



Internet Disclosure of Matters for
the Notice of the 13th Ordinary General Shareholders' Meeting

■ Consolidated Statements of Changes in Equity	1
■ Notes to the Consolidated Financial Statements	3
■ (Reference) Consolidated Statements of Profit or Loss and Other Comprehensive Income	16
■ (Reference) Segment Information	17
■ Non-consolidated Statements of Changes in Net Assets	22
■ Notes to the Non-consolidated Financial Statements	24

In accordance with laws and regulations and Article 14 of the Articles of Incorporation,
this information is posted on the Company's website at:
(<http://www.sojitz.com/en/ir/stkholder/general/>)

Sojitz Corporation

Consolidated Statements of Changes in Equity

(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, 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)

	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		
	Remeasurement 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

(Reference)

(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, 2014	160,339	146,515	(157)	59,373	60,687	(443)
Profit for the year						
Other comprehensive income				31,687	46,603	(3,115)
Total comprehensive income for the year	—	—	—	31,687	46,603	(3,115)
Purchase of treasury stock		(0)	(1)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				479		(27)
Reclassification from other components of equity to retained earnings					(687)	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(1)	479	(687)	(27)
Balance as of March 31, 2015	160,339	146,515	(159)	91,540	106,604	(3,586)

	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		
	Remeasurement of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2014	—	119,617	33,538	459,853	33,105	492,959
Profit for the year			33,075	33,075	4,575	37,650
Other comprehensive income	(903)	74,271		74,271	2,996	77,268
Total comprehensive income for the year	(903)	74,271	33,075	107,347	7,571	114,919
Purchase of treasury stock				(2)		(2)
Dividends			(5,629)	(5,629)	(2,320)	(7,950)
Change in ownership interests in subsidiaries without loss/acquisition of control		451	652	1,103	1,808	2,912
Reclassification from other components of equity to retained earnings	903	216	(216)	—		—
Other changes			(11,688)	(11,688)	(493)	(12,182)
Total contributions by and distributions to owners of the Company	903	668	(16,883)	(16,216)	(1,005)	(17,222)
Balance as of March 31, 2015	—	194,557	49,731	550,983	39,672	590,656

Notes to the Consolidated Financial Statements

Significant Basis of Presenting Consolidated Financial Statements

1. Basis for Presenting Consolidated Financial Statements

The Company prepares its consolidated financial statements on the basis of International Financial Reporting Standards (hereinafter referred to as “IFRS”), in compliance with Article 120, Paragraph 1 of the Company Accounting Regulations.

In compliance with the second sentence of Article 120, Paragraph 1 of the Company Accounting Regulations, certain disclosures and notes required on the basis of IFRS are omitted.

2. Scope of Consolidation

Number of Consolidated Subsidiaries: 286

The major consolidated subsidiaries of the Sojitz Group are as follows:

Sojitz Aerospace Corporation, Sojitz Marine & Engineering Corporation, Nissho Electronics Corporation, Sojitz Machinery Corporation, Sojitz Pla-Net Corporation, Pla Matels Corporation, Sojitz Building Materials Corporation, Sojitz Fashion Co., Ltd., Sojitz Foods Corporation, Sojitz Kyushu Corporation, Sojitz Corporation of America, Sojitz Europe plc, Sojitz Asia Pte. Ltd. and Sojitz (Hong Kong) Ltd.

3. Application of Equity Method

Number of Entities Subject to Equity Method: 110

The major entities subject to equity method are as follows:

Metal One Corporation, LNG Japan Corporation, and JALUX, Inc.

4. Accounting Policies

(1) Basis and Methods of Valuation of Significant Assets

1) Financial assets

The Group has applied IFRS 9 Financial Instruments (2010 version).

At initial recognition, financial assets are classified as financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income or financial assets measured at amortized costs. The Group initially recognizes financial assets that are measured at amortized costs on the date of occurrence. The Group initially recognizes other financial assets on the transaction date.

In cases in which the contractual right with respect to the cash flow from a financial asset is extinguished, or the contractual right to receive cash flow from a financial asset has been transferred, and substantially all of the risks and rewards associated with the ownership of such asset are removed, the Group derecognizes such financial asset.

(a) Financial assets measured at amortized costs

A financial asset that meets the following conditions are classified as financial asset measured at amortized costs.

- The asset is held based on a business model whose objective is to hold an asset in order to

collect cash flow under a contract; and,

- Based on the contractual terms with respect to the financial asset, the cash flow, which is intended only for payment of principal and interests on the outstanding principal balance, arises on a specified date.

At initial recognition, financial assets measured at amortized costs are measured at fair value plus transaction costs directly attributable to acquisition of such assets. After initial recognition, the carrying amount of such financial assets measured at amortized cost is calculated using the effective interest method.

