

# Notice of the 13th Ordinary General Shareholders' Meeting

To be held at 10:00 a.m. on Thursday, June 16, 2016 at ANA InterContinental Tokyo

Deadline for Exercising Voting Rights by Postal Mail or Internet: To arrive no later than 5:30 p.m. on Wednesday, June 15, 2016 (JST)

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The following is an English translation of Notice of the 12th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz" or the "Company") to be held on June 23, 2015. Sojitz provides this translation for your reference and convenience only. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Sojitz hereby disclaims all representations and warranties with respect to this translation, whether express or implied, including, but not limited to, any representations and warranties with respect to accuracy, reliability or completeness of this translation. In no event shall Sojitz be liable for any damages or any kind of nature, including, but not limited to, direct, indirect, special, punitive, consequential or incidental damages arising from or in connection with this translation. Also, this document was created for the purpose of providing information to our shareholders that will help them make informed decisions. It was not created to solicit investors to buy or sell Sojitz's stock. The final decision and responsibility for investments rests solely with the reader of this document

May 26, 2016

To Our Shareholders:

Yoji Sato  
Representative Director, President & CEO  
1-1, Uchisaiwaicho 2-chome, Chiyoda-ku,  
Tokyo  
**Sojitz Corporation**

**Notice of the 13th Ordinary General Shareholders' Meeting**

You are cordially invited to attend the 13th Ordinary General Shareholders' Meeting of Sojitz Corporation to be held as described below. We look forward to greeting as many of our shareholders as possible at the meeting.

<b>Date and Time</b>	<b><u>10:00 a.m., Thursday, June 16, 2016</u></b> (The reception is scheduled to open at 8:30 a.m.)
<b>Place</b>	<b>The Prominence Ballroom (B1F) at ANA InterContinental Tokyo</b> 12-33, Akasaka 1-chome, Minato-ku, Tokyo (Please refer to the Guide Map attached at the end)

**If you are unable to attend the meeting in person, please read the attached Reference Documents for the General Shareholders' Meeting, and exercise your voting rights by postal mail or Electronic Method in accordance with the instructions on pages 3 and 4 by no later than 5:30 p.m. on Wednesday, June 15, 2016 (JST).**

**Please note that in case you duplicate your voting right by exercising it via postal mail and via the Internet, your vote via the Internet will be treated as valid.**

## Purposes of the Meeting

<b>Matters to be reported:</b>	<p>(1) The 13th Fiscal Year (from April 1, 2015 to March 31, 2016) business report, consolidated financial statements, and the audit reports concerning the consolidated financial statements by the accounting auditors and the Audit &amp; Supervisory Board</p> <p>(2) The 13th Fiscal Year (from April 1, 2015 to March 31, 2016) non-consolidated financial statements</p>
<b>Matters to be resolved:</b>	<p><b>Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 13th Fiscal Year)</b></p> <p><b>Proposal No. 2 Partial Amendments to the Articles of Incorporation</b></p> <p><b>Proposal No. 3 Election of Seven (7) Directors</b></p> <p><b>Proposal No. 4 Election of Three (3) Audit &amp; Supervisory Board Members</b></p>

- If you exercise your voting rights at the meeting by proxy, you must appoint only one proxy who is a shareholder with voting rights in the Company, in accordance with the Articles of Incorporation of the Company. In this case, the proxy will be requested to present your letter of proxy, together with your Voting Right Exercise Form at the reception desk upon arrival at the meeting.
- In accordance with the applicable laws and regulations and Article 14 of the Articles of Incorporation of the Company, we publish Notes to the Consolidated Financial Statements, Consolidated Statements of Changes in Equity, Notes to the Non-consolidated Financial Statements and Non-consolidated Statements of Changes in Net Assets on our website at <http://www.sojitz.com/en/ir/stkholder/general/>.
- In the event of any revisions to the Reference Documents for the General Shareholders' Meeting, or the business report, consolidated or non-consolidated financial statements, we will publish the amendments on our website at <http://www.sojitz.com/en/ir/stkholder/general/>.
- The Notice of Resolutions for the 13th Ordinary General Shareholders' Meeting will be published on our website at <http://www.sojitz.com/en/ir/stkholder/general/> after the General Shareholders' Meeting.

Please exercise your “voting rights,” which are the rights to participate in the management of the Company.

### Guidance for Exercising Voting Rights

There are several methods for exercising voting rights. Please read the attached Reference Documents for the General Shareholders’ Meeting, and exercise your voting rights through either of the following methods:

**<For shareholders who are attending the meeting>**

When you attend the meeting, you are requested to present the enclosed Voting Right Exercise Form at the reception desk upon arrival at the meeting. You are also requested to bring this document “Notice of the 13th Ordinary General Shareholders’ Meeting” with you to the meeting.

**<For shareholders who are unable to attend the meeting>**

If you are unable to attend the meeting in person, you can exercise your voting rights by postal mail or Electronic Method.

**<Exercising Voting Rights by Postal Mail>**

Please indicate your approval or disapproval on each proposal on the enclosed Voting Right Exercise Form, and return it by postal mail.

In the event we receive the form which has no indication of either approval or disapproval on any of the proposals made by the Company, we will regard such proposals as being approved.

**Deadline for Exercising Voting Rights: To arrive no later than 5:30 p.m. on Wednesday, June 15, 2016 (JST)**

**<Exercising Voting Rights by Electronic Method (Internet)>**

Please access the website designated by the Company for exercising voting rights which is at <http://www.evotep.jp/> through your computer, smartphone or mobile phone by using the login ID and temporary password indicated on the enclosed Voting Right Exercise Form, and enter your vote for each proposal according to the instructions on the screen. Please see page 4 for details.

**Deadline for Exercising Voting Rights: No later than 5:30 p.m. on Wednesday, June 15, 2016 (JST)**

**<For institutional investors: Electronic Voting Platform>**

Nominal shareholders such as trust banks (including standing proxies) who apply in advance to use the Electronic Voting Platform for Foreign and Institutional Investors operated by ICJ, Inc., a joint venture established by Tokyo Stock Exchange, Inc., etc. may use the platform to exercise their voting rights, in addition to the exercising of voting rights via the Internet as explained above.

### **Instructions for exercising voting rights by Electronic Method (Internet)**

If you are exercising your voting rights via the Internet, etc., please take note of the following points before doing so.

The exercise of voting rights via the Internet is possible only by accessing the website designated by the Company for exercising voting rights (<http://www.evotep.jp/>) through your computer, smartphone, or mobile phone (i-mode, EZweb, and Yahoo! Keitai service <sup>(Note)</sup>). (unavailable between 2:00 a.m. and 5:00 a.m. everyday)

#### **<Website designated by the Company for exercising voting rights>**

To exercise your voting rights via the Internet, please access the website designated by the Company for this purpose (<http://www.evotep.jp/>) through your computer, smartphone or mobile phone. Once you have accessed the site, please use the login ID and temporary password indicated on the enclosed Voting Right Exercise Form, and enter your vote for each proposal according to the instructions on the screen.

A new login ID and temporary password will be issued and notified to shareholders each time a General Shareholders' Meeting is convened.

#### **Deadline for Exercising Voting Rights: No later than 5:30 p.m. on Wednesday, June 15, 2016 (JST)**

##### **For computers and smartphones**

The exercise of voting rights through computer or smartphone depends on the Internet connection environment. You may not be able to exercise voting rights through computer or smartphone, for example, if the firewall is set for the Internet connection, any anti-virus software is installed, or the proxy server is used.

##### **For mobile phones**

If you exercise your voting rights through a mobile phone, please use either i-mode, EZweb, or Yahoo! Keitai service. Please note that, for security reasons, the voting system only supports a model with the encryption (SSL) communication function and capable of sending the mobile phone information.

#### **Precautions to observe**

To prevent illegal access to the voting system by a person other than the shareholder (impersonation) as well as to avoid falsification of voting data, you will be asked to change your temporary password on the site for exercising voting rights.

##### **Handling of voting rights exercised in duplicate**

- If you duplicate your voting right by exercising it via postal mail and via the Internet, your vote via the Internet will be treated as valid.
- If you exercise your voting rights more than once via the Internet, or both through a computer, a smartphone and a mobile phone, only your last vote will be treated as valid.

##### **Costs incurred for the access to the website for exercising voting rights**

The costs incurred for the access to the website designated by the Company for exercising voting rights (such as Internet connection charge, phone charge and packet communication fee) shall be borne by the shareholder.

(Note) i-mode, EZweb, and Yahoo! are trademarks or registered trademarks of NTT DOCOMO, Inc., KDDI CORPORATION and Yahoo! Inc. (U.S.A.), respectively.

#### **For technical inquiries, please contact:**

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk)  
Tel: 0120-173-027 (Business hours: 9:00 a.m. to 9:00 p.m.; toll free, within Japan only)

## Reference Documents for the General Shareholders' Meeting

### Proposals and Reference Matters

#### Proposal No. 1: Dividends from Surplus (Year-End Dividends for the 13th Fiscal Year)

In addition to paying stable dividends to shareholders on an ongoing basis, the Company is also committed to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing retained earnings as a basic policy and a top management priority. Under its Medium-term Management Plan 2017, which began in fiscal 2015, the basic dividend policy is to maintain a consolidated payout ratio of around 25%.

For the year ended March 31, 2016, in light of its fiscal 2015 results and the adequacy of its total equity, we hereby propose year-end dividends for this fiscal year as follows.

(1) Type of Dividend Property

Cash

(2) Allocation of Dividend Property to Shareholders, and the Total Amount

4 yen per share in common stock of the Company, and 5,004,058,568 yen in total

We paid an interim dividend of 4 yen per share on December 1, 2015. Therefore, an annual dividend per share will be 8 yen and the total amount of annual dividends is 10,008,131,644 yen.

(3) Effective Date of Dividends from Surplus

June 17, 2016

## Proposal No. 2: Partial Amendments to the Articles of Incorporation

We hereby propose to partially amend the current Articles of Incorporation as follows.

The Act for Partial Revision of the Companies Act (Act No. 90 of 2014), which came into force on May 1, 2015, newly permits the conclusion of limited liability agreements with Audit & Supervisory Board Members who are not Outside Audit & Supervisory Board Members. In accordance with this change, we propose to make the necessary amendments to Article 32, Paragraph 2 (Exemption from Liability for Audit & Supervisory Board Members) of the current Articles of Incorporation to enable those Audit & Supervisory Board Members to adequately fulfill the roles expected of them.

Details of the proposed amendments are as follows.

(Underlining parts indicate amended text.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 32. (Exemption from Liability for Audit &amp; Supervisory Board Members)</p> <p>1. Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from liability for damages prescribed in Article 423, paragraph (1) of said Act, to the extent allowed by applicable laws and regulations.</p> <p>2. The Company may, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, enter into an agreement with <u>an Outside</u> Audit &amp; Supervisory Board Member which limits his or her liability for damages prescribed in Article 423, paragraph (1) of said Act; provided, however, that the maximum amount of liability for damages under such an agreement shall be the greater of either (i) the amount of ten million (10,000,000) yen or more prescribed in advance, or (ii) the minimum amount of liability for damages prescribed in Article 425, paragraph (1) of said Act.</p>	<p>Article 32. (Exemption from Liability for Audit &amp; Supervisory Board Members)</p> <p>1. Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from liability for damages prescribed in Article 423, paragraph (1) of said Act, to the extent allowed by applicable laws and regulations.</p> <p>2. The Company may, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, enter into an agreement with <u>an</u> Audit &amp; Supervisory Board Member which limits his or her liability for damages prescribed in Article 423, paragraph (1) of said Act; provided, however, that the maximum amount of liability for damages under such an agreement shall be the greater of either (i) the amount of ten million (10,000,000) yen or more prescribed in advance, or (ii) the minimum amount of liability for damages prescribed in Article 425, paragraph (1) of said Act.</p>

### Proposal No. 3: Election of Seven (7) Directors

The Board of Directors of the Company currently consists of seven (7) Directors including two (2) Outside Directors, all of whose tenures terminate as of the conclusion of this General Shareholders' Meeting. Accordingly, we hereby propose the election of seven (7) Directors including two (2) Outside Directors.

Candidates for Directors are as follows. Prior to the nomination of the candidates, the Nomination Committee, an advisory body of the Board of Directors of the Company, deliberated and decided on the nomination.

Each of the two (2) Outside Director candidates meets requirements for independent officer set forth in the listing rules of the Tokyo Stock Exchange, on which the Company is listed, and they will continue to be registered as independent officers if their election is approved.


There is no special interest between any of these Director candidates and the Company.


No.	Name (Age)	Current Position and Responsibilities at the Company	Number of Attendance to the Board of Directors Meetings
1	Yutaka Kase (69) <Reappointment>	Representative Director and Chairman	94% (17/18)
2	Takashi Hara (64) <Reappointment>	Representative Director and Vice Chairman	100% (18/18)
3	Yoji Sato (66) <Reappointment>	Representative Director, President & CEO	100% (18/18)
4	Yoshio Mogi (64) <Reappointment>	Representative Director, Executive Vice President Adviser to the President, and Executive Management of Finance & Accounting, Risk Management	100% (18/18)
5	Satoshi Mizui (63) <New appointment>	Executive Vice President Adviser to the President, and Executive Management of Business Group (Energy, Chemicals)	Not applicable (new candidate)
6	Yoko Ishikura (67) <Reappointment> <Independent Officer> <Outside Director>	Director	100% (18/18)
7	Yukio Kitazume (65) <Reappointment> <Independent Officer> <Outside Director>	Director	100% (18/18)


(Notes) 1. The age of Directors is as of the conclusion of the Meeting.


2. Ms. Yoko Ishikura is listed as above in her preferred name. Her name in the family register is Yoko Kurita.





No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned									
1	 <p><b>Yutaka Kase</b> (February 19, 1947, 69)</p> <p>&lt;Reappointment&gt;</p> <p>Term of office of Director of the Company: 10 years (as of the conclusion of the Meeting)</p> <p>Number of attendance to the Board of Directors meetings: 17/18 (94%)</p>	<p>May 1970 Joined Nissho Iwai Corporation</p> <p>June 2001 Executive Officer</p> <p>April 2003 Director, Managing Executive Officer</p> <p>April 2004 Representative Director, Senior Managing Executive Officer, Sojitz Corporation <sup>(*1)</sup></p> <p>August 2004 Representative Director, Executive Vice President</p> <p>October 2005 Representative Director, Executive Vice President, Sojitz Corporation <sup>(*2)</sup></p> <p>April 2007 Representative Director, President &amp; CEO</p> <p>April 2012 Representative Director and Chairman (current position)</p> <p>June 2013 Outside Director, Astellas Pharma Inc. (current position)</p> <p>March 2016 External Director, JAC Recruitment Co., Ltd. (current position)</p> <p>*1: In April 2004, the corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation.</p> <p>*2: In October 2005, the corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation.</p> <p>[Reasons for the Election of the Candidate for Director] Mr. Yutaka Kase possesses abundant experience and records, having engaged in various important roles at business divisions, overseas offices and corporate departments of the Company as well as assuming office as Director of the Company in 2005 and Representative Director, President for the last 5 years from 2007. In addition, since 2012, as Representative Director and Chairman and as Chairman of the Board of Directors, Mr. Kase has assumed the responsibilities of the management and supervision of the Company, such as contributing to active discussion at the Board of Directors meetings. Based on his experience and accomplishments, we have chosen Mr. Kase as Director candidate predicated on our judgment that he will continue to be able to perform his duties as Director.</p> <p>[Significant Concurrent Occupations or Positions at Other Organizations and Business Relationships with the Company]</p> <table border="1" data-bbox="464 1424 1273 1603"> <thead> <tr> <th>Name of Organization</th> <th>Occupation or Position</th> <th>Relationship with the Company</th> </tr> </thead> <tbody> <tr> <td>Astellas Pharma Inc.</td> <td>Outside Director</td> <td>There is no special relationship.</td> </tr> <tr> <td>JAC Recruitment Co., Ltd.</td> <td>Outside Director</td> <td>There is no special relationship.</td> </tr> </tbody> </table> <p>To Our Shareholders: The focus of reforms in corporate governance in Japan has shifted from establishing systems to whether it functions effectively. The Board of Directors is the key to a company's governance. Hence, it is precisely my responsibility to ensure the Board of Directors functions effectively and to increase the effectiveness of governance, in order to maintain the transparency and soundness of Sojitz's business activities. Going forward, as Chairman of the Board of Directors, I will endeavor to reinforce the governance structure worthy of the trust of all our shareholders and realize increased corporate value.</p>	Name of Organization	Occupation or Position	Relationship with the Company	Astellas Pharma Inc.	Outside Director	There is no special relationship.	JAC Recruitment Co., Ltd.	Outside Director	There is no special relationship.	206,900
Name of Organization	Occupation or Position	Relationship with the Company										
Astellas Pharma Inc.	Outside Director	There is no special relationship.										
JAC Recruitment Co., Ltd.	Outside Director	There is no special relationship.										

