



New way, New value

**We look forward to your
participation.**

Notice of the 16th Ordinary General Shareholders' Meeting

To be held at 10:00 a.m. on
Thursday, June 20, 2019 at
Rose Banquet Hall (3F) at Tokyo Kaikan

*(Please note that the meeting venue has been
changed from that of last year)*

**Deadline for Exercising Voting Rights
by Postal Mail or Internet:**

No later than 5:30 p.m. on Wednesday, June 19, 2019 (JST)

*No souvenirs will be provided to the shareholders
attending the General Shareholders' Meeting.
We appreciate your understanding.*

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The following is an English translation of the Notice of the 16th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz") to be held on June 20, 2019. 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. Under no circumstances shall Sojitz be liable for any damages of 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 shares. The final decision and responsibility for investments rests solely with the reader of this document.

Sojitz Corporation

(Securities code 2768)

May 30, 2019

To Our Shareholders:

Masayoshi Fujimoto
Representative Director, President & CEO
1-1, Uchisaiwaicho 2-chome, Chiyoda-ku,
Tokyo
Sojitz Corporation

Notice of the 16th Ordinary General Shareholders' Meeting

You are cordially invited to attend the 16th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz") to be held as described below. We look forward to meeting you at the meeting.

Date and Time	<u>10:00 a.m., Thursday, June 20, 2019</u> (The reception is scheduled to open at 9:00 a.m.)
Place	Rose Banquet Hall (3F) at Tokyo Kaikan 2-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo (Please refer to the Access to the Venue attached at the end) Please note that the meeting venue has been changed from that of last year.

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 19, 2019 (JST).

Please be advised that in the event 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.

Purpose of the Meeting

Matters to be reported:	<p>(1) The 16th fiscal year (from April 1, 2018 to March 31, 2019) business report, the consolidated financial statements, and the audit reports concerning the consolidated financial statements by the accounting auditors and the Audit & Supervisory Board</p> <p>(2) The 16th fiscal year (from April 1, 2018 to March 31, 2019) non-consolidated financial statements</p>
Matters to be resolved:	<p>Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 16th fiscal year)</p> <p>Proposal No. 2 Election of Six (6) Directors</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 Sojitz, in accordance with the Articles of Incorporation of Sojitz. In this case, your 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 Sojitz, Sojitz publishes the Basic concept and status of implementation and operation of internal control system in the Business Report, Consolidated statements of changes in equity, Notes to the consolidated financial statements, (Reference) Consolidated statements of profit or loss and other comprehensive income and (Reference) Segment information in the consolidated financial statements, and the Non-consolidated statements of changes in net assets and Notes to the non-consolidated financial statements in the non-consolidated financial statements on our website at <https://www.sojitz.com/en/ir/stkholder/general/>.
- In the event of any revisions to the Reference Documents for the General Shareholders' Meeting, the business report, consolidated financial statement or non-consolidated financial statements, Sojitz will publish the amendments on our website at <https://www.sojitz.com/en/ir/stkholder/general/>.
- No souvenirs will be provided to the shareholders attending the General Shareholders' Meeting. We appreciate your understanding.

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

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>

Date and time of the General Shareholders’ Meeting: 10:00 a.m. on Thursday, June 20, 2019 (JST)

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.

*Please bring this document “Notice of the 16th Ordinary General Shareholders’ Meeting” with you to the meeting.

<For shareholders who are unable to attend the meeting>

Exercising voting rights by postal mail

Deadline for exercising voting rights: To arrive no later than 5:30 p.m. on Wednesday, June 19, 2019 (JST)

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 Sojitz receives the form which has no indication of either approval or disapproval on any of the proposals made by Sojitz, Sojitz will regard such proposals as being approved.

Exercising voting rights by electronic method (The Internet)

Deadline for exercising voting rights: No later than 5:30 p.m. on Wednesday, June 19, 2019 (JST)

Please access the website designated by Sojitz for exercising voting rights which is at <https://evote.tr.mufg.jp/> through your smartphone or computer, etc., 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.

<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 the Internet

To exercise your voting rights via the Internet, please access the website designated by Sojitz for this purpose (<https://evote.tr.mufg.jp/>) via a smartphone or computer, etc. Once you have accessed the site, please use the login ID and temporary password provided on the enclosed Voting Right Exercise Form and exercise your voting rights according to the instructions displayed on the screen.

Precautions to observe

1. Handling of voting rights exercised in duplicate

- If your voting rights are exercised in duplicate, both via postal mail and via the Internet, the vote made via the Internet will be treated as the valid vote.
- If you exercise your voting rights more than once via the Internet or via more than one device (a smartphone, a computer, etc.), only the last vote made will be treated as valid.

2. Costs incurred from accessing the website for exercising voting rights

The costs incurred from accessing the website designated by Sojitz for exercising voting rights (such as the Internet connection charges or communication fees) shall be borne by the shareholder.

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. (JST); toll free, within Japan only)

Reference Documents for the General Shareholders' Meeting

Proposals and References

Proposal No. 1: Dividends from Surplus (Year-End Dividends for the 16th fiscal year)

Sojitz recognizes that paying stable, continuous dividends is a management priority, together with enhancing shareholder value and boosting competitiveness through the accumulation and effective use of retained earnings.

Under the three-year Medium-term Management Plan 2020, which began in April 2018, the basic dividend policy is set to a consolidated payout ratio of around 30%.

In light of the financial results for the year ended March 31, 2019 and the adequacy of its total equity, Sojitz hereby proposes 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

¥9.5 per share in common stock of Sojitz, and ¥11,884,183,242 in total

Sojitz paid an interim dividend of ¥7.5 per share on December 3, 2018. Therefore, an annual dividend per share will be ¥17 and the total amount of annual dividends is ¥21,266,450,067.

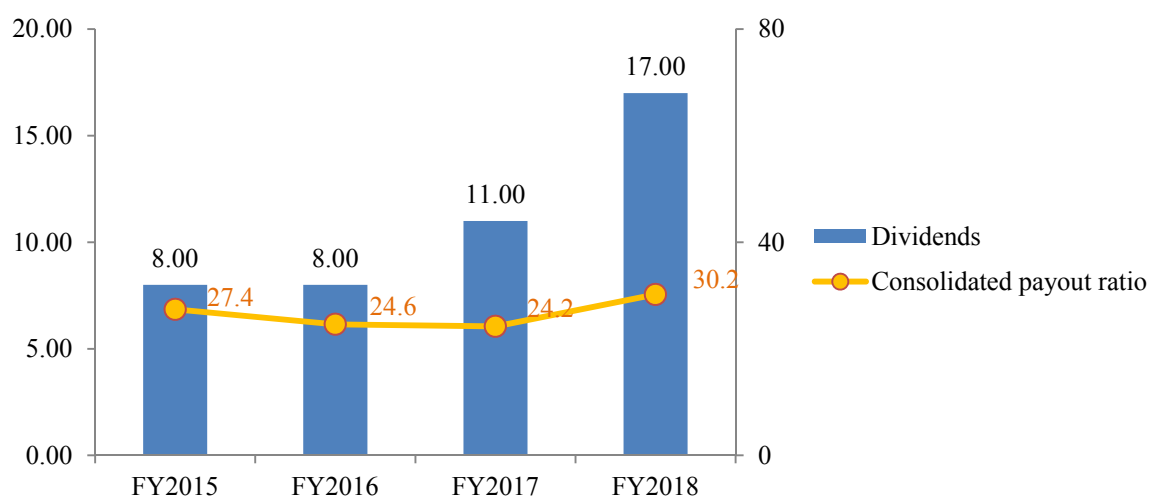
(3) Effective date of Dividends from Surplus

June 21, 2019

(Reference) Trends in dividends per share (annual)/consolidated payout ratio

Dividends (yen)

Consolidated payout ratio (%)



Proposal No. 2: Election of Six (6) Directors

The Board of Directors of Sojitz currently consists of seven (7) Directors including two (2) Outside Directors, all of whose terms terminate as of the conclusion of this General Shareholders' Meeting. Accordingly, Sojitz hereby proposes the election of six (6) Directors including two (2) Outside Directors.


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


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


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


No.	Name (age)	Current position and responsibilities at Sojitz	Attendance at the Board of Directors meetings
1	Takashi Hara (67), male <Reappointment>	Representative Director, Vice Chairman	100% (18/18)
2	Masayoshi Fujimoto (61), male <Reappointment>	Representative Director, President & CEO	100% (18/18)
3	Seiichi Tanaka (58), male <Reappointment>	Representative Director, Executive Vice President, CFO	100% (18/18)
4	Shigeru Nishihara (56), male <Reappointment>	Representative Director, Senior Managing Executive Officer COO, Corporate Planning Department, Corporate Sustainability Office, CCO	100% (14/14)
5	Kayoko Naito (70), female <Reappointment> <Outside Director> <Independent Director>	Director Chair of the Remuneration Committee	100% (14/14)
6	Norio Otsuka (68), male <Reappointment> <Outside Director> <Independent Director>	Director Chair of the Nomination Committee	100% (14/14)


- (Notes) 1. The age of each candidate is as of the conclusion of the General Shareholders' Meeting.
2. If this Proposal is resolved, Director candidate Takashi Hara will be appointed as Director, Chairman of the Board at the Board of Directors meeting to be held after the conclusion of the General Shareholders' Meeting.

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
1	 <p>Takashi Hara (August 24, 1951, 67)</p> <p><Reappointment></p> <p>Term of office as Director: 7 years (as of the conclusion of the Meeting)</p> <p>Attendance at 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. ^{(*)1}</p> <p>May 2005 Managing Executive Officer</p> <p>January 2006 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. ^{(*)2}</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, 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 nomination of the candidate for Director] Takashi Hara has acquired abundant experience and made distinguished achievements as a manager through positions such as Deputy President of The Bank of Tokyo-Mitsubishi UFJ Ltd. (currently MUFG Bank, Ltd.) Since assuming office as Representative Director of Sojitz in 2012, he has dedicated himself to enhancing the governance structure of Sojitz, in an effort to attain further improvement in sound, transparent, and effective management system. Since 2018, Takashi Hara has served as Chairperson of the Internal Audit Committee. Based on his experience and accomplishments, Sojitz has chosen Takashi Hara as a Director candidate predicated on its judgment that he will continue to be able to perform his duties as Director.</p> <p>To Shareholders of Sojitz: The increasingly difficult international circumstances have had a significant influence on management. Today, Sojitz is asked to provide not only value for Sojitz but also value for society. To achieve such two types of value creation, I will continue to supervise management and focus my efforts on establishing a highly transparent, high-quality corporate governance structure to meet the expectations of our stakeholders.</p>	111,000

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
2	 <p data-bbox="225 696 442 786">Masayoshi Fujimoto (January 9, 1958, 61)</p> <p data-bbox="225 813 442 842"><Reappointment></p> <p data-bbox="215 869 448 969">Term of office as Director: 2 years (as of the conclusion of the Meeting)</p> <p data-bbox="215 996 448 1097">Attendance at the Board of Directors meetings: 18/18 (100%)</p>	<p data-bbox="464 248 1254 629"> April 1981 Joined Nissho Iwai Corporation December 2008 MMC Automotriz S.A. Director President August 2012 Sojitz Corporation of America Regional General Manager, Machinery Division, Americas October 2014 Corporate Officer Senior General Manager, Corporate Planning, Sojitz Corporation April 2015 Executive Officer October 2015 Managing Executive Officer April 2016 Senior Managing Executive Officer June 2017 Representative Director, President & CEO (current position) </p> <p data-bbox="464 651 1270 1025"> [Reasons for the nomination of the candidate for Director] Masayoshi Fujimoto assumed office as Representative Director, President & CEO in 2017 after holding important positions including President of an overseas operating company of Sojitz, Regional General Manager of Machinery Division, Americas, and Executive Officer assigned to Corporate Planning. Masayoshi Fujimoto currently promotes initiatives toward sustainable growth and contributes to the enhancement of corporate value under Medium-term Management Plan 2020 with themes of “Achieve steady growth” and “Challenge for future growth.” Based on his accomplishments, Sojitz has chosen Masayoshi Fujimoto as Director candidate predicated on its judgment that it will be ideal for the achievement of targets for Medium-term Management Plan 2020 that Masayoshi Fujimoto continues to exert strong leadership. </p> <p data-bbox="464 1048 1254 1323"> To Shareholders of Sojitz: In the fiscal year ended March 31, 2019, the first year of Medium-term Management Plan 2020, we have presented “Achieve steady growth” which is the theme of the plan to our stakeholders. The subtitle of Medium-term Management Plan 2020, “Commitment to Growth,” expresses Sojitz’s strong will to strive for sustainable growth. I will devote myself to meeting the expectations of our shareholders in regard to this new stage of the Sojitz Group by developing human resources with creativity and responsiveness to changes, and ensuring that the targets that were pledged when the plan was announced are attained. </p>	91,200

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
3	 <p data-bbox="225 551 437 636">Seiichi Tanaka (September 14, 1960, 58)</p> <p data-bbox="225 667 424 696"><Reappointment></p> <p data-bbox="209 741 453 954">Term of office as Director: 2 years (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 18/18 (100%)</p>	<p data-bbox="464 253 1257 517"> April 1984 Joined Nissho Iwai Corporation April 2014 Executive Officer, Assigned for Finance, General Manager, Finance Department, Sojitz Corporation April 2016 Managing Executive Officer, CFO June 2017 Representative Director, Senior Managing Executive Officer, CFO April 2019 Representative Director, Executive Vice President, CFO (current position) </p> <p data-bbox="464 533 1267 790"> [Reasons for the nomination of the candidate for Director] Seiichi Tanaka has been engaged in the finance operations of Sojitz for many years. Since 2016, he served as the CFO and Chairman of the Finance & Investment Deliberation Council, and has dedicated himself to establish stable financial standing, a foundation for Sojitz to achieve further growth. Based on his accomplishments through the execution of his duties to date as well as his specialized knowledge and abundant experience, Sojitz has chosen Seiichi Tanaka as Director candidate predicated on its judgment that he will continue to be able to perform his duties as Director. </p> <p data-bbox="464 801 1267 1032"> To Shareholders of Sojitz: Under Medium-Term Management Plan 2020, Sojitz intends to pay dividends to shareholders and make new investments for growth by using the cash to be generated from operating activities and asset replacement. Although the environment surrounding management is becoming increasingly uncertain, I will continue to meet our shareholders' expectations by maintaining disciplined financial practices and building quality assets while properly identifying the risks, with a view to enhancing corporate value. </p>	36,500

