

Summary of Consolidated Financial Results for the Year Ended March 31, 2019 (IFRS)

May 8, 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: Yoichi Yanagisawa , GM, Public Relations Dept. TEL +81-3-6871-3404

Scheduled date of Ordinary General Shareholders' Meeting: June 20, 2019

Scheduled filing date of financial report: June 20, 2019

Scheduled date of delivery of dividends: June 21, 2019

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 Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(1) Consolidated Operating Results

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

	Revenue		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Total comprehensive income for the year	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the year ended										
March 31, 2019	1,856,190	2.2	94,882	18.1	75,219	21.9	70,419	23.9	54,948	7.1
March 31, 2018	1,816,459	16.8	80,343	38.6	61,694	40.0	56,842	39.5	51,326	16.3

	Basic earnings per share	Diluted earnings per share	Profit ratio to equity attributable to owners of the Company	Profit before tax ratio to total assets
	Yen	Yen	%	%
For the year ended				
March 31, 2019	56.34	56.34	11.7	4.1
March 31, 2018	45.44	45.43	10.0	3.6

Note : Share of profit (loss) of investments accounted for using the equity method

March 31, 2019 : 27,779 millions of yen

March 31, 2018 : 25,057 millions of yen

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	Total equity per share attributable to owners of the Company
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of					
March 31, 2019	2,297,059	661,607	618,295	26.9	494.94
March 31, 2018	2,350,351	625,124	586,464	25.0	468.81

(3) Consolidated Statements of Cash Flows

	Operating activities	Investing activities	Financing activities	Cash & cash equivalents at the end of the year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the year ended				
March 31, 2019	96,476	(42,200)	(74,907)	285,687
March 31, 2018	98,812	(86,407)	(13,052)	305,241

2. Cash Dividends

	Cash divided per share					Total amount of cash dividends (annual)	Consolidated payout ratio	Dividend on total equity attributable to owners of the Company (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
For the year ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2018	-	5.00	-	6.00	11.00	13,760	24.2	2.4
March 31, 2019	-	7.50	-	9.50	17.00	21,266	30.2	3.5
March 31, 2020(forecast)	-	8.50	-	8.50	17.00		29.5	

Note : Changes in cash dividend forecast : No

3. Consolidated Earnings Forecast for the Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

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, 2020			
Full-year	72,000	2.2	57.60

Note : 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

Scheduled 1. Changes in accounting policies required by IFRS : Yes

2. Changes due to other reasons : No

Scheduled 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 March 31, 2019: 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 March 31, 2019 : 2,260,444 As of March 31, 2018 : 528,747

3. Average number of outstanding shares during the periods:

For the Year ended March 31, 2019 (accumulative): 1,249,847,151

For the Year ended March 31, 2018 (accumulative): 1,250,975,218

Notes: For information on the number of shares used to calculate consolidated earnings per share, please refer to "(Earnings per share)" under "5. Consolidated Financial Statements" of this document.

The above figures for treasury shares do not include shares held as part of mutual holdings with investments accounted for using the equity method

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 shares.

* This summary of consolidated financial results is not subject to audits.

* 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 Fiscal 2018 (April 1, 2018 — March 31, 2019)

Economic Environment

In the year ended March 31, 2019, the deceleration of the Chinese economy and the trade friction between the United States and China created signs of slowdown in the global economy, which had previously been supported by strong consumption.

In the United States, the stock market suffered a temporary decline as a result of the uncertainty arising from the trade friction between the United States and China and debt issues stemming from the House of Representatives and the Senate being controlled by different political parties. Nonetheless, the U.S. economy proved firm as the country shifted toward quantitative easing and other flexible financial policies, tax reforms and other measures contributed to solid trends in personal and capital investment, and corporate performance remained stable overall. Conversely, the United States had adverse impacts on the global economy and commodity prices through its trade friction with China, its institution of stronger sanctions on Iran, and other aspects of its foreign policy.

Overall economic growth in Europe was sluggish, with the most notable stagnancy being seen in Germany. Factors behind this situation included poor growth in exports attributable to trade friction between the United States and China and the European Union and economic slowdown in China. There is also a rising sense of uncertainty in this region amid concern for the potential impacts of trade negotiations between the United States and Germany as well as for the United Kingdom's consensus-lacking withdrawal from the European Union.

China saw the implementation of economic policies pertaining to infrastructure investment and tax reductions. Meanwhile, there was concern for further economic slowdown. The potential intensification and medium- to long-term impacts of trade friction with the United States are also matters warranting attention going forward.

Asia enjoyed a stable economy due to relatively solid internal demand. Conditions were stable regardless of the impacts of economic slowdown in China as well as the fact that there was a trend toward people buying back the currencies of Asian countries as projections that the United States would be instituting an interest rate hike were retracted.

In Japan, relatively stable economic growth was achieved as the benefits of the solid trends in consumer spending and capital investment outweighed the impacts of the deceleration of the Chinese economy and trade friction between the United States and China.

Financial Performance

Sojitz Corporation's consolidated business results for the year ended March 31, 2019 are presented below.