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
2	 <p><b>Takashi Hara</b> (August 24, 1951, 64)</p> <p>&lt;Reappointment&gt;</p> <p>Term of office of Director of the Company: 4 years (as of the conclusion of the Meeting)</p> <p>Number of attendance to the Board of Directors meetings: 18/18 (100%)</p>	<p>April 1975 Joined The Sanwa Bank Ltd.</p> <p>January 2002 Executive Officer, UFJ Bank Ltd. <sup>(*)1</sup></p> <p>May 2005 Managing Executive Officer</p> <p>January 2006 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. <sup>(*)2</sup></p> <p>June 2008 Managing Director</p> <p>May 2009 Senior Managing Director</p> <p>May 2010 Deputy President</p> <p>June 2012 Representative Director and Vice Chairman, Sojitz Corporation (current position)</p> <p>*1: In January 2002, the corporate name was changed to UFJ Bank Ltd. due to the merger of The Sanwa Bank, Ltd. and The Tokai Bank, Ltd.</p> <p>*2: In January 2006, the corporate name was changed to The Bank of Tokyo-Mitsubishi UFJ, Ltd. due to the merger of The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Ltd.</p> <p>[Reasons for the Election of the Candidate for Director] Mr. Takashi Hara possesses abundant experience and records as a management acquired through his roles such as Deputy President of The Bank of Tokyo-Mitsubishi UFJ Ltd. In addition, since assuming office as Representative Director of the Company in 2012, he has dedicated himself to enhancement of corporate governance of the Company and other actions. Based on his experience and accomplishments, we have chosen Mr. Hara as Director candidate predicated on our judgment that he will continue to be able to perform his duties as Director.</p> <p>To Our Shareholders: In the Medium-Term Management Plan 2017, Sojitz sets out growth strategies of expanding foundations for generating stable earnings with the aim of expanding and creating clusters of revenue-generating businesses. When carrying out such initiatives aimed at future growth, we must not neglect to strengthen corporate governance. I will continue to focus my efforts on strengthening of corporate governance, including management and supervision of the Company, so that it will continually increase its corporate value and become a company that can live up to the expectations of its shareholders.</p>	76,100

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
3	 <b>Yoji Sato</b> (July 14, 1949, 66)  <Reappointment>  Term of office of Director of the Company: 10 years (as of the conclusion of the Meeting)  Number of attendance to the Board of Directors meetings: 18/18 (100%)	<p>April 1973 Joined Nissho Iwai Corporation</p> <p>April 2003 Executive Officer</p> <p>April 2004 Managing Executive Officer, Sojitz Corporation <sup>(*)1</sup></p> <p>April 2005 Director, Managing Executive Officer, CFO</p> <p>October 2005 Director, Managing Executive Officer, CFO, Sojitz Corporation <sup>(*)2</sup></p> <p>April 2006 Director, Senior Managing Executive Officer, CFO</p> <p>April 2008 Representative Director and Executive Vice President, CFO</p> <p>April 2012 Representative Director, President &amp; CEO (current position)</p> <p>*1: In April 2004, the corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation.</p> <p>*2: In October 2005, the corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation.</p> <p>[Reasons for the Election of the Candidate for Director]            Since assuming office as Director of the Company in 2005, Mr. Yoji Sato has served as Representative Director, President of the Company since 2012, after taking office as CFO. Under the Medium-Term Management Plan 2014, which concluded in the fiscal year ended March 31, 2015, Mr. Sato contributed to improving the Company's financial standing by working strenuously to improve asset efficiency and enhance profitability, among other efforts. We have chosen Mr. Sato as Director candidate as we expect him to continually show leadership in the Medium-Term Management Plan 2017 that is positioned as a phase for tackling new challenges on the path toward future growth.</p> <p>To Our Shareholders:            In 2015, Sojitz announced its Medium-Term Management Plan 2017, shifting toward a growth track with the aim of generating greater value. Tackling challenges for future growth is rooted in the idea that the Company is defined by its efforts to generate new value through all kinds of business activities and to create prosperity for people of the world.            As the person who bears ultimate responsibility for the execution of business, it is my mission to increase the corporate value of Sojitz. To that end, I am committed to meeting the expectations of our shareholders by steadily implementing and achieving this Medium-Term Management Plan.</p>	254,900

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
4	 <p><b>Yoshio Mogi</b> (April 10, 1952, 64)</p> <p>&lt;Reappointment&gt;</p> <p>Term of office of Director of the Company: 4 years (as of the conclusion of the Meeting)</p> <p>Number of attendance to the Board of Directors meetings: 18/18 (100%)</p>	<p>April 1975 Joined Nichimen Co., Ltd. (*1)</p> <p>April 2006 Executive Officer, Sojitz Corporation (*2, *3)</p> <p>April 2008 Managing Executive Officer</p> <p>April 2012 Senior Managing Executive Officer, CFO</p> <p>June 2012 Representative Director and Senior Managing Executive Officer, CFO</p> <p>April 2014 Representative Director and Executive Vice President, CFO</p> <p>April 2016 Representative Director and Executive Vice President (current position)</p> <p>*1: In June 1982, the corporate name was changed to Nichimen Corporation. *2: In April 2004, the corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation. *3: In October 2005, the corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation.</p> <p>[Reasons for the Election of the Candidate for Director] Mr. Yoshio Mogi has served as Officer responsible for Finance &amp; Accounting and Risk Management of the Company, and for 4 years beginning in 2012 he has made efforts to maintain and strengthen the soundness of the Company's financial standing as well as to build a new business foundation as CFO and Chairman of the Finance &amp; Investment Deliberation Council of the Company. Furthermore, he has management experience as Representative Director of the Company since 2012. Based on his experience and accomplishments, we have chosen Mr. Mogi as Director candidate predicated on our judgment that he will continue to be able to perform his duties as Director.</p> <p>To Our Shareholders: Ensuring financial soundness is essential for the growth of a company. During the 4 years that I have served as CFO, the person ultimately responsible for finance, I have strived to strengthen our financial foundation. Acceleration of investment for growth is a clearly stated target in the Medium-Term Management Plan 2017. In this phase of tackling challenges for future growth, I believe that improving the asset portfolio and maintaining a sound financial foundation will continue to be my role, and I intend to work toward those goals.</p>	52,154

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
5	 <p><b>Satoshi Mizui</b> (August 9, 1952, 63)</p> <p>&lt;New appointment&gt;</p> <p>Term of office of Director of the Company: Not applicable (new candidate)</p> <p>Number of attendance to the Board of Directors meetings: Not applicable (new candidate)</p>	<p>April 1975 Joined Nissho Iwai Corporation</p> <p>July 2002 President, Nissho Iwai Indonesia Corporation</p> <p>February 2006 COO, Sojitz Corporation of America <sup>(*1, *2)</sup></p> <p>April 2006 Executive Officer, Sojitz Corporation</p> <p>April 2011 Managing Executive Officer, President, Chemicals &amp; Functional Materials Division</p> <p>April 2014 Senior Managing Executive Officer, President, Energy &amp; Metal Division</p> <p>October 2015 Executive Vice President (current position)</p> <p>*1: In April 2004, the corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation.</p> <p>*2: In October 2005, the corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation.</p> <p>[Reasons for the Election of the Candidate for Director] Mr. Satoshi Mizui has held important posts in business divisions in a wide range of business fields at the Company, including chemicals, energy and metal resources. He also has experience in management overseas, having served as President of Nissho Iwai Indonesia Corporation (current PT. Sojitz Indonesia) and COO (Chief Operating Officer) of Sojitz Corporation of America. Based on his experience and accomplishments, we have chosen Mr. Mizui as Director candidate predicated on our judgment that he can be expected to fulfill the role of reinforcing our earnings foundation as Director.</p> <p>To Our Shareholders: Sojitz, a general trading company, is engaged in a wide variety of businesses in various parts of the world. In each of these business fields, our specialized human resources constantly take on the challenge of new initiatives, supported by their experience and a relationship of trust with our stakeholders. As Executive Vice President, I will do my utmost to expand existing businesses and capture promising businesses in order to expand a stable earnings foundation and continuing our future-oriented growth.</p>	53,200

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
6	 <p>Yoko Ishikura (Yoko Kurita) (March 19, 1949, 67)</p> <p>&lt;Reappointment&gt; &lt;Outside Director&gt; &lt;Independent Officer&gt;</p> <p>Term of office of Director of the Company: 2 years (as of the conclusion of the Meeting)</p> <p>Number of attendance to the Board of Directors meetings: 18/18 (100%)</p>	<p>July 1985 Manager, McKinsey &amp; Company Inc. Japan Office</p> <p>April 1992 Professor, School of International Politics, Economics and Communication, Aoyama Gakuin University</p> <p>March 1996 Director (part-time), Avon Products Inc.</p> <p>April 2000 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>February 2001 Member of the Central Education Council</p> <p>April 2004 Director (part-time), Vodafone Holdings K.K. Outside Director (part-time) of Japan Post</p> <p>October 2005 Vice President, the Science Council of Japan</p> <p>June 2006 Outside Director, Mitsui O.S.K. Lines, Ltd.</p> <p>January 2008 Member (part-time) of the Council for Science and Technology Policy</p> <p>June 2010 Outside Director, Nissin Foods Holdings Co., Ltd. (current position) Outside Director, Fujitsu Limited</p> <p>April 2011 Professor, Graduate School of Media Design, Keio University</p> <p>April 2012 Professor Emeritus, Hitotsubashi University (current position)</p> <p>June 2012 Outside Director, Lifenet Insurance Company (current position)</p> <p>June 2014 Outside Director, Sojitz Corporation (current position)</p> <p>June 2015 External Director, Shiseido Company, Limited (current position)</p> <p>[Reasons for the Election of the Candidate for Outside Director] Ms. Yoko Ishikura has extensive knowledge and insight as an academic in global corporate management and corporate strategies, having served as Outside Director with other companies. Based on her experience, she actively provided advice at the Board of Directors meetings and is appropriately fulfilling her duties, including supervision of business execution, as Outside Director of the Company. We have therefore chosen Ms. Ishikura as Outside Director candidate predicated on our judgment that she will continue to be able to perform her duties as Outside Director.</p>	0

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned															
		<p>[Independence] Ms. Yoko Ishikura is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Ms. Ishikura meets the “Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit &amp; Supervisory Board Members” (please see pages 22 and 23 of the Reference Documents for the General Shareholders’ Meeting) established by the Company, and we believe that she has sufficient independence from the Company as Outside Director.</p> <p>[Significant Concurrent Occupations or Positions at Other Organizations and Business Relationships with the Company]</p> <table border="1" data-bbox="464 734 1272 1032"> <thead> <tr> <th data-bbox="464 734 778 792">Name of Organization</th> <th data-bbox="778 734 1005 792">Occupation or Position</th> <th data-bbox="1005 734 1272 792">Relationship with the Company</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 792 778 853">Nissin Foods Holdings Co., Ltd.</td> <td data-bbox="778 792 1005 853">Outside Director</td> <td data-bbox="1005 792 1272 853">Less than 1% (*)</td> </tr> <tr> <td data-bbox="464 853 778 913">Hitotsubashi University</td> <td data-bbox="778 853 1005 913">Professor Emeritus</td> <td data-bbox="1005 853 1272 913">There is no special relationship.</td> </tr> <tr> <td data-bbox="464 913 778 974">Lifenet Insurance Company</td> <td data-bbox="778 913 1005 974">Outside Director</td> <td data-bbox="1005 913 1272 974">There is no special relationship.</td> </tr> <tr> <td data-bbox="464 974 778 1032">Shiseido Company, Limited</td> <td data-bbox="778 974 1005 1032">External Director</td> <td data-bbox="1005 974 1272 1032">Less than 1% (*)</td> </tr> </tbody> </table> <p>* Accounts for the ratio of transactions among revenue in the Company’s consolidated financial statements.</p> <p>[Other Matters Concerning the Candidate for Outside Director] The Company has a limited liability agreement with Ms. Yoko Ishikura, limiting her liabilities to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan. The Company plans to extend the above limited liability agreement if Ms. Ishikura is elected.</p> <p>To Our Shareholders: General trading companies operate in a wide range of business fields and are impacted by the global political and economic situation and market conditions, rendering their management increasingly challenging in the present so-called fourth industrial revolution of rapid change. In these circumstances, all Board members have been actively discussing the future direction of Sojitz and its issues to address, among other topics. I will continue to apply my perspective as an outside director to raise and pursue the issue of how Sojitz will leverage its unique strengths. Furthermore, as corporate governance becomes an area of focus, I will also endeavor to ensure that Sojitz’s governance functions effectively.</p>	Name of Organization	Occupation or Position	Relationship with the Company	Nissin Foods Holdings Co., Ltd.	Outside Director	Less than 1% (*)	Hitotsubashi University	Professor Emeritus	There is no special relationship.	Lifenet Insurance Company	Outside Director	There is no special relationship.	Shiseido Company, Limited	External Director	Less than 1% (*)	
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No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned						
7	 <p><b>Yukio Kitazume</b> (August 31, 1950, 65)</p> <p>&lt;Reappointment&gt; &lt;Outside Director&gt; &lt;Independent Officer&gt;</p> <p>Term of office of Director of the Company: 2 years (as of the conclusion of the Meeting)</p> <p>Number of attendance to the Board of Directors meetings: 18/18 (100%)</p>	<p>April 1973 Joined the Ministry of International Trade and Industry</p> <p>July 1993 Director-General for Commerce and Industry Policy Planning, Bureau of Labor and Economic Affairs, Tokyo Metropolitan Government</p> <p>July 1996 Director, General Affairs Division, International Trade Administration Bureau</p> <p>July 1997 Deputy Director-General for Security Export Control and International Trade Administration Bureau</p> <p>July 1999 Director General, Policy Planning and Coordination Department, Japan Patent Office</p> <p>April 2001 Vice Chairman, Nippon Export and Investment Insurance</p> <p>August 2007 Ambassador Extraordinary and Plenipotentiary to the State of Qatar</p> <p>December 2010 Vice Chairman, Incorporated Foundation Japan Aircraft Development Corporation <sup>(*)1</sup> (current position)</p> <p>June 2014 Outside Director, Sojitz Corporation (current position)</p> <p>*1: In April 2013, legal status of the Japan Aircraft Development Corporation changed from an incorporated foundation to a general incorporated foundation.</p> <p>[Reasons for the Election of the Candidate for Outside Director] Mr. Yukio Kitazume is appropriately fulfilling his duty as Outside Director of the Company, including supervision of business execution, based on his long years of experience and extensive insight developed while assuming important posts in the governments such as Ambassador Extraordinary and Plenipotentiary. We have therefore chosen Mr. Kitazume as Outside Director candidate predicated on our judgment that he will continue to be able to perform his duties as Outside Director.</p> <p>[Independence] Mr. Yukio Kitazume is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Mr. Kitazume meets the Company's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit &amp; Supervisory Board Members" (please see pages 22 and 23 of the Reference Documents for the General Shareholders' Meeting), and we believe that he has sufficient independence from the Company as Outside Director.</p> <p>[Significant Concurrent Occupations or Positions at Other Organizations and Business Relationships with the Company]</p> <table border="1" data-bbox="464 1599 1273 1747"> <thead> <tr> <th data-bbox="464 1599 778 1659">Name of Organization</th> <th data-bbox="778 1599 1007 1659">Occupation or Position</th> <th data-bbox="1007 1599 1273 1659">Relationship with the Company</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 1659 778 1747">General Incorporated Foundation Japan Aircraft Development Corporation</td> <td data-bbox="778 1659 1007 1747">Vice Chairman</td> <td data-bbox="1007 1659 1273 1747">There is no special relationship.</td> </tr> </tbody> </table>	Name of Organization	Occupation or Position	Relationship with the Company	General Incorporated Foundation Japan Aircraft Development Corporation	Vice Chairman	There is no special relationship.	0
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No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
		<p>[Other Matters Concerning the Candidate for Outside Director]            The Company has a limited liability agreement with Mr. Yukio Kitazume, limiting his liabilities to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan. The Company plans to extend the above limited liability agreement if Mr. Kitazume is elected.</p> <p>To Our Shareholders:            Sojitz and other such general trading companies are operating in an ever-evolving business environment of rapid change. Under such circumstances, since the start of its previous Medium-Term Management Plan four years ago, Sojitz has steadily built a sound financial foundation and built a portfolio that is resilient against the impact of market conditions. As Sojitz is now shifting toward growth in the Medium-Term Management Plan 2017, I remain committed to supervising its management strategies and providing guidance as required, so that Sojitz can continue to steadily expand as a global company responsive to the changing business environment.</p>	

**Proposal No. 4: Election of Three (3) Audit & Supervisory Board Members**


The tenures of Audit & Supervisory Board Members Mr. Jun Matsumoto and Mr. Yukio Machida, among the four (4) current Audit & Supervisory Board Members, terminate as of the conclusion of this General Shareholders' Meeting. For further enhancement of the auditing and supervising system, we hereby propose the election of three (3) Audit & Supervisory Board Members.

Candidates for Audit & Supervisory Board Members are as follows. The submission of the proposal for their election as Audit & Supervisory Board Members to this General Shareholders' Meeting has been approved by the Audit & Supervisory Board.


Outside Audit & Supervisory Board Member candidate Mr. Takayuki Ishige meets requirements for independent officer set forth in the listing rules of the Tokyo Stock Exchange on which the Company is listed, and he will be registered as an independent officer if his election is approved.

There is no special interest between any of these Audit & Supervisory Board Member candidates and the Company.

Note: As of February 26, 2016, Mr. Yoichi Ojima resigned from his position in the Company.

No.	Name (Date of Birth, Age)	Career Summary and Position at the Company	Number of Shares of Common Stock of the Company Owned
1	 <b>Junichi Hamatsuka</b> (March 12, 1955, 61) <New appointment>	<p>April 1977 Joined Nissho Iwai Corporation</p> <p>October 2005 Executive Officer, General Manager, Corporate Accounting Department, Sojitz Corporation <sup>(*1, *2)</sup></p> <p>April 2007 Executive Officer, CFO &amp; CAO for the Americas</p> <p>April 2010 Executive Officer, Assigned for Internal Control Administration Department, and IT Planning Department &amp; CIO</p> <p>April 2012 Managing Executive Officer, Assigned for Finance, Forex &amp; Securities, Structured Finance, Corporate Accounting, and Asset Management</p> <p>April 2013 Managing Executive Officer, Assigned for Risk Management Planning, Risk Management 1, and Risk Management 2</p> <p>April 2015 Managing Executive Officer, Executive Vice President for Asia &amp; Oceania</p> <p>April 2016 Advisor (current position)</p> <p>*1: In April 2004, the corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation.</p> <p>*2: In October 2005, the corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation.</p> <p>[Reasons for the Election of the Candidate for Audit &amp; Supervisory Board Member]</p> <p>Mr. Junichi Hamatsuka has abundant experience and knowledge of the Company's corporate activities, having been engaged in corporate operations such as finance, accounting and risk management at the Company and holding important positions including CFO for the Americas.</p> <p>In order to reflect various stakeholder perspectives in the auditing of our business activities, the Company considers diversity of expertise and background when appointing Audit &amp; Supervisory Board Members. Based on his experience at the Company and his knowledge, we have chosen Mr. Hamatsuka as Audit &amp; Supervisory Board Member candidate predicated on our judgment that he will be able to appropriately execute his duties as an internal Audit &amp; Supervisory Board Member.</p> <p>[Other Matters Concerning the Candidate for Audit &amp; Supervisory Board Member]</p> <p>The Company will enter into a limited liability agreement with Mr. Junichi Hamatsuka, limiting his liabilities to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan, if he is elected and the Proposal No. 2 is approved as originally proposed.</p> <p>To Our Shareholders:</p> <p>In my experience at Sojitz so far, I have been responsible mainly for duties related to finance, accounting and risk management, including postings in the U.S. and Singapore.</p> <p>Going forward, I hope to make use of this experience with the aim of ensuring even greater transparency and fairness in the Company's management as an internal Audit &amp; Supervisory Board Member. Moreover, by further reinforcing a well-balanced relationship of trust with Outside Audit &amp; Supervisory Board Members and with Directors and related internal departments, I will strive to contribute to enhancing the effectiveness of auditing and increasing the medium- to long-term corporate value of Sojitz.</p>	31,000

