

Financial Results for the First Half Ended September 30, 2019

Caution regarding Forward-looking Statements

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

November 1, 2019
Sojitz Corporation

FY2019 2Q Summary

- 41% progress with full-year forecasts including impacts of global economic slowdown and falling resource prices

	FY2018 2Q Results	FY2019 2Q Results	Difference	FY2019 Initial Forecast	FY2019 Revised Forecast (Nov.1, 2019)	Achieved
Profit for the period (attributable to owners of the Company)	¥37.1bn	¥29.5bn	¥(7.6)bn	¥72.0bn	¥72.0bn	41%
ROA	—	—	—	3.1%	3.1%	—
ROE	—	—	—	11.3%	11.6%	—

- ✓ Rising uncertainty regarding global economy due to impacts of trade friction between the United States and China and emerging economic slowdown in China
 - ✓ Need to continuously monitor the impacts of trade friction between the United States and China, foreign exchange rates, and commodity prices on emerging economies going forward
- No change to initial full-year profit for the year forecast of ¥72.0 billion by exhaustive reviews of costs
 - Decided interim dividend of ¥8.5 per share as planned
 - Unchanged annual dividend of ¥17 per share to be issued as planned

Measures for Accomplishing Full-year Forecast

Going forward to accomplish full-year forecast through measures centered on exhaustive reviews of costs

① Exhaustive reviews of costs

- ✓ Reassess operating costs of resource interest operating costs
- ✓ Continue monitoring status of improvements at unprofitable companies
- ✓ Review likelihood of fruition of initially planned projects and non-essential and non-urgent costs

② Revision of earnings contribution schedule

- ✓ Revise investment and loan and asset replacement schedule for period of MTP*2020 to generate earnings

③ Steady generation of profits from previously executed investments and loans

- ✓ Ongoing monitoring of progress after investment or loan execution

*MTP Medium-Term Management Plan

Summary of Profit or Loss

- Profit for the period by segment -

Revisions to full-year forecasts for Energy & Social Infrastructure, Metals & Mineral Resources, Foods & Agriculture Business Division based on the progress by the first half ended September 30 2019

(Billions of yen)	FY2019 2Q Results	FY2019 Initial Forecast	Achieved	FY2019 Revised Forecast	Achieved
Profit for the period (attributable to owners of the Company)	29.5	72.0	41%	72.0	
Automotive	1.5	5.5	27%	5.5	
Aerospace & Transportation Project	0.6	5.0	12%	5.0	
Machinery & Medical Infrastructure	1.5	4.5	33%	4.5	
Energy & Social Infrastructure	3.4	5.5	62%	8.0	43%
Metals & Mineral Resources	9.8	25.0	39%	23.5	42%
Chemicals	4.8	11.0	44%	11.0	
Foods & Agriculture Business	1.2	4.5	27%	2.0	60%
Retail & Lifestyle Business	2.8	7.5	37%	7.5	
Industrial Infrastructure & Urban Development	0.6	1.0	60%	1.0	

Earnings Contributions from Previously Executed Investments and Loans

Steady earnings contributions centered on non-resource businesses are recorded mostly as planned

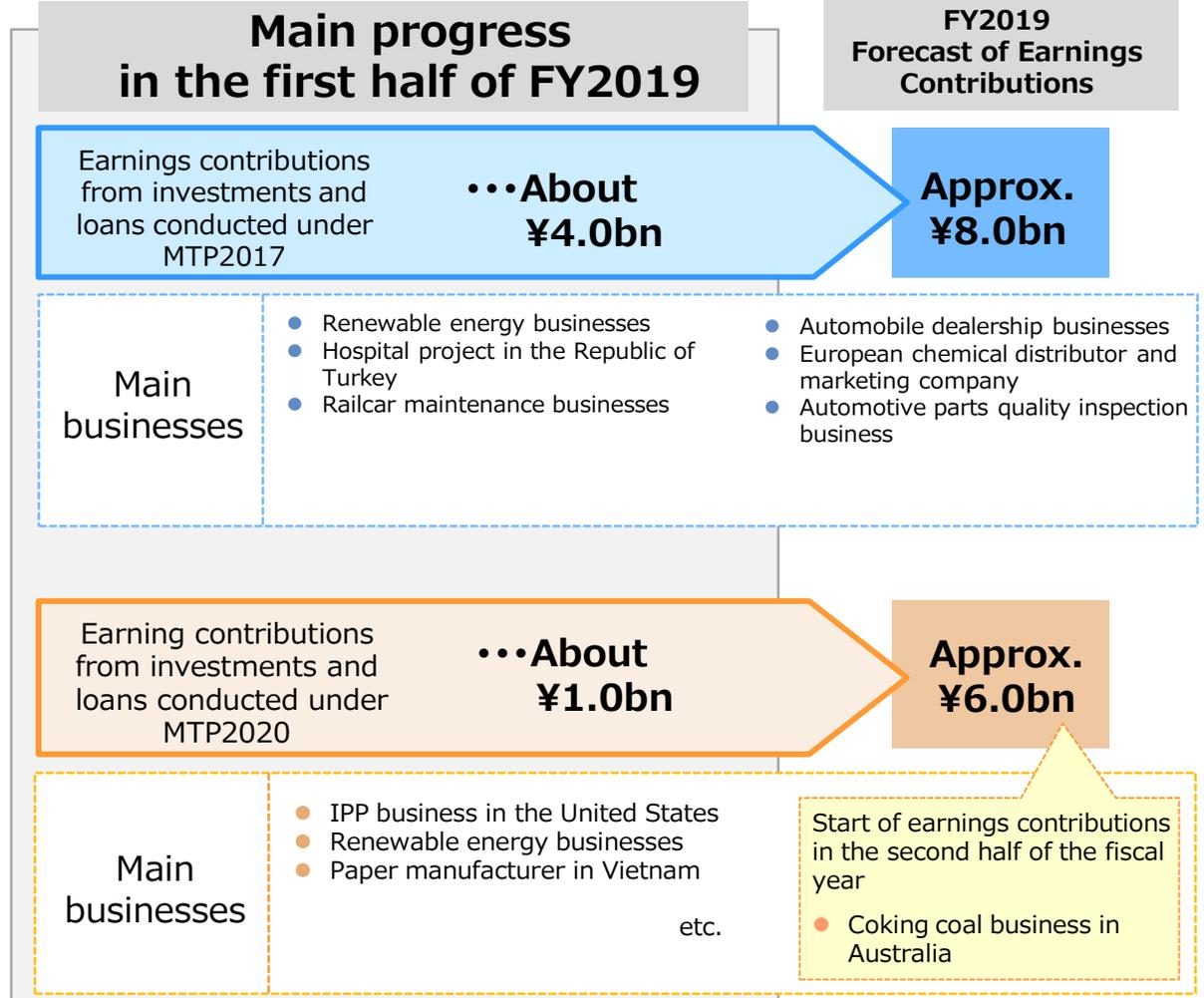
MTP 2017 (FY2020 Forecast)	
The amount of the investments and Loans over MTP2017 period	¥315.0bn
Outstanding investments and loans	About ¥160.0bn
ROI	Approx. 7.5%
Earnings contributions	More than ¥12.0bn

MTP 2020 (FY2020 Forecast)	
The amount of the investments and Loans over MTP2020 period	Approx. ¥300.0bn
Outstanding investments and loans	About ¥230.0bn
ROI	Approx. 4.3%
Earnings contributions	More than ¥10.0bn

FY2018 Earnings contributions

About ¥6.0bn

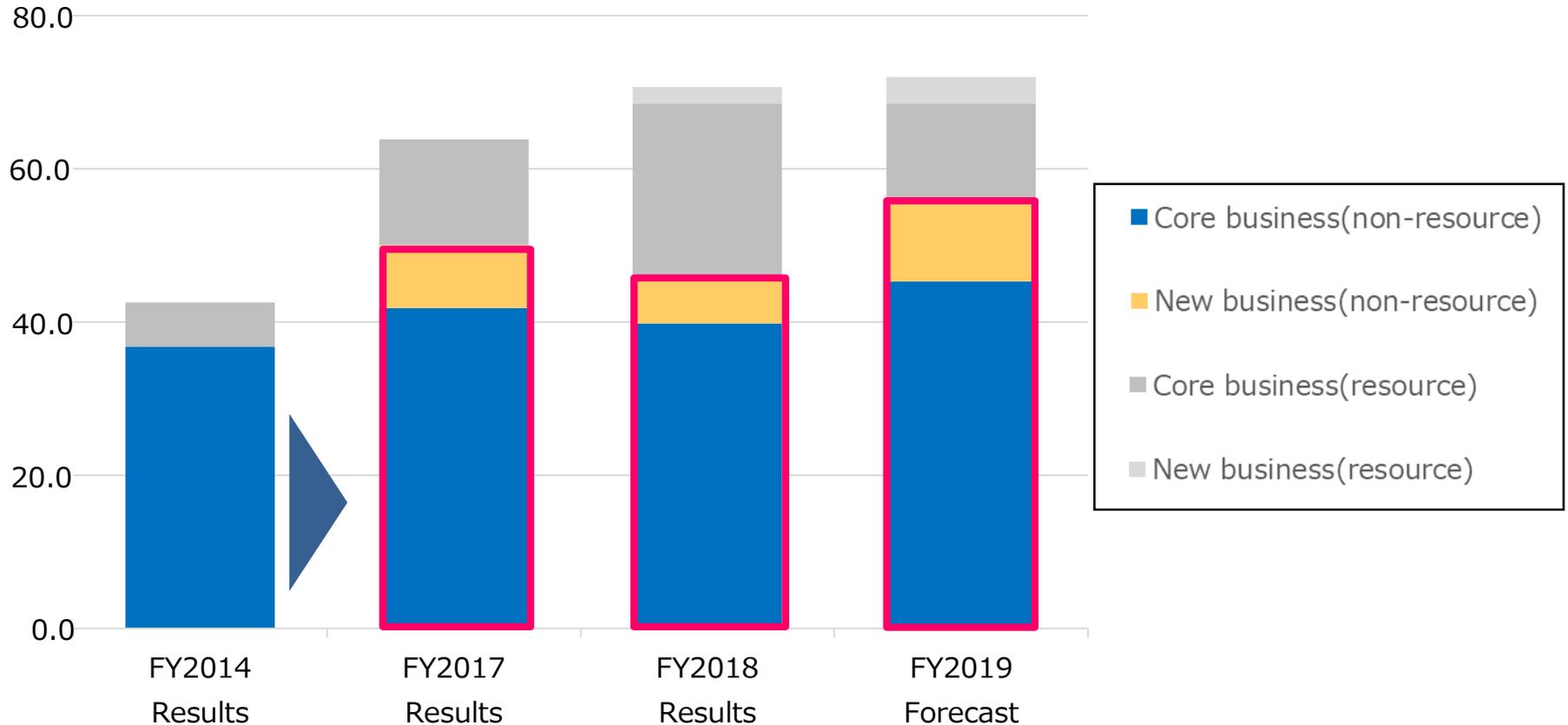
About ¥2.0bn



Changes in Profit Structure

Steady growth in earnings capacity centered on non-resource operations due to ongoing earnings contributions from existing businesses along with contributions generated by new investments and loans

(Billions of Yen)



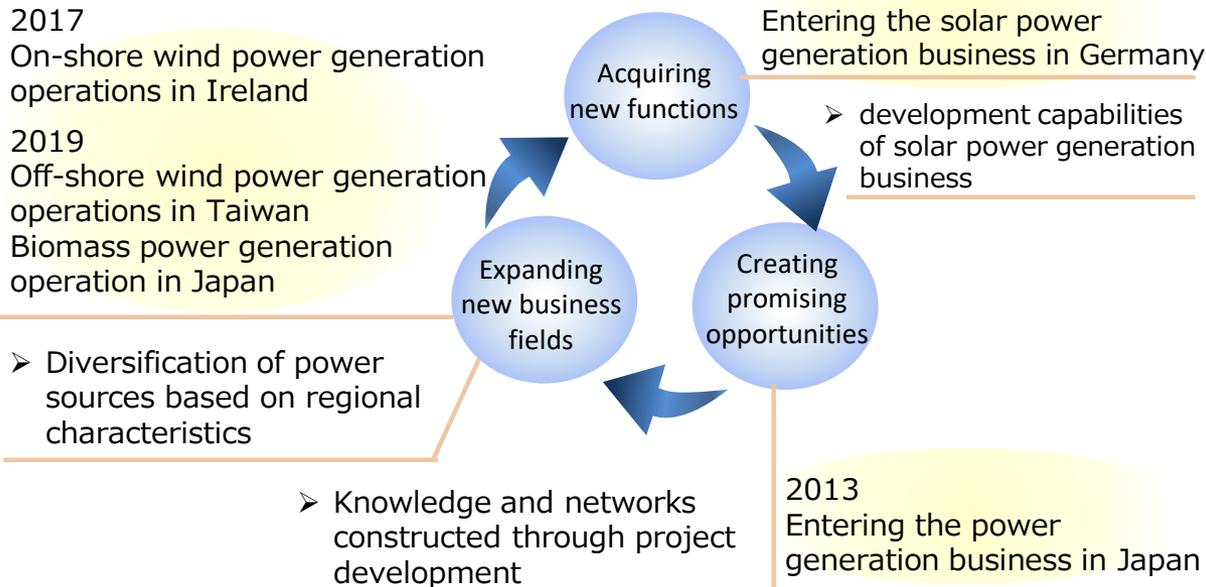
Functions and Progress in Focus Businesses (Renewable Energy Business)

Leverage comprehensive development functions encompassing everything from project identification to commercial operation to help create sophisticated social infrastructure contributing to sustainable, safe, secure, and comfortable lifestyles

◆ Competitive Advantage and History of Acquirement

Strengths

General development capabilities cultivated and networks through the development of our solar power generation business



◆ Future Outlook

Earnings foundations to be reinforced by expanding regional scope and developing new projects while addressing social issues by improving energy efficiency in ICT field.

