

Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2016 (IFRS) - Supplementary Material

August 2, 2016

Sojitz Corporation

(Billions of Yen)

Billions of Yen)

Operating Results

	FY2016 1Q Results	FY2015 1Q Results	Difference	FY2016 Forecast	Percentage Achieved
Net sales (JGAAP)*1	896.3	1,030.1	(133.8)	4,330.0	21%
Gross profit	46.8	45.5	+1.3	210.0	22%
Gross profit margin	(5.22%)	(4.42%)		(4.85%)	
Selling, general and administrative expenses	(37.7)	(38.7)	+1.0	(162.0)	
Other income/expenses	(0.5)	1.2	(1.7)	(4.0)	
Operating profit	8.6	8.0	+0.6	44.0	20%
Financial income/costs	(1.6)	(1.4)	(0.2)	(8.0)	
Share of profit (loss) of investments accounted for using the equity method	2.6	8.5	(5.9)	17.0	
Profit before tax	9.6	15.1	(5.5)	53.0	18%
Profit for the period	9.2	11.9	(2.7)	43.0	21%
(Profit attributable to)					
Owners of the Company	8.4	10.6	(2.2)	40.0	21%
Non-controlling interests	0.8	1.3	(0.5)	3.0	
Core earnings*2	10.2	13.8	(3.6)	57.0	
Revenue	375.0	444.9	(69.9)		
Comprehensive income attributable to owners of the Company	(38.2)	12.9	(51.1)		

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

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

Caution regarding forward-looking statements

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

(Billions of Yen)

Financial Position

	Jun. 30, 2016	Mar. 31, 2016	Difference	FY2016 Forecast
Total assets	1,973.1	2,056.7	(83.6)	2,200.0
Total equity*3	477.1	520.3	(43.2)	545.0
Equity ratio	24.2%	25.3%	(1.1%)	24.8%
Net interest-bearing debt	552.4	571.6	(19.2)	630.0
Net D/E ratio (times)	1.16	1.10	+ 0.06	1.2
Risk assets	330.0	330.0	+ 0.0	-
Ratio of risk assets to equity (times)	0.7	0.6	+ 0.1	-

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

Segment Performance [Gross Profit]

	FY2016 1Q	FY2015 1Q	Difference	FY2016 Forecast
Auto- motive	5.7	5.9	(0.2)	30.0
Aerospace & IT Business	6.0	5.3	+0.7	31.0
Infra- structure & Environment Business	5.1	4.2	+0.9	24.0
Energy	(0.1)	0.6	(0.7)	3.0
Metals & Coal	1.8	3.7	(1.9)	13.0
Chemicals	9.3	10.7	(1.4)	43.0
Foods & Agriculture Business	6.0	5.5	+0.5	20.0
Lifestyle Commodities & Materials	5.2	4.7	+0.5	21.0
Retail	7.0	4.2	+2.8	22.0
Other	0.8	0.7	+0.1	3.0

Total	46.8	45.5	+1.3	210.0	8.4	10.6	(2.2)
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Segment Performance 【Profit for the Period (Attributable to owners of the Company)】

FY2016 1Q	FY2015 1Q	Difference	Main Factors Behind Difference
0.8	3.6	(2.8)	Decreased due to rebound from gains on sales of fixed assets recorded in investments accounted for using the equity method during the previous equivalent period
(0.3)	0.9	(1.2)	Decreased due to impairment losses on Company-owned ships and absence of gain on liquidation of overseas operating companies recorded during the previous equivalent period
1.0	0.2	+0.8	Increased due to earnings contributions from domestic solar power generation businesses
(1.5)	0.1	(1.6)	Decreased due to impacts of drop in crude oil price
(0.4)	0.7	(1.1)	Decreased due to impacts of drops in resource prices
1.8	2.5	(0.7)	Decreased due to impacts of drop in methanol price and yen appreciation
1.4	1.3	+0.1	Relatively unchanged year on year
1.3	(0.3)	+1.6	Increased due to higher profit stemming from strong textile business performance and absence of impairment loss on fixed assets recorded during the previous equivalent period
3.4	1.0	+2.4	Increased due to gain on sales of real estate held for sale in Japan
0.9	0.6	+0.3	Relatively unchanged year on year

FY2016 Forecast	FY2016 Current Position and Outlook
5.0	Firm performance expected in U.S. automobile dealership operations and in Southeast Asian businesses
4.5	Earnings contributions from aircraft-related transactions and IT industry related business anticipated in 2nd half of fiscal year
6.5	Earnings contributions from plant-related businesses anticipated
(2.0)	Earnings contributions from investments accounted for using the equity method anticipated in 2nd half of fiscal year
3.0	Earnings contributions from investments accounted for using the equity method anticipated from 2nd quarter of fiscal year
9.5	Increased transactions forecast in the Americas, China, and Asia
5.0	Firm performance in fertilizer businesses
4.5	Progress in line with forecasts
4.0	Progress in line with forecasts despite strong progress resulted from sale of real estate held for sale in Japan
0.0	Asset replacement costs expected to be incurred

40.0

Commodity Prices and Exchange Rates

	FY2015 Results (Apr.- Jun. '15 Avg.)	FY2016 Assumption (Annual Avg.)	FY2016 Results (Apr.- Jun. '16 Avg.)	Latest Data (as of July 29, 2016)
Crude oil (Brent)**1	US\$63.5/bbl	US\$40/bbl	US\$47.0/bbl	US\$42.5/bbl
Thermal coal**2	US\$57.6/t	US\$52/t	US\$51.5/t	US\$64.5/t
Exchange rate**3	¥121.7/US\$	¥110/US\$	¥107.9/US\$	¥104.4/US\$

**1 Impact of fluctuations in the crude oil price on earnings: A US\$1/bbl change alters profit for the year (attributable to owners of the Company) by ¥50 million annually.

**2 Thermal coal prices are "globalCOAL NEWC Index".

**3 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.3 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.1 billion annually, and total equity by approx. ¥1.5 billion annually.