

## Summary of Consolidated Financial Results for the Year Ended March 31, 2017 (IFRS)

May 1, 2017

### Sojitz Corporation

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

Listed stock exchange: The first section of Tokyo

Security code: 2768

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Scheduled date of Ordinary General Shareholders' Meeting: June 20, 2017

Scheduled filing date of financial report: June 20, 2017

Scheduled date of delivery of dividends: June 21, 2017

Supplementary materials for the financial results: Yes

Investor conference for the financial results: Yes

(Rounded down to millions of Japanese Yen)

### 1. Consolidated Financial Results for the Year Ended March 31, 2017 (April 1, 2016 - March 31, 2017)

#### (1) Consolidated Operating Results

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

	Net sales		Operating profit		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	%	Millions of Yen	%
For the year ended												
March 31, 2017	3,745,549	(6.5)	51,618	76.5	57,955	30.9	44,075	20.8	40,760	11.6	44,133	-
March 31, 2016	4,006,649	(2.4)	29,242	(12.8)	44,269	(15.8)	36,486	(3.1)	36,526	10.4	(28,405)	-

	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	Operating profit ratio to net sales
	Yen	Yen	%	%	%
For the year ended					
March 31, 2017	32.58	32.58	7.6	2.8	1.4
March 31, 2016	29.20	29.20	6.8	2.0	0.7

Reference: Share of profit (loss) of investments accounted for using the equity method for the year ended March 31, 2017: 12,673 million yen, and 2016: 23,163 million yen.

Note 1: Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

Note 2: Basic earnings per share and Diluted earnings per share are calculated based on Profit 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, 2017	2,138,466	577,970	550,513	25.7	440.06
March 31, 2016	2,056,670	549,716	520,353	25.3	415.95

#### (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, 2017	857	(32,179)	(4,029)	308,632
March 31, 2016	99,939	(33,910)	(114,695)	344,414

### 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								
March 31, 2016	Yen -	Yen 4.00	Yen -	Yen 4.00	Yen 8.00	Millions of Yen 10,008	% 27.4	% 1.9
March 31, 2017	Yen -	Yen 4.00	Yen -	Yen 4.00	Yen 8.00	Millions of Yen 10,007	% 24.6	% 1.9
March 31, 2018 (forecast)	Yen -	Yen 5.00	Yen -	Yen 5.00	Yen 10.00		% 25.0	

Note : Changes in cash dividend forecast : No

### 3. Consolidated Earnings Forecast for the Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018)

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

	Net sales		Operating profit		Profit before tax		Profit attributable to owners of the Company		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the Year Ending									
March 31, 2018									
Full-year	4,100,000	9.5	55,000	6.6	69,000	19.1	50,000	22.7	39.97

Note 1: Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

Note 2: Basic earnings per share is calculated based on Profit attributable to owners of the Company.

#### 4. Others

- (1) Changes in major subsidiaries during the period  
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No
- (2) Changes in accounting policy, procedures or estimate method for preparing consolidated financial statements
  1. Changes in accounting policies required by IFRS : No
  2. Changes due to other reasons : No
  3. Accounting estimate change : No

- (3) Number of outstanding shares at the end of the periods (Common Stock):
  1. Number of outstanding shares at the end of the periods (Including treasury shares ):  
As of March 31, 2017: 1,251,499,501      As of March 31, 2016: 1,251,499,501
  2. Number of treasury shares at the end of the periods:  
As of March 31, 2017 : 516,753              As of March 31, 2016 : 484,859
  3. Average number of outstanding shares during the periods:  
For the Year ended March 31, 2017 (accumulative): 1,251,010,292  
For the Year ended March 31, 2016 (accumulative): 1,251,018,245

Note: Above treasury shares do not include shares mutually held by equity-method affiliates.

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

\* 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 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 2016 (April 1, 2016 – March 31, 2017)

#### Economic Environment

In the year ended March 31, 2017, the global economy maintained a stable growth trend supported in part by consistent growth in the U.S. economy, which was driven by increased consumption, as well as the tapering of economic slowdown in certain emerging countries. At the same time, economic conditions in resource producing countries recovered due to the fact that the prices of resources, specifically crude oil and coal, were higher than they were at the beginning of the fiscal year. However, an opaque outlook arose from factors including the potential impacts of economic slowdown in China as well as the uncertainty of the economic repercussions of government policy changes to be implemented by the new presidential cabinet in the United States.