<Specific measures>

- Accelerate initiatives pertaining to diversification of power sources (off-shore wind, biomass, geothermal, etc.)
- Develop downstream operations in deregulated power market (energy management)

Functions and Progress in Focus Businesses (Australian Coking Coal Business)

Commencement of operation of Gregory Crinum coking coal mine in Australia by utilizing mine operation and rehabilitation functions cultivated for years

◆ Competitive Advantage and History of Acquirement

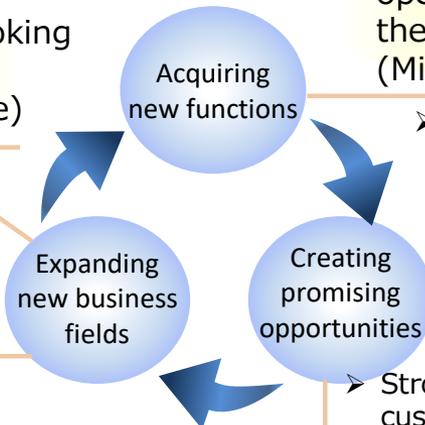
Strengths

Sole general trading company with mine operations and rehabilitation know-how

March 2019
Acquisition of Australian coking coal interests (Gregory Crinum coal mine)

➤ Contract rehabilitation of coal mines

2018
Started operating Australian thermal coal interests in the neighborhood (Meteor Downs South coal mine)



2010

Commencement of direct operation of Australian thermal coal interests (Minerva coal mine)

➤ Coal mine operations know-how

➤ Strong relationships with our customers built coal sales performance
➤ Accumulating mining related knowledge and cost management know-how



Start of Shipments in October 2019
Projected production volumes: 3 million tons/year
Reserve life: 10 or more years (open-air mining)

◆ Future Outlook

Thermal coal assets to be replaced while proposing new functions and value that exceed traditional business frameworks to build robust operating foundations not influenced by market fluctuations and to contribute to the realization of a sustainable society.

<Specific measures>

- Accelerate expansion of rehabilitation and contract operation services to surrounding mines
- Examine possible new business contributing to environmental preservation

Cash Flow Management

Positive FCF and core cash flow attributable to strong core operating cash flow and smooth asset replacement

	FY2018 Results	FY2019 2Q Results	MTP 2020 3-year total (FY2018–FY2020)
Core operating cash flow (*1)	¥79.0bn	¥45.0bn	About ¥210.0bn~
Asset Replacement (Investment recovery)	¥92.0bn	¥13.0bn	¥120.0~¥150.0bn
New investments and loans	¥(91.0)bn	¥(37.0)bn	¥(270.0)~¥(300.0)bn
Shareholder returns (*2)	¥(17.0)bn	¥(12.0)bn	About ¥(60.0)bn
Core cash flow (*3)	¥63.0bn	¥9.0bn	Positive
Free cash flow	¥54.0bn	¥40.0bn	Positive

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

*2. 3-year total calculated based on target for profit for the year of ¥75.0 or more set for final year of MTP2020.

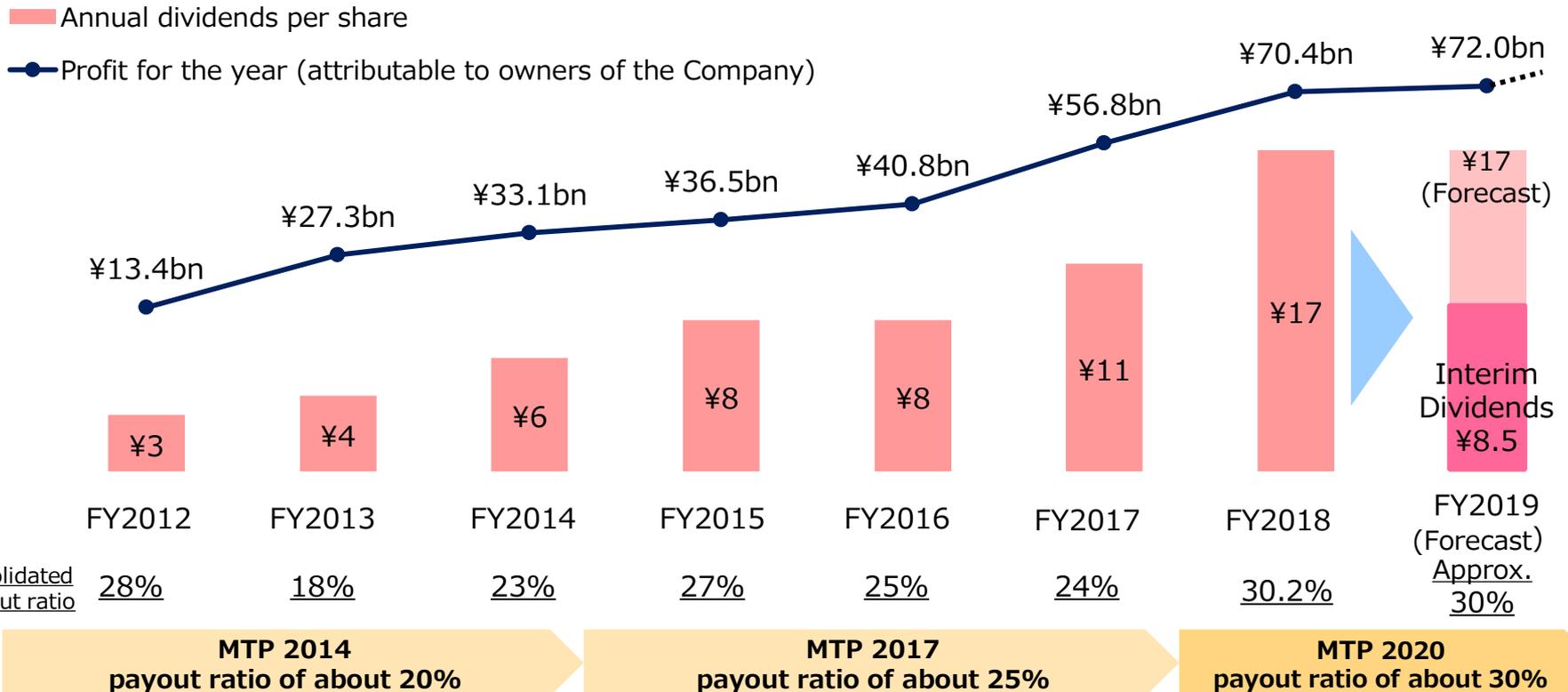
*3. Core cash flow = Core operating cash flow (excluding changes in working capital) + Investing cash flow (including asset replacement) – Dividends paid

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 MTP2020, our basis policy will be to target a consolidated payout ratio of 30%.



Credit Rating

- ✓ Achieved improvements in ratings and outlooks from major ratings institutions
- ✓ Acquired first A- rating since the Company's establishment

	MTP 2017 (End of Mar. 2018)	MTP 2020 (End of Sep. 2019)
JCR	BBB+ (Positive)	A- (Stable)
R&I	BBB (Stable)	BBB+ (Stable)
S&P	BBB- (Stable)	BBB- (Positive)

ESG Rating

New inclusion in FTSE and DJSI, global ESG indexes Selection for inclusion in ESG indexes utilized by GPIF

■ Inclusion in Major Domestic and Overseas Indexes and Evaluations by ESG Rating Institutions

MEMBER OF

**Dow Jones
Sustainability Indices**



In collaboration with

a RobecoSAM brand

In the Dow Jones Sustainability Index (DJSI) series of globally recognized socially responsible investment indexes, Sojitz was selected for inclusion in DJSI World and DJSI Asia Pacific, for second consecutive years.



**Sustainability Award
Industry mover 2019**

Selected for "Silver Class" award, and "Industry Mover" award in corporate sustainability ratings by RobecoSAM



**Sustainability Award
Silver Class 2019**



In 2018, Sojitz received an upper rating of B in "Management" with regards to climate change.

ESG indexes Utilized by GPIF



FTSE4Good

Sojitz was selected as a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index provided by FTSE Russell for second consecutive years.



FTSE Blossom
Japan



MSCI Japan Empowering
Women Index (WIN)

Sojitz was selected as a constituent of the MSCI Japan Empowering Women Index (WIN) for third consecutive years.

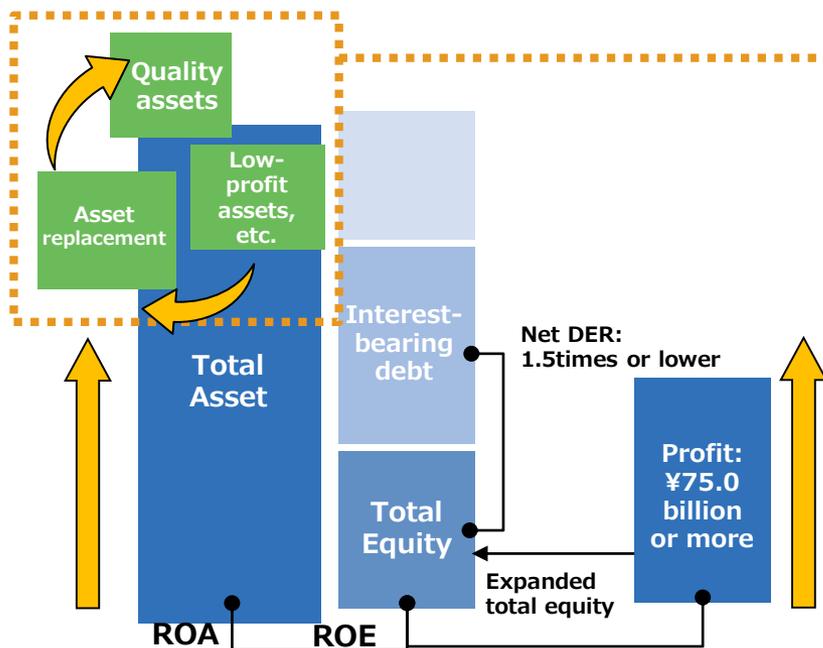
First Trading Company to be Selected for Third Consecutive Year



Sojitz was selected as a Nadeshiko Brand company for third consecutive year, in recognition for its efforts to empower women in the workplace.