(b) Financial assets measured at fair value through profit or loss

Of the financial assets that have been classified as financial assets to be measured at fair value instead of at amortized costs, financial assets other than for investment to an equity instrument, of which subsequent changes to the fair value thereof will be presented as other comprehensive income, are classified as financial assets measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss include financial assets held for purchase and sale.

At initial recognition, financial assets measured at fair value through profit or loss are measured at fair value and transaction costs that are directly attributable to the acquisition are recognized as profit or loss. After initial recognition, they are measured at fair value, and subsequent changes in the fair value of such financial assets are recognized as profit or loss.

(c) Financial assets measured at fair value through other comprehensive income

Of the financial instruments that have been classified as financial assets to be measured at fair value instead of at amortized costs, in regards to equity instruments invested in not for the purpose of purchase and sale, an election may be made at initial recognition to present subsequent changes to the fair value of such instruments as other comprehensive income (such election being irrevocable). The Group makes such election per each such financial instrument.

At initial recognition, financial assets measured at fair value through other comprehensive income are measured at fair value plus transaction costs directly attributable to the acquisition of such assets. After initial recognition, they are measured at fair value and the subsequent changes in fair value are recognized as other comprehensive income. When the equity investment is derecognized, or the decrease in fair value is substantial, the accumulated amount of other comprehensive income is reclassified as retained earnings and not as profit or loss. Dividends are recognized as profit or loss.

2) Inventories

Inventories are measured at the lower of a historical cost basis and net realizable value.

The costs of inventories include purchasing costs, processing costs and all other costs incurred in the process of bringing such inventories to the present location and condition, and is mainly determined based on the average method. Non-fungible inventories are calculated based on the specific identification method.

Inventories that have been acquired for trading purposes are measured at fair value less costs to sell, and changes in the fair values of such inventories are recognized as profit or loss.

3) Property, plant and equipment

After initial recognition, the Group applies the cost model, under which property, plant and equipment are measured at cost less any accumulated depreciations and accumulated impairment

losses.

The costs of property, plant and equipment include costs directly attributable to the acquisition of such assets. If a material component of property, plant and equipment is consumed differently, then such component is accounted for as a separate item of property, plant and equipment.

4) Goodwill and intangible assets

(a) Goodwill

Goodwill is measured at cost less any accumulated impairment losses.

(b) Intangible assets

After initial recognition, the Group applies the cost model and intangible assets are measured at cost less any accumulated depreciations and accumulated impairment losses.

At initial recognition, intangible assets acquired individually are measured at cost. The costs of intangible assets acquired from business combinations are measured at fair value at the date of acquisition. With respect to internally-generated intangible assets that do not meet the criteria for asset recognition, expenditures related thereto are accounted for as expenses at the time they are incurred. With respect to internally-generated intangible assets that meet the criteria for asset recognition, the total of expenditures related thereto that were incurred from the date such criteria was first met is treated as cost.

5) Investment property

An investment property is a property held either to earn rental income or for capital appreciation or for both. An investment property does not include a property held for sale in the ordinary course of business or property used for the production or supply of goods or service or for other administrative purpose.

After initial recognition, the Group applies the cost model and investment property is measured at cost less any accumulated depreciations and accumulated impairment losses.

(2) Depreciation Method for Significant Depreciable Assets

1) Property, plant and equipment

Depreciation of property, plant and equipment is mainly computed under the straight-line method based on the estimated useful life of each component thereof.

2) Intangible assets

Intangible assets, of which their useful lives may be determined (excluding mining rights), are depreciated under the straight-line method for the period of such estimated use. With respect to mining rights, they are depreciated using the production output method based on estimated mine reserves.

3) Investment property

Depreciation of an investment property is mainly computed under the straight-line method based on the applicable estimated useful life.

(3) Accounting Standards for Significant Provisions

A provision is recognized only when the Group has a present obligation (legal or presumptive) as a result of a past event, there is a probability that an outflow of resources embodying economic benefits will be required to settle such obligation and a reliable estimate can be made regarding the amount of

such obligation.

In the case where there is significance in the effect of the time value of money, provision is posted for the amount from which the current discount rate before tax after reflecting the risks specific to the relevant liabilities have been deducted.

(4) Retirement Benefits Liabilities

Defined benefit plans refer to retirement benefits plans other than a defined contribution plan. Defined benefits obligations are calculated separately for each plan by estimating the future amount of benefits that employees will have earned in return for their services provided in the current and prior periods and discounting such amount in order to determine the present value. The fair value of any plan assets is deducted from the present value of the defined benefits obligations.

The discount rates are principally equivalent to the market yields of AA credit-rated corporate bonds at the fiscal year end that have maturity terms that are approximately the same as those of the Group's obligations and use the same currencies as those used for future benefits payments.

Past service costs are immediately recognized as profit or loss.

The Group immediately recognizes all of the net amount of remeasured defined benefits obligations (assets) arising from the defined benefit plans as other comprehensive income and promptly reclassifies them as retained earnings.