No.	Name (Date of Birth, Age)	Career Summary and Position at the Company	Number of Shares of Common Stock of the Company Owned
2	 <p>Takayuki Ishige (January 1, 1955, 61)</p> <p>&lt;New appointment&gt;</p> <p>&lt;Outside Audit &amp; Supervisory Board Member&gt;</p> <p>&lt;Independent Officer&gt;</p>	<p>April 1978 Joined Kao Soap Co., Ltd.</p> <p>January 2003 Senior Manager – International, Global Internal Audit, Kao Corporation <sup>(*)1</sup></p> <p>September 2006 Vice President, Global Internal Audit</p> <p>June 2011 Corporate Auditor</p> <p>*1: In October 1985, the corporate name was changed to Kao Corporation.</p> <p>[Reasons for the Election of the Candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>At Kao Corporation, Mr. Takayuki Ishige was responsible for duties including finance, accounting and management audits, and also served as an Audit &amp; Supervisory Board Member.</p> <p>In order to reflect various stakeholder perspectives in the auditing of our business activities, the Company considers diversity of expertise and background when appointing Audit &amp; Supervisory Board Members. Based on his experience in internal corporate auditing and his abundant knowledge, we have chosen Mr. Ishige as Audit &amp; Supervisory Board Member candidate predicated on our judgment that he will be able to appropriately execute his duties as Outside Audit &amp; Supervisory Board Member.</p> <p>[Independence]</p> <p>Mr. Takayuki Ishige is a candidate for Outside Audit &amp; Supervisory Board Member pursuant to Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act of Japan. Mr. Ishige meets the “Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit &amp; Supervisory Board Members” (please see pages 22 and 23 of the Reference Documents for the General Shareholders’ Meeting) established by the Company, and we believe that he has sufficient independence from the Company as Outside Audit &amp; Supervisory Board Member.</p> <p>Although Kao Corporation, at which Mr. Ishige served as Audit &amp; Supervisory Board Member until March 2015, has a business relationship with the Company, the amount of transactions with Kao Corporation accounts for less than 1% of revenue in the Company’s consolidated financial statements.</p> <p>[Other Matters Concerning the Candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>The Company will enter into a limited liability agreement with Mr. Takayuki Ishige, limiting his liabilities to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan, if he is elected.</p> <p>To Our Shareholders:</p> <p>I was responsible for duties including finance, accounting, and management audits in various organizations at Kao Corporation, and acquired experience in internal corporate auditing as an Audit &amp; Supervisory Board Member at Kao Corporation.</p> <p>In order for Sojitz to continue to develop as a global company, it must strengthen its corporate governance. Based on my experience in internal corporate auditing, I am committed to contributing to the increase in corporate value of Sojitz through activities as an Audit &amp; Supervisory Board Member with an external point of view.</p>	0

No.	Name (Date of Birth, Age)	Career Summary and Position at the Company	Number of Shares of Common Stock of the Company Owned
3	 <b>Mikinao Kitada</b> (January 29, 1952, 64)  <New appointment>  <Outside Audit & Supervisory Board Member>	<p>April 1976 Public Prosecutor at the Tokyo District Public Prosecutors Office</p> <p>July 1987 First Secretary of the Japanese Embassy in the United States of America</p> <p>April 1997 Director of International Affairs Division of Criminal Affairs Bureau, the Ministry of Justice</p> <p>April 2002 Director-General for Inspection of Minister's Secretariat, the Ministry of Foreign Affairs</p> <p>January 2009 Director-General of the Public Security Intelligence Agency</p> <p>January 2012 Superintending Prosecutor of the Osaka High Public Prosecutors Office</p> <p>March 2014 Registered as Attorney-at-law (Special Counsel, Mori Hamada &amp; Matsumoto) (current position)</p> <p>June 2014 Outside Director, Sharp Corporation (current position) Outside Audit &amp; Supervisory Board Member, Oji Holdings Corporation (current position)</p> <p>August 2014 Outside Audit &amp; Supervisory Board Member, ASKUL Corporation (current position)</p> <p>June 2015 Outside Director, Yokogawa Bridge Holdings Corporation (current position) Member Director (part-time), The Investment Trusts Association, Japan (current position)</p> <p>[Reasons for the Election of the Candidate for Outside Audit &amp; Supervisory Board Member]            Mr. Mikinao Kitada has abundant experience in the judicial field by holding important posts as a public prosecutor and as an attorney as well as serving as an outside director and outside Audit &amp; Supervisory Board Member at various companies.            In order to reflect various stakeholder perspectives in the auditing of our business activities, the Company considers diversity of expertise and background when appointing Audit &amp; Supervisory Board Members. Based on his experience and deep insight with regard to the judicial field, we have chosen Mr. Kitada as Outside Audit &amp; Supervisory Board Member candidate predicated on our judgment that he will be able to appropriately execute his duties as Outside Audit &amp; Supervisory Board Member.</p>	0

No.	Name (Date of Birth, Age)	Career Summary and Position at the Company	Number of Shares of Common Stock of the Company Owned																					
		<p>[Independence] Mr. Mikinao Kitada is a candidate for Outside Audit &amp; Supervisory Board Member pursuant to Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act of Japan. Mr. Kitada meets the “Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit &amp; Supervisory Board Members” (please see pages 22 and 23 of the Reference Documents for the General Shareholders’ Meeting) established by the Company, and we believe that he has sufficient independence from the Company as Outside Audit &amp; Supervisory Board Member.</p> <p>[Significant Concurrent Occupations or Positions at Other Organizations and Business Relationships with the Company]</p> <table border="1" data-bbox="464 734 1273 1413"> <thead> <tr> <th data-bbox="464 734 778 792">Name of Organization</th> <th data-bbox="778 734 1007 792">Occupation or Position</th> <th data-bbox="1007 734 1273 792">Relationship with the Company</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 792 778 1088">Mori Hamada &amp; Matsumoto</td> <td data-bbox="778 792 1007 1088">Special Counsel</td> <td data-bbox="1007 792 1273 1088">The amount of transaction accounts for less than 0.5% of revenue in the Company’s consolidated financial statements and less than 0.5% of sales in Mori Hamada &amp; Matsumoto.</td> </tr> <tr> <td data-bbox="464 1088 778 1122">Sharp Corporation</td> <td data-bbox="778 1088 1007 1122">Outside Director</td> <td data-bbox="1007 1088 1273 1122">Less than 1% (*)</td> </tr> <tr> <td data-bbox="464 1122 778 1205">Oji Holdings Corporation</td> <td data-bbox="778 1122 1007 1205">Outside Audit &amp; Supervisory Board Member</td> <td data-bbox="1007 1122 1273 1205">Less than 1% (*)</td> </tr> <tr> <td data-bbox="464 1205 778 1294">ASKUL Corporation</td> <td data-bbox="778 1205 1007 1294">Outside Audit &amp; Supervisory Board Member</td> <td data-bbox="1007 1205 1273 1294">There is no special relationship.</td> </tr> <tr> <td data-bbox="464 1294 778 1352">Yokogawa Bridge Holdings Corporation</td> <td data-bbox="778 1294 1007 1352">Outside Director</td> <td data-bbox="1007 1294 1273 1352">There is no special relationship.</td> </tr> <tr> <td data-bbox="464 1352 778 1413">The Investment Trusts Association, Japan</td> <td data-bbox="778 1352 1007 1413">Member Director</td> <td data-bbox="1007 1352 1273 1413">There is no special relationship.</td> </tr> </tbody> </table> <p>* Accounts for the ratio of transactions among revenue in the Company’s consolidated financial statements.</p> <p>[Other Matters Concerning the Candidate for Outside Audit &amp; Supervisory Board Member] The Company will enter into a limited liability agreement with Mr. Mikinao Kitada, limiting his liabilities to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan, if he is elected.</p> <p>To Our Shareholders: I have worked in the judicial field for some 40 years as a public prosecutor and as an attorney. Recently, I have served as outside director and outside Audit &amp; Supervisory Board Member at several Japanese companies, and that experience has also made me aware of the importance of governance structures at companies. The creation and operation of a reliable governance structure is essential for a company’s sustainable growth. Using the knowledge and experience I have cultivated up to now, I will strive to maintain and improve Sojitz’s corporate governance structure by properly monitoring and auditing the execution of duties by Directors.</p>	Name of Organization	Occupation or Position	Relationship with the Company	Mori Hamada & Matsumoto	Special Counsel	The amount of transaction accounts for less than 0.5% of revenue in the Company’s consolidated financial statements and less than 0.5% of sales in Mori Hamada & Matsumoto.	Sharp Corporation	Outside Director	Less than 1% (*)	Oji Holdings Corporation	Outside Audit & Supervisory Board Member	Less than 1% (*)	ASKUL Corporation	Outside Audit & Supervisory Board Member	There is no special relationship.	Yokogawa Bridge Holdings Corporation	Outside Director	There is no special relationship.	The Investment Trusts Association, Japan	Member Director	There is no special relationship.	
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(Reference)

**Standards Concerning the Appointment and Independence of  
Candidates for Outside Directors and Outside Audit & Supervisory Board Members**

**Standards Concerning the Appointment of Candidates for Outside Directors and Outside Audit & Supervisory Board Members**

The Company appoints Outside Directors from those with a wide range of knowledge and deep insight and abundant experience in industries and administrative fields, such as those who have management experience in business corporations and government agencies and others who have objective and specialist viewpoints toward world affairs, social and economic trends and corporate management. In appointing Outside Audit & Supervisory Board Members, in addition to the above, we also ensure the diversity of the candidates' background from the perspective of reflecting the viewpoints of a variety of stakeholders in the audit of business activities.

**Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members**

The Company judges Outside Directors and Outside Audit & Supervisory Board Members to be independent by confirming that they do not fall under any of the following standards, in addition to the independence standards prescribed by financial instruments exchanges.

1. A major shareholder of the Company (a shareholder holding 10% or more of the total voting rights of the Company) or a member of business personnel (\*1) thereof
2. A major creditor to the Company (a creditor from whom the Company owed an amount exceeding 2% of the consolidated total assets of the Company in the most recent fiscal year) or a member of business personnel (\*1) thereof
3. A major business partner of the Company (a business partner whose transaction amount with the Company exceeded 2% of the Company's annual consolidated revenue in the most recent fiscal year) or a member of business personnel (\*1) thereof
4. A party whose major business partner is the Company (an entity whose transaction amount with the Company exceeded 2% of its annual consolidated net sales in the most recent fiscal year) or a member of business personnel (\*1) thereof
5. An attorney, certified public accountant, certified tax accountant, consultant or other professional who received money or other property from the Company for his/her services as an individual in an amount exceeding 10 million yen annually on average over the past three fiscal years, other than remuneration of Directors or Audit & Supervisory Board Members (if such money or property was received by an organization, such as a corporation or partnership, this item refers to a person who belongs to the organization that received money or other property from the Company in an amount exceeding 10 million yen annually on average over the past three fiscal years or in an amount of 2%

of the annual total revenue or consolidated net sales of the organization, whichever the greater.)

6. A person who receives donations or grants from the Company in an amount exceeding 10 million yen annually (if such donations or grants are received by an organization, such as a corporation or partnership, this item refers to a member of business personnel (\*1) of the organization.)
7. A person who is the Accounting Auditor of the Company or a person who is engaged in audit activities of the Company as an employee of the Accounting Auditor
8. A person who has fallen under any of the above items 1. to 7. in the past three years
9. A spouse or relative within the second degree of kinship of a person falling under any of the above items 1. to 8. (limited to the person holding the position of officer or other important positions)
10. A spouse or relative within the second degree of kinship of a member of business personnel (\*1) (limited to the person holding the position of officer or other important positions) of the Company or any of its consolidated subsidiaries
11. A person whose term of office as Outside Director or Outside Audit & Supervisory Board Member of the Company exceeds eight years
12. A person with concerns on his/her independence such as having constant and substantial conflict of interest with general shareholders as a whole in performing the duties of Outside Director or Outside Audit & Supervisory Board Member or for other reasons

\*1 A member of business personnel refers to a managing director, corporate officer, executive officer, or other employee of a company or an organization.

End



**(Attachment to the Notice of the 13th Ordinary General Shareholders' Meeting)**

**Business Report**

(From April 1, 2015 to March 31, 2016)

**1. Current Circumstances of the Sojitz Group**

**(1) Review of Progress and Performance in Operations**

In the year ended March 31, 2016, we witnessed modest economic recovery trends in Europe and the United States. Regardless, the economic slowdown in China and other emerging countries and the resource price declines casted an air of uncertainty over the global economy as a whole.

In the United States, consumer spending gradually increased and sales of housing and automobiles also held firm. In addition, the job market remained strong and the policy interest rate was raised in December 2015, although the increase in interest rates has been slower than initially anticipated. These beneficial developments stood in contrast to the possibility of sluggish growth in corporate earnings that might stem from the negative impacts of the low crude oil price and the strong U.S. dollar.

In Europe, threats of economic downturn lingered in the form of the residual impacts of the economic sanctions placed on Russia as well as the Greek debt crisis. Nonetheless, the quantitative easing measures of the European Central Bank proved effective, and the European economy continued to experience a gentle recovery. However, cause for concern came in the form of geopolitical issues, including the large influx of refugees from the Middle East and Africa as well as acts of terrorism.

In China, government measures, such as a policy interest rate reduction and public investments, were instituted to support the economy, and a gentle rise in consumer spending was witnessed. However, the economic growth rate remained sluggish due to poor growth in real estate development investment and capital investment.

In Asia, economies were impacted by falling resource prices and a decline in exports, primarily to China, and the observed rise in U.S. interest rates drove currency devaluation in many countries. These factors caused capital outflows to accelerate in certain countries, further slowing the overall growth of the Asian economy.

In Japan, a bearish economic trend continued. While strong corporate performance resulted in improvements in the job market, consumer spending and capital investment proved stagnant, despite the negative interest rate policy introduced in January 2016. Also, the recovery of production was slow in the mining and manufacturing industry.

**Sojitz Group Performance**

Sojitz Group's consolidated business results for fiscal 2015 are presented below. (Note)

(Note) The Group adopts the International Financial Reporting Standards (hereinafter referred to as "IFRS") in preparing the consolidated financial statements, and gross profit, operating profit, profit before tax, profit for the year, and total comprehensive income for the year are shown pursuant to IFRS. 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.

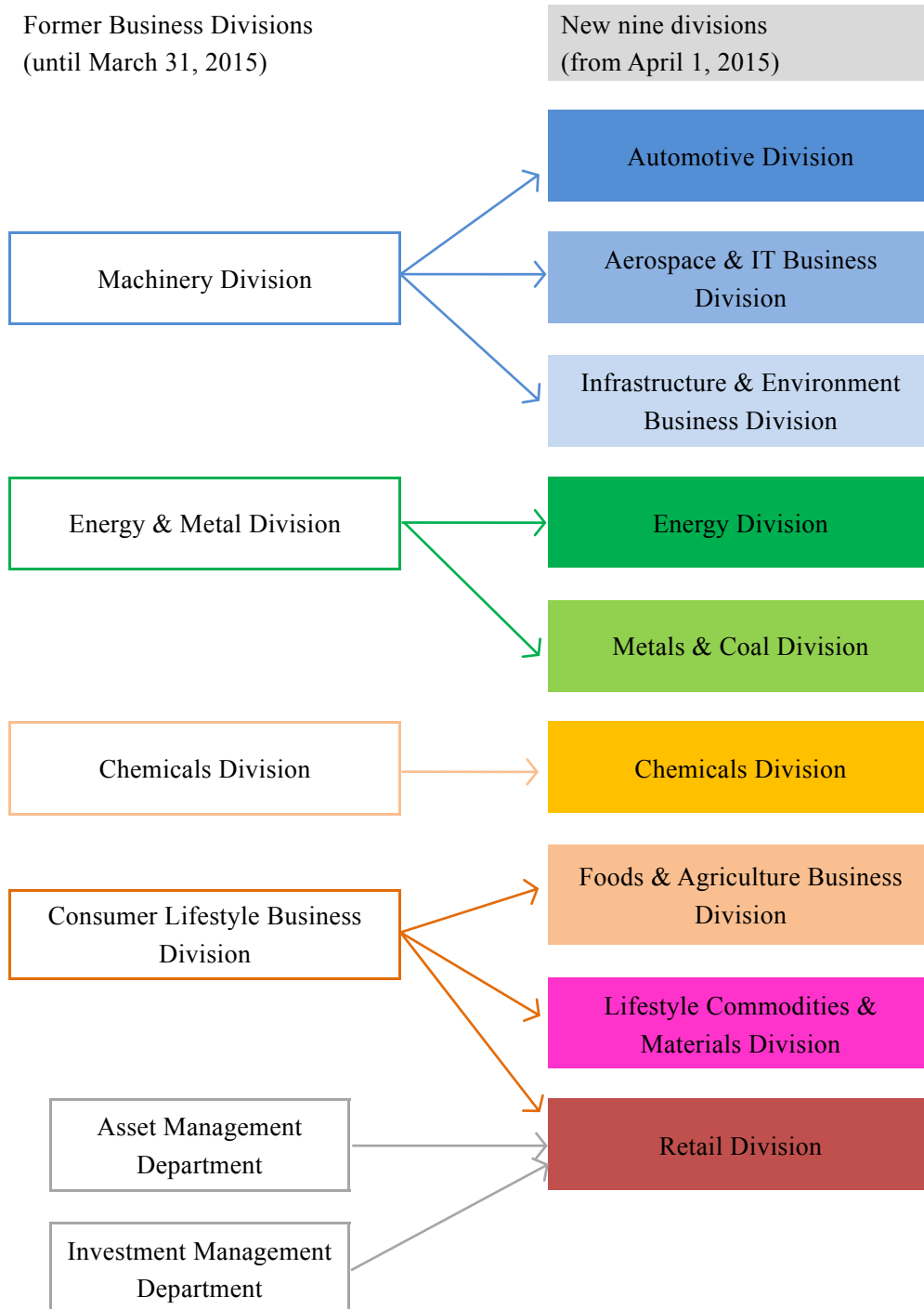
Net sales                      Net sales were down 2.4% year on year, to ¥4,006,649 million, following a decline in Metals & Coal Division sales stemming from lower ferroalloy and coal transactions. This decline offset the increase in sales in the Aerospace & IT

Business Division, which was a result of higher aircraft-related transactions.

Gross profit	Gross profit decreased ¥16,949 million year on year, to ¥180,739 million, as a result of lower profit from the Metals & Coal Division, which was due to resource price declines and reduced transactions, as well as from the Energy Division, which followed from a decline in the price of oil.
Operating profit	Operating profit decreased ¥4,308 million year on year, to ¥29,242 million, as a result of lower gross profit and the impairment losses that were recorded with regard to oil and gas, coal, and iron ore interests. These detractors outweighed the benefits of recording gains on revaluation of coal business assets following a change in holding purpose.
Profit before tax	Profit before tax decreased ¥8,315 million year on year, to ¥44,269 million, as a result of the lower operating profit and a decrease in share of profit of investments accounted for using the equity method.
Profit for the year	Despite a decrease in income tax expenses, profit before tax was down, and profit for the year declined ¥1,164 million year on year, to ¥36,486 million, as a result. Profit for the year (attributable to owners of the Company) increased ¥3,451 million year on year, to ¥36,526 million.
Comprehensive income for the year	Comprehensive loss for the year of ¥28,405 million was recorded, compared with comprehensive income for the year of ¥114,919 million in the previous fiscal year. This outcome was a result of the impacts of less beneficial foreign currency translation differences for foreign operations. Comprehensive loss for the year (attributable to owners of the Company) of ¥25,379 million was recorded, compared with comprehensive income for the year (attributable to owners of the Company) of ¥107,347 million in the previous fiscal year.

The Group's operating performance and overview of business conditions by business segment are as follows.

Effective April 1, 2015, the Group underwent organizational reforms to create a system that includes the previous product-based organizational structure and also reflects the functions of these departments 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.



## Automotive Division

### Operating performance

Net sales (JGAAP) increased 0.5% year on year, to ¥317,770 million, as the benefits of the acquisition of a U.S. automotive dealership counteracted the drop in automobile sales in Russia stemming from sluggish economic conditions. Profit for the year (attributable to owners of the Company) increased ¥3,271 million, to ¥5,916 million, due to a rise in share of profit of investments accounted for using the equity method.