In the United States, economic growth remained consistent amidst increased consumption and an improved job market. The policy interest rate was raised in consideration of these circumstances. Although the high anticipations for the benefits of the economic stimulus measures to be implemented by the new presidential cabinet initially contributed to a large stock market increase, concern regarding the actual state of government affairs led to bearish conditions that persisted up until the end of the fiscal year.

In Europe, although there was concern regarding the decision to leave the European Union made by the United Kingdom, the actual impact on the European economy has been limited. Demand held firm in the region, driven in part by consumer spending, which, when combined with the effects of the ongoing monetary easing measures implemented by the European Central Bank, sustained a gentle economic recovery trend.

In China, the pace of economic deceleration remained slow as a result of brisk consumption and rising government expenditures for infrastructure investment and other purposes. However, the decline in foreign exchange reserves and the implementation of more stringent restrictions on capital outflows gave rise to increasing concern for the future.

Looking to Asia, cause for concern came in the forms capital outflows, currency depreciation, and stock market declines resulted from the increase in interest rates in the United States and the strong U.S. dollar. However, the Asian economy continued to grow steadily due in part to favorable export trends seen amidst ever more solid economic conditions in developed countries.

Economic growth in Japan remained low in comparison to government targets as the sluggish consumer spending counteracted the benefits of an improved trade balance and increasing capital investment.

#### Financial Performance

Sojitz Corporation's consolidated business results for the year ended March 31, 2017 are presented below.

Net sales (*)	Net sales decreased 6.5%, to ¥3,745,549 million, due to the impacts of yen appreciation as well as lower sales in the Foods & Agriculture Business Division, a result of the decline in grain transactions, and in the Infrastructure & Environment
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Business Division, a result of the decline in plant-related transactions.

Gross profit	Gross profit was up ¥19,946 million year on year, to ¥200,685 million, due to higher income in the Metals & Coal Division resulted from a rise in selling prices in overseas coal businesses as well as income growth in the Aerospace & IT Business Division stemming from an increase in aircraft-related transactions.
Operating profit	Although impairment losses were recorded in grain collection businesses, operating profit increased ¥22,376 million year on year, to ¥51,618 million, as a result of the rise in gross profit as well as impact of a conversion of IT business subsidiary into affiliate through partial sale.
Profit before tax	Despite the decrease in share of profit of investments accounted for using the equity method, profit before tax increased ¥13,686 million year on year, to ¥57,955 million, following the rise in operating profit.
Profit for the year	After deducting income tax expenses of ¥13,879 million from profit before tax of ¥57,955 million, profit for the year amounted to ¥44,075 million, up ¥7,589 million year on year. Profit for the year (attributable to owners of the Company) increased ¥4,234 million year on year, to ¥40,760 million.
Comprehensive income for the year	In the year ended March 31, 2016, other comprehensive loss for the year, net of tax of ¥64,892 million recorded due to the rapid appreciation of the yen. For the year ended March 31, 2017, other comprehensive income for the year, net of tax of ¥57 million was recorded, despite the decrease of foreign currency translation differences for foreign operations, as the impacts of stock price movements, among other factors, led to an increase in financial assets measured at fair value through other comprehensive income. As a result, comprehensive income for the year of ¥44,133 million was recorded, compared with comprehensive loss for the year of ¥28,405 million in the previous fiscal year.

\* “Net sales” is calculated based on Japanese generally accepted accounting practices (JGAAP), and represents the total amount of the transactions in which the Group took part as the business operator and those in which the Group took part as an agent.

Results for the year ended March 31, 2017, are summarized by segment below.

#### Automotive

Net sales (JGAAP) decreased 10.9% year on year, to ¥283,155 million, as the increase in transactions in automobile dealership businesses in the Americas was outweighed by the decline in exports to Europe. Profit for the year (attributable to owners of the Company) decreased ¥2,330 million year on year, to ¥3,586 million, following a decline in share of profit of investments accounted for using the equity method resulted from the absence of a one-time income recorded by an automobile-related subsidiary in the previous fiscal year.

