

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

August 2, 2017  
Sojitz Corporation

(Billions of Yen)

(Billions of Yen)

## Operating Results

	FY2017 1Q Results	FY2016 1Q Results	Difference	FY2017 Forecast	Percentage Achieved
<b>Net sales (JGAAP)*1</b>	<b>1,000.7</b>	<b>896.3</b>	+104.4	<b>4,100.0</b>	24%
<b>Gross profit</b>	<b>51.6</b>	<b>46.8</b>	+4.8	<b>222.0</b>	23%
Gross profit margin	5.16%	5.22%		5.41%	
Selling, general and administrative expenses	(38.5)	(37.7)	(0.8)	(166.0)	
Other income/expenses	1.0	(0.5)	+1.5	(1.0)	
<b>Operating profit</b>	<b>14.1</b>	<b>8.6</b>	+5.5	<b>55.0</b>	26%
Financial income/costs	(0.9)	(1.6)	+0.7	(7.0)	
Share of profit (loss) of investments accounted for using the equity method	5.9	2.6	+3.3	21.0	
<b>Profit before tax</b>	<b>19.1</b>	<b>9.6</b>	+9.5	<b>69.0</b>	28%
<b>Profit for the period</b> (Profit attributable to)	<b>15.9</b>	<b>9.2</b>	+6.7	<b>54.0</b>	29%
<b>Owners of the Company</b>	<b>14.6</b>	<b>8.4</b>	+6.2	<b>50.0</b>	29%
Non-controlling interests	1.3	0.8	+0.5	4.0	
Core earnings*2	17.9	10.2	+7.7	70.0	
Revenue	432.4	375.0	+57.4		
Comprehensive income attributable to owners of the Company	19.6	(38.2)	+57.8		

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

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

(Billions of Yen)

## Financial Position

	Jun. 30, 2017	Mar. 31, 2017	Difference	Mar. 31, 2018 Forecast
<b>Total assets</b>	<b>2,190.6</b>	<b>2,138.5</b>	+ 52.1	<b>2,260.0</b>
<b>Total equity*3</b>	<b>565.0</b>	<b>550.5</b>	+ 14.5	<b>580.0</b>
<b>Equity ratio</b>	<b>25.8%</b>	<b>25.7%</b>	+0.1%	<b>25.7%</b>
<b>Net interest-bearing debt</b>	<b>658.1</b>	<b>611.1</b>	+ 47.0	<b>650.0</b>
<b>Net D/E ratio (times)</b>	<b>1.16</b>	<b>1.11</b>	+ 0.05	<b>1.12</b>
<b>Risk assets</b>	<b>300.0</b>	<b>320.0</b>	(20.0)	-
<b>Ratio of risk assets to equity (times)</b>	<b>0.5</b>	<b>0.6</b>	(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."

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.

## Segment Performance [Gross Profit]

	FY2017 1Q	FY2016 1Q	Difference	FY2017 Forecast
<b>Auto-motive</b>	<b>7.5</b>	<b>5.7</b>	+1.8	<b>33.0</b>
<b>Aerospace &amp; IT Business</b>	<b>5.4</b>	<b>6.0</b>	(0.6)	<b>28.0</b>
<b>Infrastructure &amp; Environment Business</b>	<b>4.7</b>	<b>5.1</b>	(0.4)	<b>24.0</b>
<b>Energy</b>	<b>0.8</b>	<b>(0.1)</b>	+0.9	<b>4.0</b>
<b>Metals &amp; Coal</b>	<b>5.4</b>	<b>1.8</b>	+3.6	<b>20.0</b>
<b>Chemicals</b>	<b>11.2</b>	<b>9.3</b>	+1.9	<b>43.0</b>
<b>Foods &amp; Agriculture Business</b>	<b>5.8</b>	<b>6.0</b>	(0.2)	<b>21.0</b>
<b>Retail &amp; Lifestyle Business</b>	<b>9.0</b>	<b>10.2</b>	(1.2)	<b>36.0</b>
<b>Industrial Infrastructure &amp; Urban Development</b>	<b>0.8</b>	<b>2.0</b>	(1.2)	<b>8.0</b>
<b>Other</b>	<b>1.0</b>	<b>0.8</b>	+0.2	<b>5.0</b>