Revenue	Revenue was up 2.19% year on year, to ¥1,856,190 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.
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Gross profit	Gross profit increased ¥8,576 million year on year, to ¥240,956 million, as a result of the rise in revenue.
Profit before tax	Profit before tax increased ¥14,539 million year on year, to ¥94,882 million, as a result of higher gross profit and an increase in share of profit (loss) of investments accounted for using the equity method due to higher profit at an LNG operation company.
Profit for the year	After deducting income tax expenses of ¥19,662 million from profit before tax of ¥94,882 million, profit for the period amounted to ¥75,219 million, up ¥13,525 million year on year. Profit for the period (attributable to owners of the Company) increased ¥13,577 million year on year, to ¥70,419 million.
Comprehensive income for the year	Regardless of the fact that 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 year increased ¥3,622 million year on year, to ¥54,948 million, because of higher profit for the year. Comprehensive income for the year (attributable to owners of the Company) was up ¥3,508 million year on year, to ¥50,938 million.

Results for the year ended March 31, 2019, 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 28.9% year on year, to ¥242,499 million, due to the acquisition of new domestic and overseas automotive dealership and other businesses. Profit for the year (attributable to owners of the Company) decreased ¥106 million, to ¥6,409 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 19.0% year on year, to ¥27,811 million, due to the absence of gains on new ship turnovers recorded in the previous equivalent period. Profit for the year (attributable to owners of the Company) rose ¥684 million, to ¥3,962 million, due to an increase in other income associated with gains on sales of aircraft.

Machinery & Medical Infrastructure

Revenue was down 8.0% year on year, to ¥107,010 million, as a result of a decline in industrial machinery transactions. Profit for the year (attributable to owners of the Company) decreased ¥2,908 million, to ¥2,763 million, due to the rebound from earnings contributions from infrastructure-related projects recorded in the previous equivalent period.

Energy & Social Infrastructure

Revenue was down 35.6%, to ¥74,791 million, as a result of lower petroleum product transactions.

Profit for the year (attributable to owners of the Company) of ¥5,786 million was recorded, in comparison with loss for the period (attributable to owners of the Company) of ¥5,822 million in the year ended March 31, 2018. Main factors occurred in the year ended March 31, 2019 are a rise in other income associated with a gain on the sales of an overseas solar power business operating company and an increase in share of profit of investments accounted for using the equity method associated with higher profit of LNG operating company.

Metals & Mineral Resources

Revenue was up 18.2%, to ¥383,170 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 ¥8,581 million, to ¥30,463 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 2.0% year on year, to ¥505,101 million, following the Company's withdrawal from low-profit transactions. Profit for the period (attributable to owners of the Company) increased ¥282 million, to ¥8,984 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 10.5%, to ¥128,293 million, following lower feed material transactions. Profit for the period (attributable to owners of the Company) decreased ¥1,749 million, to ¥2,280 million, as a result of a decline in the profit of overseas fertilizer businesses.

Retail & Lifestyle Business

Revenue was up 8.5% year on year, to ¥317,373 million, as a result of the acquisition of an overseas paper manufacturer and higher beef transactions. Profit for the period (attributable to owners of the Company) increased ¥85 million, to ¥5,724 million.

Industrial Infrastructure & Urban Development

Revenue was down 27.5% year on year, to ¥33,267 million, because of lower real estate transactions. Profit for the period (attributable to owners of the Company) decreased ¥1,052 million, to ¥1,087 million.

(2) Financial Position

Consolidated Balance Sheet

Total assets on March 31, 2019, stood at ¥2,297,059 million, down ¥53,292 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 March 31, 2019, amounted to ¥1,635,451 million, down ¥89,776 million from March 31, 2018. This decrease was largely due to decrease in trade and other payables associated with tobacco-related transactions under current liabilities.

Total equity attributable to owners of the Company was ¥618,295 million on March 31, 2019, up ¥31,831 million from March 31, 2018. This increase was largely due to accumulation of profit for the year (attributable to owners of the Company) in spite of decrease in other components of equity due to fluctuation of forex and stock prices.

Sojitz consequently, on March 31, 2019, the current ratio was 157.1%, the long-term debt ratio was 82.9%, and the equity ratio* was 26.9%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥584,711 million on March 31, 2019, ¥18,739 million decrease from March 31, 2018. This resulted in the Company's net debt equity ratio* equaling 0.95 times at March 31, 2019.

(*) 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 first 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 year ended March 31, 2019. 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\$0.31 billion has been used).

(3) Consolidated Cash Flows

In the year ended March 31, 2019, operating activities provided net cash flow of ¥96,476 million, investing activities used net cash of ¥42,200 million, and financing activities used net cash of ¥74,907 million. Sojitz ended the year with cash and cash equivalents of ¥285,687 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 ¥96,476 million, consisted of business earnings and dividends received, etc. It was down ¥2,336 million year on year.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥42,200 million, down ¥44,207 million year on year. Investment outflows for investment in a U.S. gas-fired thermal power generation business and for the acquisition of Australian coal interests exceeded inflows from the sale of investments.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥74,907 million, largely as a result of the repayment of borrowings. It was up ¥61,855 million year on year.

(4) Consolidated Earnings Forecast

Current forecast for fiscal 2019 is as follow.

Profit for the year (Attributable to owners of the Company)	¥72.0 billion
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The above forecast assumes a yen/dollar rate of ¥110/US\$

***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.

(5) Dividend Policy and Fiscal 2018-19 Dividends

In addition to paying stable dividends to shareholders on an ongoing basis, Sojitz is also committed to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing retained earnings. This endeavor has positioned as a basic policy and a top management priority. In accordance with this basic policy, the Company will target a consolidated payout ratio of around 30% under Medium-term Management Plan 2020. The year-end dividend for the year ended March 31, 2019, to be decided as follows based on a comprehensive evaluation business results, total equity, and other factors.