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
4	 <p data-bbox="236 824 430 913">Shigeru Nishihara (July 19, 1962, 56)</p> <p data-bbox="236 945 422 974"><Reappointment></p> <p data-bbox="210 1019 450 1124">Term of office as Director: 1 year (as of the conclusion of the Meeting)</p> <p data-bbox="210 1153 450 1258">Attendance at the Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="462 250 1257 945"> April 1986 Joined Nissho Iwai Corporation June 2006 General Manager, Coal Department, Sojitz Corporation October 2010 General Manager, Corporate Planning Department April 2011 Executive Officer April 2014 Managing Executive Officer April 2015 Managing Executive Officer, CIO Executive Management of Corporate Planning, Investor Relations April 2016 Senior Managing Executive Officer, Executive Management of Business Group (Metals & Coal, Foods & Agriculture Business, Lifestyle Commodities & Materials, Retail) April 2017 Senior Managing Executive Officer Executive Management of Energy, Metals & Coal, Foods & Agriculture Business, Retail & Lifestyle Business, Industrial Infrastructure & Urban Development April 2018 Senior Managing Executive Officer, CCO June 2018 Representative Director, Senior Managing Executive Officer, CCO April 2019 Representative Director, Senior Managing Executive Officer COO, Corporate Planning Department, Corporate Sustainability Office, CCO (current position) </p> <p data-bbox="462 963 1257 1249"> [Reasons for the nomination of the candidate for Director] Shigeru Nishihara has held important positions including serving as an Officer responsible for business group in a wide range of business fields and corporate departments, and currently dedicates himself to realizing sustainable growth of Sojitz as COO, Corporate Planning Department, Corporate Sustainability Office. Based on his deep insight and his abundant experience developed from having served in these positions, Sojitz has chosen Shigeru Nishihara as Director candidate predicated on its judgment that he will continue to be able to play a role in the enhancement of Sojitz's corporate value. </p> <p data-bbox="462 1265 1257 1606"> To Shareholders of Sojitz: Solving social issues through business is the primary role of a general trading company. For Sojitz to achieve sustainable growth as a company, it must sensitively detect changes in the external environment from medium-to-long term and global perspectives, and continue to respond to issues and needs of society. I have been involved in the Metals & Mineral Resources-related business for many years and have also been responsible for the executive management of the lifestyle-related business which is a non-resource business. I will draw on the knowledge and experience that I have gained in these fields to continue to contribute to Sojitz's sustainable growth in my present areas of responsibility which are corporate planning and sustainability. </p>	100,800

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned												
5	 <p data-bbox="244 880 432 936">Kayoko Naito (May 2, 1949, 70)</p> <p data-bbox="244 969 424 996"><Reappointment></p> <p data-bbox="244 1010 432 1037"><Outside Director></p> <p data-bbox="264 1050 403 1115"><Independent Director></p> <p data-bbox="209 1167 453 1267">Term of office as Director: 1 year (as of the conclusion of the Meeting)</p> <p data-bbox="209 1301 453 1402">Attendance at the Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="464 248 1262 304">April 1985 Federation of Bar Associations (Daini Tokyo Bar Association, Japan)</p> <p data-bbox="464 315 1054 342">September 1989 Davis Polk & Wardwell LLP (New York)</p> <p data-bbox="464 353 959 380">January 1991 Mitsui, Yasuda, Wani & Maeda</p> <p data-bbox="464 392 999 418">September 2004 Partner, Oh-Ebashi LPC & Partners</p> <p data-bbox="464 430 1214 486">September 2014 Lecturer, Ritsumeikan University School of Law (current position)</p> <p data-bbox="464 497 1238 575">June 2016 Member of The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry (JCCI) (current position)</p> <p data-bbox="464 586 1254 642">October 2017 Supervisory Officer, Tokyo Infrastructure Energy Investment Corporation (current position)</p> <p data-bbox="464 654 1222 680">June 2018 Director (part-time), Sojitz Corporation (current position)</p> <p data-bbox="464 692 1190 719">January 2019 Counsel, Oh-Ebashi LPC & Partners (current position)</p> <p data-bbox="464 730 1270 981">[Reasons for the nomination of the candidate for Outside Director] Although not having been directly involved in corporate management except as an Outside Director of Sojitz since 2018, Kayoko Naito, as an attorney, has advanced and specialized knowledge in the fields of international law and corporate law. Sojitz has chosen Kayoko Naito as an Outside Director candidate predicated on its judgment that she provides appropriate and useful advice and suggestions from an objective perspective independent from senior management engaged in business execution, which considerably contributes to strengthening corporate governance.</p> <p data-bbox="464 1021 1262 1256">[Independence] Kayoko Naito 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. Kayoko Naito meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 16 and 17 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that she has sufficient independence from Sojitz as Outside Director.</p> <p data-bbox="464 1290 1214 1339">[Significant concurrent occupations or positions at other organizations and business relationships with Sojitz]</p> <table border="1" data-bbox="464 1339 1270 1836"> <thead> <tr> <th data-bbox="464 1350 778 1400">Name of organization</th> <th data-bbox="778 1350 1007 1400">Occupation or position</th> <th data-bbox="1007 1350 1270 1400">Relationship with Sojitz</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 1400 778 1608">Oh-Ebashi LPC & Partners</td> <td data-bbox="778 1400 1007 1608">Counsel</td> <td data-bbox="1007 1400 1270 1608">Transactions among revenue in Sojitz's consolidated financial statements were less than 0.5%, and less than 0.5% of net sales of said firm.</td> </tr> <tr> <td data-bbox="464 1608 778 1753">The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry (JCCI)</td> <td data-bbox="778 1608 1007 1753">Member</td> <td data-bbox="1007 1608 1270 1753">There is no special relationship.</td> </tr> <tr> <td data-bbox="464 1753 778 1836">Tokyo Infrastructure Energy Investment Corporation</td> <td data-bbox="778 1753 1007 1836">Supervisory Officer</td> <td data-bbox="1007 1753 1270 1836">There is no special relationship.</td> </tr> </tbody> </table>	Name of organization	Occupation or position	Relationship with Sojitz	Oh-Ebashi LPC & Partners	Counsel	Transactions among revenue in Sojitz's consolidated financial statements were less than 0.5%, and less than 0.5% of net sales of said firm.	The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry (JCCI)	Member	There is no special relationship.	Tokyo Infrastructure Energy Investment Corporation	Supervisory Officer	There is no special relationship.	0
Name of organization	Occupation or position	Relationship with Sojitz													
Oh-Ebashi LPC & Partners	Counsel	Transactions among revenue in Sojitz's consolidated financial statements were less than 0.5%, and less than 0.5% of net sales of said firm.													
The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry (JCCI)	Member	There is no special relationship.													
Tokyo Infrastructure Energy Investment Corporation	Supervisory Officer	There is no special relationship.													

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
		<p>To Shareholders of Sojitz:</p> <p>I have pursued the strengthening of corporate governance as the foundation for Sojitz's sustainable growth and corporate value enhancement from an external standpoint, leveraging my experience in international law and corporate law.</p> <p>Going forward, I intend to continue to contribute to the realization of the two types of value defined by Sojitz and to deepen discussions at the Board of Directors and provide appropriate advice, not only on the frameworks for legal compliance and risk management, but also in regard to global norms and socially-accepted ideas.</p>	

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
6	 <p data-bbox="240 819 424 880">Norio Otsuka (July 5, 1950, 68)</p> <p data-bbox="240 913 424 943"><Reappointment></p> <p data-bbox="240 954 424 983"><Outside Director></p> <p data-bbox="240 994 424 1055"><Independent Director></p> <p data-bbox="217 1111 448 1211">Term of office as Director: 1 year (as of the conclusion of the Meeting)</p> <p data-bbox="217 1245 448 1346">Attendance at the Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="464 253 1262 282">April 1973 Joined NSK Ltd.</p> <p data-bbox="464 293 1262 322">July 1993 Transferred to NSK-RHP EUROPE LTD. to serve as Director</p> <p data-bbox="464 333 1262 445">June 1998 Deputy Head of all European operations, NSK Ltd., Transferred to NSK-RHP EUROPE LTD. to serve as Director (concurrent). Transferred to NSK FRANCE S.A. to serve as President (concurrent).</p> <p data-bbox="464 456 1262 512">April 2000 Vice President, Head of Corporate Strategy Division HQ, Head of IR Office</p> <p data-bbox="464 524 1262 580">June 2002 Director, Senior Vice President, Administrative Divisions, Head of Corporate Strategy Division HQ</p> <p data-bbox="464 591 1262 703">June 2003 Director, Senior Vice President, Finance Division, IR Office, Head of Corporate Strategy Division HQ, Head of Needle Roller Bearing Business Division HQ, Member of the Compensation Committee</p> <p data-bbox="464 714 1262 860">June 2004 Director, Executive Vice President, Vice Chairperson of the Board of Directors, Administrative Divisions, Needle Roller Bearing Business Division HQ, Internal Audit Office, Head of Corporate Strategy Division HQ, Deputy Head of Automotive Division HQ, Member of the Compensation Committee</p> <p data-bbox="464 871 1262 983">June 2007 Director, Senior Executive Vice President, Vice Chairperson of the Board of Directors, Administrative Divisions, Global Sales Planning Dept., Head of Corporate Strategy Division HQ, Member of the Compensation Committee</p> <p data-bbox="464 994 1262 1106">June 2009 Director, President and Chief Executive Officer, Vice Chairperson of the Board of Directors, Chairperson of the Nomination Committee, Chairperson of the Operating Committee</p> <p data-bbox="464 1117 1262 1196">June 2011 Director, President and Chief Executive Officer, Chairperson of the Board of Directors, Chairperson of the Nomination Committee, Chairperson of the Operating Committee</p> <p data-bbox="464 1207 1262 1236">June 2015 Director, Chairperson of the Board of Directors</p> <p data-bbox="464 1247 1262 1276">June 2016 President, The Japan Bearing Industry Association</p> <p data-bbox="464 1288 1262 1317">March 2017 Outside Director, Showa Shell Sekiyu K. K.</p> <p data-bbox="464 1328 1262 1357">June 2017 Honorary Chairman, NSK Ltd.</p> <p data-bbox="464 1368 1262 1424">June 2018 Director (part-time), Sojitz Corporation (current position) Advisor, NSK Ltd. (current position)</p> <p data-bbox="464 1435 1262 1464">April 2019 Outside Director, Idemitsu Kosan Co., Ltd. (current position)</p> <p data-bbox="464 1476 1262 1688">[Reasons for the nomination of the candidate for Outside Director] Norio Otsuka served as Director, President and Chief Executive Officer, and Chairperson of NSK Ltd., and has abundant experience and deep insight regarding management developed through promoting worldwide growth strategies and strengthening corporate governance. Sojitz has chosen Norio Otsuka as an Outside Director candidate predicated on its judgment that he will continue to be able to play an appropriate role by supervising business execution as well as providing appropriate advice from a practical perspective.</p>	0

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned												
		<p>[Independence] Norio Otsuka 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. Norio Otsuka meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 16 and 17 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that he has sufficient independence from Sojitz as Outside Director.</p> <p>[Significant concurrent occupations or positions at other organizations and business relationships with Sojitz]</p> <table border="1" data-bbox="464 568 1273 1245"> <thead> <tr> <th data-bbox="464 568 778 629">Name of organization (Securities code)</th> <th data-bbox="778 568 1007 629">Occupation or position</th> <th data-bbox="1007 568 1273 629">Relationship with Sojitz</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 629 778 835">NSK Ltd. (6471)</td> <td data-bbox="778 629 1007 835">Advisor</td> <td data-bbox="1007 629 1273 835">Transactions among revenue in Sojitz's consolidated financial statements were less than 1.0%, and less than 1.5% of net sales of said company.</td> </tr> <tr> <td data-bbox="464 835 778 1041">Idemitsu Kosan Co., Ltd. (5019)</td> <td data-bbox="778 835 1007 1041">Outside Director</td> <td data-bbox="1007 835 1273 1041">Transactions among revenue in Sojitz's consolidated financial statements were less than 0.5%, and less than 0.5% of net sales of said company.</td> </tr> <tr> <td data-bbox="464 1041 778 1245">TAISEI CORPORATION (1801)</td> <td data-bbox="778 1041 1007 1245">External Member of the Board*</td> <td data-bbox="1007 1041 1273 1245">Transactions among revenue in Sojitz's consolidated financial statements were less than 0.5%, and less than 0.5% of net sales of said company.</td> </tr> </tbody> </table> <p>*Scheduled to assume office as External Members of the Board of TAISEI CORPORATION on June 26, 2019</p> <p>To Shareholders of Sojitz: I believe my role is to apply my experience in corporate management to the business model of a general trading company from a practical perspective, and thereby contribute to the enhancement of corporate value and the achievement of the Group Statement. I will continue to devote myself to offering advice on and monitoring management, as well as promoting further reinforcement of Sojitz's corporate governance and long-term group strategies, so that Sojitz can achieve steady growth.</p>	Name of organization (Securities code)	Occupation or position	Relationship with Sojitz	NSK Ltd. (6471)	Advisor	Transactions among revenue in Sojitz's consolidated financial statements were less than 1.0%, and less than 1.5% of net sales of said company.	Idemitsu Kosan Co., Ltd. (5019)	Outside Director	Transactions among revenue in Sojitz's consolidated financial statements were less than 0.5%, and less than 0.5% of net sales of said company.	TAISEI CORPORATION (1801)	External Member of the Board*	Transactions among revenue in Sojitz's consolidated financial statements were less than 0.5%, and less than 0.5% of net sales of said company.	
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(Note) Other matters concerning the candidates for Outside Director

Limited liability agreements with candidates for Outside Director

Sojitz has a limited liability agreement with Ms. Kayoko Naito and Mr. Norio Otsuka, limiting their 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.