### Aerospace & IT Business

Net sales (JGAAP) decreased 8.5% year on year, to ¥574,670 million, because of the adverse impacts of yen appreciation on transactions made as the import sales representative for The Boeing Company. Despite the recording of impairment losses on Company-owned ships, profit for the year (attributable to owners of the Company) increased ¥6,778 million year on year, to ¥9,905 million, as a result of increased gross profit following higher aircraft-related transactions, and impact of a conversion of IT business subsidiary into affiliate through partial sale.

### Infrastructure & Environment Business

Net sales (JGAAP) decreased 21.0% year on year, to ¥220,509 million, as a decrease in plant-related transactions offset the benefits of the acquisition of a new overseas independent power producer project. Profit for the year (attributable to owners of the Company) increased ¥2,345 million year on year, to ¥4,519 million, as a result of an increase in the profit of domestic solar power generation businesses and the absence of impairment losses recorded in the previous fiscal year in relation to iron ore business assets held through joint investment with the Metals & Coal Division.

### Energy

Net sales (JGAAP) decreased 39.6% year on year, to ¥80,396 million, due to lower transaction volumes of oil related products. Loss for the year (attributable to owners of the Company) decreased ¥6,376 million, to ¥559 million, as a result of gains on sales of oil and gas interests as well as the absence of impairment losses recorded in previous fiscal year in relation to oil and gas interests. These factors offset detractors such as the decrease in gross profit and the decline in share of profit of investments accounted for using the equity method attributable to LNG business and other companies.

### Metals & Coal

Net sales (JGAAP) decreased 8.6% year on year, to ¥451,994 million, as a result of lower transaction volumes for precious metals and ferroalloys. Profit for the year (attributable to owners of the Company) increased ¥5,369 million, to ¥10,030 million, due to the rise in gross profit stemming from higher selling prices in overseas coal businesses.

### Chemicals

Net sales (JGAAP) decreased 4.2% year on year, to ¥596,561 million, as a result of a downturn in market conditions for chemical and plastic resins as well as the foreign exchange impacts of yen appreciation. Profit for the year (attributable to owners of the Company) was down ¥1,006 million year on year, to ¥7,979 million.

### Foods & Agriculture Business

Net sales (JGAAP) decreased 17.3%, to ¥302,070 million, following lower grain transactions. Loss for the year (attributable to owners of the Company) of ¥6,899 million was recorded, in comparison to profit for the year (attributable to owners of the Company) of ¥5,009 million in the previous fiscal year. This outcome was largely the result of poor performance and impairment losses in grain collection businesses.

### Lifestyle Commodities & Materials

Net sales (JGAAP) increased 9.8% year on year, to ¥990,546 million, following the expansion of the Company's domestic heat-not-burn cigarette sales area. Profit for the year (attributable to owners of the

Company) was up ¥1,516 million, to ¥4,574 million, as a result of an increase in gross profit stemming from higher sales of heat-not-burn cigarettes as well as the absence of impairment losses recognized on fixed assets in overseas woodchip manufacturing businesses during the previous fiscal year.

### Retail

Net sales (JGAAP) decreased 10.3%, to ¥194,614 million, following a decline in meat transactions. Profit for the year (attributable to owners of the Company) increased ¥608 million year on year, to ¥4,050 million, due to sales of commercial facilities in Japan.

## **(2) Financial Position**

### Consolidated Balance Sheet

Total assets on March 31, 2017, stood at ¥2,138,466 million, up ¥81,796 million from March 31, 2016. This increase was mainly attributable to a rise in trade and other receivables (under current assets) associated with tobacco- and chemical-related transactions as well as the expansion of tobacco-related inventories.

Total liabilities at March 31, 2017, amounted to ¥1,560,495 million, up ¥53,542 million from March 31, 2016, following an increase in trade and other payables (under current liabilities) mainly in relation to tobacco and chemical transactions.

Total equity attributable to owners of the Company was ¥550,513 million on March 31, 2017, up ¥30,160 million from March 31, 2016, as a result of the accumulation of profit for the year.

Sojitz consequently, on March 31, 2017, the current ratio was 171.3%, the long-term debt ratio was 82.9%, and the equity ratio\* was 25.7%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥611,007 million on March 31, 2017, a ¥39,380 million decrease from March 31, 2016. This resulted in the Company's net debt equity ratio\* equaling 1.1 times at March 31, 2017.