1) Type of property to be distributed as dividend

Cash

2) Total value of dividend distribution and its allocation among shareholders

¥9.5 per share of Sojitz common stock, ¥11,884 million in total

Including the interim dividend of ¥7.5 per share on December 3, 2018, fiscal 2018 dividends will total ¥17 per share or ¥21,266 million in aggregate.

3) Effective date of dividends from surplus

June 21, 2019

In the year ending March 31, 2020, Sojitz plans to pay an annual dividend of ¥17 per share (interim dividend of ¥8.5 plus year-end dividend of ¥8.5) based on its basic policy and earnings forecast. This amount will equate to a consolidated payout ratio of 29.5% of the forecast for profit for the year (attributable to owners of the Company).

2. Group Business Operations

Sojitz Group is engaged in a wide range of businesses on a global basis as a general trading company. Our main businesses are trading, import, and export of products, domestic and overseas manufacture and sale of a diverse array of products, provision of services in Japan and overseas, planning and organizing of various projects, investment in diversified business areas, and financial activities.

The Group consists of 432 consolidated subsidiaries and equity method associates, including 305 consolidated subsidiaries and 127 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 266 companies consisting of 189 consolidated subsidiaries and 77 equity method associates.)

The following table lists our products, services, and main subsidiaries and affiliates by industry segment.

As of March 31, 2019

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries : 27 Number of equity method associates: 5	Trading of completed automobiles, assembly and sales, retail, automobile and motorcycle parts, simply parts assembly, supply chain management, automotive parts quality inspection operations, financing, services merging IoT and FinTech	- Sojitz Autrans Corporation. (automobile and motorcycle components; tire sales; Subsidiary) - Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary)
Aerospace & Transportation Project Number of consolidated subsidiaries : 40 Number of equity method associates: 12	Aero business (Commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business, airport business); Transformation and social infrastructure projects (transformation projects; port, airport, and other social infrastructure projects); Marine business (New building, second-hand ships, ship chartering, ship equipment, ship owning)	- Sojitz Aerospace Corporation (Import, export and sale of aero-related and defense-related equipment; Subsidiary) - Sojitz Marine & Engineering Corporation (Sale, purchase and charter brokerage of ships, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary)
Machinery & Medical Infrastructure Number of consolidated subsidiaries : 14 Number of equity method associates: 12	Plant Projects (Fertilizer & chemical, energy, infrastructure and environmental projects); Industrial Machinery (Industrial machinery, surface-mounting machines, start-ups); Bearings; Medical Infrastructure (Hospital PPP, Medical-related service, Medical platforms)	- Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary) - Sojitz Hospital PPP Investment B.V. (Investment in hospital PPP business; Subsidiary) - First Technology China Ltd. (Sales and service of surface-mounting machines and semiconductor-related equipment; Subsidiary)
Energy & Social Infrastructure Number of consolidated subsidiaries : 43 Number of equity method associates: 27	Infrastructure & Environment (Renewable energy, IPP projects); Power-related projects (IPP and IWPP projects, power plant EPC business); Nuclear power & energy (Oil and gas; petroleum products; LNG; nuclear fuels; nuclear power-related equipment and machinery and LNG-related business); Social infrastructure projects (telecommunications platform projects; energy management; next-generation infrastructure projects utilizing IoT, AI, and big data); Sales and maintenance of communications and IT equipment; systems integration, software development and sales, data centers, cloud services, and managed services, Business Process Outsourcing (BPO)	- Nissho Electronics Corporation (IT systems, network services; Subsidiary) - Mirai Power (Kamikita Rokkasho) Corporation (Solar power generation project; Subsidiary) - Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary) - Blue Horizon Power International Ltd. (Investment in power generation projects; Subsidiary) - Sojitz Global Investment B. V. (Investment in power generation projects; Subsidiary) - LNG Japan Corporation (LNG business and related investments and loans; Equity method associate) - SAKURA Internet Inc. (cloud services and internet data center operator; Equity method associate) *1
Metals & Mineral Resources Number of consolidated subsidiaries : 28 Number of equity method associates: 15	Coal; iron ore; ferroalloys (nickel, chromium, nickel), ores, alumina, aluminum, copper, zinc, tin, precious metals, ceramics and minerals; coke; carbon products; infrastructure businesses; steel-related business	- Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary) - Sojitz Coal Resources Pty Ltd. (Investment in coal mines; Subsidiary) - Sojitz Resources (Australia) Pty. Ltd. (Production of alumina; Subsidiary) - Sojitz Moolarben Resources, Pty. Ltd. (Investment in coal mines; Subsidiary) - Sojitz Moly Resources, Inc. (Investment in molybdenum mines; Subsidiary) - Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Equity method associate) - Coral Bay Nickel Corporation (Production and sale of nickel and cobalt mixed sulfide; Equity method associate) - Japan Alumina Associates (Australia) Pty. Ltd. (Production of alumina; Equity method associate) - Cariboo Copper Corporation (Investment in copper mine; Equity method associate)
Chemicals Number of consolidated subsidiaries : 34 Number of equity method associates: 13	Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; foodstuff additives; rare earths; commodity resins; raw materials for plastics including engineering plastics; films and sheets for industry, packaging, and foodstuffs; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; fiber materials and products for use in industrial supplies	- Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary) - Pla Matels Corporation (Trading and sale of plastics and related products; Subsidiary) *1 - P. T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) - solvadis deutschland gmbh (Trading and sale of chemical products ; Subsidiary)
Foods & Agriculture Business Number of consolidated subsidiaries : 18 Number of equity method associates: 9	Grains; flour; oils and fats; oil stuff; feed materials; marine products; processed seafood; sweets; raw ingredients for sweets; coffee beans; sugar; other foodstuffs and raw ingredients; compound chemical fertilizers	- Thai Central Chemical Public Co., Ltd (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) - Atlas Fertilizer Corporation (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) - Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) *1
Retail & Lifestyle Business Number of consolidated subsidiaries : 29 Number of equity method associates: 17	Cotton and synthetic fabrics; non-woven fabrics; knitted fabrics and products; raw materials for textiles; clothing; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; manufacture and sale of wood chips; imported tobacco; Aquaculture products; processed aquaculture products; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; sugar; other foodstuffs and raw ingredients; real estate-related businesses (investment, dealing, leasing, management, etc.); administration of shopping centers; interior accessories; bedclothes and home fashion-related products; nursery items; general commodities; Household- and industrial-use paper	- Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary) - Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary) - Daiichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary) - Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) - Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary) - Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary) - Saigon Paper Corporation (Manufacture and sale of household and industrial paper and other paper products; Subsidiary) - JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Equity method associate) *1 - Tri-Stage inc. (Direct marketing support operations; Equity method associate) *1
Industrial Infrastructure & Urban Development Number of consolidated subsidiaries : 12 Number of equity method associates: 3	Overseas industrial park businesses; real estate-related businesses (investment, dealing, leasing, management, etc.)	- Sojitz New Urban Development Corporation (Development and consignment sales of newly constructed condominiums, real estate brokerage, development and ownership of rental apartments, sale of residential-related products ; Subsidiary) - Sojitz General Property Management Corporation (Condominium and office building management, real estate agency services : Subsidiary) - PT. Puradelta Lestari Tbk (New city development including industrial parks; Equity method associate)
Other Number of consolidated subsidiaries : 17 Number of equity method associates: 2	Administration, domestic branches, logistics and insurance services	- Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary) - Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary) - Sojitz Insurance Agency Corporation (Insurance agency services; Subsidiary) - Sojitz Tourist Corporation (Travel agency; Subsidiary) - Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary) - Sojitz Research Institute (Research and consulting; Subsidiary)
Overseas branches Number of consolidated subsidiaries : 43 Number of equity method associates: 12	We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.	- Sojitz Corporation of America (Subsidiary) - Sojitz Europe plc (Subsidiary) - Sojitz Asia Pte. Ltd (Subsidiary) - Sojitz (Hong Kong) Ltd. (Subsidiary) - Sojitz (China) Co., Ltd. (Subsidiary)