### Overview of business conditions

A manufacturing joint venture in the Philippines, the BMW dealership business in the U.S., the import sales business in Puerto Rico, etc. performed well, complementing the import sales business in Russia and others with poor sales. In addition, we acquired new BMW dealerships in the San Francisco Bay Area in the U.S. and Brazil. We moved ahead with further expanding our businesses, including raising our investment ratio in a joint venture for commercial vehicles in Russia.

## Aerospace & IT Business Division

### Operating performance

Net sales (JGAAP) increased 41.8% year on year, to ¥627,883 million, following higher aircraft-related transactions. Profit for the year (attributable to owners of the Company) decreased ¥152 million, to ¥3,127 million, due to impairment losses on Company-owned ships.

### Overview of business conditions

In the aerospace field, transactions related to The Boeing Company and Bombardier Inc. and the parts-out business performed well. We have also been pushing forward with the business related to airport development in emerging countries. Although the marine business was affected by a market downturn, we made efforts in the marine equipment for environmental measures and engineering business. In the IT-related field, we reinforced our data-center business and network construction business for telecommunication operators.

## Infrastructure & Environment Business Division

### Operating performance

Net sales (JGAAP) decreased 21.4% year on year, to ¥279,264 million, as a result of lower plant-related transactions. Profit for the year (attributable to owners of the Company) decreased ¥2,152 million, to ¥2,174 million, as a result of impairment losses on iron ore interests held jointly with the Metals & Coal Division.

### Overview of business conditions

We steadily expanded our overseas power-generation and domestic and overseas renewable energy (solar power generation) businesses, areas with the potential of providing steady income. In the railway-related business, we have been successful in winning orders for civil and track works and other construction

work for a project in India launched in fiscal 2013. We entered into the rail maintenance, repair and overhaul business in North America.

## Energy Division

### Operating performance

Net sales (JGAAP) decreased 28.5% year on year, to ¥133,003 million, due to a decline in the price of oil and lower LNG transactions. Loss for the year (attributable to owners of the Company) of ¥6,935 million was recorded, in comparison with profit for the year (attributable to owners of the Company) of ¥3,548 million in the previous fiscal year. This outcome was largely the result of impairment losses recorded on oil and gas interests.

### Overview of business conditions

Profit deteriorated significantly for oil and gas interests in which the Group has invested due to the impact of a slide in crude oil prices following sluggish global demand and oversupply. In the meantime, we are working to establish a stable revenue base that is resilient against the impact of market conditions, through measures including improvement of our operation costs and expansion of our energy value chain to midstream and downstream businesses.

## Metals & Coal Division

### Operating performance

Net sales (JGAAP) decreased 15.6% year on year, to ¥494,624 million, as a result of a decline in ferroalloy and coal transactions. Profit for the year (attributable to owners of the Company) of ¥4,661 million was recorded, in comparison with loss for the year (attributable to owners of the Company) of ¥2,739 million in the previous fiscal year. While impairment losses were recorded on coal and iron ore interests, profits improved following the recording of gains on revaluation of coal business assets due to a change in holding purpose.

### Overview of business conditions

We recorded impairment losses in our coal interests and iron ore business, due to the effects of slowing economic growth in China and other emerging countries and a drop of market prices for mineral resources overall. As improvements in the business environment are not expected over the short and medium terms in the coal and mineral resources business, we are continuing to work on improving operation costs, along with promoting creation and expansion of business models, which are not swayed by market fluctuations.

## Chemicals Division

### Operating performance

Net sales (JGAAP) decreased 7.8% year on year, to ¥622,956 million, as a result of the deterioration of conditions in markets for chemicals and plastic resins as well as the Company's withdrawal from unprofitable transactions. Profit for the year (attributable to owners of the Company) was up ¥2,714 million, to ¥8,985 million, following a rise in profit from plastic resin transactions in Asia and petroleum resin transactions in the Americas.

#### Overview of business conditions

Chemicals and plastic resins overall were affected by a market downturn following declining crude oil prices. However, resin trading with China and other countries in Asia and the petroleum resin business in North America performed well. In addition, we are working on building a stable revenue base through expansion of operating revenue by increasing earnings from trading in methanol and resins and bolstering our value chain in industries of our strengths.

#### Foods & Agriculture Business Division

##### Operating performance

Net sales (JGAAP) decreased 11.2%, to ¥365,197 million, following lower profit from feed material transactions and overseas fertilizer businesses. Profit for the year (attributable to owners of the Company) increased ¥2,583 million, to ¥5,009 million, due to a higher share of profit of investments accounted for using the equity method and an improved balance of other income and expenses.

##### Overview of business conditions

Although demand has dropped for the mainstay fertilizer business that is being developed in Thailand, the Philippines and Vietnam, due to drought and other factors related to unseasonable weather and sales volume declined, we are maintaining our market share. In transactions for grains, demand was weak and market prices were on a downtrend. In addition, vegetable cultivation, tuna processing and farming businesses were extended, for stable supply of safe and reliable food resources.

#### Lifestyle Commodities & Materials Division

##### Operating performance

Net sales (JGAAP) increased 3.0% year on year, to ¥902,480 million, following higher tobacco and apparel-related transactions. Profit for the year (attributable to owners of the Company) increased ¥701 million, to ¥3,058 million.

##### Overview of business conditions

Sales of textiles and the OEM business for clothing goods expanded and earnings were secured in the industrial supplies business in line with plans. On the other hand, the businesses for wood chips and imported plywood were affected by intensified competition following the emergence of products from other origins and rising costs due to yen depreciation. With the aim to earn more revenue from the growing markets mainly in Asia, we are actively creating new businesses in the business fields that enable low environmental impact based on our original technologies and know-hows.

#### Retail Division

##### Operating performance

Net sales (JGAAP) decreased 1.6% year on year, to ¥216,858 million, due to a decline in real estate transactions. Profit for the year (attributable to owners of the

Company) rose by ¥161 million, to ¥3,442 million, following higher profit from overseas industrial park businesses.

Overview of business conditions

Deliveries performed well for the overseas industrial park business, which have been developed in Indonesia and Vietnam. The function-oriented commercial facilities business and the real estate-related business in Japan contributed as well. In order to expand the retail-related businesses that provide high levels of customer satisfaction in Asia, a convenience store business in Vietnam and cold chain business in Myanmar, and Japan Food Town project in Singapore were developed.

### Sojitz Group Segment Information

FY2015 (From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Revenue			Gross profit	Operating profit	Share of profit (loss) of investments accounted for using the equity method	Profit (loss) (attributable to owner of the Company)	Net sales (Note)
	External revenue	Inter-segment revenue	Total revenue					External
Reportable Segments								
Automotive	141,155	15	141,170	25,082	4,704	4,553	5,916	317,770
Aerospace & IT Business	91,788	1,676	93,465	26,298	5,640	325	3,127	627,883
Infrastructure & Environment Business	106,568	20	106,589	17,731	3,702	603	2,174	279,264
Energy	74,169	10	74,180	2,421	(8,438)	3,902	(6,935)	133,003
Metals & Coal	270,055	3	270,059	9,075	(4,113)	8,156	4,661	494,624
Chemicals	409,332	20	409,352	40,731	12,954	1,251	8,985	622,956
Foods & Agriculture Business	187,437	12	187,449	18,116	6,510	662	5,009	365,197
Lifestyle Commodities & Materials	179,420	112	179,532	18,907	4,708	838	3,058	902,480
Retail	154,831	460	155,292	18,484	3,547	2,857	3,442	216,858
Total	1,614,760	2,333	1,617,093	176,850	29,216	23,150	29,439	3,960,040
Others	43,312	596	43,908	5,513	37	13	4,686	46,609
Reconciliations	—	(2,929)	(2,929)	(1,624)	(10)	(0)	2,400	—
Consolidated	1,658,072	—	1,658,072	180,739	29,242	23,163	36,526	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.



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

(Millions of yen)

	Revenue			Gross profit	Operating profit	Share of profit (loss) of investments accounted for using the equity method	Profit (loss) (attributable to owner of the Company)	Net sales (Note)
	External revenue	Inter-segment revenue	Total Revenue					External
Reportable Segments								
Automotive	157,978	9	157,987	28,505	4,707	1,576	2,645	316,168
Aerospace & IT Business	80,850	1,535	82,385	25,257	7,069	192	3,279	442,718
Infrastructure & Environment Business	104,056	2	104,059	18,793	5,069	2,174	4,326	355,268
Energy	137,213	2	137,215	7,281	(4,753)	9,656	3,548	186,083
Metals & Coal	308,866	12	308,879	14,985	(13,114)	11,774	(2,739)	586,354
Chemicals	427,306	124	427,431	39,274	11,901	588	6,271	675,901
Foods & Agriculture Business	229,409	9	229,419	20,333	7,512	2	2,426	411,414
Lifestyle Commodities & Materials	175,530	104	175,635	18,378	4,291	380	2,357	876,179
Retail	157,172	447	157,619	20,647	4,637	2,212	3,281	220,273
Total	1,778,383	2,248	1,780,632	193,458	27,321	28,557	25,398	4,070,362
Others	31,317	358	31,675	5,718	5,681	16	7,408	34,932
Reconciliations	—	(2,606)	(2,606)	(1,489)	548	39	268	—
Consolidated	1,809,701	—	1,809,701	197,688	33,550	28,613	33,075	4,105,295

Reconciliation of segment profit of 268 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 (962) million yen, and unallocated dividend income and others of 1,231 million yen.

- (Notes)
1. Figures are rounded down to the nearest million yen.
  2. "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.
  3. The major products in each business segment are noted in "(2) Major Business Segments of the Sojitz Group."

## (2) Major Business Segments of the Sojitz Group

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 396 consolidated subsidiaries and equity method associates, including 286 consolidated subsidiaries and 110 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 255 companies consisting of 185 consolidated subsidiaries and 70 equity method associates.)

Effective April 1, 2015, the Group underwent organizational reforms to create a system that includes the previous product-based organizational structure and also reflects the functions of these departments 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.

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

(As of March 31, 2016)

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: 6	Completely built-up (CBU) vehicle export; wholesale and retail; local vehicle assembly, manufacturing and sales, automobile and motorcycle components; tire sales	<ul style="list-style-type: none"> <li>● Sojitz Automotive &amp; Engineering, Inc. (automobile and motorcycle components; tire sales; Subsidiary)</li> <li>● Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary)</li> <li>● Mitsubishi Motors Philippines Corporation (Import, assembly and sale of Mitsubishi automobiles; Equity method associate)</li> </ul>
Aerospace & IT Business Number of consolidated subsidiaries: 54 Number of equity method associates: 6	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)	<ul style="list-style-type: none"> <li>● Sojitz Aerospace Corporation (Import, export and sale of aero-related and defense-related equipment; Subsidiary)</li> <li>● Sojitz Marine &amp; Engineering Corporation (Sale, purchase and charter brokerage of ships, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary)</li> <li>● Nissho Electronics Corporation (IT systems, network services; Subsidiary)</li> <li>● SAKURA Internet Inc. (Internet data center operator; Subsidiary) *</li> <li>● Sojitz Systems Corporation (System Integration; Subsidiary)</li> </ul>

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
<p>Infrastructure &amp; Environment Business</p> <p>Number of consolidated subsidiaries : 34</p> <p>Number of equity method associates: 21</p>	<p>Infrastructure &amp; Environment (Renewable energy, transportation, water business, IPP projects); Energy Projects (IPP and IWPP projects, power plant EPC business); Plant Projects (Plant business (steel, fertilizer &amp; chemical, energy)); Industrial Machinery and Bearings (Industrial machinery, surface-mounting machines, bearings)</p>	<ul style="list-style-type: none"> <li>● Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary)</li> <li>● Mirai Power (Kamikita Rokkasho) Corporation (Solar power generation project; Subsidiary)</li> <li>● Blue Horizon Power International Ltd. (Investment in power generation projects; Subsidiary)</li> <li>● First Technology China Ltd. (Sales and service of surface-mounting machines and semiconductor-related equipment; Subsidiary)</li> </ul>
<p>Energy</p> <p>Number of consolidated subsidiaries: 11</p> <p>Number of equity method associates: 6</p>	<p>Oil and gas; petroleum products; LNG; nuclear fuels; nuclear power-related equipment and machinery; floating production storage and offloading units; LNG-related businesses</p>	<ul style="list-style-type: none"> <li>● Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary)</li> <li>● Sojitz Energy Venture Inc. (Oil and gas development; Subsidiary)</li> <li>● Sojitz Energy Project Ltd. (Oil and gas development; Subsidiary)</li> <li>● LNG Japan Corporation (LNG business and related investments and loans; Equity method associate)</li> </ul>
<p>Metals &amp; Coal</p> <p>Number of consolidated subsidiaries : 28</p> <p>Number of equity method associates: 15</p>	<p>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</p>	<ul style="list-style-type: none"> <li>● Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary)</li> <li>● Sojitz Coal Resources Pty Ltd. (Investment in coal mines; Subsidiary)</li> <li>● Sojitz Resources (Australia) Pty. Ltd. (Production of alumina; Subsidiary)</li> <li>● Sojitz Moolarben Resources, Pty. Ltd. (Investment in coal mines; Subsidiary)</li> <li>● Sojitz Moly Resources, Inc. (Investment in molybdenum mines; Subsidiary)</li> <li>● Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Equity method associate)</li> <li>● Coral Bay Nickel Corporation (Production and sale of nickel and cobalt mixed sulfide; Equity method associate)</li> <li>● Japan Alumina Associates (Australia) Pty. Ltd. (Production of alumina; Equity method associate)</li> <li>● Cariboo Copper Corporation (Investment in copper mine; Equity method associate)</li> </ul>

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Chemicals Number of consolidated subsidiaries: 30 Number of equity method associates: 15	Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; cosmetics; 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	<ul style="list-style-type: none"> <li>● Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary)</li> <li>● Pla Matels Corporation (Trading and sale of plastics and related products; Subsidiary) *</li> <li>● Sojitz Cosmetics Corporation (Development, product planning and sale of cosmetics; Subsidiary)</li> <li>● P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary)</li> </ul>
Foods & Agriculture Business Number of consolidated subsidiaries: 15 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	<ul style="list-style-type: none"> <li>● Thai Central Chemical Public Co., Ltd (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary)</li> <li>● Atlas Fertilizer Corporation (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary)</li> <li>● Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) *</li> <li>● CGG Trading S.A. (Grain collection in Brazil; Equity method associate)</li> </ul>
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	<ul style="list-style-type: none"> <li>● Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary)</li> <li>● Daiichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary)</li> <li>● Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary)</li> <li>● JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Equity method associate) *</li> </ul>

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Retail Number of consolidated subsidiaries: 18 Number of equity method associates: 7	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 (investment, dealing, leasing, management, etc.); administration of commercial facilities; apparel; interior accessories; bedclothes and home fashion-related products; nursery items; general commodities	<ul style="list-style-type: none"> <li>● Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary)</li> <li>● Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary)</li> <li>● Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary)</li> <li>● Sojitz General Property Management Corporation (Condominium and office building management, real estate agency services : Subsidiary)</li> <li>● 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)</li> <li>● PT. Puradelta Lestari Tbk (New city development including industrial parks; Equity method associate)</li> </ul>
Other Number of consolidated subsidiaries: 18 Number of equity method associates: 5	Administration, domestic branches, logistics and insurance services	<ul style="list-style-type: none"> <li>● Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary)</li> <li>● Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary)</li> <li>● Sojitz Insurance Agency Corporation (Insurance agency services; Subsidiary)</li> <li>● Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary)</li> <li>● Sojitz Research Institute (Research and consulting; Subsidiary)</li> <li>● Sojitz Tourist Corporation (Travel agency; Subsidiary)</li> </ul>
Overseas branches Number of consolidated subsidiaries: 45 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.	<ul style="list-style-type: none"> <li>● Sojitz Corporation of America (Subsidiary)</li> <li>● Sojitz Europe plc (Subsidiary)</li> <li>● Sojitz Asia Pte. Ltd (Subsidiary)</li> <li>● Sojitz (Hong Kong) Ltd. (Subsidiary)</li> <li>● Sojitz (China) Co., Ltd. (Subsidiary)</li> </ul>

(\*) The following four companies are listed in the Japanese stock market as of March 31, 2016: SAKURA Internet Inc. (TSE 1st section), JALUX Inc. (TSE 1st section), Fuji Nihon Seito Corporation (TSE 2nd section), and PlaMatels Corporation (JASDAQ).

### (3) Funding, etc.

Under Medium-term Management Plan 2017, which began in the year ended March 31, 2016, the Company continues to implement a basic financial strategy of maintaining and enhancing the stability of its funding structure. In addition, Sojitz endeavors 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.

While straight bonds are viewed as one possible source of long-term funding, no such bonds were issued during fiscal 2015. Sojitz will continue to closely monitor interest rates and market conditions and will consider conducting additional issues whenever advantageous opportunities to do so arise.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz has continued to maintain a ¥100 billion long-term committed credit line. In addition, it has established a system for procurement, concentration, and distribution of foreign currency mainly in financial subsidiaries to secure supplemental sources of precautionary liquidity within the Group. In line with this, Sojitz concluded a long-term foreign currency facility agreement of US\$300 million, as well as long-term foreign currency committed credit line agreements of US\$500 million in total, replacing the previous multicurrency committed credit line of US\$300 million.

### (4) Major Creditors and Borrowed Amounts (As of March 31, 2016)

(Billions of yen)

Creditor	Amount outstanding
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	120.9
Mizuho Bank, Ltd. (Note 3)	72.7
Development Bank of Japan Inc. (Note 3)	65.2
Sumitomo Mitsui Trust Bank, Limited (Note 3)	57.5
The Norinchukin Bank	42.2
Sumitomo Mitsui Banking Corporation (Note 3)	34.8
Mitsubishi UFJ Trust and Banking Corporation	32.3
Nippon Life Insurance Company	29.8
Resona Bank, Ltd. (Note 3)	27.7
Shinkin Central Bank	26.0

- (Notes)
1. Amounts are rounded down to the first decimal place.
  2. The above amounts are on a non-consolidated basis.
  3. Sojitz accepts that these loans may be assigned in part or in whole upon request by the lender.

## (5) Assets, Profits and Losses

### (a) The Group's Assets, Profits and Losses

The Group's assets, profits and losses in FY2015 and the past three fiscal years based on IFRS and those in the past one fiscal year based on JGAAP are as outlined below.

(Millions of yen, unless otherwise specified)

Item \ FY	FY2012 10th Fiscal Year	FY2013 11th Fiscal Year	FY2014 12th Fiscal Year	FY2015 13th Fiscal Year (fiscal year under review)	Item \ FY (JGAAP)	FY2012 10th Fiscal Year
Net sales (Note 2)	3,934,456	4,046,577	4,105,295	4,006,649	Net sales	3,955,907
Profit before tax	28,052	44,033	52,584	44,269	Ordinary income	34,478
Profit for the year (attributable to owners of the Company)	13,448	27,250	33,075	36,526	Net income	14,263
Total comprehensive income for the year (attributable to owners of the Company)	56,171	82,221	107,347	(25,379)	Net income per share (yen)	11.40
Basic earnings per share (attributable to owners of the Company) (yen)	10.75	21.78	26.44	29.20	Total assets	2,086,410
Total assets	2,150,050	2,220,236	2,297,358	2,056,670	Net assets	382,537
Total equity attributable to owners of the Company	382,589	459,853	550,983	520,353	Net assets per share (yen)	282.60
Total equity per share attributable to owners of the Company (yen)	305.81	367.58	440.43	415.95		

- (Notes) 1. Effective from the 11th fiscal year, the Group prepares the consolidated financial statements in accordance with IFRS pursuant to the provisions of Article 120, Paragraph 1 of the Company Accounting Regulations. For your reference, the figures for the 10th fiscal year are shown based on IFRS.
2. "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. "Net sales" is not synonymous with "revenue" based on IFRS and shall not be a subject of substitution.
3. Figures are rounded down to the nearest million yen.