(\*) 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 2017 the Sojitz Group will continue to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz will endeavor 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 issued straight bonds in the amount of ¥10 billion in June 2016 and issued another ¥10 billion worth of straight bonds in March 2017. 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 billion (of which US\$230 million has been used). In addition, the Company has concluded a US\$300 million long-term foreign currency note facility agreement with effective period provisions (which remains unused).

### **(3) Cash Flows**

#### Consolidated Cash Flows

In the year ended March 31, 2017, operating activities provided net cash flow of ¥857 million, investing activities used net cash of ¥32,179 million, and financing activities used net cash of ¥4,029 million. Sojitz ended the year with cash and cash equivalents of ¥308,632 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 decreased ¥99,082 million year on year, to ¥857 million. Major factors decreasing cash included increases in trade and other receivables in the Chemicals Division and the Lifestyle Commodities & Materials Division as well as outlays for increases in inventories. These factors were outweighed by increases in trade and other payables in the Metals & Coal Division and the Chemicals Division, and other factors increasing cash.

#### (Cash flows from investing activities)

Net cash used in investing activities was ¥32,179 million, down ¥1,731 million year on year. Investment inflows in the form of proceeds from sale of investments were offset by investment outlays, which included capital expenditures in domestic solar power generation businesses.

#### (Cash flows from financing activities)

Net cash used in financing activities was ¥4,029 million, down ¥110,666 million year on year largely due to cash outlays for debt repayment.

### **(4) Consolidated Earnings Forecast**

Current earnings forecast for fiscal 2017 are as follows.

Net sales (*)	¥4,100 billion
Operating profit	¥55.0 billion
Profit before tax	¥69.0 billion
Profit for the year (Attributable to owners of the Company)	¥50.0 billion

(\*) Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

The above forecasts assume a yen/dollar rate of ¥110/US\$ and crude oil price of US\$50/bbl (Brent).

#### 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 2016-17 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 25% under Medium-term Management Plan 2017. The year-end dividend for the year ended March 31, 2017, has been 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

¥4 per share of Sojitz common stock, ¥5,004 million in total

Including the interim dividend of ¥4 per share on December 1, 2016, fiscal 2016 dividends will total ¥8 per share or ¥10,008 million in aggregate.

### 3) Effective date of dividends from surplus

June 21, 2017

For fiscal 2017, Sojitz plans to pay annual common dividends of ¥10 yen per share (¥5 interim dividend plus ¥5 year-end dividend) based on its basic policy and earnings forecast. Based on forecasted profit attributable to owners of the Company, planned fiscal 2017 dividends equate to a projected consolidated dividend payout ratio of 25.0%.



## 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 416 consolidated subsidiaries and equity method associates, including 298 consolidated subsidiaries and 118 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 264 companies consisting of 189 consolidated subsidiaries and 75 equity method associates.)

