

May 1, 2017

Company: Sojitz Corporation
Representative: Yoji Sato, President &
CEO
(TSE Code: 2768; TSE First Section)
Contact Taku Imai
information: General Manager, PR
Dept.
TEL: 03-6871-3404

Announcement of Losses Recorded on the Non-Consolidated Financial Statements
for the Year Ended March 31, 2017

Through wholly owned subsidiary Sojitz Graos Brasil Participacoes Ltda. (SGBP), Sojitz Corporation holds a 43.1% stake in CGG Trading S.A. (CGGT), an investment accounted for using the equity method that operates a grain collection business in Brazil. The Company has decided to record an impairment loss on its non-consolidated financial statements in regard to its investment in SGBP. Details are as follows.

1. Details of loss recorded on non-consolidated financial statements

CGGT has fallen into a state of excessive liabilities. Factors behind this situation include growing operating losses stemming from declining transaction volumes due to poor crops resulted from unseasonable weather, rising costs for transportation within Brazil, and the impacts of demurrage costs at ports in Brazil. In addition, some farmers have been suffering from reduced profits and have consequently been unable to repay their debt to CGGT.

In light of this situation, the Company determined that significant time will be required to recover, no less increase, grain transaction volumes and thus judged that it will be impossible to secure the levels of income initially projected. Accordingly, an impairment loss was recorded by SGBP with regard to its investment in CGGT. The Company subsequently recorded a ¥14.0 billion impairment loss on its non-consolidated financial statements.

2. Impact on consolidated financial statements

To reflect the loss related to CGGT on the consolidated financial statements for the year ended March 31, 2017, the Company recorded ¥6.1 billion as “Share of loss of investments accounted for using the equity method” and also recorded an additional ¥6.7 billion as “Loss on reorganization of subsidiaries/associates” to reflect the impairment loss on the investment.

For earnings results for the year ended March 31, 2017, please refer to *Summary of Consolidated Financial Results for the Year Ended March 31, 2017*, which was released today.