**(b) The Company's Assets, Profits and Losses**

The Company's assets, profits and losses in FY2015 and over the past three fiscal years on a non-consolidated basis are as outlined below.

(Millions of yen, unless otherwise specified)

Item \ FY	FY2012 10th Fiscal Year	FY2013 11th Fiscal Year	FY2014 12th Fiscal Year	FY2015 13th Fiscal Year (fiscal year under review)
Net sales	2,436,466	2,533,171	2,560,367	2,530,034
Ordinary income	11,249	25,396	34,228	20,935
Net income (loss)	(14,965)	5,657	(792)	9,407
Net income per share (loss) (yen)	(11.96)	4.52	(0.63)	7.52
Total assets	1,572,957	1,582,525	1,581,155	1,443,469
Net assets	340,613	351,833	364,953	356,484
Net assets per share (yen)	272.26	281.23	291.72	284.96

(Note) Figures are rounded down to the nearest million yen.



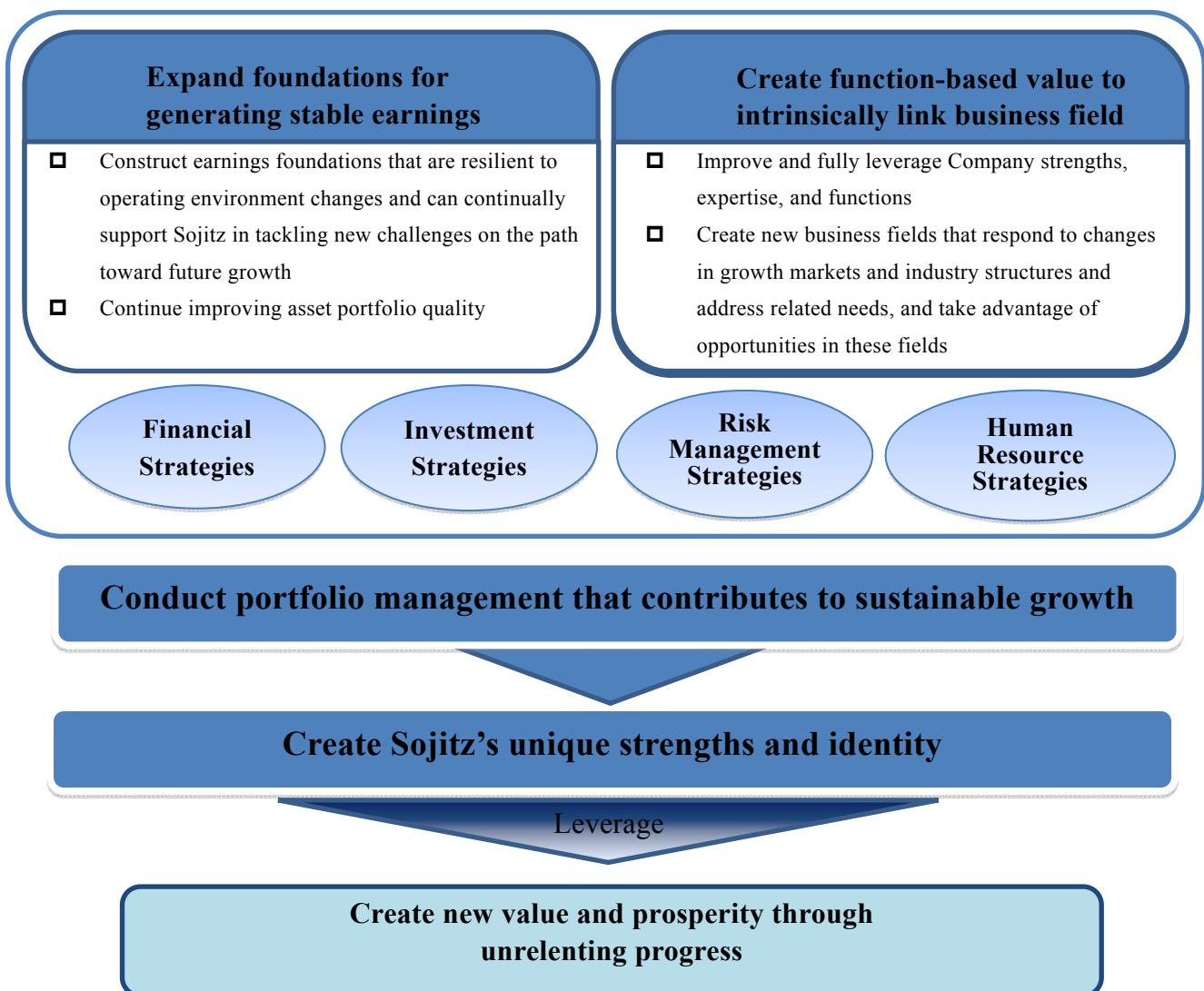
**(6) Business Outlook and Issues to Be Addressed**

Medium-term Management Plan 2017

Medium-term Management Plan 2017 – Challenge for Growth is a three-year medium-term management that commenced on April 2015. This plan calls on us to tackle new challenges in the pursuit of future growth, expand foundations for generating stable earnings, and thereby improve corporate value.

Medium-Term Management Plan 2017 ~ Challenge for Growth ~

Finish solidifying foundations through steady reforms,  
and poise Sojitz to implement growth initiatives  
targeting further development to tackle new challenges  
from a forward-looking standpoint emphasizing trust and speed



Targeted performance indicators in Medium-term Management Plan 2017 are as follows.

Performance Indicator	ROA	ROE	Net D/E ratio	Dividend payout ratio
Target	2% or higher	8% or higher	1.5 times or lower	Approximately 25%

Going forward, the Sojitz Group will advance function-based initiatives, and pursue growth through trading in addition to investments and loans. Accordingly, we have earmarked approximately ¥300.0 billion to fund investments and loans over the three-year period of Medium-term Management Plan 2017. Through these investments and loans as well as trading operations, we aim to construct earnings foundations capable of stably generating profit for the year (attributable to owners of the Company) of more than ¥50.0 billion, and will target profit for the year (attributable to owners of the Company) of more than ¥60.0 billion in the year ending March 31, 2018, the final year of the plan.

In the year ended March 31, 2016, the first year of Medium-term Management Plan 2017, a modest recovery trend was seen in Europe and the United States. However, a growing sense of uncertainty was felt in the operating environment due to the influences of economic slowdown in China and other emerging countries as well as the impacts of falling resource prices. In this uncertain environment, the Company recorded impairment losses stemming from resource price declines and worsening conditions in the shipping market. Profit for the year (attributable to owners of the Company) increased, nonetheless, climbing to ¥36.5 billion, representing 91% of our initial forecast, due to stable earnings contributions from automobile, aircraft, chemical, fertilizer, and other non-resource businesses.

One of the growth strategies of Medium-Term Management Plan 2017 is to create and expand business fields that can form clusters of stable-revenue-generating businesses. On this front, we strengthened non-resource businesses, conducting investments and loans in automobile dealerships, used aircraft operations, renewable energy projects, independent power producer projects, North American railway operations in the Infrastructure & Environment Business Division, and convenience store operations in Vietnam.

To support future growth, we established a new company in England, and we are constructing global cash management systems. We also introduced frameworks for the quick promotion of talented individuals and revised human resource systems to further stimulate the ambition and pioneering spirit of our employees by providing the compensation that matches their role and successes.

On the organizational side of operations, we introduced a new division structure in April 2015 with the goal of realizing a flat organization with management that is fully in tune with frontline operations. We anticipate that this organization will enable us to accelerate strategies and individual projects and thereby facilitate capability-based business scope expansion and aid us in taking on new business challenges. In addition, specialized corporate divisions were established in April 2016 to support our efforts to accomplish the goals of the medium-term management plan and advance medium-to-long-term initiatives from a Companywide perspective.

In the year ending March 31, 2017, we will accelerate the strategies of Medium-Term Management Plan 2017, advancing initiatives to create stable-revenue-generating businesses and expand earnings foundations, even in highly volatile market environments. At the same time, we will maintain financial

health and improve asset efficiency through ongoing asset replacement as we actively build an even-higher quality asset portfolio.

The operating forecasts for the year ending March 31, 2017 are as follows:

(Consolidated)

Net sales (Note)	¥4,330.0 billion
Operating profit	¥44.0 billion
Profit before tax	¥53.0 billion
Profit for the year (attributable to owners of the Company)	¥40.0 billion

(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.

**(7) Business Locations of Sojitz Group and the Number of Employees (As of March 31, 2016)**

**(a) Business Locations of Sojitz Group**

<Domestic>

HQ	Chiyoda-ku, Tokyo
Branches	Hokkaido Branch (Sapporo), Tohoku Branch (Sendai), Nagoya Branch (Nagoya), Kyushu Branch (Fukuoka)

<Overseas>

Branches, etc.	Singapore Branch, Kuala Lumpur Branch, Yangon Branch, Karachi Branch, Jeddah Branch, Johannesburg Branch Besides the above, 14 liaison offices and offices of overseas branches
Overseas Subsidiaries	28 Overseas Subsidiaries, including Sojitz Corporation of America, Sojitz Europe plc, Sojitz (China) Co., Ltd., and Sojitz Asia Pte. Ltd. Besides the above, 36 branches and offices, etc. of overseas subsidiaries

**(b) Number of Employees**

Segment	Number of employees
Automotive	1,693
Aerospace & IT Business	1,732
Infrastructure & Environment Business	937
Energy	201
Metals & Coal	512
Chemicals	1,663
Foods & Agriculture Business	1,845
Lifestyle Commodities & Materials	1,420
Retail	2,486
Others	1,841
Total	14,330

**(c) Employees of the Company**

Number of employees	Change from the previous year	Average age	Average service years
2,270	24 (increase)	42.4 years old	15.4 years

- (Notes) 1. The above figures do not include 111 local employees overseas.  
2. The average service years are calculated including the length of service at the former Nichimen Corporation and Nissho Iwai Corporation.

**(8) Major Subsidiaries (As of March 31, 2016)**

## (a) Major Consolidated Subsidiaries and Equity Method Associates

**Consolidated Subsidiaries**

(Millions of yen, unless otherwise specified)

Company	Capital	Controlling share (%)	Major business activities
Sojitz Corporation of America	US\$336,083,868	100.00	Trading business
Sojitz Europe plc	13,240 GBP73,117,500	100.00	Trading business
Sojitz Asia Pte. Ltd.	US\$136,507,474	100.00	Trading business
Sojitz (Hong Kong) Ltd.	US\$90,440,212	100.00	Trading business
Sojitz Aerospace Corporation	1,410	100.00	Import/export and sales of aerospace- and defense-related equipment
Sojitz Marine & Engineering Corporation	800	100.00	Sales, purchase, charter, and brokerage of ships; import/export and domestic sales of marine-related equipment and materials, etc.
Nissho Electronics Corporation	14,336	100.00	IT systems and network services
Sojitz Machinery Corporation	1,500	100.00	Import/export and sales of general industrial machinery
Sojitz Pla-Net Corporation	3,000	100.00	Trading and sales of plastic raw materials and products
Pla Matels Corporation	793	46.55 (Note)	Trading and sales of plastic raw materials and products
Sojitz Building Materials Corporation	1,039	100.00	Sales of building materials
Sojitz Fashion Co., Ltd.	100	100.00	Printing of cotton/synthetic textiles, etc., design, processing and wholesale of plain fabric, fabric woven of dyed thread and other items
Sojitz Foods Corporation	412	100.00	Sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed foodstuffs; and other foodstuff
Sojitz Kyushu Corporation	500	100.00	Domestic regional company

(Note) Pla Matels Corporation is a 46.55%-owned subsidiary of Sojitz Pla-Net Corporation.

**Equity Method Associates**

(Millions of yen, unless otherwise specified)

Company	Capital	Controlling share (%)	Main business activities
Metal One Corporation	100,000	40.00	Import/export and domestic and offshore sales of steel-related products
LNG Japan Corporation	8,002	50.00	LNG business and related investments and loans
JALUX Inc.	2,558	22.00	Logistics and services operations related to airlines and airport retail, lifestyle and customer service sectors

**(b) Progress of Mergers**

Sojitz Corporation merged Sojitz Pla-Net Holdings, Inc. as of April 1, 2015.

**(c) Result of Mergers**

1. The Group now has 286 consolidated subsidiaries and 110 equity method associates.
2. For the business performance of the Group in FY2015, please refer to “(1) Review of Progress and Performance in Operations.”

## 2. The Company's Shares (As of March 31, 2016)

### (1) Total Number of Shares Authorized to Be Issued

Common stock 2,500,000,000 (end of FY2014: 2,500,000,000)

### (2) Total Number of Outstanding Shares

Common stock 1,251,499,501 (end of FY2014: 1,251,499,501)

(Note) The total number of outstanding shares of common stock includes the number of treasury stock (end of FY2015: 484,859 shares).

### (3) Number of Shareholders

Common stock 173,795

### (4) Major Shareholders

#### Common Stock

Shareholder	Investment in the Company	
	Shares held (in thousands)	Shares Outstanding (%)
Japan Trustee Services Bank, Ltd. (Note 2)	129,059	10.32
ICHIGO TRUST PTE. LTD. (standing proxy: The Hongkong and Shanghai Banking Corporation Limited) (Note 3)	85,572	6.84
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW (standing proxy: Mizuho Bank, Ltd.)	59,349	4.74
The Master Trust Bank of Japan, Ltd. (Note 4)	32,995	2.64
Trust & Custody Services Bank, Ltd. (Note 5)	32,768	2.62
BBH FOR GMO INTERNATIONAL EQUITY FUND (standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	14,994	1.20
JP MORGAN CHASE BANK 385151 (standing proxy: Mizuho Bank, Ltd.)	12,971	1.04
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	12,899	1.03
SMBC Nikko Securities Inc.	11,840	0.95
ML PRO SEGREGATION ACCOUNT (standing proxy: Merrill Lynch Japan Securities Co., Ltd.)	11,385	0.91

- (Notes) 1. Numbers of shares less than 1,000 are rounded down and the figures of shares outstanding are rounded to the nearest second decimal place.
2. The number of shares held by Japan Trustee Services Bank, Ltd. includes 123,690 thousand shares held in trust accounts.
3. ICHIGO TRUST PTE. LTD. is the name listed on the shareholders' register.
4. The number of shares held by The Master Trust Bank of Japan, Ltd. includes 29,116 thousand shares held in trust accounts.
5. The number of shares held by Trust & Custody Services Bank, Ltd. includes 30,896 thousand shares held in trust accounts.

6. The shares outstanding are calculated excluding the number of shares of treasury stock.

### **3. Holdings of Listed Shares**

#### **<Policies Regarding Share Holdings>**

We make decisions on acquiring listed shares for purposes other than portfolio investment, comprehensively taking into account whether revenue is expected to be earned by strengthening relationships for marketing strategies and whether there are opportunities of medium-to-long term revenue by acquiring the shares.

In addition, with regard to the shares held by the Company, we review the reasons for holding the shares from the qualitative perspective as mentioned above, and also by quantitatively verifying investment returns such as revenue and dividend income in connection with each investment target on a yearly basis.

#### **<Exercise of Voting Rights>**

Voting rights pertaining to the listed shares held by the Company are exercised based on whether the exercise contributes to sustainable growth of both the Company and the investment target as well as for enhancing their corporate value over the medium-to-long term.



#### 4. The Company's Directors and Audit & Supervisory Board Members

##### (1) List of Directors and Audit & Supervisory Board Members (As of March 31, 2016)

Name	Position	Responsibilities	Important concurrent position
Yutaka Kase	Representative Director and Chairman		Outside Director, Astellas Pharma Inc. Outside Director, JAC Recruitment Co., Ltd.
Takashi Hara	Representative Director and Vice Chairman		
Yoji Sato	Representative Director and President	CEO	
Shigeki Dantani	Representative Director and Executive Vice President	Adviser to the President, and Executive Management of Business Group (Automotive, Aerospace & IT Business, Infrastructure & Environment Business)	
Yoshio Mogi	Representative Director and Executive Vice President	Senior Management of Finance & Accounting, Risk Management, CFO	
Yoko Ishikura (Yoko Kurita)	Part-time Director		Outside Director, Nissin Foods Holdings Co., Ltd. Professor Emeritus, Hitotsubashi University Outside Director, Lifenet Insurance Company External Director, Shiseido Company, Limited
Yukio Kitazume	Part-time Director		Vice Chairman, Japan Aircraft Development Corporation
Jun Matsumoto	Audit & Supervisory Board Member		
Yukio Machida	Part-time Audit & Supervisory Board Member		Outside Director, Mizuho Bank Ltd. Outside Audit & Supervisory Board Member, Asahi Mutual Life Insurance Co. Outside Audit & Supervisory Board Member, Kajima Corporation
Miki Seko	Part-time Audit & Supervisory Board Member		Professor Emeritus, Keio University Professor, Faculty of Economics, Musashino University
Tadao Tsuya	Part-time Audit & Supervisory Board Member		

- (Notes) 1. Ms. Yoko Ishikura and Mr. Yukio Kitazume are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
2. Mr. Yukio Machida, Ms. Miki Seko and Mr. Tadao Tsuya are Outside Audit & Supervisory Board

Members as stipulated in Article 2, Item 16 of the Companies Act.

3. Mr. Tadao Tsuya is a licensed certified public accountant and tax accountant and has a substantial knowledge of finance and accounting.
4. The Company has appointed Ms. Yoko Ishikura, Mr. Yukio Kitazume, Mr. Yukio Machida, Ms. Miki Seko and Mr. Tadao Tsuya as independent officers, and submitted a notification of their appointment to Tokyo Stock Exchange, Inc.
5. Nissin Foods Holdings Co., Ltd., Shiseido Company, Limited, Mizuho Bank, Ltd., and Asahi Mutual Life Insurance Co. where Outside Directors and Outside Audit & Supervisory Board Members of the Company have concurrent positions are the Company's business partners; however, there are no special relationships with the Company (such as business operators having a specified relationship). There are no special relationships between Lifenet Insurance Company, Japan Aircraft Development Corporation, and Kajima Corporation with the Company (such as business operators having a specified relationship).
6. Audit & Supervisory Board Member, Mr. Yoichi Ojima retired due to resignation on February 26, 2016.