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

As of March 31, 2017

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries : 16 Number of equity method associates: 7	Completely built-up (CBU) vehicle export; wholesale and retail; local vehicle assembly, manufacturing and sales, automobile and motorcycle components; tire sales	- Sojitz Automotive & Engineering, Inc. (automobile and motorcycle components; tire sales; Subsidiary) - Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary) - Mitsubishi Motors Philippines Corporation (Import, assembly and sale of Mitsubishi automobiles; Equity method associate)
Aerospace & IT Business Number of consolidated subsidiaries : 48 Number of equity method associates: 7	Aero business (Commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business, airport business); Marine business (New building, second-hand ships, ship chartering, ship equipment, ship owning); IT business (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), Internet of Things (IOT)-related business)	- 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) - Nissho Electronics Corporation (IT systems, network services; Subsidiary) - Sojitz Systems Corporation (System Integration; Subsidiary) - SAKURA Internet Inc. (Internet data center operator; Equity method associate) * - Segue group Co.,Ltd (Holding company for IT infrastructure and network security product design, sales, maintenance, and operation service companies; Equity method associate) *
Infrastructure & Environment Business Number of consolidated subsidiaries : 41 Number of equity method associates: 26	Infrastructure & Environment (Renewable energy, water business, IPP projects); Energy Projects (IPP and IWPP projects, power plant EPC business); Plant Projects (Plant business (steel, fertilizer & chemical, energy)); Transportation & Social Infrastructure Projects (transportation projects and social infrastructure projects, i.e. water, harbor, hospital PPP); Industrial Machinery and Bearings (Industrial machinery, surface-mounting machines, bearings)	- Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary) - Mirai Power (Kamikita Rokkasho) Corporation (Solar power generation project; Subsidiary) - Blue Horizon Kelanitissa Power B.V. (Investment in power generation projects; Subsidiary) - Blue Horizon Power International Ltd. (Investment in power generation projects; Subsidiary) - First Technology China Ltd. (Sales and service of surface-mounting machines and semiconductor-related equipment; Subsidiary)
Energy Number of consolidated subsidiaries : 11 Number of equity method associates: 6	Oil and gas; petroleum products; LNG; nuclear fuels; nuclear power-related equipment and machinery; floating production storage and offloading units; LNG-related businesses	- Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary) - Sojitz Energy Venture Inc. (Oil and gas development; Subsidiary) - Sojitz Energy Project Ltd. (Oil and gas development; Subsidiary) - LNG Japan Corporation (LNG business and related investments and loans; Equity method associate)
Metals & Coal Number of consolidated subsidiaries : 28 Number of equity method associates: 15	Coal; iron ore; ferroalloys (nickel, molybdenum, vanadium, other rare metals), 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 : 38 Number of equity method associates: 14	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) * - P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) - solvadis holding S.a.r.l.(Trading and sale of chemical products ; Subsidiary)
Foods & Agriculture Business Number of consolidated subsidiaries : 17 Number of equity method associates: 10	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) * - CGG Trading S.A. (Grain collection in Brazil; Equity method associate)
Lifestyle Commodities & Materials Number of consolidated subsidiaries : 17 Number of equity method associates: 9	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; building materials; afforestation; manufacture and sale of wood chips; imported tobacco	- Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary) - Daichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary) - Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) - JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Equity method associate) *
Retail Number of consolidated subsidiaries : 22 Number of equity method associates: 10	Aquaculture products; processed aquaculture products; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; sugar; other foodstuffs and raw ingredients; overseas industrial park businesses; real estate-related businesses (investment, dealing, leasing, management, etc.); administration of commercial facilities; apparel; interior accessories; bedclothes and home fashion-related products; nursery items; general commodities	- Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary) - Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary) - Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary) - Sojitz General Property Management Corporation (Condominium and office building management, real estate agency services : Subsidiary) - 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) - Tri-Stage inc. (Direct marketing support operations; Equity method associate) * - PT. Puradelta Lestari Tbk (New city development including industrial parks; Equity method associate)
Other Number of consolidated subsidiaries : 17 Number of equity method associates: 4	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 Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary) - Sojitz Research Institute (Research and consulting; Subsidiary) - Sojitz Tourist Corporation (Travel agency; Subsidiary)
Overseas branches Number of consolidated subsidiaries : 43 Number of equity method associates: 10	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)

(\*) The following four companies are listed in the Japanese stock market as of March 31, 2017: SAKURA Internet Inc. (TSE 1st section), JALUX Inc. (TSE 1st section), Fuji Nihon Seito Corporation (TSE 2nd section), Tri-Stage inc. (Mothers) , Segue group Co., Ltd. (JASDAQ) and Pla Matels Corporation (JASDAQ).

### **3. Basic Policy Regarding Selection of Accounting Standards**

As a general trading company, Sojitz Corporation conducts a wide range of businesses on a global basis. These include trading transactions, manufacture and sale of products, provision of services, and investment in various business fields. For this reason, the Company chose to adopt International Financial Reporting Standards (IFRS). This decision was based on the judgment that constructing financial statements in accordance with these international standards would not only improve convenience and make it easier for investors to compare the Company to other companies, but would also allow accounting procedures to be standardized for all Group companies.