(5) Foreign Currency Translation

1) Foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of each company at exchange rates at the dates of such transactions.

Monetary items in foreign currency at the reporting date are retranslated to the functional currency at the exchange rate at such date.

Foreign exchange translation differences on monetary items are recognized as profit or loss in the period incurred.

Non-monetary items that are measured based on historical cost of the foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items in foreign currency that are measured at fair value of such foreign currency are retranslated to the functional currency at the exchange rate as of the calculation date of fair values thereof. With respect to the foreign exchange translation differences of non-monetary items, if gains or losses on non-monetary items are recognized as other comprehensive income, the exchanged portion of such gains or losses will be recognized as other comprehensive income. On the other hand, if gains or losses on non-monetary items are recognized as profit or loss, the exchanged portions of such gains or losses will be recognized as profit or loss.

2) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisitions thereof, are translated into presentation currency using the exchange rate at the reporting date. In addition, the income and expenses of foreign operations are translated into presentation currency using the average exchange rate for the year excluding cases in which exchange rates are fluctuating significantly.

Foreign exchange translation differences are recognized as other comprehensive income. If the Group's foreign operation is disposed of, the cumulative amount of the foreign exchange translation

differences related to such foreign operation are reclassified to profit or loss at the time of such disposal.

Based on the application of the exemption clauses under IFRS 1 First Time Adoption of International Financial Reporting Standards, the Group reclassified the cumulative translation differences as of the Transition Date to retained earnings.

(6) Derivatives and Hedge Accounting

In order to hedge the foreign currency risk, interest rate fluctuation risk and commodity price fluctuation risk, the Group conducts derivative transactions, such as forward exchange transactions, interest rate swap transactions and commodity futures and forwards transactions.

When initiating a hedge, the Group designates and documents the risk management purposes and strategies regarding the hedge relationship and initiation of such hedge. Such documentation includes the designation of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and methods of assessing the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Although such hedging is expected to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk, it is assessed on an ongoing basis for its actual effectiveness throughout the reporting periods for which such hedging was designated.

Derivatives are initially recognized at fair value. After initial recognition, derivatives are measured at fair value and subsequent changes in the fair value thereof are accounted for as follows:

1) Fair value hedges

The changes in fair value of a derivative used as a hedging instrument is recognized as profit or loss. The carrying amount of hedged items are measured at fair value and the gains or losses on such hedged items arisen from changes in the fair values attributable to the hedged risks are recognized as profit or loss.

2) Cash flow hedges

Of the changes in fair value of a derivative used as a hedging instrument, portions determined to be effective are recognized as other comprehensive income.

The amount recognized as other comprehensive income is reclassified from other components of equity to profit or loss in the same period that the hedged transaction affects profit or loss; provided, however, that if hedging of a scheduled transaction subsequently results in the recognition of a non-financial asset or liability, the amount recognized as other comprehensive income is then accounted for as revision to the initial carrying amount of such non-financial asset or liability.

When the hedge no longer meets the criteria for hedge accounting, the hedge instrument expires or is sold, terminated or exercised or designation of the hedge is revoked, hedge accounting is discontinued prospectively. If the scheduled transaction is no longer expected to occur, the amount of the effective portions of the hedge that have been recognized as other comprehensive income is immediately reclassified from other component of equity to profit or loss.

3) Hedge of a net investment

Of the changes in fair value of a derivative used as a hedge instrument under the same accounting applied to a cash flow hedge, portions determined to be effective are recognized as other comprehensive income. Such effective portions are reclassified from other components of equity to profit or loss at the time of disposition of a foreign operation.

4) Derivatives not designated as hedging instrument

The changes in the fair value of such derivatives are recognized as profit or loss.

(7) Accounting for Consumption Tax

The tax-excluded method is used.

5. Changes in Accounting Policies

The Group adopts the same accounting policies as the ones applied to the consolidated financial statements in the year ended March 31, 2015, and there are no significant changes.

Consolidated Statements of Financial Position

1. Pledged Assets and Corresponding Liabilities

(1) Assets Pledged as Security

(Millions of yen)

	As of March 31, 2016
Assets pledged as security	
Inventories	6,545
Property, plant and equipment	53,022
Investment property	4,034
Other investments	8,574
Others	4,072
Total	76,249
Corresponding liabilities	
Trade and other payables	6,708
Bonds and borrowings	34,896
Total	41,605

(Note) With respect to assets pledged as security other than listed above, there are subsidiaries' stocks which were eliminated in the consolidated statements.

(2) Assets Pledged in Lieu of Guarantee Money

(Millions of yen)

	As of March 31, 2016
Inventories	358
Property, plant and equipment	264
Intangible assets	2,549
Investments accounted for using the equity method	49,208
Other investments	1,052
Others	374
Total	53,806

(Note) With respect to assets pledged in lieu of guarantee money other than listed above, there are subsidiaries' stocks of which were eliminated in the consolidated statements.