(*1) The following five companies are listed in the Japanese stock market as of March 31, 2019: SAKURA Internet Inc. (TSE 1st section), JALUX Inc. (TSE 1st section), Fuji Nihon Seito Corporation (TSE 2nd section), Tri-Stage inc. (Mothers) and Pla Matels Corporation (JASDAQ).

3. Management Policies

(1) Fundamental Policy

Based on the articles of Sojitz Group Statement and the Sojitz Group Slogan, the Sojitz Group is committed to maximizing two types of value: “value for Sojitz,” which contributes to the fortification of our business foundation and to ongoing growth, and “value for society,” which contributes to economic development on regional and national scales and to human rights and environmental awareness.

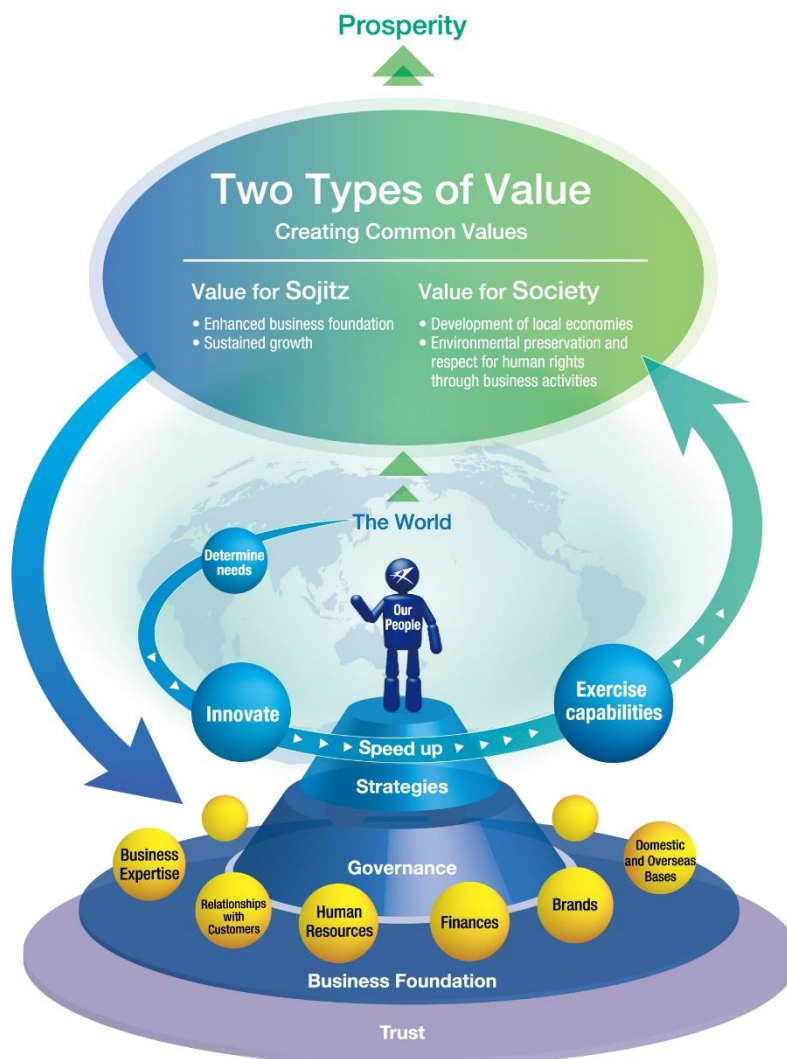
Sojitz Group Statement

The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.