Sojitz plans to extend the above limited liability agreement if Ms. Naito and Mr. Otsuka are elected.

(Reference)

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

Standards concerning appointment of candidates for Outside Directors and Outside Audit & Supervisory Board Members

Sojitz 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 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, Sojitz also ensures 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

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

7. A person who serves as Sojitz's Accounting Auditor or a person who is engaged in auditing Sojitz's activities 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 Sojitz's business personnel (limited to the person holding the position of officer or other important positions) or any of its consolidated subsidiaries
11. A person whose term of office as Outside Director or Outside Audit & Supervisory Board Member of Sojitz exceeds eight years
12. A person with concerns about 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

(Attachment to the Notice of the 16th Ordinary General Shareholders' Meeting)

Business Report

(From April 1, 2018 to March 31, 2019)

1. Current circumstances of Sojitz Group

(1) Review of progress and performance in operations

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

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

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

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

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

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

Sojitz Group Performance

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

(Note) Sojitz adopts the International Financial Reporting Standards (hereinafter referred to as "IFRS") in preparing the consolidated financial statements.

Revenue Revenue was up 2.19% year on year, to ¥1,856,190 million, due to increased sales in the Metals & Mineral Resources Division, a result of rises in prices and transactions volumes for coal and other resources; in the Automotive Division, a result of the acquisition of new domestic and overseas automotive dealership and other businesses.

Gross profit	Gross profit increased ¥8,576 million year on year, to ¥240,956 million, as a result of the rise in revenue.
Profit before tax	Profit before tax increased ¥14,539 million year on year, to ¥94,882 million, as a result of higher gross profit and an increase in share of profit (loss) of investments accounted for using the equity method due to higher profit at an LNG operation company.
Profit for the year	After deducting income tax expenses of ¥19,662 million from profit before tax of ¥94,882 million, profit for the period amounted to ¥75,219 million, up ¥13,525 million year on year. Profit for the period (attributable to owners of the Company) increased ¥13,577 million year on year, to ¥70,419 million.
Comprehensive income for the year	Regardless of the fact that foreign currency translation differences for foreign operations placed downward pressure on income and financial assets measured at fair value through other comprehensive income were down, comprehensive income for the year increased ¥3,622 million year on year, to ¥54,948 million, because of higher profit for the year. Comprehensive income for the year (attributable to owners of the Company) was up ¥3,508 million year on year, to ¥50,938 million.

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

Effective April 1, 2018, the Aerospace & IT Business Division, Infrastructure & Environment Business Division, and the Energy Division were reorganized to the Aerospace & Transportation Project Division, the Machinery & Medical Infrastructure Division, and the Energy & Social Infrastructure Division. In addition, the name of the Metals & Coal Division was changed to the Metals & Mineral Resources Division.

Automotive Division

Operating performance

Revenue was up 28.9% year on year, to ¥242,499 million, due to the acquisition of new domestic and overseas automotive dealership and other businesses. Profit for the year (attributable to owners of the Company) decreased ¥106 million, to ¥6,409 million, as a decline in share of profit of investments accounted for using the equity method counteracted the benefits of a rise in other income associated with a gain on the sale of an automobile-related company.

Overview of business conditions

Despite the negative effect of a weak currency in the wholesale business in Russia, increased demand for automobiles primarily in emerging countries, domestic and overseas automobile dealership businesses and the automotive parts quality assurance business in North America steadily contributed to achieving higher revenue than planned. Sojitz also promoted new automobile assembly and wholesale businesses and the Fintech service business to strengthen functions for future growth.

Aerospace & Transportation Project Division

Operating performance

Revenue was down 19.0% year on year, to ¥27,811 million, due to the absence of gains on new ship turnovers recorded in the previous equivalent period. Profit for the year (attributable to owners of the Company) rose ¥684 million, to ¥3,962 million, due to an increase in other income associated with gains on sales of aircraft.

Overview of business conditions

The business proceeded almost as planned, as the aircraft-related business where Sojitz has an advantage performed firmly and the Dedicated Freight Railways construction project in India proceeded steadily. During the year ended March 31, 2019, Sojitz executed measures to establish new revenue bases by expanding its business areas in the aerospace industry, such as expanding the business jet operations and participating in the operation of Shimojishima Airport (Miyakojima, Okinawa Prefecture), and pursuing airport-related businesses in Japan and overseas.

Machinery & Medical Infrastructure Division

Operating performance

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

Overview of business conditions

As the major business activities —industrial machinery and medical infrastructure—proceeded steadily, the division’s overall performance progressed as planned. Construction of facilities under the public private partnership (“PPP”) hospital operation project in Istanbul, Turkey, has been going steadily as part of our consistent efforts to expand the medical business. Sojitz has also engaged in new initiatives to establish new business models, such as investing in an engineering company in Thailand.

Energy & Social Infrastructure Division

Operating performance

Revenue was down 35.6%, to ¥74,791 million, as a result of lower petroleum product transactions. Profit for the year (attributable to owners of the Company) of ¥5,786 million was recorded, in comparison with loss for the period (attributable to owners of the Company) of ¥5,822 million in the year ended March 31, 2018. Main factors occurred in the year ended March 31, 2019 are a rise in other income associated with a gain on the sales of an overseas solar power business operating company and an increase in share of profit of investments accounted for using the equity method associated with higher profit of LNG operating company.

Overview of business conditions

This division achieved better performance than planned during the year ended March 31, 2019 due to the commencement and stable operation of domestic and overseas solar power generation business as well as favorable resource prices. Sojitz has expanded the range of its energy supply, power generation and other services by commencing its second gas-fired power generation business in the United States and the Jawa 1 Gas-to-Power project in Indonesia. Sojitz is working to establish a revenue base that is resilient against the impact of market conditions through expansion of its clean energy value chain in Japan and internationally.

Metals & Mineral Resources Division

Operating performance

Revenue was up 18.2%, to ¥383,170 million, as a result of higher prices and transactions volumes for coal and other resources. Profit for the period (attributable to owners of the Company) rose ¥8,581 million, to ¥30,463 million, due to higher gross profit and an increase in share of profit of investments accounted for using the equity method.

Overview of business conditions

Owing to higher prices and transaction volumes for coal and other resources, this division's business results far exceeded the initial outlook. During the year ended March 31, 2019, Sojitz sought to optimize its asset portfolio in the upstream business through asset replacement by acquiring the interests in a coking coal mine in Australia and reaching an agreement to partially sell a thermal coal mine in Indonesia. In addition, Sojitz concluded a contract to jointly develop next-generation battery materials for electric vehicles. Sojitz has thereby worked to establish a stable revenue base by promoting the development of new businesses in response to social demand and changes.

Chemicals Division

Operating performance

Revenue was down 2.0% year on year, to ¥505,101 million, following Sojitz's withdrawal from low-profit transactions. Profit for the period (attributable to owners of the Company) increased ¥282 million, to ¥8,984 million, as a result of an increase in gross profit stemming from a rise in the price of methanol.

Overview of business conditions

This division's performance was lower than planned, as the plastic resins business was affected by an economic slowdown caused by the trade friction between the United States and China, although the methanol business, one of Sojitz's major business activities, performed well due to higher market prices. During the year ended March 31, 2019, Sojitz promoted initiatives to reinforce its business foundations by withdrawing from low-profit transactions and expanding global trade.

Foods & Agriculture Business Division

Operating performance

Revenue was down 10.5%, to ¥128,293 million, following lower feed material transactions. Profit for the period (attributable to owners of the Company) decreased ¥1,749 million, to ¥2,280 million, as a result of a decline in the profit of overseas fertilizer businesses.

Overview of business conditions

Due to higher material costs and lower sales volumes in overseas fertilizer businesses, business performance was lower than initially planned. During the year ended March 31, 2019, Sojitz promoted initiatives to expand profitable business assets, such as acquiring additional interest in tuna processing business in China, initiating a large-scale refurbishment in the Philippines fertilizer business and acquiring a stake in and forming a strategic business alliance with a major food firm in Vietnam.

Retail & Lifestyle Business Division

Operating performance

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

Overview of business conditions

The performance of this division was almost as initially planned, reflecting steady performance of the main businesses, such as consumer goods distribution logistics business, and an increase in meat transactions. During the year ended March 31, 2019, Sojitz acquired a major paper manufacturer in Vietnam, as it pursued measures to further expand and diversify the retail business in ASEAN countries where future demand growth is expected.

Industrial Infrastructure & Urban Development Division

Operating performance

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

Overview of business conditions

The performance of this division was lower than initially planned due to lower sales from the domestic real estate business, although the overseas industrial park business performed firmly. During the year ended March 31, 2019, Sojitz sought to strengthen its earning power through the REIT, building facility management services and nursery management businesses in Japan. Internationally, it began work as a sales agent for a new industrial park in Vietnam, promoted the development of smart city and other comprehensive urban infrastructure, while providing active support for Japanese companies to go overseas through mutual cooperation with the local governments, etc.

(2) Major business segments of 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 432 consolidated subsidiaries and equity method associates, including 305 consolidated subsidiaries and 127 equity method associates. (Of these, Sojitz directly performs consolidation accounting for a total of 266 companies consisting of 189 consolidated subsidiaries and 77 equity method associates.)

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

(As of March 31, 2019)

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries: 27 Number of equity method associates: 5	Trading of completed automobiles, assembly and sales, retail, automobile and motorcycle parts, simply parts assembly, supply chain management, automotive parts quality inspection operations, financing, services merging IoT and FinTech	<ul style="list-style-type: none"> ● Sojitz Autrans Corporation. (automobile and motorcycle components; tire sales; Subsidiary) ● Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary)
Aerospace & Transportation Project Number of consolidated subsidiaries: 40 Number of equity method associates: 12	Aero business (Commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business, airport business); Transformation and social infrastructure projects (transformation projects; port, airport, and other social infrastructure projects); Marine business (New building, second-hand ships, ship chartering, ship equipment, ship owning)	<ul style="list-style-type: none"> ● Sojitz Aerospace Corporation (Import, export and sale of aero-related and defense-related equipment; Subsidiary) ● Sojitz Marine & Engineering Corporation (Sale, purchase and charter brokerage of ships, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary)
Machinery & Medical Infrastructure Number of consolidated subsidiaries: 14 Number of equity method associates: 12	Plant Projects (Fertilizer & chemical, energy, infrastructure and environmental projects); Industrial Machinery (Industrial machinery, surface-mounting machines, start-ups); Bearings; Medical Infrastructure (Hospital PPP, Medical-related service, Medical platforms)	<ul style="list-style-type: none"> ● Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary) ● Sojitz Hospital PPP Investment B.V. (Investment in hospital PPP business; Subsidiary) ● First Technology China Ltd. (Sales and service of surface-mounting machines and semiconductor-related equipment; Subsidiary)

<p>Energy & Social Infrastructure</p> <p>Number of consolidated subsidiaries: 43</p> <p>Number of equity method associates: 27</p>	<p>Infrastructure & Environment (Renewable energy, IPP projects); Power-related projects(IPP and IWPP projects, power plant EPC business); Nuclear power & energy (Oil and gas; petroleum products; LNG; nuclear fuels; nuclear power-related equipment and machinery and LNG-related business); Social infrastructure projects (telecommunications platform projects; energy management; next-generation infrastructure projects utilizing IoT, AI, and big data; sales and maintenance of communications and IT equipment; systems integration, software development and sales, data centers, cloud services, and managed services, Business Process Outsourcing (BPO))</p>	<ul style="list-style-type: none"> ● Nissho Electronics Corporation (IT systems, network services; Subsidiary) ● Mirai Power (Kamikita Rokkasho) Corporation (Solar power generation project; Subsidiary) ● Tokyo Yusō Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary) ● Blue Horizon Power International Ltd. (Investment in power generation projects; Subsidiary) ● Sojitz Global Investment B. V. (Investment in power generation projects; Subsidiary) ● LNG Japan Corporation (LNG business and related investments and loans; Equity method associate) ● SAKURA Internet Inc. (Cloud services and internet data center operator; Equity method associate) *
<p>Metals & Mineral Resources</p> <p>Number of consolidated subsidiaries: 28</p> <p>Number of equity method associates: 15</p>	<p>Coal; iron ore; ferroalloys (nickel, chromium, niobium), 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"> ● Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary) ● Sojitz Coal Resources Pty Ltd. (Investment in coal mines; Subsidiary) ● Sojitz Resources (Australia) Pty. Ltd. (Production of alumina; Subsidiary) ● Sojitz Moolarben Resources, Pty. Ltd. (Investment in coal mines; Subsidiary) ● Sojitz Moly Resources, Inc. (Investment in molybdenum mines; Subsidiary) ● Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Equity method associate) ● Coral Bay Nickel Corporation (Production and sale of nickel and cobalt mixed sulfide; Equity method associate) ● Japan Alumina Associates (Australia) Pty. Ltd. (Production of alumina; Equity method associate) ● Cariboo Copper Corporation (Investment in copper mine; Equity method associate)
<p>Chemicals</p> <p>Number of consolidated subsidiaries: 34</p> <p>Number of equity method associates: 13</p>	<p>Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; foodstuff additives; rare earths; commodity resins; raw materials for plastics including engineering plastics; films and sheets for industry, packaging, and foodstuffs; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; fiber materials and products for use in industrial supplies</p>	<ul style="list-style-type: none"> ● Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary) ● Pla Matels Corporation (Trading and sale of plastics and related products; Subsidiary) * ● P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) ● solvadis deutschland gmbh (Trading and sale of chemical products ; Subsidiary)