【Reference】 Policies of MTP2020

Disciplined Balance Sheet and Cash Flow Management



MTP2017

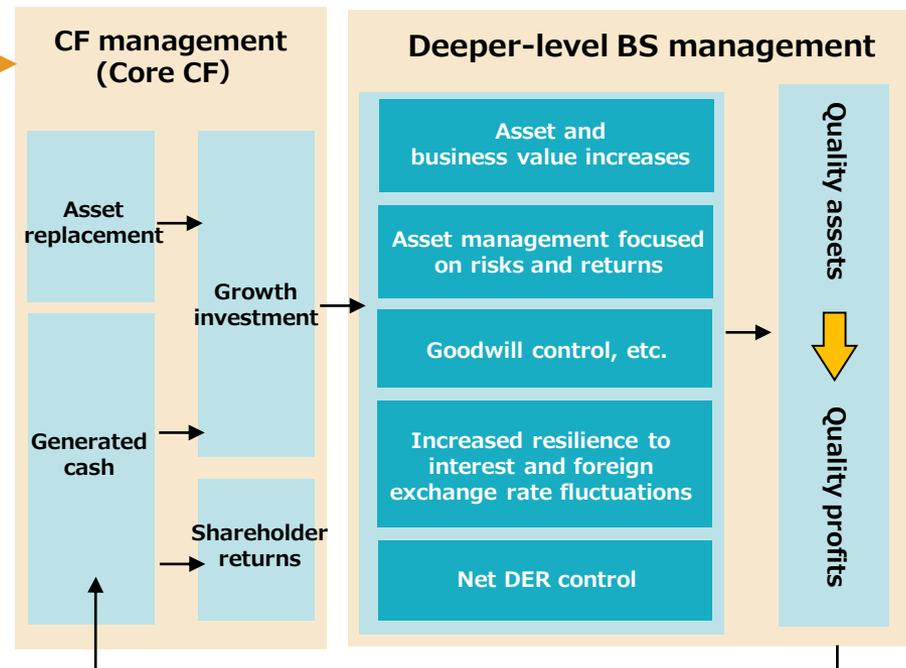
- ROA 2.5%
- ROE 10.0%

MTP2020

- ROA 3% or above
- ROE 10% or above

Basic Approach

- Improve ROA through ongoing asset replacement and accumulation of quality assets
- Expand total equity and improve ROE
- Keep net DER to below 1.5 times
- Improve ratings to enhance funding quality



BS/CF Management

- Manage growth investments and shareholder returns with cash generated via operating activities and asset replacement (Core CF > 0)
- Asset management focused on asset and business value increases, risks, and returns
- Expand total equity by controlling goodwill, etc. and increasing resilience to interest/foreign exchange rate fluctuations

➔ Create quality profits and cash flows out of quality assets via ongoing BS management and realize a growth model through effective CF management

Investment Policy in MTP 2020

Ensure the thoroughness and strength of our business model verification and risk identification at the project conceptualization stage by clarifying our investment guidelines

Basic Policy

1. Acquire, expand, and utilize functions
2. Expand, enter, and create markets
3. Broaden range of new fields to create more robust division boundaries



Disciplined investments and loans
Maintaining a positive three-year core cash flow for the entire Company

Projects Eligible for Investments and Loans

- Businesses in line with the company's concept of sustainability
- Business with potential to implement investment objective and add value
- Investments and loans based on company-wide and division strategies, businesses whose investment objective is clear
- Businesses that allow Sojitz to exit at own discretion

Multidimensional examination of business models from the conceptualization stage



【Supplemental Data】

I . Financial Results for the First Half and Full Year Forecast of Fiscal Year Ending March 31, 2020



Summary of Profit or Loss

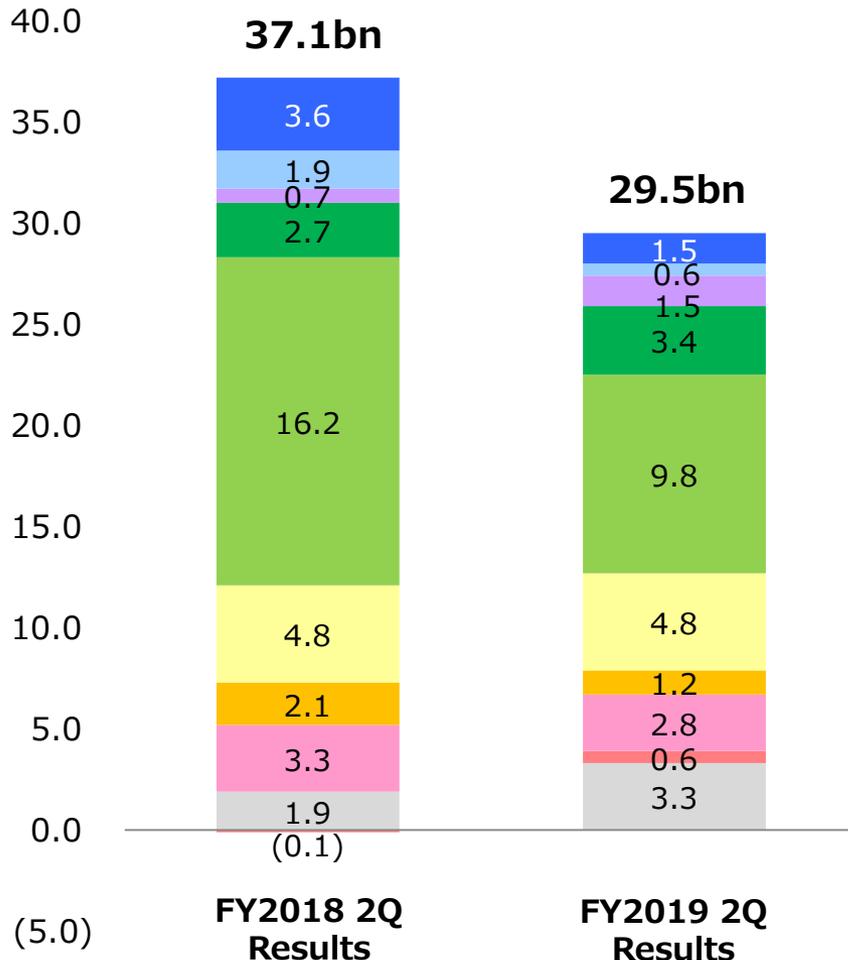
(Billions of yen)	FY2018 2Q results	FY2019 2Q Results	Difference	FY2019 Initial Forecast	FY2019 Forecast (Nov.1,2019)	Achieved
Revenue	941.8	893.8	(48.0)	—	—	—
Gross profit	120.9	109.7	(11.2)	260.0	250.0	44%
Share of profit (loss) of investments accounted for using the equity method	11.9	13.2	+1.3	28.0	28.0	47%
Profit before tax	51.5	35.3	(16.2)	97.0	94.0	38%
Profit for the Year attributable to Owners of the Company	37.1	29.5	(7.6)	72.0	72.0	41%
Core earnings	45.9	35.5	(10.4)	97.0	94.0	38%

Summary of Profit or Loss

Profit for the Year by segment

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

(Billions of Yen)



Main Factors Behind Difference

- **Automotive ¥ 1.5 billion (down ¥ (2.1) billion YoY)**
 Decreased due to the sale of automobile-related company in the previous equivalent period
- **Aerospace & Transportation Project ¥ 0.6 billion (down ¥ (1.3) billion YoY)**
 Decreased in reaction to aircraft sales recorded in the previous equivalent period
- **Machinery & Medical Infrastructure ¥ 1.5 billion (up ¥0.8 billion YoY)**
 Increased due to higher returns from medical infrastructure business and industrial machinery transactions
- **Energy & Social Infrastructure ¥ 3.4 billion (up ¥ 0.7 billion YoY)**
 Increased due to commencement of operations at domestic and overseas power generation projects and sales of oil interests
- **Metals & Mineral Resources ¥ 9.8 billion (down ¥ (6.4) billion YoY)**
 Decreased due to fall in sales prices in overseas coal business
- **Chemicals ¥ 4.8 billion (relatively unchanged YoY)**
 Despite impacted as a result of declines in the price of methanol, unchanged year on year due to benefits of reduced SG&A expenses
- **Foods & Agriculture Business ¥ 1.2 billion (down ¥ (0.9) billion YoY)**
 Decreased due to impairment loss on domestic marine products business and lower sales volumes stemming from unseasonable weather as well as sales price controls in overseas fertilizer businesses
- **Retail & Lifestyle Business ¥ 2.8 billion (down ¥ (0.5) billion YoY)**
 Decreased due to the drop in transaction price of imported plywood that began at the beginning of the year and lower profit margins for meat transactions
- **Industrial Infrastructure & Urban Development ¥ 0.6 billion (up ¥0.7 billion YoY)**
 Increased due to higher number of overseas industrial parks delivered
- **Other ¥ 3.3 billion (up ¥ 1.4 billion YoY)**

FY2019 Forecast

Profit for the Year by Segment

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

(Billions of Yen)	FY2019 2Q Results	FY2019 Forecast	FY2019 Revised Forecast
Automotive	1.5	5.5	5.5
Aerospace & Transportation Project	0.6	5.0	5.0
Machinery & Medical Infrastructure	1.5	4.5	4.5
Energy & Social Infrastructure	3.4	5.5	8.0
Metals & Mineral Resources	9.8	25.0	23.5
Chemicals	4.8	11.0	11.0
Foods & Agriculture Business	1.2	4.5	2.0
Retail & Lifestyle Business	2.8	7.5	7.5
Industrial Infrastructure & Urban Development	0.6	1.0	1.0
Other	3.3	2.5	4.0
Total	29.5	72.0	72.0

Progress Overview

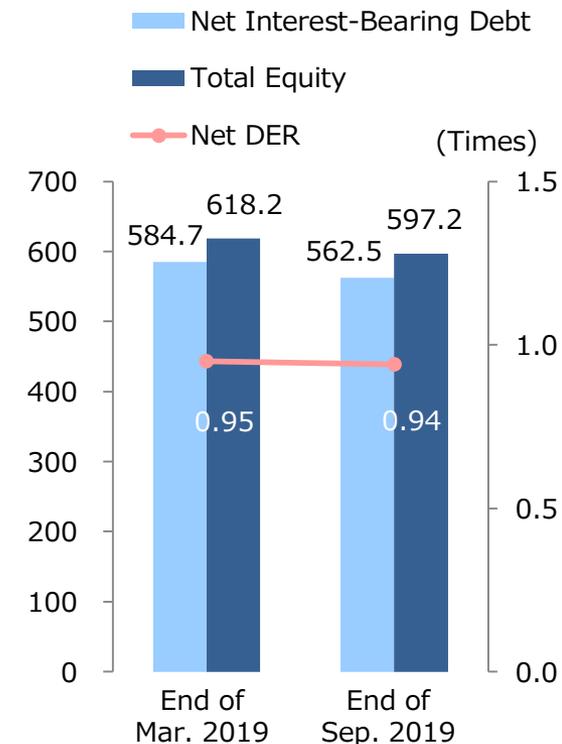
- Automotive ¥ 1.5 billion**
 Revision of costs and various sales efforts by overseas automobile related companies
- Aerospace & Transportation Project ¥ 0.6 billion**
 Earnings contributions anticipated from aerospace-related business and railway projects
- Machinery & Medical Infrastructure ¥ 1.5 billion**
 Earnings accumulation anticipated in industrial machinery and medical infrastructure-related business
- Energy & Social Infrastructure ¥ 3.4 billion**
 Continuous earnings accumulation anticipated from domestic and overseas power generation businesses and from subsidiaries/associates in the second half of the fiscal year
- Metals & Mineral Resources ¥ 9.8 billion**
 Downward revision to forecasts in reflection of recent coal and other resource prices, need for ongoing monitoring of resource prices and steel demand
- Chemicals ¥ 4.8 billion**
 Performance generally as forecast
- Foods & Agriculture Business ¥ 1.2 billion**
 Downward revision to forecasts in reflection of impairment loss in first half and sluggish demand in overseas fertilizer businesses
- Retail & Lifestyle Business ¥ 2.8 billion**
 Performance generally as forecast
- Industrial Infrastructure & Urban Development ¥ 0.6 billion**
 Performance generally as forecast

Summary of Balance Sheets

(Billions of Yen)	End of Mar. 2019	End of Sep. 2019	Difference	End of Mar. 2020 (Forecast)	End of Mar. 2020 (Revised Forecast Nov.1, 2019)
Total Assets	2,297.1	2,321.2	+24.1	2,400.0	2,350.0
Total equity*1	618.2	597.2	(21.0)	660.0	620.0
Equity Ratio	26.9%	25.7%	(1.2)%	27.5%	26.4%
Net interest-bearing debt	584.7	562.5	(22.2)	640.0	640.0
Net DER (Times)	0.95	0.94	(0.01)	1.0	1.0
Risk Assets vs. Total equity	360.0 (0.6times)	360.0 (0.6times)	±0 (±0times)	—	—
Current Ratio	157.1%	154.6%	(2.5)%	—	—
Long-term debt ratio	82.9%	82.0%	(0.9)%	—	—