2. Allowance for Doubtful Accounts Which Has Been Subtracted from Trade and Other Receivables

50,043 million yen

3. Accumulated Depreciations and Accumulated Impairment Losses of Property, Plant and Equipment

236,251 million yen

4. Guaranteed Obligation

(Millions of yen)

	As of March 31, 2016
Guarantees for obligations of Entities subject to Equity Method	18,070
Guarantees for obligations of third parties	1,916
Total	19,986

(Note) The above guarantees for obligations mainly consist of the Group's guarantees for the borrowings from financial institutions.

Consolidated Statements of Changes in Equity

1. Class and Numbers of Shares Outstanding as of March 31, 2016

Common stock 1,251,499,501 shares

2. Dividends

(1) Amount of Dividends Paid

Resolution	Class of shares	Source of dividend funds	Total amount of dividends (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary General Shareholders' Meeting held on June 23, 2015	Common stock	Retained earnings	4,378	3.50 yen	March 31, 2015	June 24, 2015
Meeting of the Board of Directors held on November 5, 2015	Common stock	Retained earnings	5,004	4.00 yen	September 30, 2015	December 1, 2015

(2) Dividends for Which the Record Date Falls in the Current Consolidated Fiscal Year while the Effective Date Comes Next Consolidated Fiscal Year

The Company presents the following proposal on the year-end dividends for common stock as the agenda for the 13th Ordinary General Shareholders' Meeting scheduled on June 16, 2016.

Dividends of Common Stock

(a) Total amount of dividends	5,004 million yen
(b) Source of dividend funds	Retained earnings
(c) Dividend per share	4.00 yen
(d) Record date	March 31, 2016
(e) Effective date	June 17, 2016

3. Retained earnings

Foreign exchange translation differences arising from translation of financial statements in the currency of hyperinflationary economies into the presentation currency, which amounted to (11,754) million yen for the previous consolidated fiscal year, and were recognized as "Other changes" under retained earnings.

Financial Instruments

1. Status of Financial Instruments

As a general trading company, the Group is engaged in a wide range of businesses globally, including buying, selling, importing, and exporting of goods, manufacturing and selling products, providing services, and planning and coordinating various projects, investments to various business fields and conducting of financial activities, in Japan and overseas.

In order to carry out these businesses, the Group has set up a target of long-term debt ratio and raises funds, not only through indirect financing from financial institutions, but also through direct financing by securitization as well as issuance of bonds and commercial papers. In this manner, the Group aims at maintaining and improving the stability of its funding structure.

Furthermore, the Group is exposed to market risks, including foreign exchange risk associated with transactions denominated in foreign currencies in connection with international trade or business investments; interest rate risk associated with debt financing and investment; commodity price risk associated with purchase and sales agreements and commodity inventories incidental to sales activities; and market price risk associated with ownership of listed securities and other such assets. To hedge and minimize these risks, the Group utilizes derivatives such as forward exchange contracts, commodity futures, forward commodity contracts, and interest rate swaps.

2. Fair Value of Financial Instruments

As of March 31, 2016, carrying amounts and fair values of the main financial instruments by type were as follows.

	(Millions of yen)	
	As of March 31, 2016	
	Carrying amount	Fair value
Financial assets		
Trade and other receivables		
Trade notes and accounts receivables	465,217	465,049
Other investments		
Financial assets measured at fair value through profit or loss	866	866
Financial assets measured at fair value through other comprehensive income	172,751	172,751
Derivative financial assets	6,757	6,757
Total	645,592	645,425
Financial liabilities		
Trade and other payables		
Trade notes and accounts payables	362,804	362,804
Bonds and borrowings		
Bonds payable (including current portion)	79,771	81,683
Long-term loans payable (including current portion)	775,233	795,992
Derivative financial liabilities	8,729	8,729
Total	1,226,539	1,249,210

The fair values stated above were calculated as follows.

(a) Trade notes and accounts receivables

Per each receivable classified per certain period, the fair value was calculated based on the present value of future cash flow discounted by the interest rate, which took into account the period to maturity and the credit risk.

(b) Other investments

The fair values of listed stocks were based on the prices at the applicable exchange. The fair values of unlisted stocks were calculated using the discounted future cash flow method, price comparison method based on the prices of similar companies, net asset value method and other valuation methods.

(c) Derivative financial assets and liabilities

Currency-related derivatives

The fair values with respect to foreign exchange transactions, spot/forward transactions, currency option transactions and currency swap transactions were calculated based on the forward exchange rate as of the settlement date.

Interest rate-related derivatives

The fair values of interest rate-related derivatives were calculated based on present values of future cash flows discounted by the interest rate, which took into account the period to maturity and the credit risk.