Sojitz Group Slogan

New way, New value

Sojitz's Value Creation Model



(2) Medium- to Long-term Business Strategy and Targeted Performance Indicators

Medium-Term Management Plan 2020

Medium-Term Management Plan 2020—Commitment to Growth—is the three-year plan established by the Sojitz Group started in April 2018. Initiatives are currently being implemented to accomplish the goals of this plan.

Under this plan, the Sojitz Group will pursue steady growth by increasing the value of its assets while managing cash flows to continue conducting disciplined investments and loans (total of ¥300.0 billion over the three-year period of the medium-term management plan).

Our target for profit for the year (attributable to owners of the Company) in the final year of the plan will be ¥75.0 billion or more, which is to be achieved through average annual growth of approx.10% over the plan period from the previous year. More information on Medium-Term Management Plan 2020 can be found on Sojitz's corporate website (<https://www.sojitz.com/en/>).

The targeted performance indicators in Medium-Term Management Plan 2020 are as follows.

Performance Indicator	Target
ROA	3% or above
ROE	10% or above
Net D/E ratio	1.5 times or lower
Dividend payout ratio	Approximately 30%

Based on the Company's shareholders equity costs of approximately 7% to 8%, targets for the management indicator of return on equity (ROE) have been set. In addition, Companywide targets have been formulated for return on assets (ROA) along with segment ROA targets for the final year of the medium-term management plan to facilitate efforts to achieve the ROE targets.

In the year ended March 31, 2019, the first year of Medium-Term Management Plan, the deceleration of the Chinese economy and trade friction between the United States and China created signs of slowdown in the global economy, which had previously been supported by strong consumption. In this environment, profit for the year (attributable to owners of the Company) of ¥70.4 billion was recorded. Factors contributing to this outcome included increased sales in the Metals & Mineral Resources Division, a result of rises in prices and transactions volumes for coal and other resources; the profits realized from new investments and loans executed under the period of the previous and current medium-term management plans; and an

improved balance of other income and expenses stemming from increase of a gain from LNG operating company.

In order to achieve the sustainable growth described in Medium-Term Management Plan 2020, the Sojitz Group will continue to adhere to its policy of conducting approximately 300.0 billion of new investments and loans. By enacting this policy, we will accumulate quality assets to accomplish the disclosed target of contributions to profit for the year [(attributable to owners of the Company)] of ¥10.0 billion or more from investments and loans in the year ending March 31, 2021. Investments and loans in the year ended March 31, 2019, amounted to around ¥90.0 billion. Specific investment targets included automotive, power, and other infrastructure projects and coking coal interests, areas in which the Sojitz Group has prior investment experience, and papermaking and containerboard operations in Vietnam, a country in which the Group boasts strengths.

Furthermore, the Sojitz Group is advancing initiatives targeting future growth. For example, a corporate venture capital fund was established to invest in start-ups in countries around the world and measures are being implemented to create innovation and acquire and reinforce functions.

Through the implementation of the Medium-Term Management Plan, the Company seeks to accomplish the goals of the Sojitz Group Statement and achieve ongoing growth. To this end, we are increasing our focus on sustainability in management and furnishing foundations and systems based on our six Key Sustainability Issues (Materiality) and on our policy of incorporating the resolution of environmental and social issues into Sojitz's business. In addition, sustainability challenges have been established as a long-term vision to define the Sojitz Group's stance toward long-term initiatives for addressing climate change, human rights, and other global social issues.

In the year ending March 31, 2020, the Sojitz Group will accelerate the strategies described in Medium-Term Management Plan 2020. At the same time, we will endeavor to boost the value of businesses and assets in which investment has already been conducted even in the current economic climate, which is characterized by high volatility in commodity prices and other conditions, while proactively accumulating quality assets for fueling ongoing growth with emphasis placed on cash flow management. These efforts will be made to ensure the accomplishment of steady growth.

The Company forecasts consolidated profit for the year [(attributable to owners of the Company)] of ¥72.0 billion in the year ending March 31, 2020.

Medium-Term Management Plan 2020

~ Commitment to Growth ~

Under Medium-Term Management Plan 2020, we will endeavor to link prior initiatives to growth while engaging in ambitious undertakings to achieve steady growth going forward.

Achieve steady growth

- Continue investing in future growth
- Realize earnings contributions from previously executed investments and loans
- Improve business and asset value and reinforce business management capabilities

Challenge for future growth

- Reinforce functions for growth
- Enhance strategies and implementation capabilities
- Challenge for new initiatives

Disciplined Balance Sheet and Cash Flow Management

Maximization of human resources capabilities

Risk Management Strategies

Corporate Governance

Improvement of procurement quality

Exercise comprehensive strength and strengthen competitiveness

Achievement of continuous growth

Establishment of sustainable growth

Establish business domains and foundations of strength

Further growth and challenge

4. Basic Policy Regarding Selection of Accounting Standards

Sojitz Corporation has adopted International Financial Reporting Standards (IFRS) to improve the convenience and international comparability of its financial information and to standardize accounting treatments within the Group.

5. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(In millions of Yen)

	FY 2017 (As of March 31, 2018)	FY 2018 (As of March 31, 2019)
Assets		
Current assets		
Cash and cash equivalent	305,241	285,687
Time deposits	2,788	2,922
Trade and other receivables	549,789	690,678
Derivatives	2,703	2,060
Inventories	396,020	220,621
Income tax receivables	5,094	6,714
Other current assets	106,234	58,965
Subtotal	1,367,872	1,267,650
Assets as held for sale	8,425	—
Total current assets	1,376,297	1,267,650
Non-current assets		
Property, plant and equipment	172,135	192,902
Goodwill	65,842	66,198
Intangible assets	44,057	49,145
Investment property	24,486	20,875
Investments accounted for using the equity method	407,284	424,152
Trade and other receivables	63,824	84,145
Other investments	182,949	173,066
Derivatives	49	46
Other non-current assets	8,794	12,683
Deferred tax assets	4,630	6,192
Total non-current assets	974,053	1,029,409
Total assets	2,350,351	2,297,059
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	654,138	582,296
Bonds and borrowings	113,497	149,695
Derivatives	3,394	2,511
Income tax payables	13,632	10,775
Provisions	2,069	1,026
Other current liabilities	55,004	60,793
Subtotal	841,735	807,098
Liabilities directly related to assets as held for sale	4,182	—
Total current liabilities	845,918	807,098
Non-current liabilities		
Bonds and borrowings	797,982	723,625
Trade and other payables	4,759	12,563
Derivatives	2,634	2,693
Retirement benefits liabilities	22,016	22,139
Provisions	21,000	36,292
Other non-current liabilities	9,968	11,235
Deferred tax liabilities	20,946	19,802
Total non-current liabilities	879,308	828,353
Total liabilities	1,725,227	1,635,451
Equity		
Share capital	160,339	160,339
Capital surplus	146,512	146,645
Treasury stock	(174)	(865)
Other components of equity	124,348	107,576
Retained earnings	155,437	204,600
Total equity attributable to owners of the Company	586,464	618,295
Non-controlling interests	38,659	43,312
Total equity	625,124	661,607
Total liabilities and equity	2,350,351	2,297,059

(2) Consolidated Statements of Profit or Loss

(In millions of Yen)

	FY 2017 (From April 1, 2017 to March 31, 2018)	FY 2018 (From April 1, 2018 to March 31, 2019)
Revenue		
Sale of goods	1,716,670	1,749,319
Sales of service and others	99,788	106,870
Total revenue	1,816,459	1,856,190
Cost of sales	(1,584,078)	(1,615,233)
Gross profit	232,380	240,956
Selling, general and administrative expenses	(162,662)	(173,433)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	(324)	1,764
Impairment loss on fixed assets	(4,402)	(509)
Gain on sale of subsidiaries/associates	7,517	8,039
Loss on reorganization of subsidiaries/associates	(11,847)	(3,099)
Other operating income	6,763	5,113
Other operating expenses	(7,584)	(8,832)
Total other income/expenses	(9,878)	2,476
Financial income		
Interests earned	5,682	7,084
Dividends received	4,639	5,167
Other financial income	—	143
Total financial income	10,321	12,395
Financial costs		
Interest expenses	(14,746)	(15,290)
Other financial costs	(128)	—
Total financial cost	(14,874)	(15,290)
Share of profit(loss) of investments accounted for using the equity method	25,057	27,779
Profit before tax	80,343	94,882
Income tax expenses	(18,648)	(19,662)
Profit for the year	61,694	75,219
Profit attributable to:		
Owners of the Company	56,842	70,419
Non-controlling interests	4,852	4,799
Total	61,694	75,219

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

(In millions of Yen)

	FY 2017 (From April 1, 2017 to March 31, 2018)	FY 2018 (From April 1, 2018 to March 31, 2019)
Profit for the year	61,694	75,219
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(575)	(10,751)
Remeasurements of defined benefit pension plans	(275)	(365)
Share of other comprehensive income of investments accounted for using the equity method	4,778	4,391
Total items that will not be reclassified to profit or loss	3,927	(6,725)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(12,244)	(8,975)
Cash flow hedges	1,024	(189)
Share of other comprehensive income of investments accounted for using the equity method	(3,075)	(4,380)
Total items that may be reclassified subsequently to profit or loss	(14,295)	(13,545)
Other comprehensive income for the year, net of tax	(10,368)	(20,270)
Total comprehensive income for the year	51,326	54,948
Total comprehensive income attributable to:		
Owners of the Company	47,430	50,938
Non-controlling interests	3,896	4,010
Total	51,326	54,948

(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 year						
Other comprehensive income				(13,827)	3,976	691
Total comprehensive income for the year	—	—	—	(13,827)	3,976	691
Purchase of treasury stock		(0)	(3)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				(1)		0
Reclassification from other components of equity to retained earnings					828	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(3)	(1)	828	0
Balance as of March 31, 2018	160,339	146,512	(174)	17,709	111,072	(4,432)
Impact due to changes of account policy						
Balance as of April 1, 2018	160,339	146,512	(174)	17,709	111,072	(4,432)
Profit for the year						
Other comprehensive income				(12,847)	(6,167)	(79)
Total comprehensive income for the year	—	—	—	(12,847)	(6,167)	(79)
Purchase of treasury stock		(0)	(691)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control						
Reclassification from other components of equity to retained earnings					2,321	
Share remuneration transaction		132				
Other changes						
Total contributions by and distributions to owners of the Company	—	132	(691)	—	2,321	—
Balance as of March 31, 2019	160,339	146,645	(865)	4,861	107,226	(4,512)