#### 4. Consolidated Financial Statements

##### (1) Consolidated Statements of Financial Position

(In millions of Yen)

	FY 2015 (As of March 31, 2016)	FY 2016 (As of March 31, 2017)
<b>Assets</b>		
Current assets		
Cash and cash equivalent	344,414	308,632
Time deposits	6,657	5,728
Trade and other receivables	496,156	563,458
Derivatives	6,593	3,919
Inventories	237,111	271,327
Income tax receivables	6,068	3,647
Other current assets	49,017	72,417
Subtotal	1,146,018	1,229,130
Assets as held for sale	326	616
Total current assets	1,146,344	1,229,747
Non-current assets		
Property, plant and equipment	186,957	172,201
Goodwill	53,055	57,594
Intangible assets	38,829	34,148
Investment property	18,369	21,100
Investments accounted for using the equity method	377,597	386,740
Trade and other receivables	44,558	45,485
Other investments	173,618	172,944
Derivatives	163	36
Other non-current assets	9,668	9,815
Deferred tax assets	7,507	8,650
Total non-current assets	910,325	908,719
Total assets	2,056,670	2,138,466
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	439,245	483,049
Bonds and borrowings	168,264	158,698
Derivatives	3,728	3,669
Income tax payables	6,630	9,190
Provisions	2,525	2,124
Other current liabilities	53,294	60,912
Subtotal	673,688	717,646
Liabilities directly related to assets as held for sale	88	101
Total current liabilities	673,776	717,748
Non-current liabilities		
Bonds and borrowings	754,434	766,669
Trade and other payables	9,696	3,709
Derivatives	5,001	4,004
Retirement benefits liabilities	18,727	21,381
Provisions	18,949	20,792
Other non-current liabilities	7,475	6,490
Deferred tax liabilities	18,891	19,698
Total non-current liabilities	833,176	842,747
Total liabilities	1,506,953	1,560,495
Equity		
Share capital	160,339	160,339
Capital surplus	146,514	146,513
Treasury stock	(161)	(170)
Other components of equity	132,415	132,682
Retained earnings	81,245	111,149
Total equity attributable to owners of the Company	520,353	550,513
Non-controlling interests	29,363	27,457
Total equity	549,716	577,970
Total liabilities and equity	2,056,670	2,138,466

## (2) Consolidated Statements of Profit or Loss

(In millions of Yen)

	FY 2015 (From April 1, 2015 to March 31, 2016)	FY 2016 (From April 1, 2016 to March 31, 2017)
Revenue		
Sale of goods	1,566,839	1,463,536
Sales of service and others	91,233	91,813
Total revenue	1,658,072	1,555,349
Cost of sales	(1,477,333)	(1,354,664)
Gross profit	180,739	200,685
Selling, general and administrative expenses	(154,416)	(153,038)
Other income(expenses)		
Gain(loss) on sale and disposal of fixed assets, net	1,498	4,797
Impairment loss on fixed assets	(24,051)	(4,618)
Gain on sale of subsidiaries/associates	12,909	10,358
Loss on reorganization of subsidiaries/associates	(1,349)	(8,174)
Other operating income	20,646	9,566
Other operating expenses	(6,733)	(7,958)
Total other income/expenses	2,919	3,971
Operating profit	29,242	51,618
Financial income		
Interests earned	3,893	3,903
Dividends received	4,349	4,165
Total financial income	8,242	8,068
Financial costs		
Interest expenses	(16,316)	(14,382)
Other financial costs	(63)	(22)
Total financial cost	(16,379)	(14,405)
Share of profit(loss) of investments accounted for using the equity method	23,163	12,673
Profit before tax	44,269	57,955
Income tax expenses	(7,782)	(13,879)
Profit for the year	36,486	44,075
Profit attributable to:		
Owners of the Company	36,526	40,760
Non-controlling interests	(39)	3,314
Total	36,486	44,075
Net sales *	4,006,649	3,745,549

\* Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as an transaction agent.

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

(In millions of Yen)

	FY 2015 (From April 1, 2015 to March 31, 2016)	FY 2016 (From April 1, 2016 to March 31, 2017)
Profit for the year	36,486	44,075
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,232)	9,977
Remeasurements of defined benefit pension plans	(725)	478
Share of other comprehensive income of investments accounted for using the equity method	(4,868)	(3,686)
Total items that will not be reclassified to profit or loss	(6,826)	6,768
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(44,362)	(7,958)
Cash flow hedges	(2,709)	693
Share of other comprehensive income of investments accounted for using the equity method	(10,993)	554
Total items that may be reclassified subsequently to profit or loss	(58,065)	(6,710)
Other comprehensive income for the year, net of tax	(64,892)	57
Total comprehensive income for the year	(28,405)	44,133
Total comprehensive income attributable to:		
Owners of the Company	(25,379)	40,289
Non-controlling interests	(3,025)	3,843
Total	(28,405)	44,133