<p>Foods & Agriculture Business</p> <p>Number of consolidated subsidiaries: 18</p> <p>Number of equity method associates: 9</p>	<p>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</p>	<ul style="list-style-type: none"> ● Thai Central Chemical Public Co., Ltd (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) ● Atlas Fertilizer Corporation (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) ● Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) *
<p>Retail & Lifestyle Business</p> <p>Number of consolidated subsidiaries: 29</p> <p>Number of equity method associates: 17</p>	<p>Cotton and synthetic fabrics; non-woven fabrics; knitted fabrics and products; raw materials for textiles; clothing; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; manufacture and sale of wood chips; imported tobacco; Aquaculture products; processed aquaculture products; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; sugar; other foodstuffs and raw ingredients; administration of shopping centers; interior accessories; bedclothes and home fashion-related products; general commodities; household- and industrial-use paper</p>	<ul style="list-style-type: none"> ● Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary) ● Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary) ● Daiichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary) ● Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) ● Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary) ● Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary) ● Saigon Paper Corporation (Manufacture and sale of household and industrial paper and other paper products; Subsidiary) ● JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Equity method associate) * ● Tri-Stage inc. (Direct marketing support operations; Equity method associate) *
<p>Industrial Infrastructure & Urban Development</p> <p>Number of consolidated subsidiaries: 12</p> <p>Number of equity method associates: 3</p>	<p>Overseas industrial park businesses; real estate-related businesses (investment, dealing, leasing, management, etc.)</p>	<ul style="list-style-type: none"> ● Sojitz New Urban Development Corporation (Development and consignment sales of newly constructed condominiums, real estate brokerage, development and ownership of rental apartments, sale of residential-related products ; Subsidiary) ● Sojitz General Property Management Corporation (Condominium and office building management, real estate agency services : Subsidiary) ● PT. Puradelta Lestari Tbk (New city development including industrial parks; Equity method associate)

<p>Other</p> <p>Number of consolidated subsidiaries: 17</p> <p>Number of equity method associates: 2</p>	<p>Administration, domestic branches, logistics and insurance services</p>	<ul style="list-style-type: none"> ● Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary) ● Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary) ● Sojitz Insurance Agency Corporation (Insurance agency services; Subsidiary) ● Sojitz Tourist Corporation (Travel agency; Subsidiary) ● Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary) ● Sojitz Research Institute (Research and consulting; Subsidiary)
<p>Overseas branches</p> <p>Number of consolidated subsidiaries: 43</p> <p>Number of equity method associates: 12</p>	<p>We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.</p> <ul style="list-style-type: none"> • In segment information, these are included in respective business segments based on the similarity of the products handled. 	<ul style="list-style-type: none"> ● Sojitz Corporation of America (Subsidiary) ● Sojitz Europe plc (Subsidiary) ● Sojitz Asia Pte. Ltd (Subsidiary) ● Sojitz (Hong Kong) Ltd. (Subsidiary) ● Sojitz (China) Co., Ltd. (Subsidiary)

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

(3) Financial Position

Consolidated Balance Sheet

Total assets on March 31, 2019, stood at ¥2,297,059 million, down ¥53,292 million from March 31, 2018. This decrease was largely a result of other current assets that were decreased in aircraft-related business.

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

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

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

(*) The equity ratio and net debt equity ratio are calculated based on total equity attributable to owners of the Company.

(4) Consolidated Cash Flows

In the year ended March 31, 2019, operating activities provided net cash flow of ¥96,476 million, investing activities used net cash of ¥42,200 million, and financing activities used net cash of ¥74,907 million. Sojitz ended the year with cash and cash equivalents of ¥285,687 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥96,476 million, consisted of business earnings and dividends received, etc. It was down ¥2,336 million year on year.

(Cash flows from investing activities)

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

(Cash flows from financing activities)

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

(5) Funding, etc.

Under Medium-Term Management Plan 2020, which began in the fiscal year under review, the Sojitz Group continued to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has been

endeavored to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level.

In the fiscal year under review, Sojitz did not issue straight bonds, which is one source of long-term funding. However, Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional issues whenever the timing and associated costs prove advantageous.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥100 billion long-term yen commitment line (which remains unused) and long-term commitment line totaling US\$1.9 billion (of which US\$0.31 billion has been used).

(6) Major creditors and borrowed amounts (As of March 31, 2019)

(Billions of yen)

Creditor	Amount outstanding
MUFG Bank, Ltd.	173.5
Mizuho Bank, Ltd. (Note 3)	55.6
Development Bank of Japan Inc. (Note 3)	54.7
Sumitomo Mitsui Trust Bank, Limited (Note 3)	44.0
The Norinchukin Bank	41.0
Sumitomo Mitsui Banking Corporation (Note 3)	32.0
Nippon Life Insurance Company	27.8
Resona Bank, Ltd. (Note 3)	27.0
Shinkin Central Bank	22.5
Japan Bank for International Cooperation	10.4

- (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.

(7) Assets, profits and losses

(a) Sojitz Group's assets, profits and losses

Sojitz Group's assets, profits and losses in FY2018 and the past three fiscal years are as outlined below.

(Millions of yen, unless otherwise specified)

Item \ FY	FY2015 13th fiscal year	FY2016 14th fiscal year	FY2017 15th fiscal year	FY2018 16th fiscal year (fiscal year under review)
Revenue	1,658,072	1,555,349	1,816,459	1,856,190
Profit before tax	44,269	57,955	80,343	94,882
Profit for the year (attributable to owners of the Company)	36,526	40,760	56,842	70,419
Total comprehensive income for the year (attributable to owners of the Company)	(25,379)	40,289	47,430	50,938
Basic earnings per share (attributable to owners of the Company) (yen)	29.20	32.58	45.44	56.34
Total assets	2,056,670	2,138,466	2,350,351	2,297,059
Total equity attributable to owners of the Company	520,353	550,513	586,464	618,295
Total equity per share attributable to owners of the Company (yen)	415.95	440.06	468.81	494.94

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

(b) Sojitz's assets, profits and losses

Sojitz's assets, profits and losses in FY2018 and over the past three fiscal years on a non-consolidated basis are as outlined below.

(Millions of yen, unless otherwise specified)

Item \ FY	FY2015 13th fiscal year	FY2016 14th fiscal year	FY2017 15th fiscal year	FY2018 16th fiscal year (fiscal year under review)
Net sales	2,530,034	2,297,451	2,626,996	2,515,998
Ordinary income	20,935	19,519	36,652	34,633
Net income	9,407	11,448	23,326	36,883
Net income per share (yen)	7.52	9.15	18.65	29.51
Total assets	1,443,469	1,483,021	1,639,804	1,545,974
Net assets	356,484	368,931	384,754	407,073
Net assets per share (yen)	284.96	294.91	307.56	325.86

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

(8) Business outlook and issues to be addressed

Management Policies

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

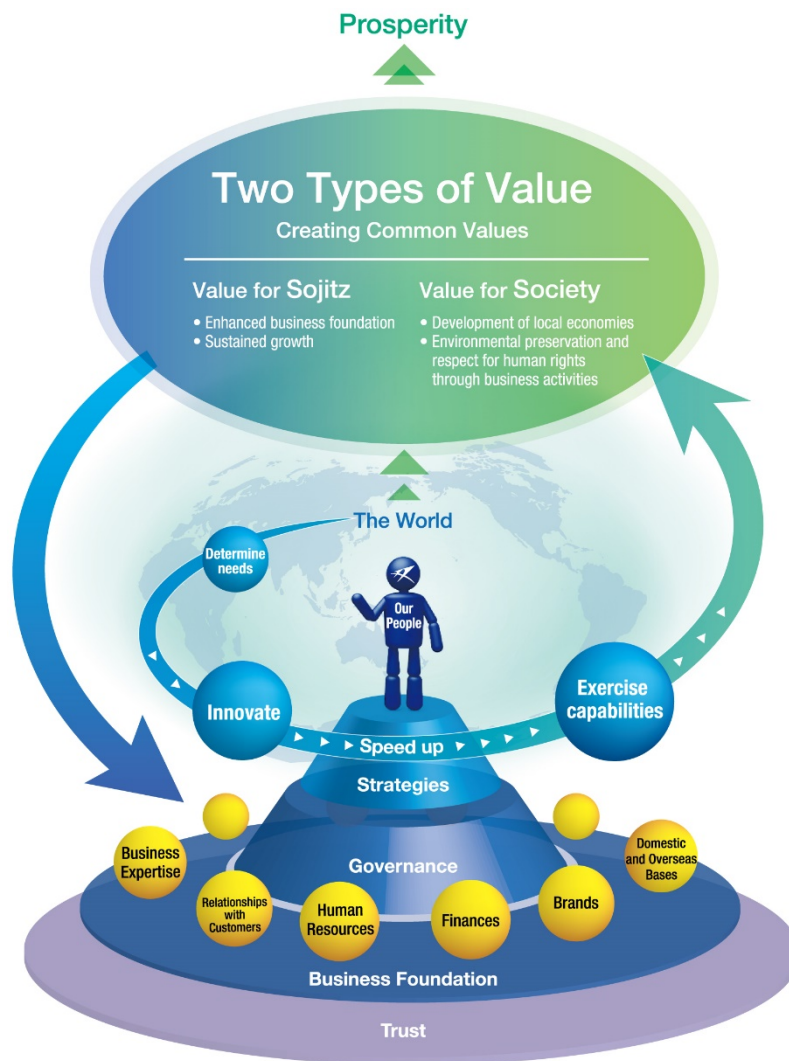
Sojitz Group Statement

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

Sojitz Group Slogan

New way, New value

Sojitz’s Value Creation Model



Medium-Term Management Plan 2020

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

Under this plan, the Sojitz Group will pursue steady growth by increasing the value of its assets while managing cash flows to continue conducting disciplined investments and loans (total of ¥300.0 billion over the three-year period of the medium-term management plan). Our target for profit for the year in the final year of the plan will be ¥75.0 billion or more, which is to be achieved through average annual growth of approx. 10% over the plan period from the previous year.

More information on Medium-Term Management Plan 2020 can be found on Sojitz's corporate website (<https://www.sojitz.com/en/>).

Medium-Term Management Plan 2020

~ Commitment to Growth ~

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



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

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

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

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

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

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

Through the implementation of the Medium-Term Management Plan, Sojitz seeks to accomplish the goals of the Sojitz Group Statement and achieve ongoing growth. To this end, we are increasing our focus on sustainability in management and furnishing foundations and systems based on our six Key Sustainability Issues (Materiality) and on our policy of incorporating the resolution of environmental and social issues into Sojitz's business. In addition, sustainability challenges have been established as a long-term vision to define the Sojitz Group's stance toward long-term initiatives for addressing climate change, human rights, and other global social issues. (For more information on Sustainability, please refer to page 57.)

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

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

(9) Business locations of Sojitz Group and the number of employees (As of March 31, 2019)

(a) Business locations of Sojitz Group

<Domestic>

HQ	Chiyoda-ku, Tokyo
Branches, etc.	Hokkaido Branch (Sapporo), Tohoku Branch (Sendai), Nagoya Branch (Nagoya), Kansai Office (Osaka) and Kyushu Branch (Fukuoka)

<Overseas>

Branches, etc.	MEA Office (Dubai), Singapore Branch, Kuala Lumpur Branch, Yangon Branch, Jeddah Branch, Johannesburg Branch Besides the above, 13 liaison offices and sub-branches of liaison offices and overseas branches
Overseas Subsidiaries	28 Overseas Subsidiaries, including Sojitz Corporation of America, Sojitz Europe plc, Sojitz (China) Co., Ltd. and Sojitz Asia Pte. Ltd. (Singapore) Besides the above, 34 branches and offices, etc., of overseas subsidiaries

(b) Number of Employees

Segment	Number of employees
Automotive	4,444
Aerospace & Transportation Project	403
Machinery & Medical Infrastructure	920
Energy & Social Infrastructure	1,355
Metals & Mineral Resources	592
Chemicals	1,703
Foods & Agriculture Business	2,152
Retail & Lifestyle Business	3,901
Industrial Infrastructure & Urban Development	1,216
Others	1,948
Total	18,634

(c) Employees of Sojitz

Number of employees	Change from the previous year	Average age	Average years of service
2,410	67 (increase)	41.9 years old	15.8 years

- (Notes) 1. The above figures do not include 113 locally hired employees in overseas offices.
2. The average years of service is calculated including the length of service at the former Nichimen Corporation and Nissho Iwai Corporation.

(10) Major Subsidiaries (As of March 31, 2019)

(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 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.
Sojitz Machinery Corporation	1,500	100.00	Import/export and sales of general industrial machinery
Nissho Electronics Corporation	14,336	100.00	IT systems and network services
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 Foods Corporation	412	100.00	Sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed foodstuffs; and other foodstuff
Sojitz New Urban Development Corporation	3,000	100.00	Development and consignment sales of condominiums, real estate brokerage, development and ownership of rental condominiums, sale of residential-related products
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)

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) Result of Mergers

1. Sojitz Group now has 305 consolidated subsidiaries and 127 equity method associates.
2. For the business performance of Sojitz Group in FY2018, please refer to “(1) Review of progress and performance in operations.”