Changes in Total Equity (End of Mar. 2019 vs. End of Sep. 2019, Breakdown)

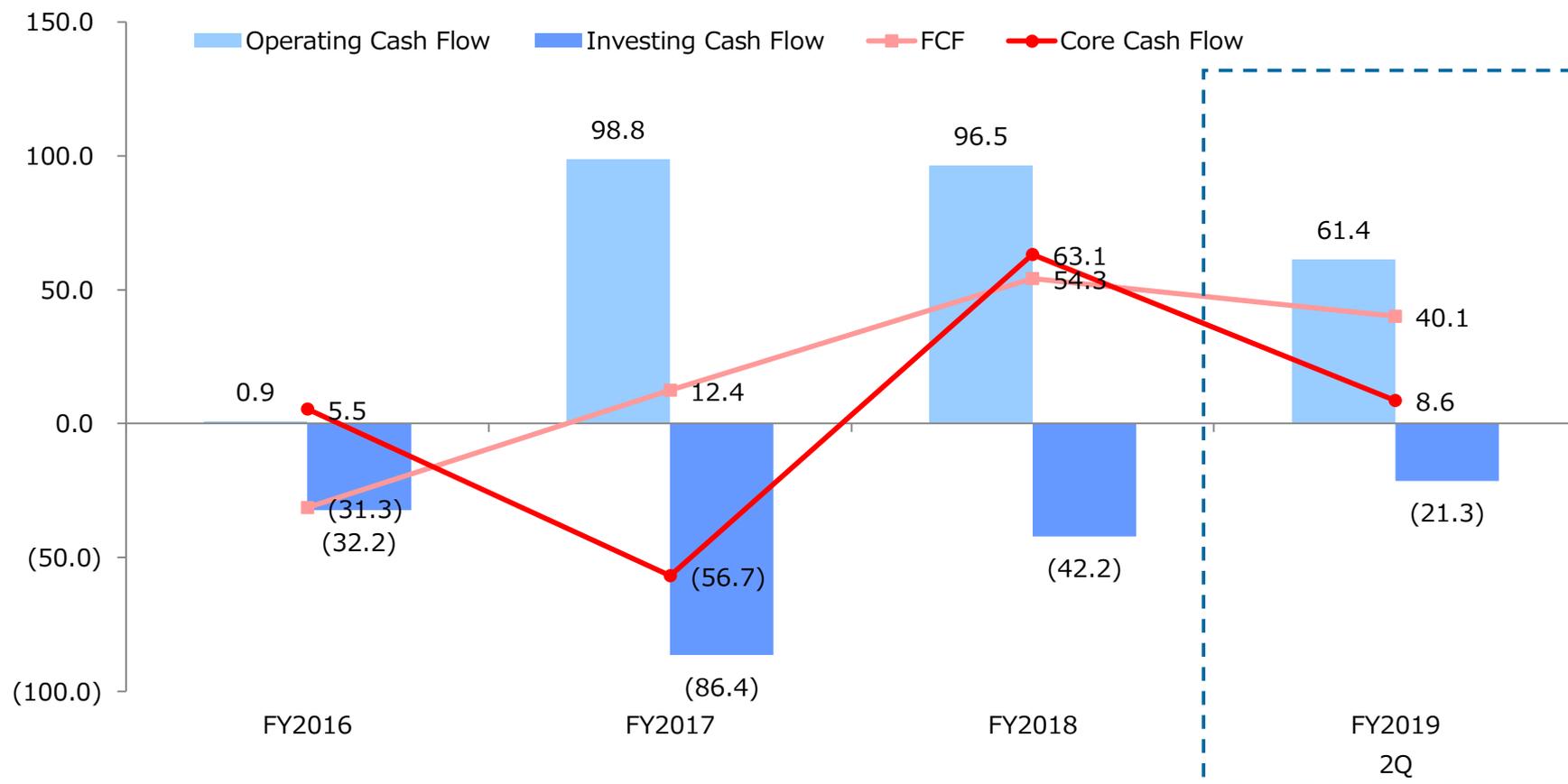
- Profit for the period attributable to owners of the Company ¥ +29.5 billion
- Dividends paid ¥ (11.9) billion



(*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".

Summary of Free Cash Flows

(Billions of Yen)



※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 and Asset Replacement for the First Half Ended September 30, 2019

FY2019 2Q Results	Main Businesses
Investments and Loans	<ul style="list-style-type: none"> ■ Offshore wind power generation operations in Taiwan ■ IPP business in the United States ■ Auto self-financing operations in Mexico ■ Investment in and operation of shopping centers in Japan ■ CAPEX <p style="text-align: right;">etc.</p>
Investments and Loans Results	Approx. ¥37.0bn
Asset Replacement	<ul style="list-style-type: none"> ■ Recovery of investment in IPP business in the United States ■ Sales of aircraft ■ Sales of marine vessels <p style="text-align: right;">etc.</p>
Asset Replacement Results	Approx. ¥13.0bn

Major One-time Gain/Loss for the First Half Ended September 30, 2019

	FY2018 2Q Results		FY2019 2Q Results	
Non-Resource	¥ 3.6 billion	<ul style="list-style-type: none"> • Sale of automobile-related companies • Sale of aircraft etc.	¥ (0.9) billion	<ul style="list-style-type: none"> • Impairment loss on domestic marine products business • Gain on sales of overseas power generation project etc.
Resource	¥ 0.9 billion	<ul style="list-style-type: none"> • Sale of oil and gas interests etc.	¥ 1.2 billion	<ul style="list-style-type: none"> • Exit of oil and gas interests etc.
Total (After income tax expenses)	¥ 4.5 billion		¥ 0.3 billion	

Growth of Resource and Non-Resource Profit

	FY2018 2Q Results	FY2019 2Q Results	Difference	FY2016 Results	FY2017 Results	FY2018 Results
(Billions of yen)						
① Profit for the year (attributable to Owners of the Company)	37.1	29.5	(7.6)	40.8	56.8	70.4
(② Total one-time income movements)	4.5	0.3	(4.2)	(6.0)	(7.0)	1.9
① - ② Profit for the year [(attributable to owners of the Company)] (Excluding one-time income movements)	32.6	29.2	(3.4)	46.8	63.8	68.5
Resource	12.4	5.5	(6.9)	0.3	13.8	25.3
Non-Resource	20.2	23.7	+3.5	46.5	50.0	43.2

Commodity Prices, Foreign Exchange, and Interest Rate

	FY2018 Results (Apr.-Sep. Avg.)	FY2019 Initial Assumptions (Annual Avg.)	FY2019 Results (Apr.-Sep. Avg.)	Latest Data (As of October 28, 2019)
Crude oil (Brent)	US\$75.4/bbl	US\$60.0/bbl	US\$65.2/bbl	US\$61.6/bbl
Thermal Coal *1	US\$111.5/t	US\$80.0/t	US\$73.9/t	US\$70.1/t
Coking Coal *1	US\$190.4/t	US\$180.0/t (1H) US\$170.0/t (2H)	US\$180.8/t	US\$149.0/t
Exchange Rate *2	¥110.7/US\$	¥110.0/US\$	¥108.7/US\$	¥108.8/US\$
Interest rate (TIBOR)	0.07%	0.10%	0.07%	0.07%

*1 Coal prices are based on standard market prices (globalCOAL NEWC Index for thermal coal and S&P Global Platts Coal Trader International for coking coal) and therefore differ from the Company's selling prices.

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

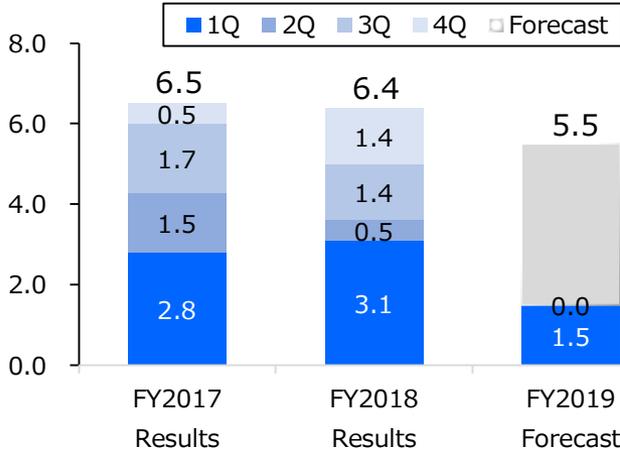
【Supplemental Data】

Ⅱ . Segment Information

Automotive

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

(Billions of Yen)



【Progress Overview】

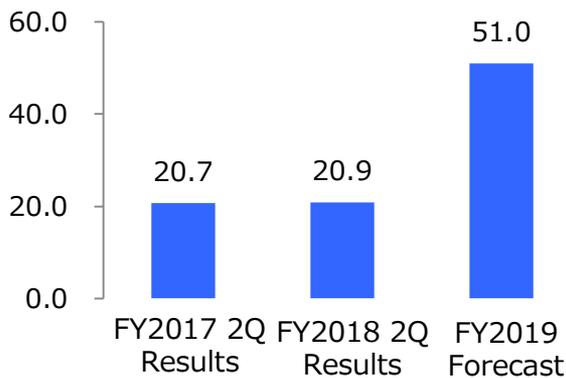
Revision of costs and various sales efforts by overseas automobile related companies



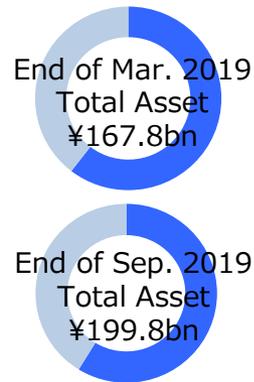
(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	20.7	20.9		51.0
Selling, general and administrative expenses	(15.7)	(16.2)		-
Share of profit (loss) of investments accounted for using the equity method	0.4	0.0		-
Profit for the period (attributable to owners of the Company)	3.6	1.5		5.5

Gross profit

(Billions of Yen)



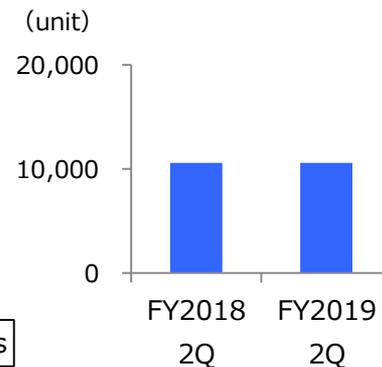
Asset Structure



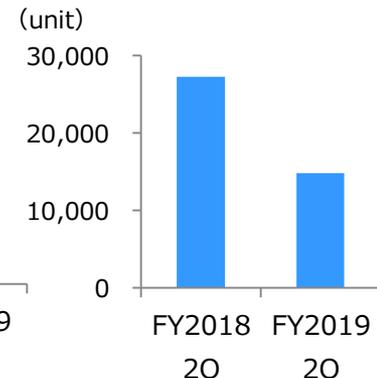
■ Current Assets ■ Non-Current Assets

Vehicle Sales

Dealership Business

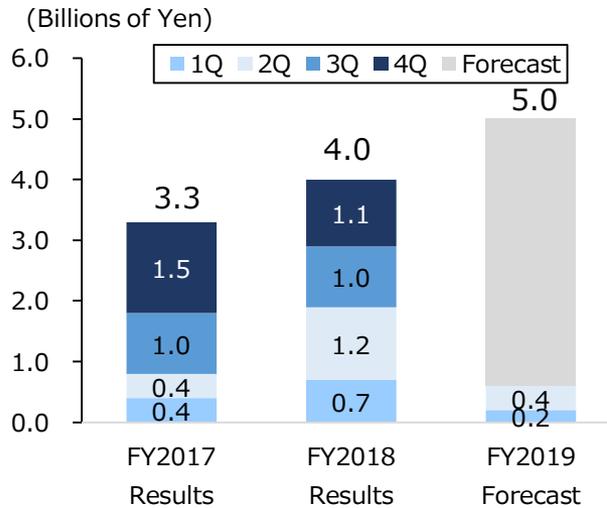


Distributor Business



Aerospace & Transportation Project

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



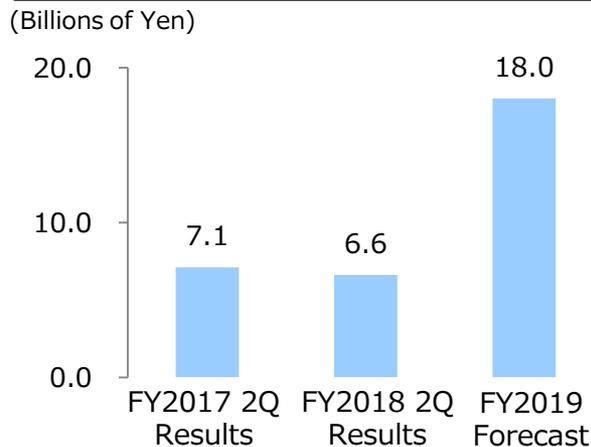
【Progress Overview】

Earnings contributions anticipated from aerospace-related business and railway projects