Commodity-related derivatives

The fair values of commodity futures transactions were calculated based on the final prices announced at the commodities exchanges as of the fiscal year-end. The fair values of commodity forward transactions and commodity swaps were calculated based on the index prices publicly announced at the fiscal year-end.

(d) Trade notes and accounts payables

Per each payables classified per certain period, the fair value was calculated based on the present value of future cash flow discounted by the interest rate, which took into account the period to maturity and the

credit risk.

(e) Bonds and borrowings

For bonds payable, the fair values thereof were calculated based on such market prices.

The fair values of long-term loans payable were calculated based on the present value discounted by a rate anticipated for a new borrowing with the same principal and interest.

Investment Property

1. Status of Investment Property

The Company and certain subsidiaries own rental office buildings and rental commercial facilities in Tokyo and other areas.

2. Fair Values of Investment Property

Carrying amounts and fair values of investment property for 2016 were as follows.

(Millions of yen)

	As of March 31, 2016
Carrying amount	18,369
Fair value	19,957

- (Notes) 1. The above carrying amount is calculated by subtracting accumulated depreciations and accumulated impairment losses from acquisition costs.
2. The fair values are of amounts that the Group calculated using as reference the amounts based on an independent appraiser's appraisals and the "real estate appraisal standards" of the country in which the investment properties are located. These appraisals are calculated based on either the public offering price, a sales comparison approach or discount cash flow approach. Upon an acquisition from a third party or at the time of the most recent appraisal, if there is no significant fluctuation in the index, which is believed to reflect a certain appraised value (market or assessed price) or appropriate market value, the fair value is adjusted using such appraised value or index.

Per-share Information

Basic Earnings per Share 29.20 yen

Subsequent Events

Not applicable

(Note) In the consolidated financial statements, amounts presented in millions of yen have been rounded down to the nearest million.

**(Reference) Consolidated Statements of Profit or Loss and
Other Comprehensive Income**

(Millions of yen)

Items	FY2015 (From April 1, 2015 to March 31, 2016)	FY2014 (From April 1, 2014 to March 31, 2015)
Profit for the year	36,486	37,650
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(5,677)	46,787
Remeasurement of defined benefit pension plans	(1,148)	(925)
Total items that will not be reclassified to profit or loss	(6,826)	45,862
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(55,481)	34,811
Cash flow hedges	(2,583)	(3,405)
Total items that may be reclassified subsequently to profit or loss	(58,065)	31,405
Other comprehensive income for the year, net of tax	(64,892)	77,268
Total comprehensive income for the year	(28,405)	114,919
Total comprehensive income attributable to:		
Owners of the Company	(25,379)	107,347
Non-controlling interests	(3,025)	7,571
Total	(28,405)	114,919

(Reference) Segment Information

Summary of Reportable Segments

Effective April 1, 2015, the Group underwent organizational reforms to create a system that includes the previous product-based organizational structure incorporating those which reflect the functions and the industries in which they operate. Through these reforms, the previous system (consisting of nine units under four divisions) was reworked into a nine division system. These reforms have also resulted in a change in reportable segments. Segment information for the year ended March 31, 2015 has been restated to reflect the reportable segments after this change.

The major products and services in the reporting segments are noted in “1. Current Circumstances of the Sojitz Group (2) Major Business Segments of the Sojitz Group.”

Information Regarding Reportable Segments

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.

Transactions between segments are determined at market price or at arms length price.

Effective April 1, 2015, disclosure items have been reviewed and changed based on business management indicators. Segment information for the year ended March 31, 2015 has been prepared using items after the change.

FY2015 (From April 1, 2015 to 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 (loss) (attributable to owner 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
Other:							
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 (loss) (attributable to owner 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
Other:						
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

Profit (loss) (attributable to owners of the Company) is reconciled based on profit for the year (attributable to owners of the Company) under the consolidated statements of profit or loss.

Reconciliations of profit (loss) (attributable to owners of the Company) of 2,400 million yen include 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 company-wide 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.

FY2014 (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments						
	Automotive	Aerospace & IT Business	Infrastructure & Environment Business	Energy	Metals & Coal	Chemicals	Foods & Agriculture Business
Revenue							
External revenue	157,978	80,850	104,056	137,213	308,866	427,306	229,409
Inter-segment revenue	9	1,535	2	2	12	124	9
Total revenue	157,987	82,385	104,059	137,215	308,879	427,431	229,419
Gross profit	28,505	25,257	18,793	7,281	14,985	39,274	20,333
Operating profit	4,707	7,069	5,069	(4,753)	(13,114)	11,901	7,512
Share of profit (loss) of investments accounted for using the equity method	1,576	192	2,174	9,656	11,774	588	2
Profit (loss) (attributable to owner of the Company)	2,645	3,279	4,326	3,548	(2,739)	6,271	2,426
Segment assets	134,273	170,387	156,003	163,312	459,720	290,093	161,992
Other:							
Investment accounted for using the equity method	11,749	1,576	15,214	57,576	242,409	12,453	26,215
Capital expenditure	3,009	1,701	12,897	9,967	4,199	698	941
Net sales (Note)							
External	316,168	442,718	355,268	186,083	586,354	675,901	411,414