(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 year			56,842	56,842	4,852	61,694
Other comprehensive income	(252)	(9,412)		(9,412)	(955)	(10,368)
Total comprehensive income for the year	(252)	(9,412)	56,842	47,430	3,896	51,326
Purchase of treasury stock				(4)		(4)
Dividends			(11,258)	(11,258)	(2,622)	(13,881)
Change in ownership interests in subsidiaries without loss/acquisition of control		(1)	5	4	(3)	1
Reclassification from other components of equity to retained earnings	252	1,080	(1,080)	—		—
Other changes			(220)	(220)	9,931	9,711
Total contributions by and distributions to owners of the Company	252	1,079	(12,554)	(11,479)	7,305	(4,173)
Balance as of March 31, 2018	—	124,348	154,437	586,464	38,659	625,124
Impact due to changes of account policy			(444)	(444)		(444)
Balance as of April 1, 2018	—	124,348	154,993	586,020	38,659	624,679
Profit for the year			70,419	70,419	4,799	75,219
Other comprehensive income	(386)	(19,481)		(19,481)	(789)	(20,270)
Total comprehensive income for the year	(386)	(19,481)	70,419	50,938	4,010	54,948
Purchase of treasury stock				(691)		(691)
Dividends			(16,888)	(16,888)	(3,381)	(20,269)
Change in ownership interests in subsidiaries without loss/acquisition of control			(62)	(62)	2,871	2,808
Reclassification from other components of equity to retained earnings	386	2,708	(2,708)	—		—
Share remuneration transaction				132		132
Other changes			(1,153)	(1,153)	1,152	(0)
Total contributions by and distributions to owners of the Company	386	2,708	(20,812)	(18,663)	643	(18,020)
Balance as of March 31, 2019	—	107,576	204,600	618,295	43,312	661,607

(5) Consolidated Statements of Cash Flows

(In millions of Yen)

	FY 2017 (From April 1, 2017 to March 31, 2018)	FY 2018 (From April 1, 2018 to March 31, 2019)
Cash flows from operating activities		
Profit for the year	61,694	75,219
Depreciation and amortization	23,067	21,297
Impairment loss of fixed assets	4,402	509
Finance (income) costs	4,552	2,895
Share of (profit)loss of investments accounted for using the equity method	(25,057)	(27,779)
(Gain) loss on sale of fixed assets, net	324	(1,764)
Income tax expenses	18,648	19,662
(Increase)decrease in trade and other receivables	7,980	77,093
(Increase)decrease in inventories	(118,303)	(39,968)
Increase (decrease) in trade and other payables	166,218	(74,708)
Changes in other assets and liabilities	(39,979)	54,962
Increase (decrease) in retirement benefits liabilities	430	(179)
Others	3,597	(543)
Subtotal	107,578	106,696
Interests earned	4,248	5,163
Dividends received	17,735	23,951
Interests paid	(14,814)	(15,138)
Income taxes paid	(15,935)	(24,197)
Net cash provided (used) by/in operating activities	98,812	96,476
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,590)	(30,832)
Proceeds from sale of property, plant and equipment	590	5,963
Purchase of intangible assets	(2,310)	(7,113)
(Increase)decrease in short-term loans receivable	2,115	5,899
Payment for long-term loans receivable	(32,312)	(7,802)
Collection of long-term loans receivable	10,826	7,740
Proceeds from (payments for) acquisition of subsidiaries	(20,227)	(3,753)
Proceeds from (payments for) sale of subsidiaries	5,411	1,468
Purchase of investments	(26,260)	(32,721)
Proceeds from sale of investments	13,074	17,393
Others	(7,725)	1,556
Net cash provided (used) by/in investing activities	(86,407)	(42,200)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(21,723)	24,999
Proceeds from long-term borrowings	128,716	82,636
Repayment of long-term borrowings	(122,702)	(162,353)
Proceeds from issuance of bonds	19,881	—
Redemption of bonds	(10,061)	(42)
Acquisition of subsidiaries and equity method associates from non- controlling interest holders	—	(1,195)
Proceeds from non-controlling interest holders	7,389	3,873
Purchase of treasury stock	(4)	(691)
Dividends paid	(11,258)	(16,888)
Dividends paid to non-controlling interest holders	(2,622)	(3,139)
Others	(666)	(2,106)
Net cash provided (used) by/in financing activities	(13,052)	(74,907)
Net increase (decrease) in cash and cash equivalents	(648)	(20,631)
Cash and cash equivalents at the beginning of the year	308,632	305,241
Effect of exchange rate changes on cash and cash equivalents	(2,742)	1,076
Cash and cash equivalents at the end of the year	305,241	285,687

(6) Changes in Accounting Policies and Accounting Estimates 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 year ended March 31, 2019, 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 year ended March 31, 2019, were reduced by ¥161,418 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 year ended March 31, 2019, 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

Information regarding reportable segments

Main products and services of reportable segments are in 2.Group Business Operations.

The accounting method for the reported business segments are basically consistent with those used in the Consolidated Financial Statements, except with respect to the calculation of income tax expenses.

Prices for intersegment transactions are determined in the same way as general transactions and with reference to market prices.