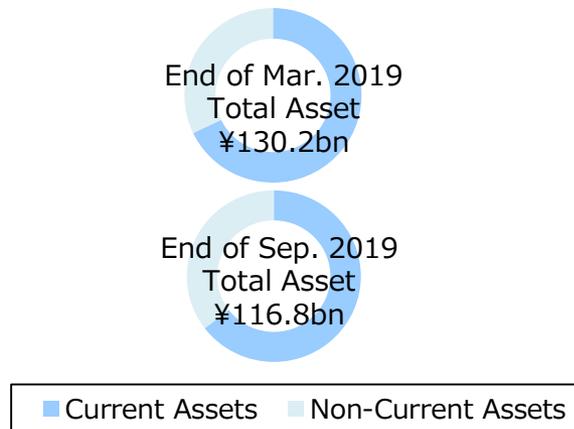


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	7.1	6.6		18.0
Selling, general and administrative expenses	(5.0)	(5.2)		-
Share of profit (loss) of investments accounted for using the equity method	0.5	0.5		-
Profit for the period (attributable to owners of the Company)	1.9	0.6		5.0

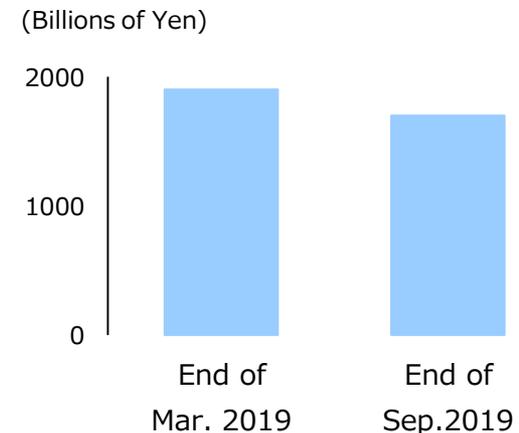
Gross profit



Asset Structure



Order Backlog for Railways in India

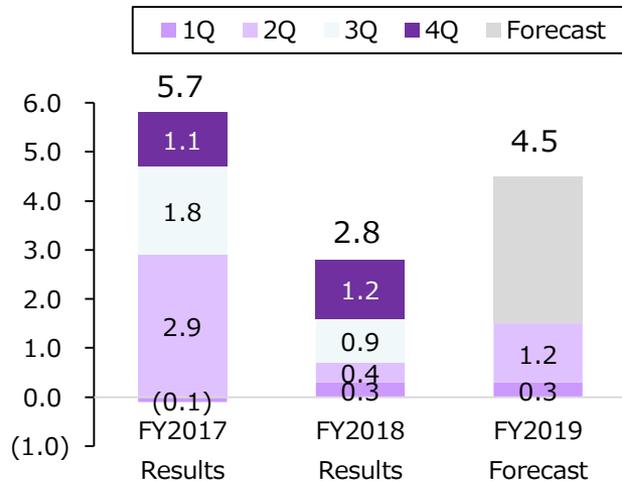


Machinery & Medical Infrastructure

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



(Billions of Yen)



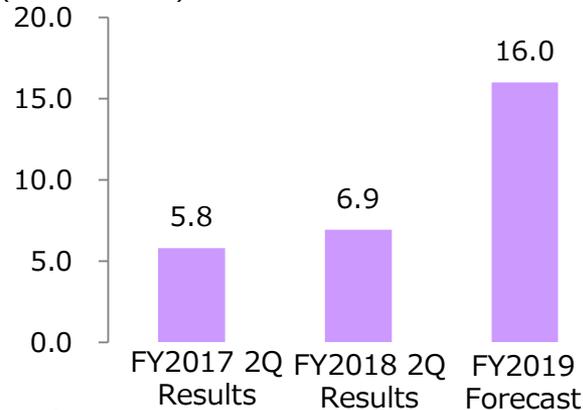
【Progress Overview】

Earnings accumulation anticipated in industrial machinery and medical infrastructure-related business

(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	5.8	6.9		16.0
Selling, general and administrative expenses	(5.8)	(6.0)		-
Share of profit (loss) of investments accounted for using the equity method	0.3	0.5		-
Profit for the period (attributable to owners of the Company)	0.7	1.5		4.5

Gross profit

(Billions of Yen)



Asset Structure

End of Mar. 2019
Total Asset
¥121.5bn

End of Sep. 2019
Total Asset
¥130.0bn

■ Current Assets ■ Non-Current Assets

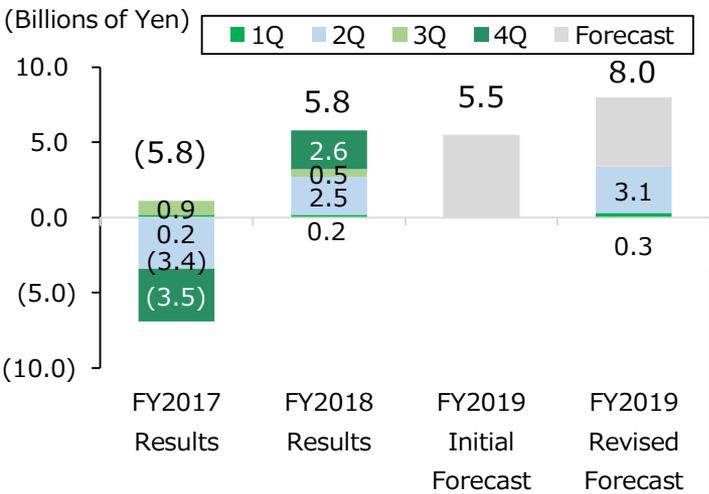


► Smoothly progressing construction project at site of hospital in Turkey

(Completion of construction and start of operations now scheduled for the end of June 2020, three months ahead of prior schedule)

Energy & Social Infrastructure

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



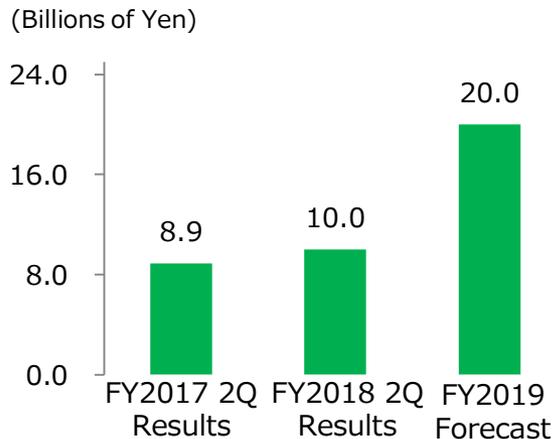
【Progress Overview】

Continuous earnings accumulation anticipated from domestic and overseas power generation businesses and from subsidiaries/associates in the second half of the fiscal year

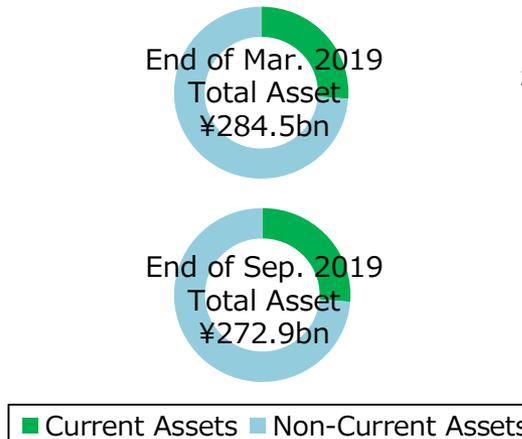


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Initial Forecast	FY2019 Revised Forecast
Gross profit	8.9	10.0		20.0	20.0
Selling, general and administrative expenses	(9.6)	(9.4)		-	-
Share of profit (loss) of investments accounted for using the equity method	1.1	3.1	Earning from domestic and overseas solar power generation businesses	-	-
Profit for the period (attributable to owners of the Company)	2.7	3.4		5.5	8.0

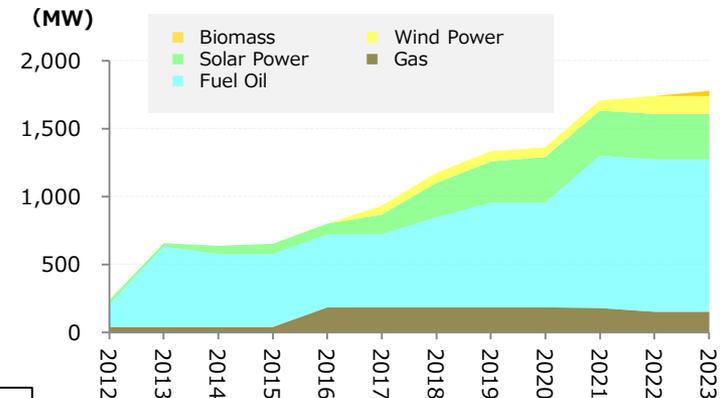
Gross profit



Asset Structure



Change in Net Power-Generation Capacity



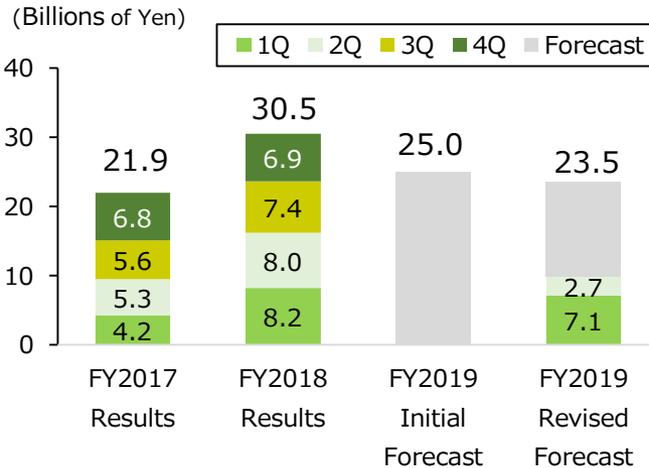
Metals & Mineral Resources

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



【Progress Overview】

Downward revision to forecasts in reflection of recent coal and other resource prices, need for ongoing monitoring of resource prices and steel demand