## (4) Consolidated Statements of Change 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 hedge
Balance as of April 1, 2015	160,339	146,515	(159)	91,540	106,604	(3,586)
Profit for the year						
Other comprehensive income				(52,540)	(5,683)	(2,560)
Total comprehensive income for the year	—	—	—	(52,540)	(5,683)	(2,560)
Purchase of treasury stock		(0)	(2)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				650		7
Reclassification from other components of equity to retained earnings					(2,016)	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(2)	650	(2,016)	7
Balance as of March 31, 2016	160,339	146,514	(161)	39,649	98,904	(6,139)
Profit for the year						
Other comprehensive income				(8,116)	6,133	1,014
Total comprehensive income for the year	—	—	—	(8,116)	6,133	1,014
Purchase of treasury stock		(1)	(9)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				4		
Reclassification from other components of equity to retained earnings					1,229	
Other changes						
Total contributions by and distributions to owners of the Company	—	(1)	(9)	4	1,229	—
Balance as of March 31, 2017	160,339	146,513	(170)	31,537	106,268	(5,124)

(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, 2015	—	194,557	49,731	550,983	39,672	590,656
Profit for the year			36,526	36,526	(39)	36,486
Other comprehensive income	(1,122)	(61,905)		(61,905)	(2,986)	(64,892)
Total comprehensive income for the year	(1,122)	(61,905)	36,526	(25,379)	(3,025)	(28,405)
Purchase of treasury stock				(2)		(2)
Dividends			(9,382)	(9,382)	(1,763)	(11,145)
Change in ownership interests in subsidiaries without loss/acquisition of control		657	5,266	5,924	(5,988)	(64)
Reclassification from other components of equity to retained earnings	1,122	(893)	893	—		—
Other changes			(1,789)	(1,789)	468	(1,321)
Total contributions by and distributions to owners of the Company	1,122	(236)	(5,011)	(5,250)	(7,283)	(12,533)
Balance as of March 31, 2016	—	132,415	81,245	520,353	29,363	549,716
Profit for the year			40,760	40,760	3,314	44,075
Other comprehensive income	496	(470)		(470)	528	57
Total comprehensive income for the year	496	(470)	40,760	40,289	3,843	44,133
Purchase of treasury stock				(10)		(10)
Dividends			(10,008)	(10,008)	(2,563)	(12,571)
Change in ownership interests in subsidiaries without loss/acquisition of control		4	(0)	4		4
Reclassification from other components of equity to retained earnings	(496)	732	(732)	—		—
Other changes			(115)	(115)	(3,186)	(3,301)
Total contributions by and distributions to owners of the Company	(496)	737	(10,856)	(10,129)	(5,749)	(15,879)
Balance as of March 31, 2017	—	132,682	111,149	550,513	27,457	577,970





## (6) 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, 2016 (April 1, 2015 – March 31, 2016)

(Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	141,155	91,788	106,568	74,169	270,055	409,332	187,437
Inter-segment revenue	15	1,676	20	10	3	20	12
Total revenue	141,170	93,465	106,589	74,180	270,059	409,352	187,449
Gross profit	25,082	26,298	17,731	2,421	9,075	40,731	18,116
Operating profit	4,704	5,640	3,702	(8,438)	(4,113)	12,954	6,510
Share of profit (loss) of investments accounted for using the equity method	4,553	325	603	3,902	8,156	1,251	662
Profit attributable to owners of the Company	5,916	3,127	2,174	(6,935)	4,661	8,985	5,009
Segment assets	131,951	164,187	164,538	140,037	390,478	261,698	132,132
Others:							
Investment accounted for using the equity method	14,393	1,596	17,183	58,286	217,937	12,693	24,941
Capital expenditure	1,558	4,797	11,574	5,152	4,297	762	2,270

Net sales (Note)							
External	317,770	627,883	279,264	133,003	494,624	622,956	365,197