2. Sojitz's Shares (As of March 31, 2019)

(1) Total number of shares authorized to be issued

Common stock 2,500,000,000 (As of March 31, 2018: 2,500,000,000)

(2) Total number of shares issued and outstanding

Common stock 1,251,499,501 (As of March 31, 2018: 1,251,499,501)

(Note) The total number of outstanding shares of common stock includes the number of treasury stock (As of March 31, 2019: 532,844 shares). The number of treasury stock does not include the number of Sojitz shares held by the trust account for the Board Incentive Plan (BIP) Trust (As of March 31, 2019: 1,727,600 shares).

(3) Number of Shareholders

Common stock 150,531

(4) Major Shareholders

Common Stock

Shareholder	Investment in Sojitz	
	Shares held (in thousands)	Shares outstanding (%)
Japan Trustee Services Bank, Ltd. (Note 2)	149,254	11.93
ICHIGO TRUST PTE. LTD.	123,634	9.88
The Master Trust Bank of Japan, Ltd. (Note 3)	63,134	5.05
JP MORGAN BANK LUXEMBOURG S.A. 1300000	32,714	2.62
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	30,863	2.47
Morgan Stanley MUFG Securities Co., Ltd.	23,258	1.86
SSBTC CLIENT OMNIBUS ACCOUNT	22,705	1.82
Trust & Custody Services Bank, Ltd. (Note 4)	22,031	1.76
GOLDMAN SACHS INTERNATIONAL	22,021	1.76
JP MORGAN CHASE BANK 385151	19,123	1.53

- (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 143,595 thousand shares held in trust accounts.
 3. The number of shares held by The Master Trust Bank of Japan, Ltd. includes 55,344 thousand shares held in trust accounts.
 4. The number of shares held by Trust & Custody Services Bank, Ltd. includes 20,281 thousand shares held in trust accounts.
 5. The shares outstanding are calculated excluding the number of shares of treasury stock.

3. Holdings of listed shares

<Policies for share holdings>

Each year, we conduct a quantitative assessment of listed shares held in each company as part of our shareholding policy to ensure that dividends or related profit earned from those shares exceeds the shares' equity cost (WACC). We also conduct a qualitative assessment, looking at whether the shares help improve our corporate value. Based on these assessments, we examine the value of retaining these shares. We retain those that are deemed to be worthwhile, seeking ways to achieve greater impact and benefit

from those shares. Meanwhile, for those shares which are deemed to now lack significant value, we set a deadline to improve their value. If there is no indication these shares will improve, we examine the possibility of divestiture. The Board of Directors and the Management Committee conducts this assessment for each lot of shares held in each company.

<Exercise of voting rights>

Based on the significance of holding shares of listed companies, we exercise our voting rights based on whether or not they contribute to sustainable growth and improved corporate value over the medium-to-long term for both Sojitz and the investment target. We also have a system of monitoring the status of exercise of voting rights.

4. Sojitz's Directors and Audit & Supervisory Board Members

(1) List of Directors and Audit & Supervisory Board Members (As of March 31, 2019)

Name	Position	Responsibilities	Important concurrent position
Yoji Sato	Representative Director, Chairman of the Board		
Takashi Hara	Representative Director, Vice Chairman	Executive Management of Kansai Office	
Masayoshi Fujimoto	Representative Director, President & CEO	CEO	
Seiichi Tanaka	Representative Director, Senior Managing Executive Officer	CFO Executive Management of General Accounting, IT Planning, M&A Management Office, Controller Office Assigned to Investor Relations, Finance, Structured Finance	
Shigeru Nishihara	Representative Director, Senior Managing Executive Officer	Assigned to Corporate Planning, Corporate Sustainability, Overseas Project Development Office, CCO	
Kayoko Naito	Director (Part-time)		Counsel, Oh-Ebashi LPC & Partners Member of The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry Supervisory Officer, Tokyo Infrastructure Energy Investment Corporation
Norio Otsuka	Director (Part-time)		Outside Director, Showa Shell Sekiyu K.K. Advisor, NSK Ltd.
Junichi Hamatsuka	Audit & Supervisory Board Member		
Takayuki Ishige	Audit & Supervisory Board Member		
Mikinao Kitada	Audit & Supervisory Board Member (Part-time)		Special Counsel, Mori Hamada & Matsumoto Outside Audit & Supervisory Board Member, Oji Holdings Corporation Outside Audit & Supervisory Board Member, ASKUL Corporation Outside Director, Yokogawa Bridge Holdings Corporation
Kazunori Yagi	Audit & Supervisory Board Member (Part-time)		Outside Audit & Supervisory Board Member, Yokogawa Bridge Holdings Corporation Outside Director, TDK Corporation

Name	Position	Responsibilities	Important concurrent position
Hyo Kambayashi	Audit & Supervisory Board Member (Part-time)		Chairman & Senior Managing Director, Protiviti LLC Chairman, Japan Internal Control Research Association Outside Director (Audit and Supervisory Committee Member), Murata Manufacturing Co., Ltd.

- (Notes)
1. Kayoko Naito and Norio Otsuka are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
 2. Takayuki Ishige, Mikinao Kitada, Kazunori Yagi and Hyo Kambayashi are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
 3. Junichi Hamatsuka has a substantial knowledge of finance and accounting, having been engaged in operations such as finance, accounting and risk management, etc. at Sojitz and holding important positions including CFO for the Americas.
Takayuki Ishige has a substantial knowledge of finance and accounting, having been responsible for accounting, financial and auditing operations, etc. at Kao Corporation, and also has experience of serving as an Audit & Supervisory Board Member at the same company.
Kazunori Yagi has substantial knowledge of finance and accounting, having been responsible for finance, accounting, and business planning at Yokogawa Electric Corporation and holding important positions including the General Manager of Administration Headquarters.
Hyo Kambayashi is a certified public accountant. He has substantial knowledge of finance and accounting developed through his experience in accounting audit operations in an audit firm and his experience as representative director of a consulting company which is involved in operations such as internal audit services.
 4. Sojitz has appointed Kayoko Naito, Norio Otsuka, Takayuki Ishige, Kazunori Yagi and Hyo Kambayashi as independent outside officers, and submitted a notification of their appointment to Tokyo Stock Exchange, Inc.
 5. There are no special relationships (such as business operators having a specified relationship) between Sojitz and Tokyo Infrastructure Energy Investment Corporation, Showa Shell Sekiyu K.K., NSK Ltd., Oji Holdings Corporation, ASKUL Corporation, Yokogawa Bridge Holdings Corporation, TDK Corporation, Protiviti LLC and Murata Manufacturing Co., Ltd., where Outside Officers of Sojitz have concurrent positions.

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

(Millions of yen)

	Number of persons to be paid	Basic remuneration		Performance-linked remuneration		Total
		Monetary (*1 and *2)	Share (*3)	Monetary (*1)	Share (*3)	
Directors (Total)	10	342	26	79	39	488
Directors (Internal)	6	318	26	79	36	464
Outside Directors	4	24	—	—	—	24
Audit & Supervisory Board Members (Total)	5	106	—	—	—	106
Audit & Supervisory Board Members (Internal)	1	37	—	—	—	37
Outside Audit & Supervisory Board Members	4	68	—	—	—	68

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

*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

*3. System of performance-linked share remuneration, etc. for Directors, etc. (hereinafter the "System"): Resolved at the Ordinary General Shareholders' Meeting held on June 19, 2018

Persons eligible for Delivery of the Sojitz Shares	- Directors (excluding Outside Directors and non-residents in Japan) - Executive Officers (excluding non-residents in Japan)
Upper limit of cash contributed by Sojitz	¥700 million in total for three fiscal years
Upper limit of the number of Sojitz shares subject to Delivery to Directors	The upper limit of points to be granted to Directors shall be 3 million points (equivalent to 3 million shares) for three fiscal years.

The total amount of the aforementioned share remuneration represents the amount reported as expenses for fiscal 2018 associated with the share delivery points regarding the System (Board Incentive Plan (BIP) Trust). Basic remuneration (share) refers to the "fixed portion" with no link to business performance within the remuneration to be paid under the System.

● Outline of the remuneration system for company officers

(Decision policy, etc., for determining the remuneration for Directors)

The remuneration for Directors is decided by resolution of the Board of Directors through deliberations at the Remuneration Committee, which is an advisory body of the Board of Directors and is chaired by an Outside Director, with reference to benchmark data such as the remuneration level at other companies in the same industry and the business performance of Sojitz.

• Composition of the remuneration for Directors (excluding Outside Directors; hereinafter, the same shall apply)

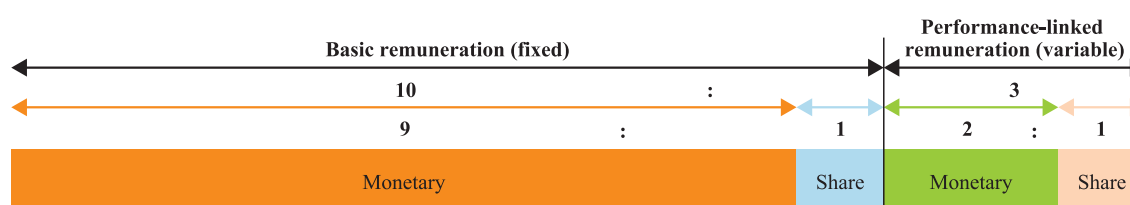
At the 15th Ordinary General Shareholders' Meeting held on June 19, 2018, Sojitz introduced the System as a remuneration system for Board Members, which is closely linked to Sojitz's business performance and will ensure transparency and objectivity for the purpose of encouraging contributions to the improvement in Sojitz's performance and corporate value over the medium-to-long term. The performance-linked remuneration shall be

linked to profit for the year attributable to owners of Sojitz (hereinafter referred to as "Consolidated Net Profit for the year") in each fiscal year based on the rank of Directors.

As a result of the implementation of the System, the remuneration for Directors consists of "basic remuneration (monetary)" and "basic remuneration (share)," both of which form the fixed portion not linked to business performance, as well as "performance-linked remuneration (monetary)" and "performance-linked remuneration (share)." Basic remuneration is used for the delivery and granting of cash and a certain number of share delivery points based on the rank of Directors. Performance-linked remuneration is used for the delivery and granting of cash and share delivery points, both of which are linked to the amount of Consolidated Net Profit for the Year in each fiscal year during the Applicable Period based on the rank of Directors. For share remuneration, the total number of Sojitz shares to be delivered (at the rate of one Sojitz share per share delivery point) will be ascertained after a Director has retired.

<Breakdown of remuneration>

The System is designed to make performance-linked remuneration account for approximately 30% of basic remuneration if the Consolidated Net Profit for the Year in each fiscal year reaches the amount of the targeted Consolidated Net Profit for the Year in each fiscal year. Meanwhile, as for basic remuneration, the ratio of basic monetary remuneration against basic share remuneration is designed to become approximately 9 to 1, whereas performance-linked monetary remuneration against performance-linked share remuneration is to become 2 to 1.



<Content of basic remuneration (monetary)>

Fixed amount determined based on the rank of each Director

<Calculation method of basic remuneration (share)>

Fixed share delivery points = (Basic share remuneration by rank) ÷ (Monthly average closing price of Sojitz shares at the Tokyo Stock Exchange in July 2018)

(Basic share remuneration by rank: Amount determined based on the rank of each Director)

<Calculation of performance-linked remuneration (monetary)>

Individual performance-linked monetary remuneration = ((Consolidated Net Profit for the year in each fiscal year) × β% (Note 1) × (Aggregate sum of rank-based points for all Directors eligible) ÷ 539) × ((Rank-based points for each Director) (Note 2) ÷ (Aggregate sum of rank-based points for all Directors eligible)) (any fraction less than ¥1,000 shall be rounded down)

<Calculation method of performance-linked remuneration (share)>

Performance-linked share delivery points = ((Consolidated Net Profit for the year in each fiscal year) × α% (Note 1) × (Aggregate sum of rank-based points for all Directors eligible) ÷ 539) × ((Rank-based points for each Director) (Note 2) ÷ (Aggregate sum of rank-based points for all Directors eligible)) ÷ (Monthly average closing price of Sojitz shares at the Tokyo Stock Exchange in July 2018)

(Note 1) The value of coefficients α and β shall be adjusted according to the targeted Consolidated Net Profit for the Year in each fiscal year, and shall be disclosed along with such targeted Consolidated Net Profit for the Year after being resolved by the Board of Directors. Note that for fiscal 2018, the value of α and β shall be set to 0.078 and 0.155, respectively.

(Note 2) Rank-based points for each Director

	Executive rank	Rank-based points
Directors	Director and Chairman	86
	Director and Vice Chairman	73
	Director and President	100
	Director and Executive Vice President	73
	Director and Senior Managing Executive Officer	67

The upper limit of the individual monetary remuneration for the respective Directors shall be as follows:

(Millions of yen)

Director and Chairman	37
Director and Vice Chairman	31
Director and President	43
Director and Executive Vice President	31
Director and Senior Managing Executive Officer	28

The upper limit of the performance-linked share delivery points that are granted to the respective Directors shall be as follows:

Director and Chairman	54,000 points
Director and Vice Chairman	46,000 points
Director and President	63,000 points
Director and Executive Vice President	46,000 points
Director and Senior Managing Executive Officer	42,000 points

• Remuneration for Outside Directors

Performance-linked remuneration is not introduced for Outside Directors from the viewpoint of ensuring independence. Outside Directors are, therefore, subject only to basic remuneration (monetary), and the remuneration therefor is decided by resolution of the Board of Directors through deliberations at the Remuneration Committee.