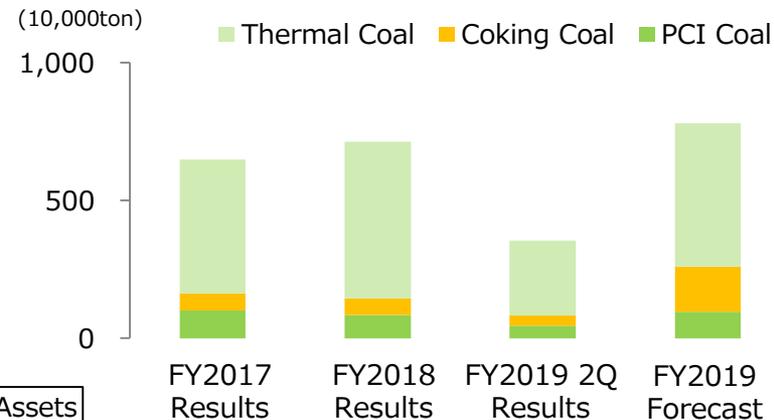
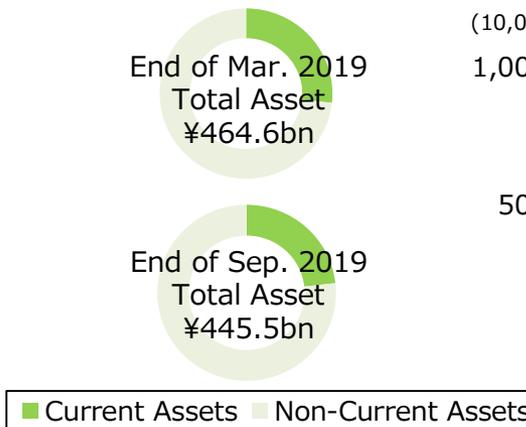
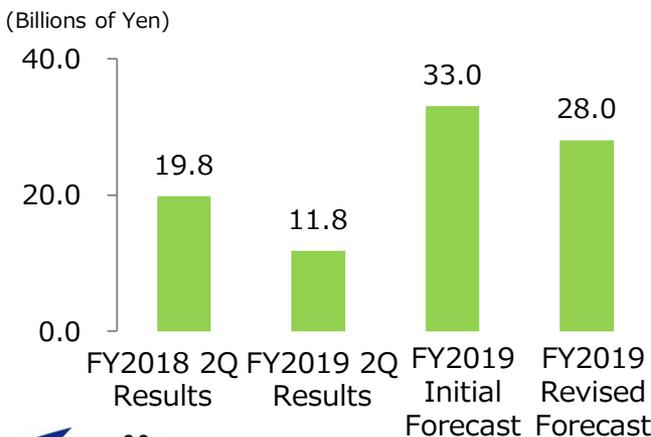


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Initial Forecast	FY2019 Revised Forecast
Gross profit	19.8	11.8		33.0	28.0
Selling, general and administrative expenses	(6.3)	(6.5)		-	-
Share of profit (loss) of investments accounted for using the equity method	9.2	7.3		-	-
Profit for the period (attributable to owners of the Company)	16.2	9.8		25.0	23.5

Gross profit

Asset Structure

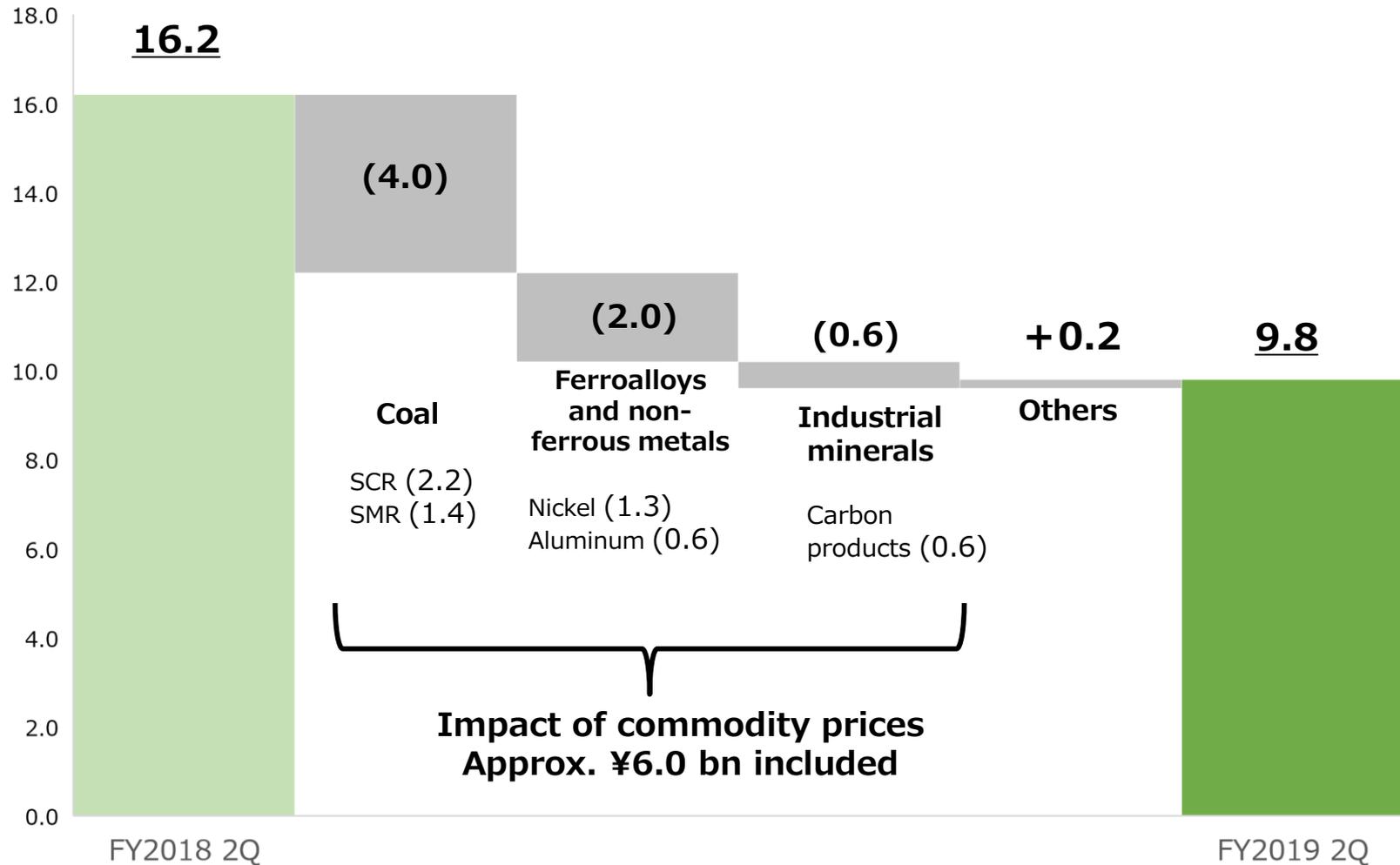
Change in Coal Sales Volume



Metals & Mineral Resources

Year on Year Main Factors Behind Difference

(Billions of Yen)



Chemicals

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

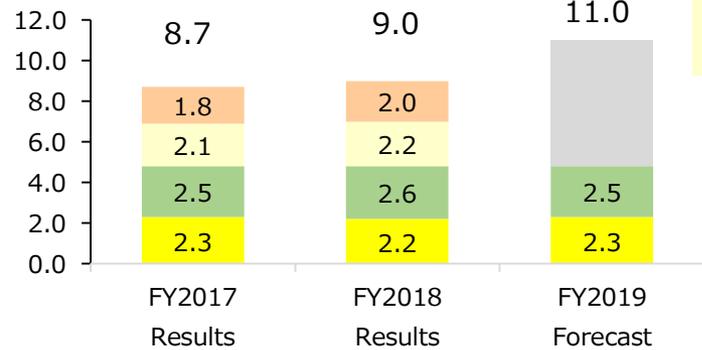


【Progress Overview】

Performance generally as forecast

(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	23.6	22.4		48.0
Selling, general and administrative expenses	(15.7)	(14.8)		-
Share of profit (loss) of investments accounted for using the equity method	0.5	0.3		-
Profit for the period (attributable to owners of the Company)	4.8	4.8		11.0

(Billions of Yen)

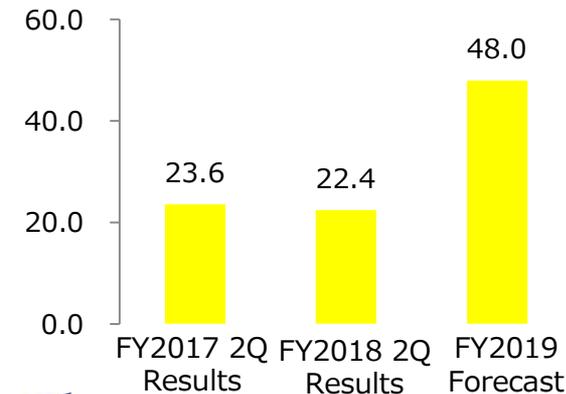


Gross profit

Asset Structure

Sales Volume for Methanol

(Billions of Yen)

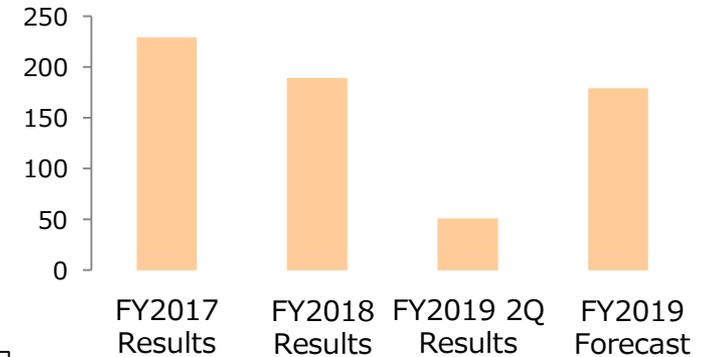


End of Mar. 2019
Total Asset
¥298.6bn

End of Sep. 2019
Total Asset
¥277.40bn

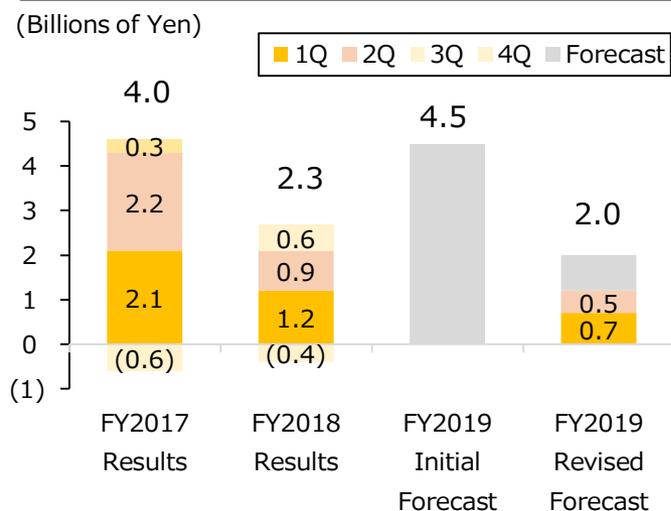
■ Current Assets ■ Non-Current Assets

(10,000 ton)



Foods & Agriculture Business

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



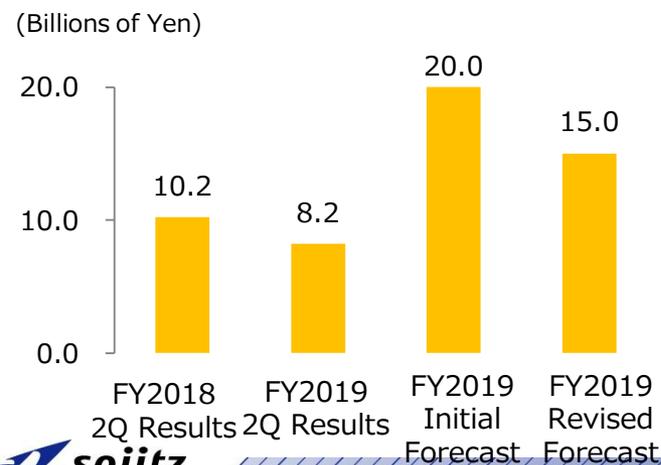
【Progress Overview】

Downward revision to forecasts in reflection of impairment loss in first half and sluggish demand in overseas fertilizer businesses

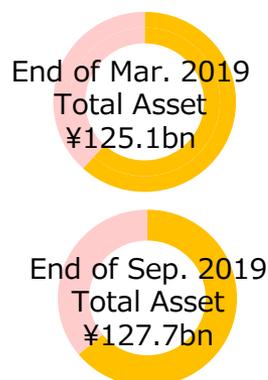


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Initial Forecast	FY2019 Revised Forecast
Gross profit	10.2	8.2		20.0	15.0
Selling, general and administrative expenses	(6.2)	(5.9)		-	-
Share of profit (loss) of investments accounted for using the equity method	(0.1)	0.3		-	-
Profit for the period (attributable to owners of the Company)	2.1	1.2		4.5	2.0