	Reportable segments			Others	Reconciliations	Consolidated
	Lifestyle Commodities & Materials	Retail	Total			
Revenue						
External revenue	175,530	157,172	1,778,383	31,317	—	1,809,701
Inter-segment revenue	104	447	2,248	358	(2,606)	—
Total revenue	175,635	157,619	1,780,632	31,675	(2,606)	1,809,701
Gross profit	18,378	20,647	193,458	5,718	(1,489)	197,688
Operating profit	4,291	4,637	27,321	5,681	548	33,550
Share of profit (loss) of investments accounted for using the equity method	380	2,212	28,557	16	39	28,613
Profit (loss) (attributable to owner of the Company)	2,357	3,281	25,398	7,408	268	33,075
Segment assets	222,484	162,193	1,920,461	182,329	194,567	2,297,358
Other:						
Investment accounted for using the equity method	7,285	14,787	389,267	4,867	(78)	394,055
Capital expenditure	573	1,244	35,233	1,476	—	36,710
Net sales (Note)						
External	876,179	220,273	4,070,362	34,932	—	4,105,295

Profit (loss) (attributable to owners of the Company) is reconciled based on profit for the year (attributable to owners of the Company) under the consolidated statements of profit or loss.

Reconciliations of profit (loss) (attributable to owners of the Company) of 268 million yen include 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 (962) million yen, and unallocated dividend income and others of 1,231 million yen.

The reconciliation amount of segment assets of 194,567 million yen includes elimination of inter-segment transactions or the like amounting to (86,421) million yen, and company-wide assets that were not allocated to each segment, amounting to 280,988 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" is commonly used by the Japanese general trading companies, and represents the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent.

Non-consolidated Statements of Changes in Net Assets

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings (Retained earnings brought forward)	Total retained earnings		
Balance as of April 1, 2015	160,339	152,160	3,110	155,271	23,819	23,819	(159)	339,270
Changes of items during the period					—	—		—
Dividends from surplus					(9,382)	(9,382)		(9,382)
Net income					9,407	9,407		9,407
Purchase of treasury stock							(2)	(2)
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	—	25	25	(2)	23
Balance as of March 31, 2016	160,339	152,160	3,110	155,271	23,844	23,844	(161)	339,293

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance as of April 1, 2015	34,848	(9,166)	25,682	364,953
Changes of items during the period				—
Dividends from surplus				(9,382)
Net income				9,407
Purchase of treasury stock				(2)
Net changes of items other than shareholders' equity	(10,655)	2,162	(8,492)	(8,492)
Total changes of items during the period	(10,655)	2,162	(8,492)	(8,468)
Balance as of March 31, 2016	24,193	(7,003)	17,190	356,484

(Reference)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings (Retained earnings brought forward)	Total retained earnings		
Balance as of April 1, 2014	160,339	152,160	3,110	155,271	30,109	30,109	(157)	345,563
Cumulative effects of changes in accounting policies					131	131		131
Restated balance	160,339	152,160	3,110	155,271	30,241	30,241	(157)	345,694
Dividends from surplus					(5,629)	(5,629)		(5,629)
Net loss					(792)	(792)		(792)
Purchase of treasury stock							(1)	(1)
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	—	(6,422)	(6,422)	(1)	(6,424)
Balance as of March 31, 2015	160,339	152,160	3,110	155,271	23,819	23,819	(159)	339,270

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance as of April 1, 2014	14,813	(8,543)	6,270	351,833
Cumulative effects of changes in accounting policies				131
Restated balance	14,813	(8,543)	6,270	351,965
Dividends from surplus				(5,629)
Net loss				(792)
Purchase of treasury stock				(1)
Net changes of items other than shareholders' equity	20,034	(622)	19,411	19,411
Total changes of items during the period	20,034	(622)	19,411	12,987
Balance as of March 31, 2015	34,848	(9,166)	25,682	364,953

Notes to the Non-consolidated Financial Statements

Significant Accounting Policies

1. Basis and Methods of Valuation of Assets

(1) Securities

- Trading Securities

Stated at fair value based on market prices as of the closing date with the cost of securities sold calculated using the moving average method.

- Held-to-Maturity Debt Securities

Stated at amortized cost (straight-line method).

- Stocks of subsidiaries and affiliates

Stated at cost using the moving average method.

- Available-for-Sale Securities

- Securities with available fair values

Stated at fair value based on market prices as of the closing date. Valuation gains or losses are taken directly included in a component of net assets. The cost of securities sold is calculated using the moving average method.