For the year ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & Transportation Project	Machinery & Medical Infrastructure	Energy & Social Infrastructure	Metals & Mineral Resources	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	188,118	34,335	116,359	116,061	324,081	515,601	143,283
Inter-segment revenue	2	1,304	17	1,881	—	13	11
Total revenue	188,121	35,639	116,376	117,943	324,081	515,615	143,295
Gross profit	35,305	15,699	17,987	21,085	29,526	44,979	19,445
Share of profit (loss) of investments accounted for using the equity method	1,840	448	589	2,913	15,659	1,331	605
Profit attributable to owners of the Company	6,515	3,278	5,671	(5,822)	21,882	8,702	4,029
Segment assets	182,222	165,108	116,969	278,799	411,920	304,875	130,477
Others:							
Investment accounted for using the equity method	11,790	6,170	11,281	82,442	233,820	11,324	12,001
Capital expenditure	1,864	441	183	15,479	6,946	1,233	3,288

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	292,463	45,884	1,776,188	40,270	—	1,816,459
Inter-segment revenue	61	399	3,692	349	(4,042)	—
Total revenue	292,525	46,283	1,779,881	40,620	(4,042)	1,816,459
Gross profit	35,158	8,175	227,363	6,312	(1,294)	232,380
Share of profit (loss) of investments accounted for using the equity method	306	1,263	24,956	100	0	25,057
Profit attributable to owners of the Company	5,639	2,139	52,036	401	4,404	56,842
Segment assets	423,823	72,508	2,086,707	144,903	118,741	2,350,351
Others:						
Investment accounted for using the equity method	17,419	16,790	403,041	4,356	(113)	407,284
Capital expenditure	1,393	4,601	35,433	2,098	—	37,532

Reconciliation of segment profit of 4,404 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 4,780 million yen, and unallocated dividend income and others of (376) million yen.

The reconciliation amount of segment assets of 118,741 million yen includes elimination of inter-segment transactions or the like amounting to (100,325) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to 219,067 million yen, which mainly consists of the Company's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

	Reportable segments						
	Automotive	Aerospace & Transportation Project	Machinery & Medical Infrastructure	Energy & Social Infrastructure	Metals & Mineral Resources	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	242,499	27,811	107,010	74,791	383,170	505,101	128,293
Inter-segment revenue	—	0	131	1,944	—	11	11
Total revenue	242,499	27,812	107,142	76,736	383,170	505,112	128,305
Gross profit	42,330	15,463	13,642	18,681	37,638	46,366	16,404
Share of profit (loss) of investments accounted for using the equity method	298	1,016	904	5,694	17,680	931	243
Profit attributable to owners of the Company	6,409	3,962	2,763	5,786	30,463	8,984	2,280
Segment assets	167,777	130,181	121,496	284,473	464,565	298,574	125,116
Others:							
Investment accounted for using the equity method	4,450	9,193	9,437	101,469	239,828	11,367	11,594
Capital expenditure	2,391	2,173	126	7,950	14,194	1,597	2,537

	Reportable segments			Others	Reconciliations	Consolidated
	Retail & Lifestyle Business	Industrial Infrastructure & Urban Development	Total			
Revenue						
External revenue	317,373	33,267	1,819,319	36,871	—	1,856,190
Inter-segment revenue	55	368	2,524	314	(2,838)	—
Total revenue	317,428	33,636	1,821,843	37,185	(2,838)	1,856,190
Gross profit	38,661	6,957	236,145	5,427	(616)	240,956
Share of profit (loss) of investments accounted for using the equity method	(74)	889	27,584	195	(0)	27,779
Profit attributable to owners of the Company	5,724	1,087	67,462	440	2,517	70,419
Segment assets	395,738	72,543	2,060,467	144,710	91,881	2,297,059
Others:						
Investment accounted for using the equity method	17,303	15,575	420,219	4,046	(114)	424,152
Capital expenditure	923	2,577	34,471	1,453	—	35,925

Reconciliation of segment profit of 2,517 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 (698) million yen, and unallocated dividend income and others of 1,819 million yen.

The reconciliation amount of segment assets of 91,881 million yen includes elimination of inter-segment transactions or the like amounting to (130,375) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to 222,256 million yen, which mainly consists of the Company's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

Changes in Reportable Segments

Effective April 1, 2018, the Aerospace & IT Business Division, the 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. These reorganizations have resulted in changes to reportable segments. Segment information for the year ended March 31, 2018, has been restated to reflect these changes.

(Earnings per share)

(1) Basic earnings per share and diluted earnings per share

	FY 2017 (From April 1, 2017 to March 31, 2018)	FY 2018 (From April 1, 2018 to March 31, 2019)
Basic earnings per share (yen)	45.44	56.34
Diluted earnings per share (yen)	45.43	56.34

(2) Bases for calculation of basic earnings per share and diluted earnings per share

	FY 2017 (From April 1, 2017 to March 31, 2018)	FY 2018 (From April 1, 2018 to March 31, 2019)
Profit used to calculate basic and diluted earnings per share		
Profit for the year, attributable to owners of the Company (In millions of yen)	56,842	70,419
Amount not attributable to the ordinary shareholders of the Company (In millions of yen)	—	—
Profit used to calculate basic earnings per share (In millions of yen)	56,842	70,419
Profit adjustment amount		
Adjustment amount concerning share options to be issued by associates (In millions of yen)	(5)	—
Profit used to calculate diluted earnings per share (In millions of yen)	56,837	70,419
Weighted average number of ordinary shares to be used to calculate basic and diluted earnings per share		
Weighted average number of ordinary shares to be used to calculate basic earnings per share (In thousands of shares)	1,250,975	1,249,847
Effects of dilutive latent ordinary shares (In thousands of shares)	—	—
Weighted average number of ordinary shares used to calculate diluted earnings per share (In thousands of shares)	1,250,975	1,249,847