(Remuneration for Audit & Supervisory Board Members)

Performance-linked remuneration is not introduced for Audit & Supervisory Board Members in view of their role in supervising Directors. Audit & Supervisory Board Members are, therefore, subject only to basic remuneration (monetary), and the remuneration therefor is determined, in principle, through consultations by the Audit & Supervisory Board.

(3) Main activities of Outside Officers

Name	Position	Number of attendance to the Board of Directors meetings	Number of attendance to the Audit & Supervisory Board meetings	Main activities
Kayoko Naito	Outside Director	100% (14/14)	—	Kayoko Naito provides valuable advice from an independent and objective perspective based on her advanced and professional knowledge in international and corporate legal affairs.
Norio Otsuka	Outside Director	100% (14/14)	—	Norio Otsuka provides valuable advice from an independent and objective perspective based on his abundant knowledge and experience in top management.
Takayuki Ishige	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Takayuki Ishige provides valuable advice from an independent and objective perspective based on his abundant experience in finance, accounting and management audits etc., and in serving as an Audit & Supervisory Board Member.
Mikinao Kitada	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Mikinao Kitada provides valuable advice from an independent and objective perspective based on his experience in the judicial field by holding important posts as a public prosecutor and as an attorney, as well as in serving as an Outside Director and Outside Audit & Supervisory Board Member at various companies.
Kazunori Yagi	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Kazunori Yagi provides valuable advice from an independent and objective perspective based on his abundant experience in finance, accounting and management administration etc., and in serving as an Outside Director and Audit & Supervisory Board Member at various companies.
Hyo Kambayashi	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Hyo Kambayashi provides valuable 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 auditing firms and consulting companies.

(Note) The number of attendance to the Board of Directors meetings for Kayoko Naito and Norio Otsuka is based on their attendance record after they assumed the position of Director on June 19, 2018.

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

Sojitz has concluded limited liability agreements with Outside Directors (Kayoko Naito and Norio Otsuka) and Audit & Supervisory Board Members (Junichi Hamatsuka, Takayuki Ishige, Mikinao Kitada, Kazunori Yagi and Hyo Kambayashi) limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.

5. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Amount of remuneration, etc. for Accounting Auditor in FY2018

(Millions of yen)	
	Amount paid
Remuneration, etc. payable by Sojitz in FY2018	
Remuneration, etc. for services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	420
Remuneration, etc. for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	25
Total	445
Total amount of money and other financial benefits payable by Sojitz and its subsidiaries to the Accounting Auditor	799

- (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 Sojitz 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 Sojitz, Sojitz Corporation of America, Sojitz Europe plc, and Sojitz Asia Pte. 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

Sojitz entrusts 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 and reason for selection of Accounting Auditor

Sojitz selects its Accounting Auditor under comprehensive consideration of quality control, independence, auditing execution systems, estimated amounts of remuneration and other considerations according to the evaluation standards for Accounting Auditor set out by the Audit & Supervisory Board.

(5) 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.

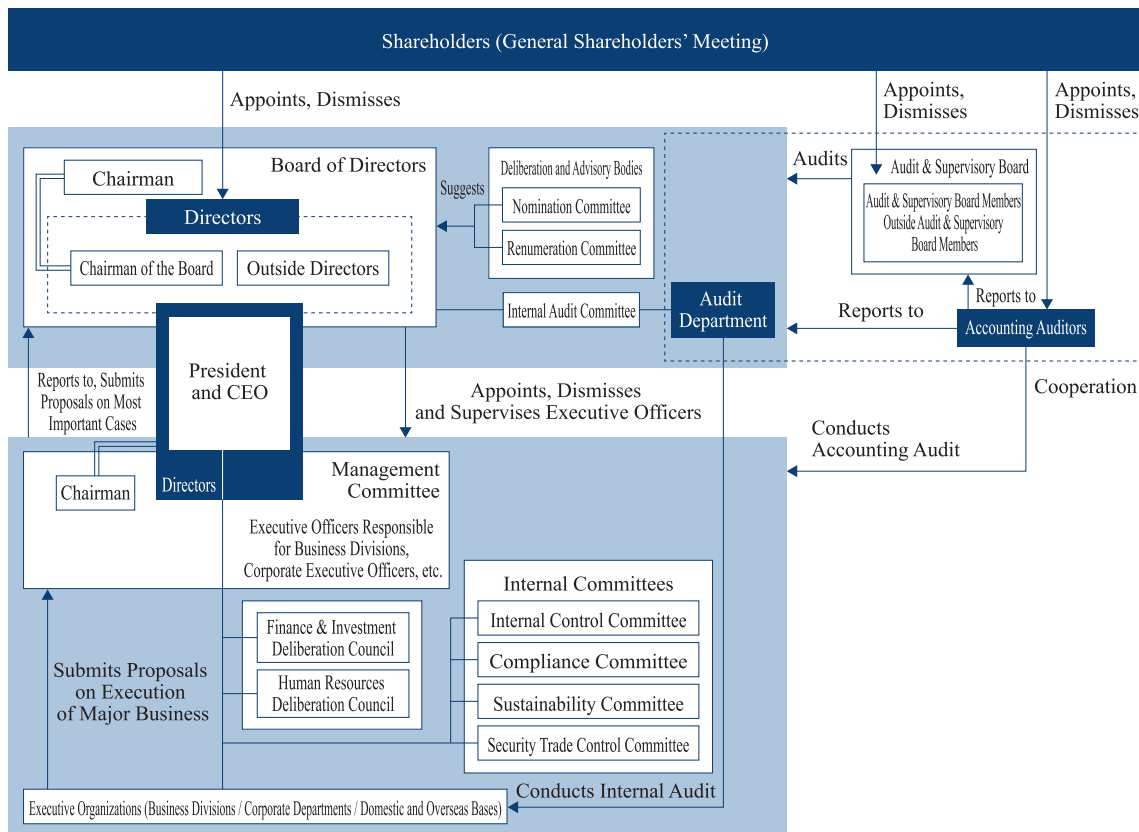
In addition, the Audit & Supervisory Board shall make comprehensive judgments on the Accounting Auditors' execution of their duties, etc., and in case the Accounting Auditor is deemed incapable of executing proper audits, the Audit & Supervisory Board shall decide on the contents of proposal on dismissal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

(6) Evaluation of Accounting Auditor by the Audit & Supervisory Board and its Members

The Audit & Supervisory Board and its Members evaluate the Accounting Auditor according to the evaluation standards for Accounting Auditor set out by the Audit & Supervisory Board, by having interviews, etc., with the Accounting Auditor, and from such perspectives as quality control, results of examination by external institutions, the auditing team's independence, expertise and member configuration, auditing fees, effectiveness and efficiency of audit, communication with the Audit & Supervisory Board Members and group auditing.

6. Corporate Governance Structure

Corporate governance structure (after the General Shareholders' Meeting on June 20, 2019)



(After the General Shareholders' Meeting on June 20, 2019, the corporate governance structure will be revised to further emphasize the supervision of execution of operations by having a Director without the rights of representation take the chair at the Board of Directors meetings to improve the effectiveness of independent and objective oversight of management by the Board of Directors.)

(1) Basic Approach

Sojitz Corporation strives to improve its corporate value over the medium-to-long term based on the “Sojitz Group Statement.”

◆ 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 its belief that the enhancement of its corporate governance is an important issue of management, Sojitz has built the following corporate governance structure in its effort to establish a highly sound, transparent, and effective management structure, while also working toward the fulfillment of its management responsibilities and accountability to its shareholders and other stakeholders.

(a) Management and business execution system

Sojitz employs an executive officer system for the purpose of clarifying authority and responsibilities, and ensuring the smooth and swift execution of business through the separation of managerial decision-making from business execution.

The Board of Directors, chaired by the Chairman of the Board, is the highest decision-making body reviewing and resolving fundamental policies and most important cases concerning the management of the Group. The Board of Directors also supervises business execution through proposals of important matters and regular reports from the executing body.

As the executing body, Sojitz has established the Management Committee, chaired by the President, who is also the Chief Executive Officer. The Committee is responsible for the review and approval of the Group’s important managerial and executive agendas, from a Group-wide and medium-to-long-term viewpoint. In addition, Sojitz has established the Finance & Investment Deliberation Council for the review and approval of investments and loans, the 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 executing bodies all directly reporting to the President & CEO.

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

(b) Monitoring and supervisory functions for management

Sojitz appoints multiple Outside Directors in order to receive appropriate advice and proposals on management of the Group from an outside, objective standpoint and to reinforce the supervisory function of the Board of Directors. In addition, Sojitz ensures appropriateness and transparency with regard to the appointment of Directors and remuneration by having Outside Directors serve as the chairs of the Nomination Committee and the Remuneration Committee, both advisory bodies to the Board of Directors.

Sojitz is a company with an Audit & Supervisory Board, which independently oversees and audits the operations of the Group.

(2) Company Institutions

(a) Board of Directors

As the highest decision-making body, the Board of Directors reviews and resolves fundamental policies and cases of the highest priority concerning Sojitz Group's management, and also supervises business execution by reviewing proposals on important matters and regular reports from the executing body. The Chairman of the Board, the Vice Chairman and the Outside Directors supervise the Executive Directors and overall system of business execution. They also provide opinions and advice on corporate governance.

- Policy for appointing Directors and composition of the Board of Directors

In selecting candidate Directors, Sojitz takes into consideration the diversity of candidates regardless of gender, international experience or other characteristics, to select multiple candidates who possess abundant experience, specialized knowledge, and advanced expertise from both inside and outside Sojitz. This ensures decision-making and management supervision appropriate to a general trading company involved in a wide range of businesses. Sojitz's Articles of Incorporation stipulate that the number of members of the Board of Directors shall be no more than ten. As of March 31, 2019, Sojitz has seven Directors (six male and one female), five of whom are In-house Directors with abundant business experience at Sojitz and two who are Outside Directors with objective, specialist perspectives and diverse knowledge.

- Procedure for nominating Directors

In line with the above nomination policy, the Board of Directors deliberates on the experience and quality as an officer with respect to each Director candidate based on the results of discussion at the Nomination Committee and resolves the candidate proposal for submission to the General Shareholders' Meeting for approval.

- Matters deliberated by the Board of Directors

The Board of Directors reviews and resolves fundamental matters concerning management among Sojitz Group, with regards to organizations systems, and important personnel, as well as matters regarding management philosophy and business plans, based on not only laws, regulations, and the Articles of Incorporation, but also internal regulations established for the Board of Directors. It also reviews and resolves important matters related to business execution, such as important investments and loans.

As for business execution other than these matters resolved by the Board of Directors, the President, the Chief Executive Officer, or the executing bodies reporting to the President & CEO, they are reviewed and approved by auxiliary bodies such as the Management Committee, the Finance & Investment Deliberation Council, and the Human Resource Deliberation Council depending on the contents, scale, importance, and risks inherent each matter.

- Support systems for Directors

Sojitz has a system for reporting to, providing information to, and communicating with In-house and Outside Directors in a timely and appropriate manner, to enable the Board of Directors to properly supervise management of Sojitz.

The bureau of the Board of Directors provides necessary information and materials in advance to ensure sufficient deliberation by the Board of Directors.

- Analysis and assessment of the effectiveness of the Board of Directors

Each year, Sojitz analyzes and assesses the effectiveness of the Board of Directors to improve its functions. The results of the analysis and assessment for the fiscal year ended March 31, 2019, and the tasks ahead are as follows.

Analysis and assessment method	<p>A written survey and an individual interview were conducted for all Directors and Audit & Supervisory Board Members. The results of this survey were then assessed by a third party (an outside consultant).</p> <p>The analysis and assessment outcome based on the results of the third-party assessment and individual interviews was reported to the Board of Directors for a discussion on tasks to be addressed.</p>
Written survey items	<p>The Board of Directors' roles and responsibilities, composition, management and decision-making process, as well as supervision by the Board of Directors and support system for the Board members; items relating to the Nomination Committee and the Remuneration Committee (advisory bodies to the Board of Directors) and Outside Directors; suggestions for improving the effectiveness of the Board, etc.</p>
Outline of the overall assessment result	<p>The aggregated survey results showed that the overall average score exceeded the standard, and the third-party assessment was favorable as detailed below. It is therefore confirmed that the Board of Directors is functioning appropriately and effectively as described below.</p>
Outline of the third-party assessment	<ul style="list-style-type: none"> ● From such findings as active discussions led by Outside Officers, appropriate restraints, an excellent description of bills on the agenda, appropriate composition of the Board of Directors and high competence of the secretariat, it can be concluded that the effectiveness of Sojitz's Board of Directors is fairly high. ● Comments in consideration of the number of Outside Directors exceeding one-third of the Directors were often heard not only from Outside Officers but even from In-house Executive Officers. Discussions on governance took place at the meetings of the Board of Directors, showing such a topic is shared among all Board members. This indicates the Board members' high dedication to enhancing the governance of the Board. ● It was found that support systems were needed to promote the understanding of items on the agenda and opportunities for communication among Outside Officers.
Tasks ahead to further increase the effectiveness of the Board	<p>Based on the results of the above analysis and assessment, Sojitz will continue working to improve the effectiveness of the Board of Directors, such as by conducting regular monitoring of the progress of the medium-term management plan and the operational status of the Nomination Committee; strengthening the alliance between Outside Directors and Outside Audit & Supervisory Board Members; providing explanations on the strategies of the business divisions and the points of discussion by the Finance & Investment Deliberation Council regarding investment and loan projects; and promoting Outside Directors' visits to the sites of Sojitz Group business operations.</p>

- Updates in Fiscal 2019

Aiming to achieve more effective corporate governance, Sojitz created the Board Meeting Operation Office as of April 2019 to reinforce the support operations for the Board of Directors so that the Board of Directors' meetings can be operated more effectively.

