with the risk management objective and strategy for undertaking the hedge. In addition, an approach to evaluating hedging effectiveness based on more qualitative projections is required. Hedging relationship designations assigned in accordance with IAS 39—Financial Instruments: Recognition and Measurement on March 31, 2018, were reevaluated as of the application date for IFRS 9—Financial Instruments

(2014 version). As these relationships were found to meet all of the requirements for hedge accounting, the hedging relationships are ongoing.

(7) Segment information

For the third quarter ended December 31, 2017 (April 1, 2017 – December 31, 2017)

(In Millions of Yen)

| | Reportable segments | | | | | | |
|-----------------------|---------------------|-----------------------------------|------------------------------------|--------------------------------|----------------------------|-----------|------------------------------|
| | Automotive | Aerospace & Transportaion Project | Machinery & Medical Infrastructure | Energy & Social Infrastructure | Metals & Mineral Resources | Chemicals | Foods & Agriculture Business |
| Revenue | | | | | | | |
| External revenue | 137,897 | 26,558 | 83,805 | 80,974 | 245,413 | 385,973 | 118,363 |
| Inter-segment revenue | 1 | 1,002 | 132 | 1,403 | — | 10 | 9 |
| Total revenue | 137,899 | 27,561 | 83,937 | 82,377 | 245,413 | 385,984 | 118,372 |
| Segment profit (loss) | 5,994 | 1,853 | 4,579 | (2,324) | 15,063 | 6,892 | 4,597 |

| | Reportable segments | | | Others | Reconciliations | Consolidated |
|-----------------------|-----------------------------|---|-----------|--------|-----------------|--------------|
| | Retail & Lifestyle Business | Industrial Infrastructure & Urban Development | Total | | | |
| Revenue | | | | | | |
| External revenue | 221,394 | 22,535 | 1,322,918 | 30,687 | — | 1,353,606 |
| Inter-segment revenue | 46 | 306 | 2,913 | 237 | (3,150) | — |
| Total revenue | 221,441 | 22,842 | 1,325,831 | 30,925 | (3,150) | 1,353,606 |
| Segment profit (loss) | 4,222 | 529 | 41,409 | 117 | 3,242 | 44,769 |

Reconciliation of segment profit of 3,242 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 3,331 million yen, and unallocated dividend income and others of (89) million yen.

For the third quarter ended December 31, 2018 (April 1, 2018 – December 31, 2018)

(In Millions of Yen)

| | Reportable segments | | | | | | |
|-----------------------|---------------------|-----------------------------------|------------------------------------|--------------------------------|----------------------------|-----------|------------------------------|
| | Automotive | Aerospace & Transportaion Project | Machinery & Medical Infrastructure | Energy & Social Infrastructure | Metals & Mineral Resources | Chemicals | Foods & Agriculture Business |
| Revenue | | | | | | | |
| External revenue | 185,690 | 20,785 | 75,743 | 51,286 | 300,604 | 382,601 | 101,304 |
| Inter-segment revenue | — | — | 99 | 1,397 | — | 6 | 8 |
| Total revenue | 185,690 | 20,785 | 75,842 | 52,683 | 300,604 | 382,608 | 101,313 |
| Segment profit (loss) | 5,042 | 2,943 | 1,560 | 3,237 | 23,573 | 7,004 | 2,679 |

| | Reportable segments | | | Others | Reconciliations | Consolidated |
|-----------------------|-----------------------------|---|-----------|--------|-----------------|--------------|
| | Retail & Lifestyle Business | Industrial Infrastructure & Urban Development | Total | | | |
| Revenue | | | | | | |
| External revenue | 243,830 | 20,840 | 1,382,687 | 27,943 | — | 1,410,630 |
| Inter-segment revenue | 41 | 266 | 1,819 | 221 | (2,040) | — |
| Total revenue | 243,871 | 21,106 | 1,384,507 | 28,164 | (2,040) | 1,410,630 |
| Segment profit (loss) | 4,819 | (161) | 50,699 | 1,299 | 1,713 | 53,711 |

Reconciliation of segment profit of 1,713 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 (83) million yen, and unallocated dividend income and others of 1,796 million yen.

Changes in Reportable Segments

Effective April 1, 2018, the Aerospace & IT Business Division, the Infrastructure & Environment Business Division and Energy Division were reorganized to the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division and the Energy & Social Infrastructure Division. The name of the Metals & Coal Division has been changed to the Metals & Mineral Resources Division. These reorganizations have resulted in changes to reportable segments. Segment information for the nine-month period ended December 31, 2017, has been restated to reflect these changes.