## (2) Remuneration of Directors and Audit & Supervisory Board Members

(Millions of yen)

Classification	Directors		Audit & Supervisory Board Members		Total		Remarks
	Number of persons to be paid	Amount	Number of persons to be paid	Amount	Number of persons to be paid	Amount	
Remuneration pursuant to resolution of General Shareholders' Meeting	7	368	5	103	12	471	(*1), (*2)
Internal	5	344	1	37	6	381	
External	2	24	4	65	6	89	

\*1. Directors' maximum remuneration resolved at the Ordinary General Shareholders' Meeting held on June 27, 2007

Directors                      ¥550 million per year (excluding the salary as for being employees)  
 Outside Directors        ¥50 million per year

\*2. Audit & Supervisory Board Members' maximum remuneration resolved at the Ordinary General Shareholders' Meeting held on June 27, 2007

¥150 million per year

(Note) Figures are rounded down to the nearest million yen.

### (3) Main Activities of Outside Directors and Outside Audit & Supervisory Board Members

Name	Position	Number of Attendance to the Board of Directors Meetings	Number of Attendance to the Audit & Supervisory Board Meetings	Main activities
Yoko Ishikura (Yoko Kurita)	Outside Director	100% (18/18)	—	Ms. Ishikura provides necessary advice from an independent and objective perspective based on her wide range of knowledge and abundant experience as a scholar, and her experience as an Outside Director at a diverse range of companies.
Yukio Kitazume	Outside Director	100% (18/18)	—	Mr. Kitazume provides necessary advice from an independent and objective perspective based on his wide range of knowledge and long experience as a diplomat, which have been accumulated through his experience in key positions in the government administration field.
Yoichi Ojima (*)	Outside Audit & Supervisory Board Member	50% (8/16)	53% (9/17)	Mr. Ojima provides necessary advice from an independent and objective perspective based on his wide range of knowledge and highly specialized expertise, which have been accumulated through his experience in key positions in the finance industry.
Yukio Machida	Outside Audit & Supervisory Board Member	83% (15/18)	95% (18/19)	Mr. Machida provides necessary advice from an independent and objective perspective based on his wide range of knowledge and highly specialized expertise, which have been accumulated through his experience in key positions in the legal and business industries.
Miki Seko	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Ms. Seko provides necessary advice from an independent and objective perspective based on her wide range of knowledge and highly specialized expertise, which have been accumulated through her long experience as a university professor of economics.
Tadao Tsuya	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Mr. Tsuya provides necessary advice from an independent and objective perspective based on his wide range of knowledge and abundant experience, which have been accumulated through his experience in key positions in audit firms and the business industry.

(\*) Mr. Yoichi Ojima retired due to resignation on February 26, 2016, and therefore, his activities before retirement are provided above. (The Board of Directors meeting and the Audit & Supervisory Board meeting held on February 26, 2016 are not counted for attendance.)

### (4) Limited Liability Agreements with Outside Directors and Outside Audit & Supervisory Board Members

We have concluded agreements with Outside Directors Yoko Ishikura and Yukio Kitazume and Outside Audit & Supervisory Board Members Yukio Machida, Miki Seko and Tadao Tsuya to limit their liability to either ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher. In addition, we concluded the same agreement with Outside Audit & Supervisory Board Member, Yoichi Ojima, who resigned on February 26, 2016.

## 5. Accounting Auditor

### (1) Name of Accounting Auditor

KPMG AZSA LLC

### (2) Amount of Remuneration, etc. for Accounting Auditor in FY2015

(Millions of yen)	
	Amount paid
Remuneration, etc. payable by the Company in FY2015	
Remuneration, etc. for services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	425
Remuneration, etc. for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	42
Total	467
Total amount of money and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	814

- (Notes)
- The Audit & Supervisory Board conducted necessary verification on whether the contents of the audit plan, the status of execution of accounting audit duties and the basis for calculating the estimated amount of remunerations, etc. of the Accounting Auditor are appropriate. As a result, the Audit & Supervisory Board has given the consent with regard to remuneration, etc. for the Accounting Auditor in accordance with Article 399, Paragraph 1 of the Companies Act.
  - The audit agreement between the Company and the Accounting Auditor does not and cannot practically distinguish between remunerations for audits in accordance with the Companies Act and those in accordance with the Financial Instruments and Exchange Act. For this reason, the above figures include the remuneration for audits under the Financial Instruments and Exchange Act.
  - Of major subsidiaries of the Company, Sojitz Corporation of America, Sojitz Europe plc, Sojitz Asia Pte. Ltd., and Sojitz (Hong Kong) Ltd. are audited (limited to audits stipulated in the Companies Act or the Financial Instruments and Exchange Act (including equivalent laws and regulations of the relevant overseas country)) by CPAs or audit firms (including those who hold equivalent qualifications of the relevant overseas country) other than KPMG AZSA LLC.
  - Figures are rounded down to the nearest million yen.

### (3) Non-audit Services

We entrust our Accounting Auditor to provide advisory services pertaining to IFRS that are services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

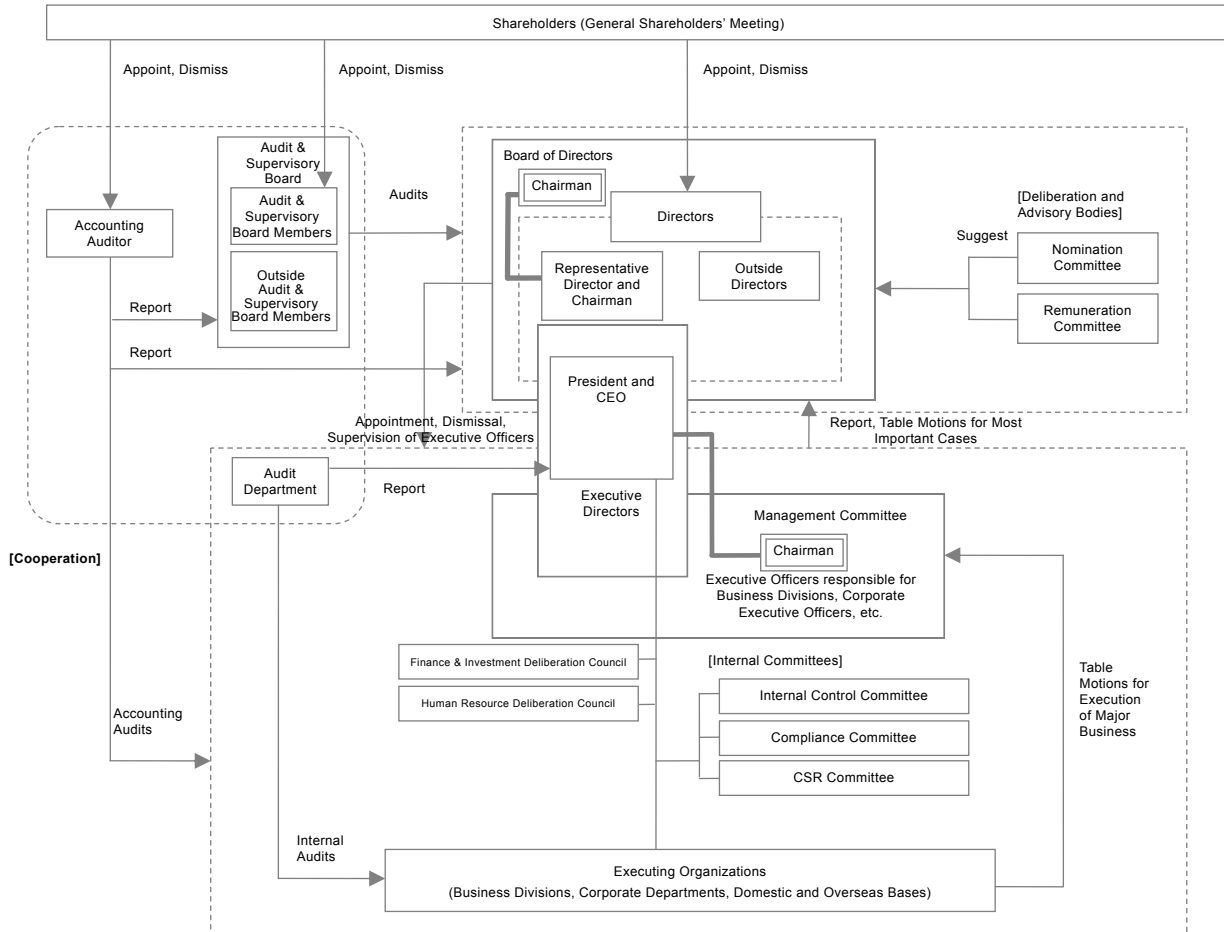
### (4) Policy for Determining Dismissal or Non-reappointment of Accounting Auditor

In the event that the Audit & Supervisory Board deems that any Accounting Auditor falls under any of the Items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board shall dismiss the Accounting Auditor based on the consent of all the Audit & Supervisory Board members.

In addition, the Audit & Supervisory Board shall make comprehensive judgments on the Accounting Auditors' execution of their duties, etc., and in case the Accounting Auditor is deemed incapable of executing proper audits, the Audit & Supervisory Board shall decide on the contents of proposal on dismissal or non-reappointment of the Accounting Auditor, to be submitted to the General Shareholders' Meeting, by the resolution of the Audit & Supervisory Board.

## 6. Corporate Governance Structure

### Corporate Governance Framework



## **(1) Basic Concept**

We strive to continuously improve our corporate value over the medium-to-long term and contribute to the realization of a prosperous society, based on the “Sojitz Group Statement” (“The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity”).

In order to materialize this, based on our belief that strengthening our corporate governance is an important issue of management, we have built the following corporate governance structure to strive to establish a sound, transparent and highly effective management structure, including fulfilment of our management responsibilities and accountability to our shareholders and other stakeholders.

### **(a) Separation of management functions from executive functions, supervisory functions for business execution**

We employ an executive officer system, with the aim of, through the separation of managerial decision-making from business execution, clarifying authority and responsibilities, and ensuring a smooth and swift execution of business.

The Board of Directors is chaired by the Representative Director and Chairman and is the highest decision-making body, which reviews and approves fundamental policies and critical issues concerning the management of the Group. The Board of Directors also supervises business executions through proposals of important matters and regular reports from the executing body.

As for the executing body, we have established the Management Committee, chaired by the President, who is also the Chief Executive Officer. This committee is responsible for the review and approval of the Group’s important managerial and executive agendas, from the group-wide and medium-to-long term viewpoints. In addition, we have established the Finance & Investment Deliberation Council for the review and approval of major investments and loans, Human Resource Deliberation Council for the review and approval of major human resource matters, and internal committees to handle issues to be addressed from cross-organizational perspectives, as an executing body all directly reporting to the President.

The term of office for Directors and Executive Officers is one year, in order to clarify their responsibilities to management and allow them to swiftly and appropriately respond to rapid changes in the business environment.

### **(b) Monitoring and supervisory functions for management**

We appoint multiple Outside Directors with the aim of receiving appropriate advice and proposals on management of the Group from an outside, objective standpoint and to reinforcing monitoring functions for the Board of Directors. In addition, by having Outside Directors chairing the Nomination Committee and the Remuneration Committee, both advisory bodies to the Board of Directors, we ensure appropriateness and transparency with regard to the appointment of and remuneration for our Directors.

The Company is a company with Audit & Supervisory Board, and the Audit & Supervisory Board independently audits the operational execution of Directors, and oversees and audits the operations of the Group.

## **(2) Management Framework regarding Management-related Decision-making, Execution and Supervision and Other Frameworks**

### **(a) Corporate Governance Organization**

#### **i) Board of Directors**

As the highest decision-making body, the Board of Directors reviews and approves fundamental policies and critical issues concerning the management of the Group. The Board is chaired by the Chairman who, together with the Vice Chairman and the Outside Directors, carries out the supervisory function over the Executive Directors and the Company's overall system of business execution. They also provide their opinions and advice on the Company's corporate governance. The Board of Directors is comprised of five internal Directors who have abundant business experience at the Company and two Outside Directors who have objective and specialist viewpoints and diverse knowledge. As of March 31, 2016, the Company has seven Directors (six males and one female).

#### **ii) Analysis and Assessment of Effectiveness of Board of Directors**

Each year, the Company analyzes and assesses the effectiveness of the Board of Directors as a whole in order to improve the functions of the Board of Directors.

##### **<Analysis and Assessment Method>**

A written self-assessment survey is conducted for all Directors, and the Board of Directors discusses effectiveness based on the aggregate results of the survey.

##### **<Overview of Self-Assessment Survey Items>**

Roles and responsibilities of Board of Directors, Composition of Board of Directors, Management of Board of Directors, Decision-making process of Board of Directors, Supervision by the Board of Directors, Training of Directors, Nomination Committee and Remuneration Committee, which are advisory bodies to the Board of Directors, Items concerning Outside Directors, and Decision-making function and supervisory function of Board of Directors, and Effectiveness of Board of Directors

#### **iii) Audit & Supervisory Board**

Our Audit & Supervisory Board Members are independent from the Board of Directors, and audit the Directors' execution of their duties based on laws and regulations, the Articles of Incorporation, internal rules, and the Corporate Audit Standards established by the Audit & Supervisory Board. Audit & Supervisory Board Members attend the meetings of the Board of Directors and other major meetings related to execution of business. Audit & Supervisory Board Members oversee and audit the operations of the Group companies by performing audits through interviews with Directors and by reviewing important board resolution documents and others. Our Audit & Supervisory Board is comprised of an Internal Audit & Supervisory Board Member who has abundant business experience at the Company and Outside Audit & Supervisory Board Members who have an objective and specialist viewpoints and diverse knowledge. As of March 31, 2016, our Audit & Supervisory Board consisted of four members (one full-time), including three Outside Audit & Supervisory Board Members (two males, one female).

#### **iv) Selection and Decision on Remuneration of Directors and Executive Officers**

We have the following advisory bodies to the Board of Directors to help select Directors and Executive Officers and determine their remuneration. The selection of Directors and Executive Officers and determination of their remuneration are decided at meetings of the Board of Directors based on the deliberations at each Committee.

- Nomination Committee

Chaired by Outside Director, the committee discusses and proposes criteria and methods for selecting Director and Executive Officer candidates, as well as discusses candidate proposals.

- Remuneration Committee

Chaired by Outside Director, the committee discusses and proposes the remuneration level for Directors and Executive Officers and various systems related to evaluation and remuneration.

Directors' remuneration is decided by comprehensively taking into account the performance of the Company. Audit & Supervisory Board Members' remuneration is decided, in principle, by the deliberation of the Audit & Supervisory Board. In both cases, remunerations are determined within the maximum remuneration amount resolved at the Ordinary General Shareholders' Meeting of the Company.

#### **v) Policy on Appointment of Outside Directors and Standards Concerning Independence**

In appointing Outside Directors, the Company appoints people with a wide range of knowledge and deep insight and experience in industries and administrative fields, such as those who have management experience in business corporations and government agencies and others who have an objective and specialist viewpoints toward world affairs, social and economic trends, and corporate management. In appointing Outside Audit & Supervisory Board Members, in addition to the above, we also ensure the diversity of the candidates' background from the perspective of reflecting the viewpoints of a variety of stakeholders in audit of business activities.

Placing emphasis on the substantial independence of outside officers, we have formulated our own Independence Standards for Outside Officers in addition to the conditions stipulated in the Companies Act, and confirm that all our outside officers meet these standards.

#### **vi) Support and Information Provision for Outside Directors and Audit & Supervisory Board Members**

We provide Outside Directors with information on relevant matters and reports regarding the meetings of the Board of Directors, including prior explanation about meeting agendas.

For Outside Audit & Supervisory Board Members, we provide information on relevant matters and reports through the staff members of Audit & Supervisory Board Members Office, a dedicated support body of the Audit & Supervisory Board.

### **(b) Business Execution Systems**

#### **i) Business Execution Systems**

We have the following executing bodies.

- Management Committee

The committee is comprised of Executive Directors and Executive Officers in charge of



business divisions and heads of corporate departments, and discusses and resolves important issues pertaining to the management and execution of the Company.

- Finance & Investment Deliberation Council

The council is comprised of Executive Directors and Executive Officers in charge of business divisions and the heads of corporate departments, and discusses and resolves issues pertaining to important investment and loan opportunities.

- Human Resource Deliberation Council

The council is comprised of Executive Directors and Executive Officers in charge of business divisions and the heads of corporate departments, and discusses and resolves important issues pertaining to human resources.

- Internal Committees

We have established and manage the following internal committees that act as executing bodies under the direct supervision of the President to advance management initiatives to be handled across the organization in order to enhance corporate value. Each internal committee regularly issues reports on its activities to the Board of Directors and the Management Committee.

◆ Internal Control Committee

The Internal Control Committee monitors progress and operation status of establishing the internal control structure related to financial reporting based on internal control regulation specified by the Companies Act and Financial Instruments and Exchange Act, and formulates policies to maintain and improve our internal control structure.

◆ Compliance Committee

The Compliance Committee examines and formulates fundamental policies related to compliance of the Group, as well as discussing specific compliance measures.

◆ CSR Committee

The CSR Committee examines and formulates fundamental policies and measures related to promotion of CSR.

In addition, for handling subject matter in specific areas, we have established the Disclosure Subcommittee, Security Trade Control Subcommittee and Information Security Subcommittee as subsidiary bodies of the Internal Committees.

**ii) Corporate Audit, Accounting Audit and Internal Audit**

Audit & Supervisory Board Members, the Accounting Auditor, and the Audit Department perform their respective duties on audits, while conducting interactive communications and sharing information in order to develop cooperation in a mutually complementary manner and achieve better efficiency, thereby establishing a highly effective audit function.

- Corporate Audit

Pursuant to the Corporate Audit Standards established by the Audit & Supervisory Board, Audit & Supervisory Board Members attend the meetings of the Board of Directors and other important meetings such as those of the Management Committee and Finance & Investment Deliberation Council. Audit & Supervisory Board Members oversee and audit the operations of the Group by formulating audit plans and task assignments, performing audits through

interview with Directors to discuss about their performance of duties, reviewing important board resolution documents and checking business reports submitted from consolidated subsidiaries. In addition, to enhance this auditing function of Audit & Supervisory Board Members, we have set up the Audit & Supervisory Board Members Office, a dedicated support team of staff members for the Audit & Supervisory Board.

Audit & Supervisory Board Members receive explanations about audit plans and regular audit reports from the Accounting Auditor, and share information with each other to conduct effective audits. At the same time, they monitor the independence of the Accounting Auditor. In addition, they also exchange information with the Audit Department on a daily basis. While receiving explanation of audit plans from the Audit Department, they receive reports on the status of audit at meetings of the Audit & Supervisory Board semiannually, and submit their opinion statements on audit results by the Audit Department. In addition, Full-time Audit & Supervisory Board Members attend audit review meetings held by the Audit Department to express their opinions.

#### - Accounting Audit

Our Accounting Auditor is KPMG AZSA LLC which conducts accounting audits in accordance with the Companies Act, as well as financial statement audits, quarterly reviews and internal control audits in accordance with the Financial Instruments and Exchange Act. Details of their executive officers and assistant staff working for Sojitz in fiscal 2015 are as follows. Details on their service years are omitted, as all of the CPAs who audited the Company have served for less than seven years.

(Designated Limited Liability Partners, Engagement Partners)

Iwao Hirano, Takemitsu Nemoto, Daisuke Yamada

(Assistant staff working for the Company's accounting audit)

21 CPAs and 25 assistant CPAs.

#### - Internal Audit

Based on an audit plan approved by the Board of Directors at the beginning of each fiscal year, the Audit Department conducts an audit on business divisions, corporate departments, and consolidated subsidiaries including major overseas subsidiaries.