After the General Shareholders' Meeting on June 20, 2019, the corporate governance structure will be revised to further emphasize the supervision of execution of operations by having a Director without the rights of representation take the chair at the Board of Directors meetings to further improve the effectiveness of independent and objective oversight of management by the Board of Directors. Upon the resolution of the General Shareholders' Meeting, the Board of Directors will be composed of six Directors (five male and one female), four of whom are In-house Directors with abundant business experience at Sojitz and two who are Outside Directors with objective, specialist perspectives and diverse knowledge.

(b) Audit & Supervisory Board

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 regulations, and the Corporate Audit Standards established by the Audit & Supervisory Board. Audit & Supervisory Board Members attend important meetings related to the execution of business in addition to the meetings of the Board of Directors. Audit & Supervisory Board Members also monitor and audit operations of business by interviewing Directors, reviewing documents related to important decisions, and other methods.

- Composition of the Audit & Supervisory Board

As of March 31, 2019, the Audit & Supervisory Board consists of five members (two full-time), including one In-house Audit & Supervisory Board Member with abundant business experience within Sojitz and four Outside Audit & Supervisory Board Members with objective, specialist perspectives and diverse knowledge.

- Support system for Audit & Supervisory Board Members

The Audit & Supervisory Board Members' Office exists as a dedicated body to support the Audit & Supervisory Board Members, comprised of three full-time staff as of March 31, 2019. It provides information to, reports to, and communicates with In-house and Outside Directors in a timely and appropriate manner.

(c) Advisory bodies to the Board of Directors (Nomination Committee, Remuneration Committee)

Sojitz has established the following advisory bodies to the Board of Directors.

	Nomination Committee	Remuneration Committee
Roles	Discusses and proposes the standards and methods for selecting Director and Executive Officer candidates and considers candidate proposals.	Discusses and proposes remuneration levels for Directors and Executive Officers and various systems related to evaluation and remuneration.
Members	Two Outside Directors and two In-house Directors	Two Outside Directors and two In-house Directors
	Norio Otsuka (Chairperson/Outside Director) Kayoko Naito (Outside Director) Takashi Hara (Representative Director, Vice Chairman) Masayoshi Fujimoto (Representative Director, President & CEO)	Kayoko Naito (Chairperson/Outside Director) Norio Otsuka (Outside Director) Yoji Sato (Representative Director, Chairman of the Board) Takashi Hara (Representative Director, Vice Chairman)

(d) Policies on appointment and standards for independence of Outside Officers

Sojitz places importance on the independence of outside officers. Sojitz has formulated our own Independence Standards for Outside Officers, in addition to the provisions of the Companies Act and standards for independence of officers set by financial instruments exchanges. Sojitz confirms that all our outside officers meet these standards.

For the Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members, please refer to pages 16 and 17 of this notice.

(e) Training policy for Directors and Audit & Supervisory Board Members

Sojitz has taken the following initiatives to enable Directors and Audit & Supervisory Board Members to appropriately fulfill their roles and responsibilities.

- Sojitz provides newly appointed Directors and Audit & Supervisory Board Members with opportunities to attend lectures by lawyers on legal obligations and responsibilities of Directors and Audit & Supervisory Board Members.
- In order for internal and Outside Directors and Audit & Supervisory Board Members to deepen their understanding of our extensive business activities, COOs of each business division hold business briefing sessions, and in order for them to deepen their understanding of the latest macroeconomic conditions, Sojitz's research institute holds monthly briefing sessions. In addition, Sojitz provides other necessary information on an ongoing basis.
- Sojitz offers Directors and Audit & Supervisory Board Members opportunities to attend seminars, etc. held by external organizations such as the Japan Association of Corporate Directors and the Japan Audit & Supervisory Board Members Association.

(f) Policy for determining remuneration of Directors and Audit & Supervisory Board Members

Remuneration of Directors and Audit & Supervisory Board Members is set within the limits determined by resolution at the Ordinary General Shareholders' Meeting. Remuneration of Directors is determined with regards to both account business results and non-financial aspects of performance. Remuneration of Audit & Supervisory Board Members is, in principle, deliberated and decided by the Audit & Supervisory Board.

(3) Business Executing Organizations

Sojitz has established the following executing bodies that directly report to the President, who is Chief Executive Officer.

(a) Management Committee

The Committee is comprised of Executive Directors and Executive Officers in charge of business divisions and the heads of corporate departments. It reviews and approves management policies, management strategies, and management administrative matters among Sojitz Group from a Group-wide and medium-to-long-term perspective.

(b) 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. It discusses and resolves important investment and loan proposals from a Group-wide perspective.

(c) 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 from a Group-wide perspective.

(d) Internal Committees

In order to enhance corporate value, Sojitz has established the following internal committees that act as executing bodies under the direct supervision of the President & CEO, to advance management initiatives that need to be handled across the organization. Each internal committee regularly reports on its activities to the Board of Directors and the Management Committee.

	Internal Control Committee	Compliance Committee	Sustainability Committee
Roles	Formulates policies to maintain and improve the Group's internal control system based on the Companies Act and the Financial Instruments and Exchange Act, and monitors this internal control system and its enforcement among Sojitz Group.	Examines and formulates fundamental policies and measures to ensure compliance.	Examines and formulates fundamental policies and measures related to promotion of sustainability.

In addition, Sojitz has the Disclosure Subcommittee, Security Trade Control Subcommittee* and Information Security Subcommittee as subsidiary bodies of the internal committees.

*In April 2019, the Security Trade Control Subcommittee was reorganized as the Security Trade Control Committee to expedite responses to changing security trade control issues associated with the Sojitz Group and establish appropriate trade control systems.

(4) Corporate audits, accounting audits and internal audits

Audit & Supervisory Board Members, the Accounting Auditor and the Audit Department boost the effectiveness of their respective audits by exchanging information to ensure their efforts are complementary and efficient.

(a) Audits by Audit & Supervisory Board Members

Pursuant to the Corporate Audit Standards established by the Audit & Supervisory Board, Audit & Supervisory Board Members attend important meetings such as those of the Board of Directors, Management Committee and Finance & Investment Deliberation Council. In addition, based on audit plans and task assignments, Audit & Supervisory Board Members oversee and audit the operations of Sojitz Group by performing audits using means such as interviewing Directors and other members of senior management regarding business execution, reviewing important documents relevant to major business decisions, and checking business reports from subsidiaries.

Audit & Supervisory Board Members receive explanations about audit plans and regular audit reports from the Accounting Auditor, which they use to conduct effective audits and monitor the independence of the Accounting Auditor. They also receive audit plans and reports on the status of audits from the Internal Audit Department, and submit opinion statements on audit results. Sojitz has thus established a system for ascertaining the status in a timely and appropriate fashion, based on cooperation with the Accounting Auditor and Internal Audit Department.

(b) Accounting Audits

Sojitz has appointed the independent auditing firm KPMG AZSA LLC to conduct accounting audits in accordance with the Companies Act, as well as audits of financial statements, quarterly reviews and internal control audits in accordance with the Financial Instruments and Exchange Act. Their executive officers and assistant staff involved in audits for Sojitz in the fiscal year ended March 31, 2019, are as follows. Details on their years of service are omitted, as all of the certified public accountants (CPAs) who audited Sojitz have served for less than seven years.

(Designated Limited Liability Partners, Engagement Partners)

Iwao Hirano, Kentaro Onishi, Daisuke Yamada

(Assistant staff working for our accounting audit)

11 CPAs and 20 assistant CPAs

(c) Internal Audits

Based on an audit plan adopted by the Board of Directors and under the command of the Internal Audit Committee, the Internal Audit Department (comprising 27 people as of March 31, 2019) conducts audits covering the business divisions, corporate departments, and consolidated subsidiaries as follows.

- During the audit, the Department investigates whether organizational governance, risk management, and internal controls are functioning appropriately and makes proposals for effective improvements to prevent loss and resolve issues.
- After the audit is completed, the Department submits an audit report to the Internal Audit Committee and the Audit & Supervisory Board Members after exchanging opinions at an audit review meeting for the

audited organizations and the concerned parties (COO of divisions with primary responsibility, officers responsible for corporate departments and Audit & Supervisory Board Members). In addition, the Department holds an audit report meeting to provide an explanation to the Internal Audit Committee every month.

- To address the problems identified in the audits, the Internal Audit Department receives reports about improvements by the audited organizations for the three- and six-month periods after the audits, and conducts a follow-up audit to check their progress.

(5) Respect for the rights of stakeholders

As expressed in the Sojitz Group Statement, Sojitz strives through its corporate activities to meet the diverse needs and expectations of our stakeholders throughout the world with integrity and to provide new value continuously. By doing so, Sojitz works to maximize two types of value: “Value for Sojitz,” including enhancement of the Sojitz Group’s business foundation and sustained growth; and “Value for society,” such as development of national and local economies, environmental preservation and respect for human rights.

To implement the Sojitz Group Statement and build stronger relationships of trust with stakeholders, Sojitz has established the Sojitz Guiding Principles, sustainability policies in accordance with international norms such as the Ten Principles of the UN Global Compact, the Paris Agreement, and SDGs (Sustainable Development Goals), and the “Sojitz Group Code of Conduct and Ethics” for compliance, which all Group officers and employees are expected to honor, and ensures they are made known and thoroughly complied with by each Group company as well as their officers and employees.

(a) Sustainability Initiatives

To maximize the two types of value referenced above, the Sojitz Group has defined six key sustainability issues (Materiality) for supporting the medium-to-long term sustained growth of the Group. Moreover, “Sustainability Challenges” has been established as a long-term sustainability vision.

<Key Sustainability Issues (Materiality)>

- Human Rights: Respect the human rights of people involved in our businesses
- Environment: Contribute to the global environment through our businesses
- Resources: Develop, supply and use sustainable resources
- Local Communities: Develop and grow together with local communities
- Human Resources: Promote opportunities for diverse human resources and workplace diversity
- Governance: Emphasize effectiveness and transparency

<Sustainability Challenges>

“We aim to create sustainable growth for both Sojitz and society by working to help achieve a decarbonized society through our business activities, and by responding to human rights issues, including those within our supply chains.”

Sojitz recognizes the three-year Medium-term Management Plan 2020 as a period for preparing to address the long-term vision and will grow business to contribute to the realization of a low-carbon society over the next decade while stepping up initiatives to guarantee human rights are always respected.

(b) Initiatives Targeting Employee Diversity

In order for Sojitz's global business to remain competitive over the long-term, the company continually works to ensure employee diversity by recruiting, developing, and utilizing the most talented employees regardless of gender, nationality, age, or personal values. Additionally, Sojitz strives to create policies and working environments which maximize the capabilities of all Sojitz Group members.

- Empowering women in the workplace

Sojitz has implemented several policies from a mid- to long-term perspective, designed to improve working environments/systems and change mindsets among employees and their bosses. These include a number of policies which seek to empower female managers and other women in the workplace. In October 2018, Sojitz became the first general trading company to join the "Ikuboss Corporate Alliance" as part of efforts to increase the number of managers who help women and other diverse talent reach their potential. Under the "Sojitz Commitment to Ikuboss," the company helps employees juggle both job responsibilities and child rearing, while also working to accommodate more flexible working styles. In March 2019, Sojitz was selected for the third time in a row for the Nadeshiko Brand, a designation by the Japan Ministry of Economy, Trade and Industry/Tokyo Stock Exchange recognizing listed companies which excel at promoting women's success in the workplace.

- Recruitment & development of global talent

Sojitz Tokyo headquarter's new graduate recruitment policy calls for foreign nationals to comprise 10% of the new hire intake. Additionally, Sojitz's operating companies overseas not only employ the best local talent, making the most of these employees to further Sojitz's growth strategies worldwide; the company continues to hold training programs at the Tokyo head office for Sojitz Group employees from abroad, as part of its efforts to develop core management candidates. In terms of developing employees at Tokyo HQ, Sojitz is proactively implementing programs to develop employees with a global perspective, such as by dispatching all employees for training overseas within their first five years, providing language training in the countries where those languages are spoken, and sending the company's best and brightest to MBA or LLM programs.

- Utilizing talent regardless of age

Sojitz ensures employees receive treatment appropriate to their job rank and grade, regardless of age or seniority. The company has also introduced an HR system which enables employees to be promoted at an earlier stage in their careers and is working to create a work environment which fosters high motivation and engagement from each and every employee.

Sojitz's human resources system also encourages engagement among employees nearing retirement age, enabling them to maximize use of their experience, knowledge, and connections.

- Employing persons with disabilities

In addition to employing persons with disabilities (PWDs) at Tokyo HQ, Sojitz has established a "special

associate company” as stipulated by Japanese law. By equipping this special associate company with a system which breaks down duties in a way appropriate to individuals’ disabilities and which enables staff to follow up with employees regarding their lives outside the office, Sojitz has created a working environment tailored to persons with intellectual or mental disabilities, thereby promoting employment of PWDs. As of March 31, 2019, Sojitz Corporation itself has not yet cleared the legally-stipulated benchmark for employment of PWDs, which was raised to 2.2% in April 2018. However, Sojitz has supplemented PWD employment through collaboration with this special associate company, and the company continues to encourage hiring of PWDs.

(c) Dialogue with Shareholders

Sojitz maintains a basic policy of engaging in constructive dialogue with shareholders. Sojitz continues to provide shareholders with appropriate and timely information on management policy and initiatives to achieve sustained growth and increase corporate value over the medium-to-long term. Shareholders’ opinions are then reported to the upper management and reflected in management decisions.

To ensure fair and appropriate disclosure of information to its stakeholders, including shareholders and investors, with respect for the Fair Disclosure Rule, Sojitz has established and observed a set of internal regulations including the “Regulations to Prevent Insider Trading” and the “Information Disclosure Regulations” that stipulate fundamental policies for compliance with laws and regulations, transparency, timeliness, fairness, consistency and confidentiality, and ensure strict compliance by executive officers and employees.