- Securities with no readily available fair value

Stated at cost using the moving average method.

Investments in a limited investment partnership or a similar partnership (that can be considered as marketable securities in accordance with the Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are stated at their net equity value on the most recent financial statements that are available on the settlement report day as specified in the partnership agreement.

(2) Derivatives

Stated at fair value.

(3) Fund Trusts for Investment Purpose

Stated at fair value.

(4) Inventories

- Inventories held for sale in the ordinary course of business

Stated at cost based on the specific identification method or moving average method (balance sheet values are adjusted by writing down the book values where the profitability declines).

- Inventories held for trading purpose

Stated at fair value.

2. Depreciation Method for Noncurrent Assets

(1) Property, Plant and Equipment (excluding lease assets)

Property, plant and equipment are depreciated using the declining balance method. However, the buildings (excluding fixtures) acquired on or after April 1, 1998 are depreciated using the straight-line method.

(2) Intangible Assets (excluding lease assets)

Intangible assets are amortized using the straight-line method.

3. Accounting Standards for Provisions

(1) Allowance for Doubtful Accounts

In order to provide reserve for possible losses on receivables or loans, the Company records allowance for doubtful accounts based on the historical default rates for ordinary receivables and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.

(2) Allowance for Investment Loss

In order to provide reserve for possible losses on investments in subsidiaries and affiliates, etc., the Company records the allowance for investment loss for each investment based upon the financial condition and business value of each investee in accordance with the internal standard.

(3) Provision for Bonuses

Provision for bonuses is recorded to accrue the bonus to employees of the Company for the amount to be paid.

(4) Provision for Retirement Benefits

Provision for retirement benefits is recorded to provide the retirement benefits to employees of the Company for the amount to be accrued based on the retirement benefit obligation at the end of the fiscal year.

1) Method of Attributing Projected Retirement Benefits to Periods

In calculating retirement benefit obligations, benefit formula is used for attributing projected retirement benefits to each period until the end of the current fiscal year.

2) Method of Amortization of Actuarial Differences

Actuarial differences are amortized in the fiscal year following the fiscal year of incurrence.

4. Basis for Translating of Foreign Currency Denominated Assets and Liabilities into Japanese Yen

Monetary assets and liabilities denominated in foreign currency are translated into Japanese yen at the spot exchange rate on the closing date. Translation differences are recognized as profit or loss in the corresponding fiscal year.

5. Hedge Accounting

(1) Hedge Accounting Method

In general, the deferral hedge accounting is applied.

Forward exchange contracts, currency swaps, and currency options that fulfill the appropriation requirements are subjected to the appropriation treatment, while interest rate swaps that fulfill the requirement for preferential treatment are subjected to the preferential treatment.

(2) Hedging Instruments and Hedged Items

Forward exchange contract, currency swap, and currency option contracts are used as hedging instruments against exchange rate fluctuation risks involved in transactions in foreign currencies. Interest rate swap, interest rate cap, and interest rate option contracts are used as hedging instruments against interest rate fluctuation risks involved in debts, loans, and interest-bearing bond. Commodity future and forward are used as hedging instruments against price fluctuation risks of precious metals, grain, petroleum, and others.

(3) Hedge Policy

The Company enters into derivative contracts for hedging purpose in accordance with the Company's policies and procedures, in order to avoid fluctuation risks in foreign exchange, interest rates, and market value of securities and commodities, which are associated with the Company's operation.

(4) Assessment of Hedge Effectiveness

The Company assesses the hedge effectiveness by comparing the cumulative change in cash-flows or the changes in fair value of hedged items with the corresponding changes of hedging instruments on a quarterly basis.

However, the assessment of hedge effectiveness is omitted for interest rate swaps under the preferential treatment.

6. Other Significant Basis of Presenting the Non-consolidated Financial Statements

(1) Accounting for Deferred Assets

Bond issuance cost is amortized on a straight-line basis over the period until the bond maturity.

(2) Accounting for Consumption Tax

The tax-excluded method is used.

(3) Application of Consolidated Taxation Systems

The consolidated taxation system is applied.

Non-consolidated Balance Sheets

1. Pledged Assets and Corresponding Liabilities

(1) Assets Pledged as Collateral

	(Millions of yen)
	As of March 31, 2016
Pledged assets	
Investment securities	6,603
Total	6,603
Corresponding liabilities	
Long-term loans payable (including current portion)	120
Total	120

(Note) The above assets pledged as collateral include the assets pledged as collateral for affiliates' borrowings from banks.

(2) Assets Pledged in Lieu of a Guarantee Deposit, etc.