In audit procedures, as well as investigating whether organizational governance, risk management and internal control are functioning appropriately, proposals are made for effective improvements to prevent loss and solve issues.

After the audit is completed, the Department holds an audit review meeting for the audited organizations and the concerned parties (general managers of lead divisions, officers responsible for corporate departments and Audit & Supervisory Board Members) and also reports the audit results. The Department submits an audit report to the President and provides an explanation to the internal Directors every month. Furthermore, in order to ensure a swift response towards improvement of problem areas identified in audits, the Department receives improvement progress reports for the three- and six-month periods after the audits, and conducts a follow-up audit to check their progress.

In addition, the Company and its consolidated subsidiaries have introduced a Self-inspection System through which business organizations endeavor to identify and handle transaction risks in a timely and accurate manner. Carrying out repetitive self-checks will help them identify

frontline operation problems in the early stages, improve operational efficiency, prevent the occurrence of losses, and raise awareness on risk management.

As of March 31, 2016, a total of 26 people are assigned to the Audit Department under the General Manager.

### **(3) Constructive Dialogue with Shareholders**

Our basic policy is to engage in constructive dialogue with shareholders. We do this by providing appropriate and timely information about our efforts aimed at sustainable growth and medium- to long-term enhancement of corporate value, about our corporate philosophy, vision and policies, in addition to consistently providing explanations that are easy to understand and ensuring that shareholder opinions are reported to and reflected in the management. Details about the system and status of measures are as follows.

#### **(a) System**

We have prepared a system whereby Directors (including Outside Directors) promote dialogue with shareholders assisted by the IR Office, a dedicated organization.

#### **(b) Providing Information to Shareholders**

Our basic policy is to communicate information fairly and equally to all shareholders. Information regarding the Medium-Term Management Plan and financial results is publicized digitally on TDnet or the Company website immediately after a resolution is passed by the Board of Directors. The Medium-Term Management Plan includes our medium- to long-term management vision, quantitative targets (net income, ROA, ROE, net DER, the three-year investment amount, dividend payout ratio, etc.), as well as an outline of strategy including allocation of management resources for achievement of targets.

#### **(c) Opportunities for Dialogue with Shareholders**

##### **- Institutional investors in Japan**

We engage in dialogue with institutional investors in Japan through briefings on financial results and other matters, individual meetings, etc.

##### **- Foreign institutional investors**

We provide opportunities for direct conversations in individual meetings to foreign institutional investors.

##### **- Individual shareholders, individual investors**

We provide opportunities where representative directors, the CFO, and the officer responsible for IR explain management trends, including financial results and the medium-term management plan, as well as management policies and visions to individual shareholders.

#### **(d) Response to Shareholder Opinions and Concerns**

Opinions received through dialogue with shareholders are reported to management executives

by the officer responsible for IR, and important points and suggestions are reflected in management.

**(e) Information Management for Dialogue with Shareholders**

We abide by the Insider Trading Prevention Rules established by the Company when engaging in dialogue with shareholders.

◇ Specific Shareholder Dialogue Activities in Fiscal 2015

Target	Details
Institutional investors (those responsible for asset management)	Investors Meeting for Financial Results Investors Meeting for Business Activities Individual meetings (25 cases with the President, around 60 cases with the CFO, around 200 cases with officers responsible for IR or the IR Office) Participation in conferences held by securities companies in Japan and overseas
Institutional investors (those responsible for exercise of voting rights)	Holding of small meetings (Introduction of governance system)
Individual shareholders	Briefing sessions for shareholders (Fukuoka, Osaka, Nagoya and Hamamatsu)
Individual investors	Briefings for individual investors Participation in IR events organized by securities companies
Securities analysts and media organizations	Investors Meeting for Financial Results Investors Meeting for Business Activities
Securities analysts	Vietnam Site Tour (Inspection of Company Business)

**(4) Appropriate Cooperation with Stakeholders**

**(a) Respect for the Position of Various Stakeholders**

Our mission is to understand the diverse needs and expectations of our stakeholders throughout the world, and to meet those needs and expectations with integrity. We are aiming to build strong trust with our stakeholders by continuing to provide “New way” and “New value.”

To that end, we have established the following policies, etc., to be practiced by all Group directors and employees and are working to ensure that they are widely known and thoroughly implemented

throughout the Company.

- Sojitz Guiding Principles
- Sojitz Group Code of Conduct and Ethics
- Sojitz Group CSR Policy
- Sojitz Group CSR Action Guidelines for Supply Chains
- Sojitz Environmental Policy

**(b) Efforts on CSR and environmental protection activities**

Under the “Sojitz Group CSR Policy,” we seek to maximize value for society and value for Sojitz by pursuing mutual prosperity of both our corporate activities and society/environment through steady practice of our corporate philosophy.

In order to achieve that, we promote CSR based on the following focus areas.

“Promotion of CSR in Supply Chains”

“Contributing to Preventing Climate Change”

“Contributing to the Advancement of Developing and Emerging Countries”

“Improvement of Systems and Environments to Enable Every Employee to Fulfill Their Potential”

In fiscal 2015, we moved ahead with preparation of our environmental and social risk management system, and worked to ensure its penetration within the Company through training and communication of information. In addition, we made efforts in social contribution activities including the provision of educational support and restoration support for the areas affected by the Great East Japan Earthquake.

**(c) Efforts Related to Diversity Within the Company Including Promotion of Active Participation by Women**

As our environment changes at rapid speed, we recognize that it is essential to hire, develop and utilize diverse human resources in order for the Sojitz Group to continue to strengthen its competitiveness through global business development into the future as a corporate entity adapted to society. We therefore make it a pillar of our human resources strategy to use excellent human resources without regard for gender, nationality, age, values, and so on.

- Promotion of Active Participation by Women

We are implementing several measures to enhance the working environment, raise awareness among supervisors and foster career-mindedness among female employees, with the aim of promoting career creation among women that will continue into the future from a long- and medium-term perspective.

In addition, a specialized office within the Human Resources and General Affairs Department is coordinating with the heads of various departments on efforts to promote training of women in management positions. Increasing the ratio of new female graduates hired for career-track positions and the number of female managers by the end of fiscal 2020 has been set as specific targets.

Ms. Yoko Ishikura has assumed the office of Outside Director, and Ms. Miki Seko has assumed the office of Outside Audit & Supervisory Board Member, bringing the current number of female officers at the Company to two.

- Global Human Resources

We are stepping up hiring of foreigners at head office with a view to creating an organization rich in diversity. Our policy is to maintain a 10 to 20 percent ratio of foreigners among newly hired graduates, and we are continuing to carry out recruitment of graduates regardless of Japanese language ability at leading universities overseas, mainly in Asia. In addition, we implement an ongoing one- to two-week training program at our Tokyo head office on the theme “Getting to Know Japan and Sojitz” in order to foster executive candidates among local staff overseas. In this way, we are cultivating human resources to carry out our growth strategies overseas. In addition, at head office, we are actively carrying out measures to develop human resources with a global perspective, such as overseas trainee programs where all new employees are sent overseas within five years from joining the Company, overseas language training programs, and MBA/LLM study abroad programs.

- Utilizing Human Resources Regardless of Age

The number of senior employees aged 50 and over is expected to grow year on year, and we are preparing an environment where these employees can play an active role by leveraging their experience, knowledge, and other capabilities to the fullest.

In our evaluation system, in order to stimulate higher motivation among outstanding employees, we have adopted a system that makes it easier to reflect individual results in compensation and benefits through more clearly defined variations in evaluation.

- Employment of Persons with Disabilities

We have achieved the legally mandated ratio of two percent for employment of persons with disabilities specified under the Act on the Promotion of the Employment of Disabled Persons. Furthermore, in 2012 we established a subsidiary that has been certified under the law as a “Special Subsidiary,” with the aim of further promoting employment of persons with disabilities. By putting in place a system that divides work duties according to the nature of individual disabilities and provides follow-up with regard to everyday life, we are creating a work environment suitable for people with intellectual and mental disabilities as well.

**(5) Basic Concept and Implementation and Operation Status of Internal Control System**

**(a) Basic Concept**

We have been working on implementing and maintaining our internal control systems in terms of rules, organization and systems. The following “Basic Policy Regarding the Establishment of a System for Ensuring Appropriate Execution of Sojitz Group Business Operations” was resolved by the Board of Directors on April 24, 2015, based on the Companies Act and Ordinance for the Enforcement of the Companies Act of Japan.

<p><b>i) Retention and Management of Information relating to the Execution of Directors’ Duties of the Company</b></p>	<ul style="list-style-type: none"> <li>• With respect to important documents relating to the execution of the Company directors’ duties such as the minutes of Board of Directors meetings and approval documents of the Company, the Company shall prescribe, in accordance with the Company’s Board of Directors rules and the internal rules for document retention and information management, a retention period that is equal to the period required by the relevant law or regulation. The Company shall also designate the department in charge of such retention and documents shall be made available for view as necessary.</li> </ul>
<p><b>ii) System to Ensure Compliance by Directors and Employees of the Company with Laws and Regulations and the Articles of Incorporation in Execution of Duties</b></p>	<ul style="list-style-type: none"> <li>- The Company shall establish the Sojitz Group Compliance Code of Conduct and Ethics and the Manual for its implementation, as well as the Sojitz Group Compliance Program to ensure that directors and employees of the Group comply with laws and regulations, the Articles of Incorporation, and internal rules.</li> <li>- In order to fully achieve understanding and compliance of amendments of laws and regulations relating to the Group’s operations, the Company shall promote the reinforcement and improvement of the legal compliance system centering on the Compliance Committee. Also, the Company shall clarify the responsibilities of each department within the Company and the supervisor in charge of Group companies.</li> <li>- The Company shall ensure that the Group does not enter into any business or other relationship with antisocial forces, and shall resolutely reject any improper request with legal measures if necessary.</li> </ul>
<p><b>iii) Rules and Other Systems regarding Management of Loss Risks of the Company and its Subsidiaries</b></p>	<ul style="list-style-type: none"> <li>- In order to prevent, or when impossible to prevent, to minimize economic losses of the Group, the Company shall analyze and categorize various potential risks for economic losses both inside and outside the Company including credit risks, business investment risks, market risks and disaster risks. The Company shall establish internal rules or manuals, and assign a department for managing the risks in each category.</li> <li>- The Company shall periodically review and improve the effectiveness of internal rules and handling procedures. Furthermore, in the event that a new type of risk emerges in the Group due to changes in the business environment, the Company shall promptly appoint a person and/or department to be responsible, and prescribe appropriate internal rules with regard to the new risk.</li> </ul>
<p><b>iv) System to Ensure Efficiency in Execution of Directors’ Duties of</b></p>	<ul style="list-style-type: none"> <li>- The Company shall make clear the responsible fields or departments of each director and executive officer of the Company and the responsibility of each department within the Company, as well as chains of command, scopes of authority</li> </ul>

<p><b>the Company and its Subsidiaries</b></p>	<p>and decision making rules.</p> <ul style="list-style-type: none"> <li>- The Company shall clearly prescribe in the Board of Directors rules, important matters requiring Board resolutions and shall convene the Management Committee and other committees to deliberate and decide other important matters. Also, matters to be reported to the Board of Directors shall be set forth in the Board of Directors rules.</li> <li>- The Company shall establish a department to oversee the management structure of the Group and ensure the sound management of the Group companies.</li> <li>- Top management policy of the Group shall be promptly announced to all directors and employees of the Group companies through the Management Committee, Corporate Planning Department or the supervisor in charge, and through other oral and written methods.</li> <li>- The Company shall promote the Group management by preparing the management plan on a consolidated basis and by sharing the management objectives and the management indices with the Group.</li> </ul>
<p><b>v) Reporting System to the Company relating to the Execution of Subsidiaries Directors' Duties and Other Systems for Proper Business Operations in the Company and its Subsidiaries</b></p>	<ul style="list-style-type: none"> <li>- The Company must designate the supervisor in charge who manages the Group companies as prescribed in the Basic Code of Group Management. The supervisor in charge must request prior consultation to the Group companies regarding important matters, and must report to the Company regularly on the business report, operating activity reports, and other reports.</li> <li>- The Company shall review and develop the business processes of each Group company in the light of internal controls relating to consolidated financial reporting.</li> <li>- The Audit Department of the Company shall conduct internal audits on the Group companies, and ensure the proper conduct of their business operations.</li> </ul>
<p><b>vi) Employees Assisting Audit &amp; Supervisory Board Members of the Company and their Independence from Directors, and System to Ensure Efficiency of Instructions to the Employees from the Audit &amp; Supervisory Board Members of the Company</b></p>	<ul style="list-style-type: none"> <li>- The Company shall establish the Audit &amp; Supervisory Board Members Office to assist Audit &amp; Supervisory Board Members and assign the necessary employees.</li> <li>- These employees shall work under the direction of Audit &amp; Supervisory Board Members, and their performance evaluations and personnel changes shall require the consent of Audit &amp; Supervisory Board Members of the Company.</li> </ul>



<p><b>vii) Reports to Audit &amp; Supervisory Board Members of the Company in the Company and its Subsidiaries</b></p>	<ul style="list-style-type: none"> <li>- The Board of Directors rules shall include a rule that requires any director of the Company to immediately report to Audit &amp; Supervisory Board Members when he/she learns of a fact that may cause significant damage to the Company.</li> <li>- The department in charge of the internal reporting system of the Group shall report regularly to Audit &amp; Supervisory Board Members of the Company on the status of the internal report from directors and employees of the Group through Compliance Committee and others.</li> <li>- The Audit Department of the Company shall provide Audit &amp; Supervisory Board Members of the Company with a copy of the internal audit report upon completion of each internal audit.</li> <li>- The Audit &amp; Supervisory Board of the Company shall be entitled to request a report from an Accounting Auditor, director of the Company or other person, as it deems necessary.</li> </ul>
<p><b>viii) System for Ensuring that Person Who Reported to Audit &amp; Supervisory Board Members of the Company Will Not Receive Disadvantageous Treatments for the Reason of the Reporting</b></p>	<ul style="list-style-type: none"> <li>- The Company shall not carry out disadvantageous treatments to directors or employees of the Group who reported through the internal reporting system and other methods (including the reports to Audit &amp; Supervisory Board Members of the Company and others) for the reason of the reporting.</li> </ul>
<p><b>ix) Other Arrangements to Ensure Efficient Auditing by the Audit &amp; Supervisory Board Members of the Company</b></p>	<ul style="list-style-type: none"> <li>- The Company shall pay expenses deemed necessary, keeping in mind the efficiency and appropriateness of audits by Audit &amp; Supervisory Board Members.</li> <li>- One or more of the Audit &amp; Supervisory Board Members of the Company shall attend every meeting of the Board of Directors of the Company and express opinions as necessary. They may also attend the Management Committee and other important meetings of the Company, directly observing the discussions and reporting on important matters.</li> <li>- Representative directors of the Company shall regularly meet with Audit &amp; Supervisory Board Members of the Company and exchange opinions on key issues for the Company, as well as on the conditions of, and important issues relating to, audits by Audit &amp; Supervisory Board Members.</li> </ul>

## **(b) Status of Establishment and Operation**

### **i) Overall internal control systems**

(Overview of Status of Establishment)

With respect to the status of establishment and operation of overall internal control systems of the Group, the various committees and organizations that support internal control activities, centered on the Internal Control Committee, collaborate to establish, maintain, and refine the system. Of these, inspections and improvements to the system for compliance with laws and regulations and internal rules are conducted mainly by the Compliance Committee (see section ii below for details), inspections and improvements to the risk management methods are conducted mainly by the Risk Management Planning Department (see section iii below for details), and business management of the Group companies is conducted mainly by the Corporate Planning Department (see section iv below for details).

(Overview of Status of Operation)

The Internal Control Committee oversees and regularly monitors the status of establishment and operation of overall internal control systems. It also identifies and examines company-wide issues concerning internal systems and frameworks and provides instructions to and makes improvements for departments in charge. Assessment of Internal Controls regarding Financial Reporting under the Financial Instruments and Exchange Act and securing the reliability of financial reporting are put into practice by the Committee as well. The Internal Control Committee meetings were held four times during fiscal 2015.

In addition, the Committee conducts internal audits on business divisions and corporate departments of the Company, and consolidated subsidiaries, and along with investigations whether governance, risk management, and internal control are appropriately functioning, effective improvement proposals are made towards preventing the occurrence of loss to the Company and solving of various problems.

### **ii) Compliance**

(Overview of Status of Establishment)

Sojitz Group has defined procedures to ensure compliance in the Sojitz Group Compliance Program and established the Sojitz Group Code of Conduct and Ethics as well to present worldwide judgement criteria as a foundation for all directors and employees of the Group.

In addition, the Compliance Committee chaired by the Chief Compliance Officer (CCO) is in charge of developing frameworks, including placing compliance managers and Compliance Committees in the Group companies and overseas bases of the Company. For the purpose of prevention and early detection of compliance violations, all directors and employees of the Group are well informed of the hotline for reports to the CCO and outside legal counsel (whistleblower program), consultation contact with Compliance Committee Secretariat members, and the multilingual Sojitz Ethics Hotline available on a 24-hour, 365-day basis. Furthermore, with the aim to prevent corruption, Sojitz Group Anticorruption Rules and Sojitz Group Anticorruption Guidelines have been formulated and rules in accordance with these have been introduced in overseas local operations and the Group companies.

(Overview of Status of Operation)

Based on the recent amendments of laws and regulations in and outside Japan and changes in social norms, the contents of the Sojitz Group Code of Conduct and Ethics have been reviewed

and a revised version of the Code has been applied to the Group companies from the start of fiscal 2016. Under the action plan formulated by the Compliance Committee, the Legal Department, serving as the Secretariat of the Committee, carries out discussions on measures to prevent reoccurrence of compliance matters and provides assistance and guidance on practicing compliance to the Group companies

Specific actions for fiscal 2015 are as follows.

- Meetings between the CCO and the Presidents of the Group companies
- Liaison meetings held regularly among the compliance managers of the Group companies
- Briefing sessions on prevention of insider trading and harassment, and anticorruption
- Various training programs including e-learning and responses against antisocial forces, etc.

In fiscal 2015, Compliance Committee meetings were held four times in total, in each quarter period.

### **iii) Risk Management**

(Overview of Status of Establishment)

As a general trading company, the Sojitz Group is engaged in a diverse and globally dispersed range of business. Due to the nature of its business, the Group is exposed to a variety of risks. Consequently, in compliance with the Basic Code of Corporate Risk Management, the risk management officers who have been appointed for each risk define and categorize the risks, formulate the Risk Management Policy and Plan, monitor the status of progress and improvement of risk management on a quarterly basis, and provide summaries at the end of the fiscal year.

(Overview of Status of Operation)

With regard to the formulation of the Risk Management Policy and Plan and the progress of the status of risk management described above, reports are made to the Management Committee and the Board of Directors, upon deliberation by the Internal Control Committee. Additionally, in the event that it becomes necessary to make the whole Company aware of measures to counter changes in the business environment or respond to risks outside of the existing scope of risks, such situations are dealt with, as necessary, upon making the necessary reports to the management on the recognition of issues and the status of responses.