Gross profit



Asset Structure



■ Current Assets ■ Non-Current Assets

Retail & Lifestyle Business

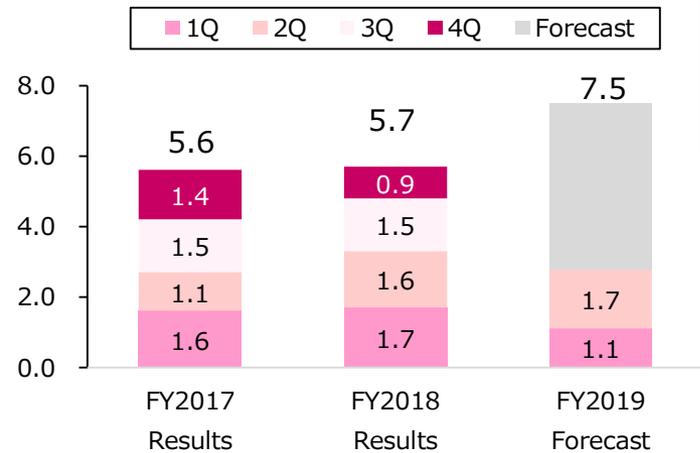
Profit for the period (attributable to owners of the Company)



【Progress Overview】

Performance generally as forecast

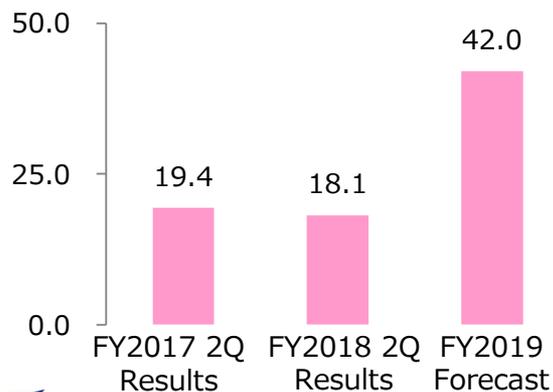
(Billions of Yen)



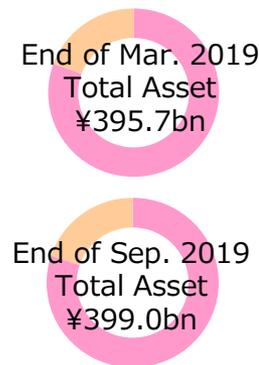
(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	19.4	18.1		42.0
Selling, general and administrative expenses	(12.9)	(13.5)		-
Share of profit (loss) of investments accounted for using the equity method	(0.2)	0.2		-
Profit for the period (attributable to owners of the Company)	3.3	2.8		7.5

Gross profit

(Billions of Yen)



Asset Structure



■ Current Assets ■ Non-current assets

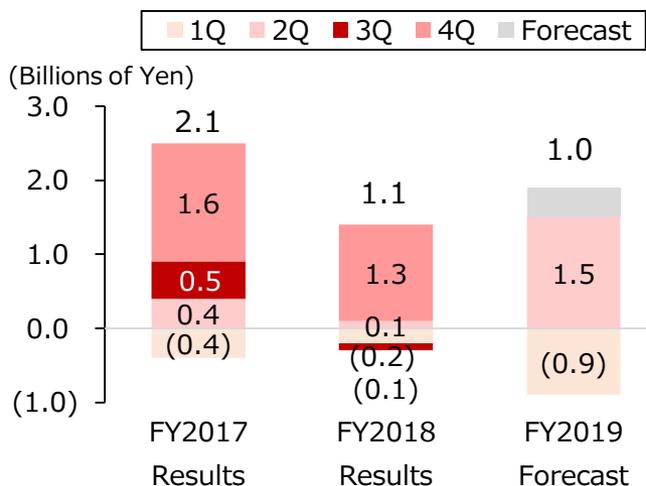
Industrial Infrastructure & Urban Development

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



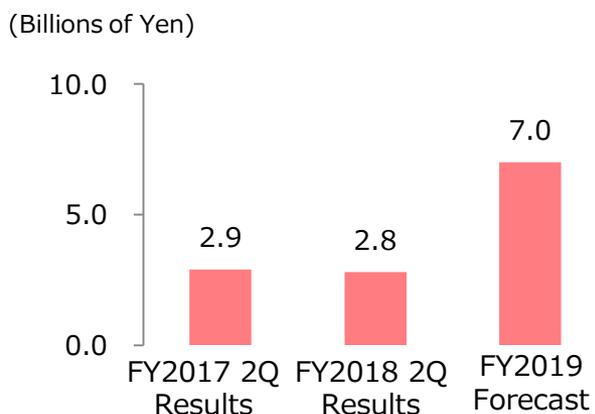
【Progress Overview】

Performance generally as forecast

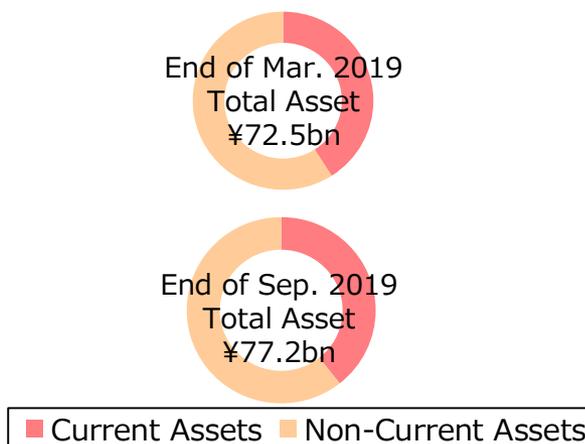


(Billions of Yen)	FY 2018 2Q Results	FY2019 2Q Results	Reasons for the Difference	FY2019 Forecast
Gross profit	2.9	2.8		7.0
Selling, general and administrative expenses	(2.8)	(2.8)		-
Share of profit (loss) of investments accounted for using the equity method	0.2	1.0		-
Profit for the period (attributable to owners of the Company)	(0.1)	0.6		1.0

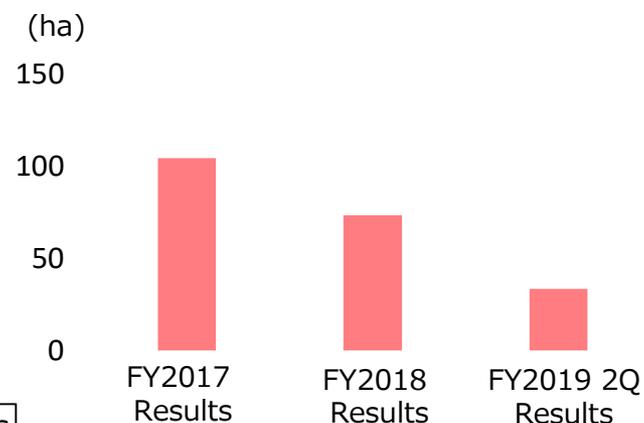
Gross profit



Asset Structure



Area of Turned Over Industrial Parks



Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2018 2Q	FY2019 2Q	Difference
■ Automotive	Sojitz Autrans Corporation	Subsidiary	0.1	0.5	0.4
■ Automotive	Sojitz Automotive Group	Subsidiary	0.5	0.6	0.1
■ Automotive	Sojitz de Puerto Rico Corporation	Subsidiary	0.8	0.6	(0.2)
■ Automotive	Subaru Motor LLC	Subsidiary	0.1	(0.2)	(0.3)
■ Automotive	Sojitz Quality, Inc	Subsidiary	0.2	0.1	(0.1)
■ Aerospace & Transportation Project	Sojitz Aerospace Corporation	Subsidiary	0.1	0.6	0.5
■ Aerospace & Transportation Project	Sojitz Marine & Engineering Corporation	Subsidiary	0.3	0.3	0.0
■ Machinery & Medical Infrastructure	Sojitz Machinery Corporation	Subsidiary	0.2	0.5	0.3
■ Machinery & Medical Infrastructure	Sojitz Hospital PPP Investment B.V.	Subsidiary	0.8	1.2	0.4
■ Machinery & Medical Infrastructure	First Technology China Ltd.	Subsidiary	0.4	0.4	0.0
■ Energy & Social Infrastructure	Nissho Electronics Corporation	Subsidiary	0.2	0.3	0.1
■ Energy & Social Infrastructure	Tokyo Yuso Corporation	Subsidiary	0.2	0.2	0.0
■ Energy & Social Infrastructure	LNG Japan Corporation	Associate	0.3	1.2	0.9
■ Metals & Mineral Resources	Sojitz Coal Resources Pty. Ltd.	Subsidiary	4.5	2.3	(2.2)
■ Metals & Mineral Resources	Sojitz Moolarben Resources Pty. Ltd.	Subsidiary	2.4	1.0	(1.4)
■ Metals & Mineral Resources	Sojitz Resources (Australia) Pty. Ltd.	Subsidiary	0.8	0.0	(0.8)
■ Metals & Mineral Resources	Japan Alumina Associates (Australia) Pty. Ltd.	Associate	0.2	0.4	0.2
■ Metals & Mineral Resources	Metal One Corporation	Associate	4.9	5.1	0.2

*1 Associate = Equity in earnings

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

Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2018 2Q	FY2019 2Q	Difference
■ Chemicals	Sojitz Pla-Net Corporation	Subsidiary	0.7	0.4	(0.3)
■ Chemicals	PT. Kaltim Methanol Industri	Subsidiary	2.7	2.2	(0.5)
■ Chemicals	solvadis deutschland gmbh	Subsidiary	0.4	0.2	(0.2)
■ Foods & Agriculture Business	Atlas Fertilizer Corporation	Subsidiary	0.3	0.4	0.1
■ Foods & Agriculture Business	Japan Vietnam Fertilizer Company	Subsidiary	0.2	0.1	(0.1)
■ Retail & Lifestyle Business	Sojitz Building Materials Corporation	Subsidiary	0.2	0.0	(0.2)
■ Retail & Lifestyle Business	Sojitz Foods Corporation	Subsidiary	1.4	1.2	(0.2)
■ Retail & Lifestyle Business	Sojitz Fashion Co., Ltd.	Subsidiary	0.4	0.3	(0.1)
■ Industrial Infrastructure & Urban	Sojitz New Urban Development Corporation	Subsidiary	(0.3)	0.2	0.5

*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】

Ⅲ. Summary of Financial Results

Summary of Profit or Loss (Results)

(Billions of Yen)	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 2Q
Net sales (JGAAP)	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	1,856.2	893.8
Gross profit	235.6	178.2	192.7	217.1	187.2	198.2	197.7	180.7	200.7	232.4	241.0	109.7
Operating profit	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	2.5	9.2	19.3	16.3	15.8	31.0	28.6	23.2	12.7	25.1	27.8	13.2
Profit before tax	37.1	18.9	39.3	58.5	28.1	44.0	52.6	44.3	58.0	80.3	94.9	35.3
Profit for the year attributable to owners of the Company	19.0	8.8	16.0	(1.0)	13.4	27.3	33.1	36.5	40.8	56.8	70.4	29.5
Core earnings	48.3	14.4	41.9	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	35.5
ROA	0.8%	0.4%	0.7%	(0.0)%	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	3.0%	–
ROE	4.8%	2.6%	4.7%	(0.3)%	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	11.7%	–

(*) 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. 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 Mar. 2019	End of Sep. 2019
Total assets	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	2,297.1	2,321.2
Total equity	319.0	352.4	330.0	330.0	382.6	459.9	550.9	520.3	550.5	586.4	618.2	597.2
Equity ratio	13.8%	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	26.9%	25.7%
Net interest-bearing debt	865.3	737.8	700.6	676.4	643.3	640.2	629.6	571.6	611.1	603.5	584.7	562.5
Net DER (times)	2.7	2.1	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.0	1.0	0.9
Risk assets (vs. Total equity, times)	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	360.0 0.6
Current ratio	141.7%	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	157.1%	154.6%
Long-term debt ratio	66.7%	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	82.9%	82.0%

(*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for End of Mar. 2009 through 2011. Under JGAAP, Total equity is calculated as Total net assets – Minority interests.