	(Millions of yen)
	As of March 31, 2016
Investment securities (including stocks of subsidiaries and affiliates)	37,836
Short-term loans receivable	72
Long-term loans receivable	7,719
Total	45,628

2. Accumulated Depreciation of Property, Plant and Equipment 5,506 million yen

3. Guaranteed Obligation

	(Millions of yen)
	As of March 31, 2016
Guarantees for obligations of subsidiaries and affiliates	133,860
Guarantees for other obligations	9,340
Total	143,201

(Note) The above guarantees for obligations mainly consist of the Company's guarantees for the borrowings from financial institutions, and include items similar to guarantees in the amount of 46,333 million yen.

4. Notes Receivable-Trade—Discounted 22,327 million yen

(Note) Outstanding inter-bank transactions, which represent the balance of export letters of credit yet to be purchased by banks, are included in the discounts on notes receivable-trade because they can be treated as trade note discounts. The amount is 6,447 million yen.

5. Monetary Receivables from and Payables to Subsidiaries and Affiliates

Short-term monetary receivables:	109,579 million yen
Long-term monetary receivables:	72,816 million yen
Short-term monetary payables:	47,724 million yen
Long-term monetary payables:	2,490 million yen

Non-consolidated Statements of Income

Transactions with Subsidiaries and Affiliates

Sales to subsidiaries and affiliates:	260,694 million yen
Purchases from subsidiaries and affiliates:	287,731 million yen
Non-operating transactions with subsidiaries and affiliates:	40,441 million yen

Non-consolidated Statements of Changes in Net Assets

Types and Numbers of Shares of Treasury Stock as of the End of the Current Fiscal Year

Common stock	484,859 shares
--------------	----------------

Tax Effect Accounting

1. Breakdown of Major Reason for Deferred Tax Assets and Deferred Tax Liabilities:

Deferred tax assets	(Millions of yen)
Excess amount over limitation of taxable allowance for doubtful accounts	23,391
Loss on valuation of investment securities	30,401
Loss from merger	896
Excess amount over limitation of taxable allowance for retirement benefits	2,702
Loss carried forward	23,911
Other	8,701
Subtotal	90,004
Valuation allowance	(68,510)
Total deferred tax assets	21,493
Offset against deferred tax liabilities	(20,304)
Amounts recorded as deferred tax assets	1,189
Deferred tax liabilities	
Foreign exchange losses relating to stocks of subsidiaries and affiliates	(7,333)
Gain from merger	(3,339)
Valuation difference on available-for-sale securities	(9,253)
Other	(377)
Total deferred tax liabilities	(20,304)
Offset against deferred tax assets	20,304
Amounts recorded as deferred tax liabilities	—
Net deferred tax assets	1,189

2. Revision to the Amount of Deferred Tax Assets and Deferred Tax Liabilities Due To Changes in Statutory Effective Tax Rate

With the enactment in the Diet session on March 29, 2016 of the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 15, 2016) and the “Act for Partial Amendment of the Local Tax Act, etc.” (Act No. 13, 2016), income tax rates have been changed from the fiscal year beginning on or after April 1, 2016. In accordance with this change, the statutory effective tax rate used in calculations of deferred tax assets and deferred tax liabilities has been changed from the previous 33.1% to 30.9% for temporary differences expected to be recovered or settled in the fiscal year beginning on April 1, 2016 and to 30.6% for temporary differences expected to be recovered or settled from the fiscal year beginning on April 1, 2018. The impact of the change in the tax rates is immaterial.

Transactions with Related Parties

Subsidiaries

(Millions of yen)

Classification	Company name	Ownership including voting right	Relationship		Transactions	Amount of transactions	Account	As of March 31, 2016
			Interlocking executive positions	Business relationship				
Subsidiary	Sojitz Corporation of America	Directly and wholly owned	1 person in interlocking positions	Buyer and supplier of products	Guarantee on debt (Note 1)	20,779	—	—
					Guarantee fees received (Note 2)	37	—	—
Subsidiary	Sojitz Global Finance Plc	Directly and wholly owned	—	Borrower of funds	Funds loaned (Note 3)	—	Short-term loans receivable	15,211
					Interest received (Note 3)	18	—	—
Affiliate	Mitsubishi Motors Philippines Corporation	Directly owned 49.0%	—	Buyer and supplier of products	Sales of products (Note 4)	88,767	Accounts receivable-trade	19,518

Conditions of Transactions and Policies for Determining the Conditions

- (Notes)
1. The Company guarantees the bank borrowings of the above companies.
 2. The Company receives the guarantee fee of 0.1% per annum on the outstanding balance of the guarantee.
 3. Interest rate is determined reasonably based upon the market interest rate. These loans and interest are not secured by collateral.
 4. The Company determines selling price in the same way as general transactions by taking market prices into consideration.

Per-share Information

1. Net Assets per Share: 284.96 yen
2. Net Income per Share: 7.52 yen

Subsequent Events

Not applicable.

(Note) In the non-consolidated financial statements, amounts presented in millions of yen have been rounded down to the nearest million.