Among the ten risk categories, quantifiable risks such as market risks, credit risks, business investment risks and country risks are quantified and managed based on a calculation of risk assets. Nonquantifiable risks such as legal risks, compliance risks, environmental/social (human rights) risks, financing risks, disaster risks and system risks are monitored on a quarterly basis and their management status is reported to the management.

The Company conducts education and enlightenment programs in order to firmly establish an awareness of risk management among the employees by providing risk management training and case-study training using examples of failures in risk management to the candidates of managers of the Company and managers of the Group companies.

#### **iv) Management of Group Companies**

(Overview of Status of Establishment)

For management of the Group companies, a management system for the Group companies' business operations has been defined in the Basic Code of Group Management and the Group Management Administration Code, and each of the Group companies has adopted the system. In addition, the Corporate Planning Department confirms the status of adoption of the system by each company. The Directors of the Company adopts a system of monitoring the business management of the Group companies through the supervisors, the Directors or the Audit & Supervisory Board Member or others dispatched to the Group companies by the Company.

(Overview of Status of Operation)

The Company manages and supervises the development and operation of an appropriate management base and corporate governance through the Directors and the Audit & Supervisory Board Members, which it has dispatched to each Group company, and receives regular reports including annual business reports and monthly operating activity reports. The Company appropriately manages important business execution of the Group companies by requiring prior consultation with Sojitz headquarters regarding important matters.

Additionally, in order to promote Group management, the Company makes efforts to firmly establish the Group Corporate Philosophy and policies by having the management policy of the Group explained by the supervisors, as well as at the training seminars for Group company officers and employees.

#### **v) Other Arrangements to Ensure Effective Auditing by the Audit & Supervisory Board Members**

(Overview of Status of Establishment)

The Company has established the Audit & Supervisory Board Members Office to assist the audit structure and has appointed dedicated personnel. The Company assures the independence of the employees who assist the duties of the Audit & Supervisory Board Members from the Directors as well as the effectiveness of their business execution.

In terms of the system of reporting to Audit & Supervisory Board Members, the Company adopts a system in which, in addition to the reports by the Directors, reports on matters related to the Group companies by the Compliance Committee and the Audit Department, business reports from the consolidated subsidiaries and reports required for audits may be made, as necessary. Additionally, relevant rules provide that persons who report to the Audit & Supervisory Board Members will not receive disadvantageous treatment on account of having made the report.

Audit & Supervisory Board Members may request the Company to pay the necessary expenses associated with the audits, including expenses outside of the budget which had been incurred unexpectedly or temporarily.

In terms of accounting audits, Audit & Supervisory Board Members receive explanations on the audit plan and regular reports on the audit status from the accounting auditor, engage in a mutual sharing of information and establish a structure to enable efficient audits as well as a structure to audit the independence of the accounting auditor.

(Overview of Status of Operation)

Reports to the Audit & Supervisory Board Members are being made, whenever necessary, and interviews as well as exchanges of information are being conducted between the Audit & Supervisory Board Members and Directors on a regular basis.

**Financial Statements**  
**Consolidated Financial Statements**

**Consolidated Statements of Financial Position**

(Millions of yen)

Items	As of Mar. 31, 2016	(Reference) As of Mar. 31, 2015	Items	As of Mar. 31, 2016	(Reference) As of Mar. 31, 2015
Assets			Liabilities and equity		
Current assets			Liabilities		
Cash and cash equivalents	344,414	403,748	Current liabilities		
Time deposits	6,657	5,464	Trade and other payables	439,245	490,865
Trade and other receivables	496,156	559,291	Bonds and borrowings	168,264	208,360
Derivatives	6,593	6,977	Derivatives	3,728	8,803
Inventories	237,111	270,274	Income tax payables	6,630	7,570
Income tax receivables	6,068	3,712	Provisions	2,525	4,271
Other current assets	49,017	63,122	Other current liabilities	53,294	53,807
Subtotal	1,146,018	1,312,591	Subtotal	673,688	773,678
Assets as held for sale	326	10,905	Liabilities directly relating to assets held for sale	88	6,860
Total current assets	1,146,344	1,323,497	Total current liabilities	673,776	780,538
Non-current assets			Non-current liabilities		
Property, plant and equipment	186,957	217,912	Bonds and borrowings	754,434	830,409
Goodwill	53,055	50,164	Trade and other payables	9,696	9,545
Intangible assets	38,829	53,882	Derivatives	5,001	2,942
Investment property	18,369	19,459	Retirement benefits liabilities	18,727	17,943
Investments accounted for using the equity method	377,597	394,055	Provisions	18,949	25,098
Trade and other receivables	44,558	45,017	Other non-current liabilities	7,475	7,591
Other investments	173,618	174,791	Deferred tax liabilities	18,891	32,631
Derivatives	163	1,865	Total non-current liabilities	833,176	926,163
Other non-current assets	9,668	7,483	Total liabilities	1,506,953	1,706,702
Deferred tax assets	7,507	9,227	Equity		
Total non-current assets	910,325	973,860	Share capital	160,339	160,339
			Capital surplus	146,514	146,515
			Treasury stock	(161)	(159)
			Other components of equity	132,415	194,557
			Retained earnings	81,245	49,731
			Total equity attributable to owners of the Company	520,353	550,983
			Non-controlling interests	29,363	39,672
			Total equity	549,716	590,656
Total assets	2,056,670	2,297,358	Total liabilities and equity	2,056,670	2,297,358

## Consolidated Statements of Profit or Loss

(Millions of yen)

Items	FY2015 (From April 1, 2015 to March 31, 2016)	(Reference) FY2014 (From April 1, 2014 to March 31, 2015)
Revenue		
Sales of goods	1,566,839	1,718,165
Sales of services and others	91,233	91,535
Total revenue	1,658,072	1,809,701
Cost of sales	(1,477,333)	(1,612,013)
Gross profit	180,739	197,688
Selling, general and administrative expenses	(154,416)	(149,739)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	1,498	1,058
Impairment loss on fixed assets	(24,051)	(17,446)
Gain on sale of subsidiaries/associates	12,909	1,758
Loss on reorganization of subsidiaries/associates	(1,349)	(2,080)
Other operating income	20,646	17,193
Other operating expenses	(6,733)	(14,882)
Total other income (expenses)	2,919	(14,398)
Operating profit	29,242	33,550
Financial income		
Interests earned	3,893	4,860
Dividends received	4,349	4,456
Other financial income	—	78
Total financial income	8,242	9,395
Financial costs		
Interest expenses	(16,316)	(18,975)
Other financial costs	(63)	—
Total financial costs	(16,379)	(18,975)
Share of profit (loss) of investments accounted for using the equity method	23,163	28,613
Profit before tax	44,269	52,584
Income tax expenses	(7,782)	(14,933)
Profit for the year	36,486	37,650
Profit attributable to:		
Owners of the Company	36,526	33,075
Non-controlling interests	(39)	4,575
Total	36,486	37,650

**(Reference) Consolidated Statements of Cash Flows**

(Millions of yen)

Items	FY2015 (From April 1, 2015 to March 31, 2016)	FY2014 (From April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Profit for the year	36,486	37,650
Depreciation and amortization	30,059	31,683
Impairment loss on fixed assets	24,051	17,446
Finance (income) costs	8,136	9,579
Share of (profit) loss of investments accounted for using the equity method	(23,163)	(28,613)
(Gain) loss on sale and disposal of fixed assets, net	(1,498)	(1,058)
Income tax expense	7,782	14,933
(Increase) decrease in trade and other receivables	55,835	(18,583)
(Increase) decrease in inventories	28,270	31,396
Increase (decrease) in trade and other payables	(43,767)	(27,908)
Increase (decrease) in retirement benefits liabilities	320	674
Others	(15,528)	(19,792)
Subtotal	106,986	47,408
Interests earned	3,785	4,709
Dividends received	20,326	18,439
Interests paid	(16,746)	(19,261)
Income taxes paid	(14,412)	(12,186)
Net cash provided (used) by/in operating activities	99,939	39,109
Cash flows from investing activities		
Purchase of property, plant and equipment	(31,943)	(31,258)
Proceeds from sale of property, plant and equipment	11,846	767
Purchase of intangible assets	(3,061)	(3,566)
(Increase) decrease in short-term loans receivable	1,083	2,470
Payment for long-term loans receivable	(4,157)	(4,174)
Collection of long-term loans receivable	1,919	1,165
Proceeds from (payments for) acquisition of subsidiaries	(9,100)	(5,222)
Proceeds from (payments for) sale of subsidiaries	(467)	10
Purchase of investments	(6,315)	(8,455)
Proceeds from sale of investments	6,731	10,681
Others	(445)	23,791
Net cash provided (used) by/in investing activities	(33,910)	(13,792)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(30,383)	(29,012)
Proceeds from long-term borrowings	122,767	163,996
Repayment of long-term borrowings	(173,948)	(179,780)
Proceeds from issuance of bonds	—	29,820
Redemption of bonds	(20,000)	(20,000)
Proceeds from sale of subsidiaries' interests to non-controlling interest holders	5	—
Payment for acquisition of subsidiaries' interests from non-controlling interest holders	(18)	(129)
Proceeds from non-controlling interest holders	323	3,209
Purchase of treasury stock	(2)	(2)
Dividends paid	(9,382)	(5,629)
Dividends paid to non-controlling interest holders	(1,763)	(2,320)
Others	(2,292)	(2,752)
Net cash provided (used) by/in financing activities	(114,695)	(42,600)
Net increase (decrease) in cash and cash equivalents	(48,666)	(17,282)
Cash and cash equivalents at the beginning of year	403,748	420,658
Effect of exchange rate changes on cash and cash equivalents	(10,667)	372
Cash and cash equivalents at the end of year	344,414	403,748



## Non-consolidated Financial Statements

### Non-consolidated Balance Sheets

(Millions of yen)

Items	As of Mar. 31, 2016	(Reference) As of Mar. 31, 2015	Items	As of Mar. 31, 2016	(Reference) As of Mar. 31, 2015
<b>Assets</b>			<b>Liabilities</b>		
<u>Current assets</u>	619,025	728,827	<u>Current liabilities</u>	429,974	466,495
Cash and deposits	212,489	236,344	Notes payable-trade	5,859	7,565
Notes receivable-trade	7,309	9,667	Accounts payable-trade	177,598	209,161
Accounts receivable-trade	175,936	215,932	Short-term loans payable	139,366	134,965
Merchandise	114,073	126,428	Current portion of bonds	20,000	20,000
Advance payments-trade	14,518	16,533	Income taxes payable	977	1,474
Short-term loans receivable	54,592	72,273	Advances received	12,097	12,002
Deferred tax assets	900	653	Deposits received	61,899	58,928
Other	39,316	51,457	Provision for bonuses	2,795	2,542
Allowance for doubtful accounts	(110)	(463)	Other	9,379	19,853
<u>Noncurrent assets</u>	824,222	852,023	<u>Noncurrent liabilities</u>	657,011	749,706
<u>Property, plant and equipment</u>	7,831	17,597	Bonds payable	60,000	80,000
Buildings	3,098	5,732	Long-term loans payable	578,860	641,266
Land	3,171	9,932	Deferred tax liabilities	—	8,574
Other	1,561	1,932	Provisions for retirement	7,984	7,475
<u>Intangible assets</u>	8,043	9,178	benefits		
Software	2,229	2,368	Other	10,165	12,390
Goodwill	5,672	6,479			
Other	141	330			
<u>Investments and other assets</u>	808,347	825,247	<b>Total liabilities</b>	<b>1,086,985</b>	<b>1,216,201</b>
Investment securities	105,173	123,154	<b>Net assets</b>		
Stocks of subsidiaries and affiliates	610,254	610,841	<u>Shareholders' equity</u>	339,293	339,270
Investments in capital of subsidiaries and affiliates, etc.	28,167	27,081	<u>Capital stock</u>	160,339	160,339
Long-term loans receivable	41,126	43,563	<u>Capital surplus</u>	155,271	155,271
Bad debts	79,041	92,224	Legal capital surplus	152,160	152,160
Deferred tax assets	288	—	Other capital surplus	3,110	3,110
Other	14,391	16,466	<u>Retained earnings</u>	23,844	23,819
Allowance for doubtful accounts	(68,282)	(76,827)	Other retained earnings		
Allowance for investment loss	(1,813)	(11,256)	Retained earnings brought forward	23,844	23,819
<u>Deferred assets</u>	222	303	<u>Treasury stock</u>	(161)	(159)
Bond issuance cost	222	303	<u>Valuation and translation adjustments</u>	17,190	25,682
			<u>Valuation difference on available-for-sale securities</u>	24,193	34,848
			<u>Deferred gains or losses on hedges</u>	(7,003)	(9,166)
			<b>Total net assets</b>	<b>356,484</b>	<b>364,953</b>
<b>Total assets</b>	<b>1,443,469</b>	<b>1,581,155</b>	<b>Total liabilities and net assets</b>	<b>1,443,469</b>	<b>1,581,155</b>

## Non-consolidated Statements of Income

(Millions of yen)

Items	FY2015 (From April 1, 2015 to March 31, 2016)	(Reference) FY2014 (From April 1, 2014 to March 31, 2015)
Net sales	2,530,034	2,560,367
Cost of sales	2,484,730	2,504,437
Gross profit	45,304	55,929
Selling, general and administrative expenses	55,700	52,433
Operating income (loss)	(10,396)	3,495
Non-operating income		
Interest income	3,593	4,528
Dividends income	37,377	42,044
Gain on valuation of derivatives	3,163	—
Other	7,274	6,547
Total non-operating income	51,408	53,119
Non-operating expenses		
Interest expenses	12,927	14,442
Loss on valuation of derivatives	—	470
Foreign exchange losses	4,084	3,840
Other	3,064	3,633
Total non-operating expenses	20,076	22,387
Ordinary income	20,935	34,228
Extraordinary income		
Gain on sales of noncurrent assets	1,357	274
Gain on sales of subsidiaries and affiliates' stocks, etc.	1,081	9,859
Gain on sales of investment securities, etc.	1,623	317
Reversal of allowance for doubtful accounts	6	1,040
Income from merger	128	—
Total extraordinary income	4,196	11,492
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	4	58
Impairment loss	114	624
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	18,533	43,549
Loss on sales of investment securities, etc.	10	0
Loss on valuation of investment securities, etc.	748	51
Total extraordinary losses	19,411	44,283
Income before income taxes	5,721	1,437
Income taxes-current	(1,491)	987
Income taxes-deferred	(2,195)	1,243
Total income taxes	(3,686)	2,230
Net income (loss)	9,407	(792)

**Independent Auditors' Audit Report**

May 12, 2016

To the Board of Directors,  
Sojitz Corporation

**KPMG AZSA LLC**

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Iwao Hirano
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Takemitsu Nemoto
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Daisuke Yamada

In accordance with Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, comprising the consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity and the notes to the consolidated financial statements of Sojitz Corporation and its subsidiaries as of March 31, 2016 and for the 13th consolidated fiscal year from April 1, 2015 to March 31, 2016.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Section 1 of Article 120 of the Corporate Accounting Regulations, which allows the omission of certain disclosures required by the designated International Financial Reporting Standards ("IFRS"); this includes the implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, these consolidated financial statements referred to above, prepared with the omission of certain disclosures required by the IFRS pursuant to the second sentence of Section 1 of Article 120 of the Corporate Accounting Regulations, present fairly, in all material aspects, the financial position and results of operations of the Company and its subsidiaries, applicable to the consolidated fiscal year ended March 31, 2016.

**Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

**Independent Auditors' Audit Report**

May 12, 2016

To the Board of Directors,  
Sojitz Corporation

**KPMG AZSA LLC**

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Iwao Hirano
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Takemitsu Nemoto
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Daisuke Yamada

In accordance with Article 436, Paragraph 2 Item 1 of the Companies Act, we have audited the non-consolidated financial statements, comprising the non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets and notes to the non-consolidated financial statements and supplementary schedules of Sojitz Corporation as of March 31, 2016 and for the 13th fiscal year from April 1, 2015 to March 31, 2016.

**Management's Responsibility for the Non-consolidated Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and supplementary schedules in accordance with accounting principles generally accepted in Japan; this includes the implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of the non-consolidated financial statements and supplementary schedules that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the non-consolidated financial statements and supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and supplementary schedules. The procedures selected and applied depend on our judgement, including the assessment of the risks of material misstatement of the non-consolidated financial statements and supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, these non-consolidated financial statements and supplementary schedules referred to above present fairly, in all material aspects, the financial position and results of operation of the Company, applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

**Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

### **Audit Report**

With respect to the Directors' performance of their duties during the 13th fiscal year (from April 1, 2015 to March 31, 2016), the Audit & Supervisory Board has prepared this audit report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby report as follows:

#### **1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board**

- (1) The Audit & Supervisory Board has established the audit policies, assignment of duties, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the accounting auditors regarding the status of performance of their duties, and requested explanations as necessary.
- (2) In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies, audit plans, and assignment of duties, etc., each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, the internal audit division and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and performed audits using the following methods.
  - (i) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.
  - (ii) Each Audit & Supervisory Board Member regularly received reports on the status of the system and performance from the Directors and other employees and, as necessary, requested explanations for and expressed opinions on the status of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the business report complied with all laws, regulations and the articles of incorporation of the company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of the corporate group consisting of a joint stock company (kabushiki kaisha) and its subsidiaries, and the systems (internal control systems) based on such resolutions.
  - (iii) Each Audit & Supervisory Board Member monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with, among other things, the "Quality Control Standards for audit" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and the supplementary schedules thereto, the non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets, and notes to the non-consolidated financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity, and notes to the consolidated financial statements), for the fiscal year under consideration.

## 2. Results of Audit

### (1) Results of Audit of Business Report, etc.

(i) We acknowledge that the Business Report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the articles of incorporation of the company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the articles of incorporation of the company was found with respect to the Directors' performance of their duties.

(iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents of the business report concerning the internal control systems and the Directors' performance of their duties.

### (2) Results of Audit of the non-consolidated financial statements and their supplementary schedules

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

### (3) Results of Audit of the consolidated financial statements

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

May 12, 2016

Sojitz Corporation Audit & Supervisory Board  
Audit & Supervisory Board Member (Full-time)  
Outside Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member

Jun Matsumoto  
Yukio Machida  
Miki Seko  
Tadao Tsuya



## Guide Map

Date and Time:

**10:00 a.m., Thursday, June 16, 2016**

(The reception is scheduled to open at 8:30 a.m.)

Please come early to the venue as the reception area will become congested as it comes close to the starting time of the meeting. Please refrain from arriving by car.

Place:

Prominence Ball Room,  
1st Basement Floor, ANA InterContinental Tokyo  
12-33, Akasaka 1-chome, Minato-ku, Tokyo 107-0052  
Tel: 03-3505-1111

Rail access via:

Tokyo Metro Ginza Line

- Tameike-sanno Station: 1 minute walk from Exit 13.  
(5 minute walk from Tameike-sanno Station.)

Tokyo Metro Namboku Line

- Tameike-sanno Station: 1 minute walk from Exit 13.  
(7 minute walk from Tameike-sanno Station.)
- Roppongi-itchohome Station: 2 minute walk from Exit 3.  
(5 minute walk from Roppongi-itchohome Station.)