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

	FY2017 1Q	FY2016 1Q	Difference	Main Factors Behind Difference	FY2017 Forecast	FY2017 Current Position and Outlook	(Reference) FY2016 Results
<b>Auto-motive</b>	<b>2.8</b>	<b>0.8</b>	+2.0	Increased due to higher automobile sales volumes in overseas automobile assembly and wholesale businesses	<b>4.0</b>	Favorable performance in major businesses	<b>3.6</b>
<b>Aerospace &amp; IT Business</b>	<b>0.3</b>	<b>(0.3)</b>	+0.6	Improved due to absence of impairment losses on Company-owned ships recorded during the previous equivalent period	<b>5.0</b>	Earnings contributions from aircraft-related transactions and IT industry-related business anticipated in 2nd half of fiscal year	<b>9.9</b>
<b>Infrastructure &amp; Environment Business</b>	<b>0.7</b>	<b>0.9</b>	(0.2)	Relatively unchanged year on year	<b>5.0</b>	Earnings contributions from infrastructure-related businesses anticipated	<b>4.2</b>
<b>Energy</b>	<b>(0.4)</b>	<b>(1.5)</b>	+1.1	Loss decreased due to higher crude oil and gas prices as well as sales of certain upstream interests conducted in conjunction with restructuring of asset portfolio	<b>1.0</b>	Earnings contributions from investments accounted for using the equity method anticipated in 2nd half of fiscal year	<b>(0.6)</b>
<b>Metals &amp; Coal</b>	<b>4.2</b>	<b>(0.4)</b>	+4.6	Increased due to higher prices of coal and other resources and recovery of steel market conditions	<b>13.0</b>	Performance generally in line with outlook	<b>10.0</b>
<b>Chemicals</b>	<b>2.3</b>	<b>1.9</b>	+0.4	Increased due to new acquisition of a European chemical distributor and marketing company and higher plastic resin transactions	<b>8.0</b>	Performance generally in line with outlook	<b>8.3</b>
<b>Foods &amp; Agriculture Business</b>	<b>2.1</b>	<b>1.4</b>	+0.7	Increased due to firm performance of overseas fertilizer businesses	<b>5.0</b>	Performance generally in line with outlook	<b>(6.9)</b>
<b>Retail &amp; Lifestyle Business</b>	<b>1.6</b>	<b>3.9</b>	(2.3)	Decreased due to absence of gain on sales of commercial facilities in Japan recorded in the previous equivalent period	<b>5.0</b>	Performance generally in line with outlook	<b>7.3</b>
<b>Industrial Infrastructure &amp; Urban Development</b>	<b>(0.4)</b>	<b>0.8</b>	(1.2)	Decreased due to lower real estate transactions	<b>2.0</b>	Earnings contributions from overseas industrial park businesses anticipated in 2nd half of fiscal year	<b>1.3</b>
<b>Other</b>	<b>1.4</b>	<b>0.9</b>	+0.5		<b>2.0</b>		<b>3.7</b>

<b>Total</b>	<b>51.6</b>	<b>46.8</b>	<b>+4.8</b>	<b>222.0</b>	<b>14.6</b>	<b>8.4</b>	<b>+6.2</b>	<b>50.0</b>	<b>40.8</b>
--------------	-------------	-------------	-------------	--------------	-------------	------------	-------------	-------------	-------------

## Commodity Prices and Exchange Rates

	FY2016 Results (Apr.- Jun. '16 Avg.)	FY2017 Assumption (Annual Avg.)	FY2017 Results (Apr.- Jun. '17 Avg.)	Latest Data (as of July 28, 2017)
<b>Crude oil (Brent)**1</b>	US\$47.0/bbl	US\$50.0/bbl	US\$50.8/bbl	US\$52.5/bbl
<b>Thermal coal**2</b>	US\$51.5/t	US\$77.5/t	US\$79.8/t	US\$92.3/t
<b>Exchange rate**3</b>	¥107.9/US\$	¥110.0/US\$	¥111.4/US\$	¥111.1/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 ¥20 million annually.

\*\*2 The results in the above table are cited from the GlobalCOAL NEWC Index and differ from our sales prices.

\*\*3 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.4 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.1 billion annually, and total equity by approx. ¥1.7 billion annually.

(Reference) Effective April 1, 2017, the Company underwent the following changes in divisions as part of a structural reorganization. Figures for FY2016 1Q and FY2016 have been restated to reflect these changes.

Overview of Structural Reorganization Conducted Effective April 1, 2017  
 •The Lifestyle Commodities & Materials Division and the Retail Division were reorganized to form the Retail & Lifestyle Business Division and the Industrial Infrastructure & Urban Development Division.

•In conjunction with the structural reorganization, the medical and healthcare business operations previously included in the Chemicals Division were transferred to the Infrastructure & Environment Business Division.