	Reportable segments			Others	Reconciliations	Consolidated
	Lifestyle Commodities & Materials	Retail	Total			
Revenue						
External revenue	179,420	154,831	1,614,760	43,312	—	1,658,072
Inter-segment revenue	112	460	2,333	596	(2,929)	—
Total revenue	179,532	155,292	1,617,093	43,908	(2,929)	1,658,072
Gross profit	18,907	18,484	176,850	5,513	(1,624)	180,739
Operating profit	4,708	3,547	29,216	37	(10)	29,242
Share of profit (loss) of investments accounted for using the equity method	838	2,857	23,150	13	(0)	23,163
Profit attributable to owners of the Company	3,058	3,442	29,439	4,686	2,400	36,526
Segment assets	214,661	135,899	1,735,585	142,341	178,742	2,056,670
Others:						
Investment accounted for using the equity method	9,694	16,401	373,129	4,569	(101)	377,597
Capital expenditure	709	903	32,026	1,476	—	33,503

Net sales (Note)						
External	902,480	216,858	3,960,040	46,609	—	4,006,649

Reconciliation of segment profit of 2,400 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 1,766 million yen, and unallocated dividend income and others of 633 million yen.

The reconciliation amount of segment assets of 178,742 million yen includes elimination of inter-segment transactions or the like amounting to (74,360) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to 253,102 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.

For the year ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(Millions of Yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	144,259	88,552	114,355	47,464	260,716	399,799	138,117
Inter-segment revenue	9	3,183	19	39	3	9	10
Total revenue	144,269	91,736	114,374	47,504	260,719	399,808	138,128
Gross profit	24,837	31,118	18,037	1,880	19,527	37,408	21,971
Operating profit	5,232	15,606	4,031	(485)	6,608	11,864	3,040
Share of profit (loss) of investments accounted for using the equity method	1,549	567	2,531	1,679	8,584	1,185	(5,281)
Profit attributable to owners of the Company	3,586	9,905	4,519	(559)	10,030	7,979	(6,899)
Segment assets	142,565	162,231	196,615	137,298	398,678	293,075	130,490
Others:							
Investment accounted for using the equity method	15,456	13,201	18,934	58,823	216,519	12,251	14,204
Capital expenditure	1,672	6,061	15,048	3,173	3,429	946	1,816

Net sales (Note)							
External	283,155	574,670	220,509	80,396	451,994	596,561	302,070

	Reportable segments			Others	Reconciliations	Consolidated
	Lifestyle Commodities & Materials	Retail	Total			
Revenue						
External revenue	179,749	134,822	1,507,837	47,511	—	1,555,349
Inter-segment revenue	64	361	3,702	388	(4,091)	—
Total revenue	179,814	135,184	1,511,540	47,900	(4,091)	1,555,349
Gross profit	20,552	21,995	197,330	4,605	(1,250)	200,685
Operating profit	6,531	4,751	57,180	(5,473)	(89)	51,618
Share of profit (loss) of investments accounted for using the equity method	630	1,144	12,591	82	0	12,673
Profit attributable to owners of the Company	4,574	4,050	37,188	(1,605)	5,177	40,760
Segment assets	257,710	143,487	1,862,152	137,432	138,880	2,138,466
Others:						
Investment accounted for using the equity method	9,950	23,082	382,424	4,425	(109)	386,740
Capital expenditure	573	5,080	37,802	980	—	38,783

Net sales (Note)						
External	990,546	194,614	3,694,520	51,028	—	3,745,549

Reconciliation of segment profit of 5,177 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 4,722 million yen, and unallocated dividend income and others of 455 million yen.

The reconciliation amount of segment assets of 138,880 million yen includes elimination of inter-segment transactions or the like amounting to (92,959) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to 231,840 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.

Note: Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as a transaction agent.

(Earnings per share)

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

	FY 2015 (From April 1, 2015 to March 31, 2016)	FY 2016 (From April 1, 2016 to March 31, 2017)
Basic earnings per share (yen)	29.20	32.58
Diluted earnings per share (yen)	29.20	32.58

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

	FY 2015 (From April 1, 2015 to March 31, 2016)	FY 2016 (From April 1, 2016 to March 31, 2017)
Profit used to calculate basic and diluted earnings per share		
Profit for the year, attributable to owners of the Company (In millions of yen)	36,526	40,760
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)	36,526	40,760
Profit adjustment amount		
Adjustment amount concerning share options to be issued by associates (In millions of yen)	(1)	(1)
Profit used to calculate diluted earnings per share (In millions of yen)	36,524	40,758
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)	1,251,018	1,251,010
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)	1,251,018	1,251,010