- Providing information to shareholders

Sojitz’s basic policy is to communicate information fairly and equally to all shareholders. Information regarding the Medium-term Management Plan and financial results is publicized via TDnet or the Sojitz website immediately after resolution by the Board of Directors. In addition, to promote the understanding of its business activities and business models, Sojitz has engaged in active disclosure of information, such as publishing Integrated Reports, holding briefings for individual shareholders and on business activities and distributing videos on the Sojitz website.

- Initiatives with regard to the Ordinary General Shareholders’ Meeting

The Notice of Ordinary General Shareholders’ Meeting is posted on our website in Japanese and English around four weeks prior to the Ordinary General Shareholders’ Meeting and is sent out by mail around three weeks prior to the meeting. Beginning in the fiscal year ended March 31, 2019, the Notice of Ordinary General Shareholders’ Meeting has become compatible with smartphones and tablets as well. In addition, Sojitz aims to make the Ordinary General Shareholders’ Meetings as interactive as possible through active measures including holding it at a different time from most other companies in Japan, using Internet voting, and providing a webcast of the Ordinary General Shareholders’ Meeting on the Sojitz website after the meeting has been held.

- Systems and initiatives for dialogue with shareholders

Sojitz has established a system where Directors play an active role in dialogue with shareholders, with support from the Investor Relations Office as a dedicated body for this purpose.

Parties	Initiatives	Specific activities in the fiscal year ended March 31, 2019
Individual shareholders and individual investors	Hold various briefing sessions to ensure opportunities for the President & CEO and the CFO as the Representative Directors, and others to explain our management strategies and performance trends, etc.	Briefing for shareholders (Osaka, Nagoya, Fukuoka and Shizuoka) Briefings for individual investors Participation in IR events organized by securities companies
Institutional investors (Japan and overseas)	Ensure to provide opportunities for direct dialogue through various briefings and individual meetings, etc.	Financial results briefings Individual meetings Business activities briefings Participation in conferences held by securities companies in Japan and overseas

In addition to the above, securities analysts attended financial results briefings and business activities briefing.

Financial Statements
Consolidated Financial Statements

Consolidated Statements of Financial Position

(Millions of yen)

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

Consolidated Statements of Profit or Loss

(Millions of yen)

Items	FY2018 (From April 1, 2018 to March 31, 2019)	(Reference) FY2017 (From April 1, 2017 to March 31, 2018)
Revenue		
Sale of goods	1,749,319	1,716,670
Sales of service and others	106,870	99,788
Total revenue	1,856,190	1,816,459
Cost of sales	(1,615,233)	(1,584,078)
Gross profit	240,956	232,380
Selling, general and administrative expenses	(173,433)	(162,662)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	1,764	(324)
Impairment loss on fixed assets	(509)	(4,402)
Gain on sale of subsidiaries/associates	8,039	7,517
Loss on reorganization of subsidiaries/associates	(3,099)	(11,847)
Other operating income	5,113	6,763
Other operating expenses	(8,832)	(7,584)
Total other income/expenses	2,476	(9,878)
Financial income		
Interests earned	7,084	5,682
Dividends received	5,167	4,639
Other financial income	143	—
Total financial income	12,395	10,321
Financial costs		
Interest expenses	(15,290)	(14,746)
Other financial costs	—	(128)
Total financial cost	(15,290)	(14,874)
Share of profit (loss) of investments accounted for using the equity method	27,779	25,057
Profit before tax	94,882	80,343
Income tax expenses	(19,662)	(18,648)
Profit for the year	75,219	61,694
Profit attributable to:		
Owners of the Company	70,419	56,842
Non-controlling interests	4,799	4,852
Total	75,219	61,694

(Reference) Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2018 (From April 1, 2018 to March 31, 2019)	FY2017 (From April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Profit for the year	75,219	61,694
Depreciation and amortization	21,297	23,067
Impairment loss of fixed assets	509	4,402
Finance (income) costs	2,895	4,552
Share of (profit) loss of investments accounted for using the equity method	(27,779)	(25,057)
(Gain) loss on sale of fixed assets, net	(1,764)	324
Income tax expenses	19,662	18,648
(Increase) decrease in trade and other receivables	77,093	7,980
(Increase) decrease in inventories	(39,968)	(118,303)
Increase (decrease) in trade and other payables	(74,708)	166,218
Changes in other assets and liabilities	54,962	(39,979)
Increase (decrease) in retirement benefits liabilities	(179)	430
Others	(543)	3,597
Subtotal	106,696	107,578
Interests earned	5,163	4,248
Dividends received	23,951	17,735
Interests paid	(15,138)	(14,814)
Income taxes paid	(24,197)	(15,935)
Net cash provided (used) by/in operating activities	96,476	98,812
Cash flows from investing activities		
Purchase of property, plant and equipment	(30,832)	(29,590)
Proceeds from sale of property, plant and equipment	5,963	590
Purchase of intangible assets	(7,113)	(2,310)
(Increase) decrease in short-term loans receivable	5,899	2,115
Payment for long-term loans receivable	(7,802)	(32,312)
Collection of long-term loans receivable	7,740	10,826
Proceeds from (payments for) acquisition of subsidiaries	(3,753)	(20,227)
Proceeds from (payments for) sale of subsidiaries	1,468	5,411
Purchase of investments	(32,721)	(26,260)
Proceeds from sale of investments	17,393	13,074
Others	1,556	(7,725)
Net cash provided (used) by/in investing activities	(42,200)	(86,407)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	24,999	(21,723)
Proceeds from long-term borrowings	82,636	128,716
Repayment of long-term borrowings	(162,353)	(122,702)
Proceeds from issuance of bonds	—	19,881
Redemption of bonds	(42)	(10,061)
Acquisition of subsidiaries and equity method associates from non-controlling interest holders	(1,195)	—
Proceeds from non-controlling interest holders	3,873	7,389
Purchase of treasury stock	(691)	(4)
Dividends paid	(16,888)	(11,258)
Dividends paid to non-controlling interest holders	(3,139)	(2,622)
Others	(2,106)	(666)
Net cash provided (used) by/in financing activities	(74,907)	(13,052)
Net increase (decrease) in cash and cash equivalents	(20,631)	(648)
Cash and cash equivalents at the beginning of the year	305,241	308,632
Effect of exchange rate changes on cash and cash equivalents	1,076	(2,742)
Cash and cash equivalents at the end of the year	285,687	305,241

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

Items	As of March 31, 2019	(Reference) As of March 31, 2018	Items	As of March 31, 2019	(Reference) As of March 31, 2018
Assets			Liabilities		
<u>Current assets</u>	661,765	733,805	<u>Current liabilities</u>	518,545	590,928
Cash and deposits	172,306	175,525	Notes payable-trade	7,859	20,707
Notes receivable-trade	9,710	10,964	Accounts payable-trade	247,548	316,870
Accounts receivable-trade	180,958	188,130	Short-term loans payable	137,806	142,626
Merchandise	202,491	255,331	Current portion of bonds	10,000	—
Advance payments-trade	17,924	19,648	Income taxes payable	3,223	2,267
Short-term loans receivable	37,622	31,548	Advances received	13,449	15,255
Deferred tax assets	—	1,826	Deposits received	75,511	78,151
Other	41,005	51,021	Provision for bonuses	3,945	3,166
Allowance for doubtful accounts	(253)	(190)	Other	19,200	11,883
<u>Noncurrent assets</u>	883,958	905,678	<u>Noncurrent liabilities</u>	620,355	664,122
<u>Property, plant and equipment</u>	7,884	7,577	Bonds payable	80,000	90,000
Buildings	3,023	2,707	Long-term loans payable	521,722	554,526
Land	3,085	3,171	Provisions for retirement	9,262	8,963
Other	1,775	1,698	benefits		
<u>Intangible assets</u>	5,448	5,884	Provision for delivery of	132	—
Software	2,069	1,840	shares		
Goodwill	2,990	3,884	Deferred tax liabilities	—	4,679
Other	387	159	Other	9,237	5,952
<u>Investments and other assets</u>	870,625	892,217	Total liabilities	1,138,901	1,255,050
Investment securities	121,060	122,878	Net assets		
Stocks of subsidiaries and	638,098	636,272	<u>Shareholders' equity</u>	379,742	352,789
associates					
Investments in capital of	37,414	39,279	<u>Capital stock</u>	160,339	160,339
subsidiaries and associates,			<u>Capital surplus</u>	155,271	155,271
etc.			Legal capital surplus	152,160	152,160
Long-term loans receivable	42,949	74,688	Other capital surplus	3,110	3,110
Bad debts	72,203	76,893	<u>Retained earnings</u>	64,997	37,353
Deferred tax assets	8,997	—	Other retained earnings		
Other	14,237	10,165	Retained earnings brought		
Allowance for doubtful accounts	(61,849)	(64,951)	forward	64,997	37,353
Allowance for investment loss	(2,487)	(3,009)	<u>Treasury stock</u>	(865)	(174)
<u>Deferred assets</u>	250	319			
Bond issuance cost	250	319	<u>Valuation and translation</u>		
			<u>Adjustments</u>	27,331	31,964
			Valuation difference on		
			available-for-sale securities	33,381	38,418
			Deferred gains or losses on		
			hedges	(6,500)	(6,453)
			Total net assets	407,073	384,754
Total assets	1,545,974	1,639,804	Total liabilities and net assets	1,545,974	1,639,804

Non-consolidated Statements of Income

(Millions of yen)

Items	FY2018 (From April 1, 2018 to March 31, 2019)	(Reference) FY2017 (From April 1, 2017 to March 31, 2018)
Net sales	2,515,998	2,626,996
Cost of sales	2,463,861	2,575,382
Gross profit	52,137	51,614
Selling, general and administrative expenses	60,143	57,786
Operating income (loss)	(8,006)	(6,171)
Non-operating income		
Interest income	4,485	4,270
Dividends income	50,067	46,473
Gain on valuation of derivatives	56	645
Foreign exchange profits	—	1,113
Other	5,515	6,241
Total non-operating income	60,124	58,744
Non-operating expenses		
Interest expenses	11,139	11,548
Foreign exchange losses	1,460	—
Other	4,883	4,371
Total non-operating expenses	17,483	15,919
Ordinary income	34,633	36,652
Extraordinary income		
Gain on sales of noncurrent assets	126	0
Gain on sales of subsidiaries and associates' stocks, etc.	6,310	926
Gain on sales of investment securities, etc.	1,442	2,368
Reversal of allowance for doubtful accounts	—	157
Total extraordinary income	7,879	3,453
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	7	86
Impairment loss	3	6
Loss, and provision for loss, on dissolution of subsidiaries and associates	5,072	18,563
Loss on sales of investment securities, etc.	16	8
Loss on valuation of investment securities, etc.	4,433	765
Total extraordinary losses	9,533	19,431
Income before income taxes	32,979	20,675
Income taxes-current	(874)	(3,770)
Income taxes-deferred	(3,029)	1,118
Total income taxes	(3,903)	(2,651)
Net income	36,883	23,326

Independent Auditors' Audit Report

May 16, 2019

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC

Designated Limited Liability Partner
Engagement Partner

Iwao Hirano

Certified Public Accountant

Designated Limited Liability Partner
Engagement Partner

Kentaro Onishi

Certified Public Accountant

Designated Limited Liability Partner
Engagement Partner

Daisuke Yamada

Certified Public Accountant

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, 2019 and for the consolidated fiscal year from April 1, 2018 to March 31, 2019.

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 Rules of Corporate Accounting, 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 Rules of Corporate Accounting, present fairly, in all material aspects, the financial position and results of operations of Sojitz and its subsidiaries, applicable to the consolidated fiscal year ended March 31, 2019 .

Other Matter

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

Independent Auditors' Audit Report

May 16, 2019

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	Kentaro Onishi
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, 2019 and for the 16th fiscal year from April 1, 2018 to March 31, 2019.

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 Sojitz, applicable to the fiscal year ended March 31, 2019 in conformity with accounting principles generally accepted in Japan.

Other Matter

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

Audit & Supervisory Board's audit report: Full copy

Audit Report

With respect to the Directors' performance of their duties during the 16th fiscal year (from April 1, 2018 to March 31, 2019), 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 businesses 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 Sojitz 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 Rules of Corporate Accounting) 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 Sojitz in conformity with the applicable laws and regulations and the Articles of Incorporation of Sojitz.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of Sojitz 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 16, 2019

Sojitz Corporation Audit & Supervisory Board

Audit & Supervisory Board Member(Full-time)

Outside Audit & Supervisory Board Member(Full-time)

Outside Audit & Supervisory Board Member

Outside Audit & Supervisory Board Member

Outside Audit & Supervisory Board Member

Junichi Hamatsuka

Takayuki Ishige

Mikinao Kitada

Kazunori Yagi

Hyo Kambayashi

Access to the Venue

Date and Time:

10:00 a.m., Thursday, June 20, 2019

(Reception is scheduled to start at 9:00 a.m.)

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

Place:

Rose Banquet Hall (3F) at Tokyo Kaikan
2-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

Tel: 03-3215-2111

Please note that the meeting venue has been changed from that of last year.

Rail access via:

JR Line

- Tokyo Station (JR Keiyo Line): 3 minute walk from Exit 6.
- Yurakucho Station: 5 minute walk from Tokyo International Forum Exit.
- Tokyo Station: 10 minute walk from Marunouchi South Exit.

Subway access via Exit B5 (direct access):

Tokyo Metro Chiyoda Line: Nijubashimae Station

Tokyo Metro Yurakucho Line: Yurakucho Station

Tokyo Metro Hibiya Line: Hibiya Station

Toei Transportation Mita Line: Hibiya Station