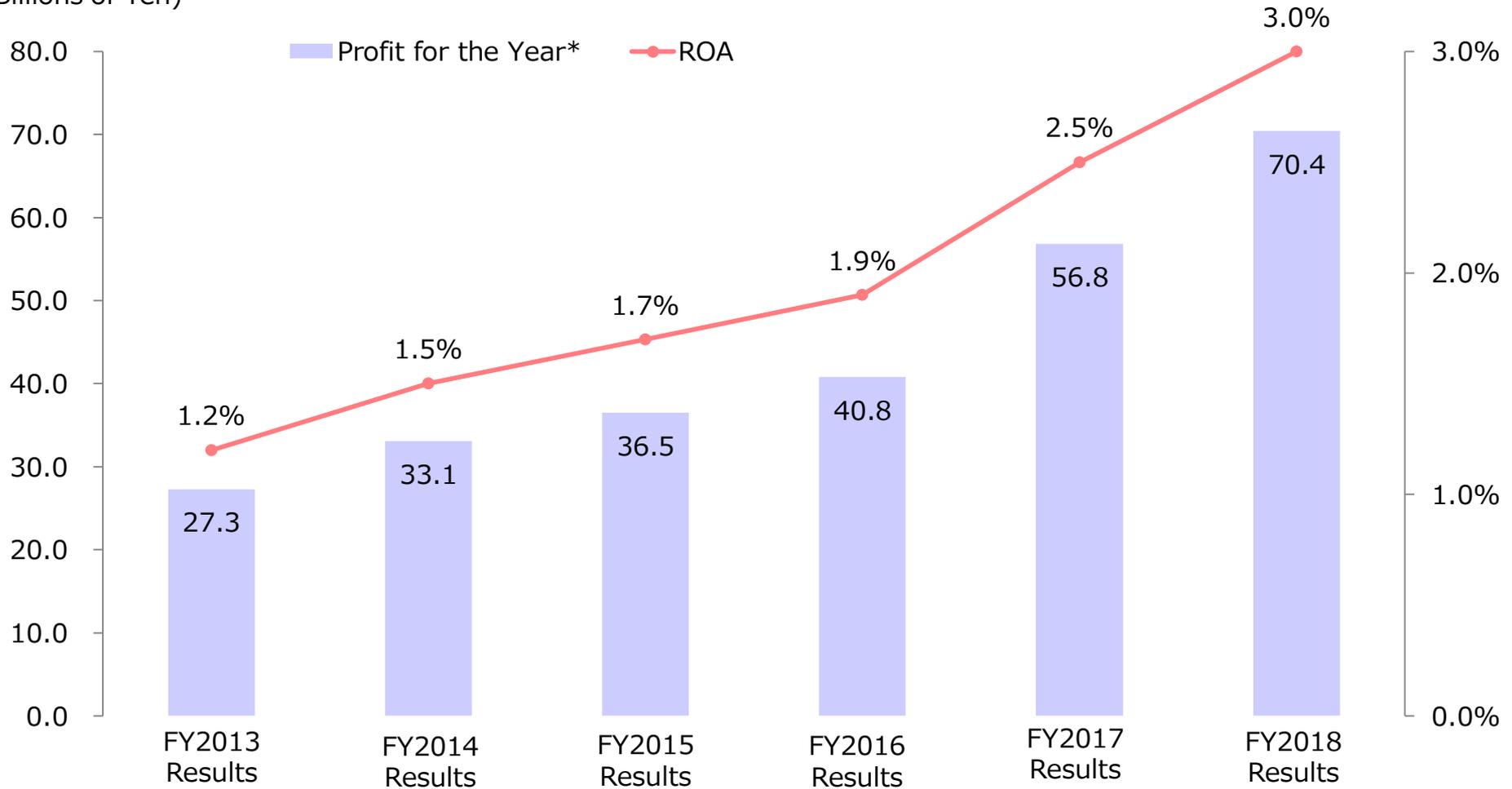
Summary of Cash Flow (Results)

(Billions of Yen)	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 Mar. 2019	End of Sep. 2019
Core cash flow	–	–	–	–	–	–	–	18.3	5.5	(56.7)	63.1	8.6
Free cash flow	86.5	135.7	48.0	46.4	43.4	22.5	25.3	66.0	(31.3)	12.4	54.3	40.1
Core operating cash flow	–	–	–	–	–	–	–	60.0	59.4	82.9	79.1	44.6
Cash flow from operating activities	103.7	107.2	67.9	88.7	55.1	47.0	39.1	99.9	0.9	98.8	96.5	61.4
Cash flow from investment activities	(17.2)	(28.4)	(19.9)	(42.3)	(11.7)	(24.5)	(13.8)	(33.9)	(32.2)	(86.4)	(42.2)	(21.3)
Cash flow from financing activities	(6.0)	(102.6)	(72.1)	(29.5)	(56.2)	(30.9)	(42.6)	(114.7)	(4.0)	(13.1)	(74.9)	(26.7)
Investments and loans	100.0	27.0	73.0	53.0	44.0	54.0	57.0	71.0	86.0	158.0	91.0	37.0

※Core cash flow = Core operating cash flow + Investing cash flow (including asset replacement) – 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.)

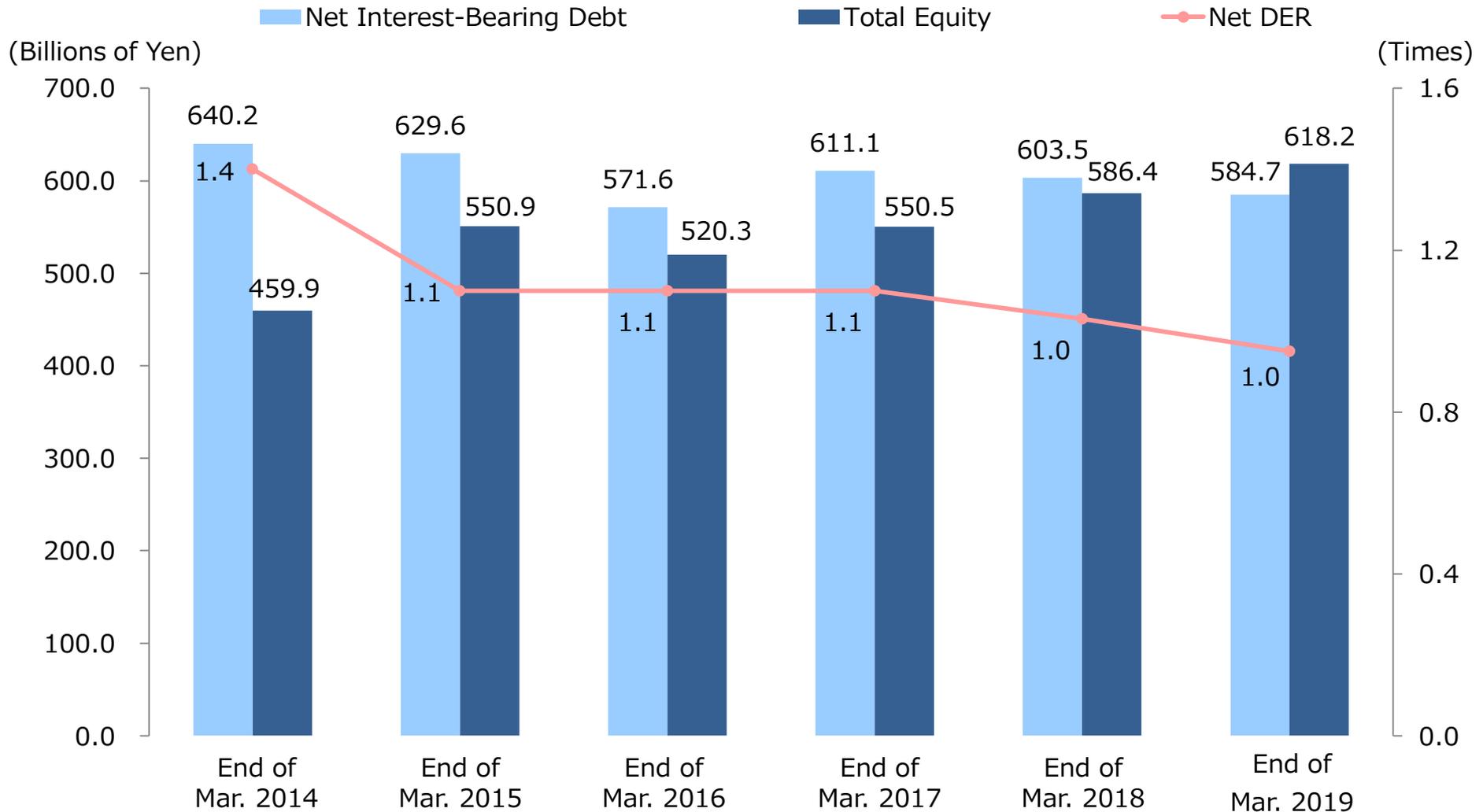
Summary of Profit or Loss

(Billions of Yen)



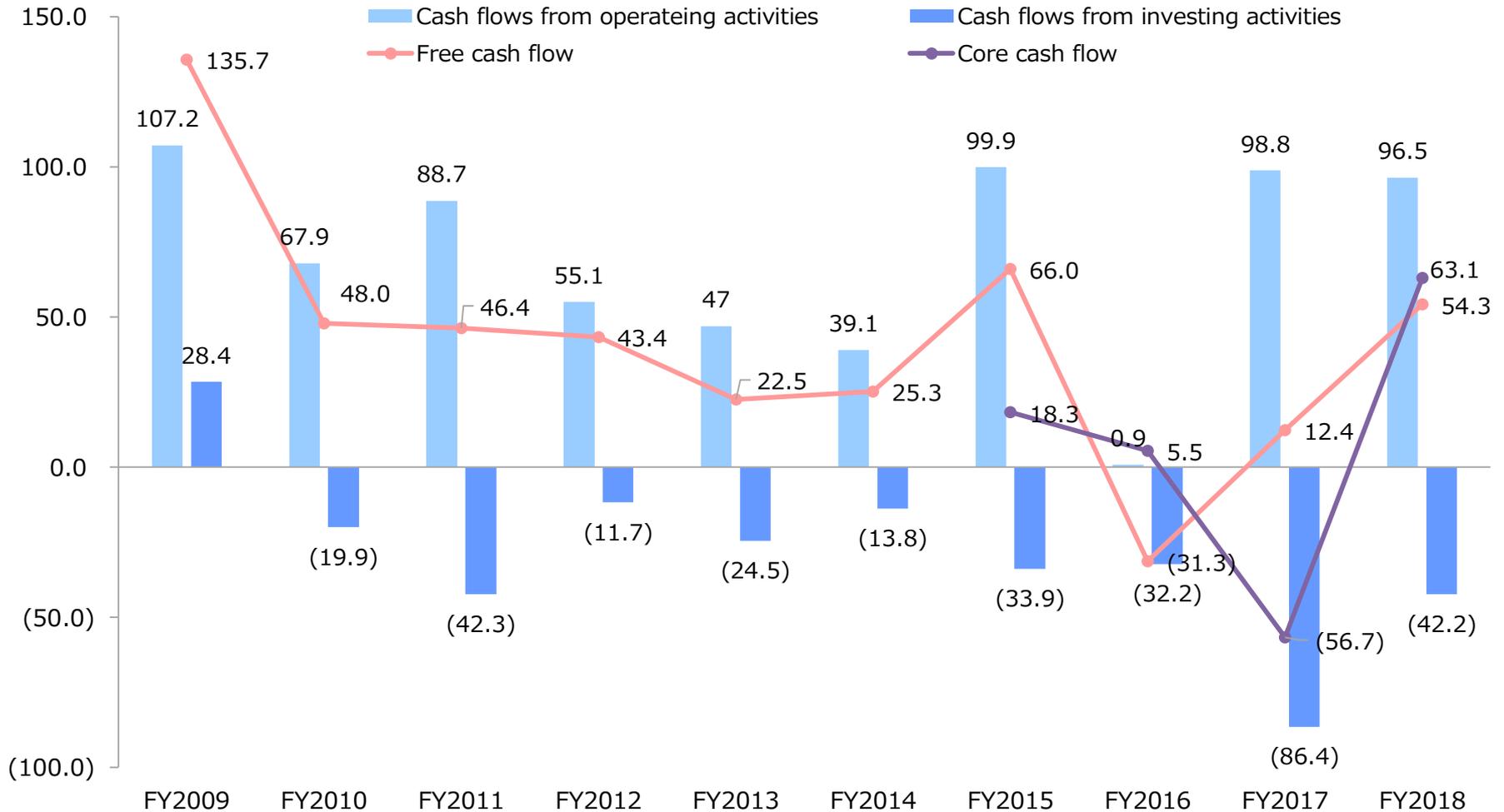
* Attributable to owners of the Company

Summary of Balance Sheets



Summary of Cash Flow

(Billions of Yen)





sojitz

New way, New value