



New way, New value

Notice of the 11th Ordinary General Shareholders' Meeting

To be held at 10:00 a.m. on Tuesday, June 24, 2014 at ANA InterContinental Tokyo

Deadline for Exercising Voting Rights by Postal Mail or Internet: To arrive no later than 5:30 p.m. on Monday, June 23, 2014 (JST)

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The following is an English translation of Notice of the 11th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz" or the "Company") to be held on June 24, 2014. Sojitz provides this translation for your reference and convenience only. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Sojitz hereby disclaims all representations and warranties with respect to this translation, whether express or implied, including, but not limited to, any representations and warranties with respect to accuracy, reliability or completeness of this translation. In no event shall Sojitz be liable for any damages or any kind of nature, including, but not limited to, direct, indirect, special, punitive, consequential or incidental damages arising from or in connection with this translation. Also, this document was created for the purpose of providing information to our shareholders that will help them make informed decisions. It was not created to solicit investors to buy or sell Sojitz's stock. The final decision and responsibility for investments rests solely with the reader of this document

Sojitz Corporation

(Securities code 2768)

June 3, 2014

To Our Shareholders:

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

Notice of the 11th Ordinary General Shareholders' Meeting

You are cordially invited to attend the 11th Ordinary General Shareholders' Meeting of Sojitz Corporation to be held as described below. We look forward to greeting as many of our shareholders as possible at the meeting.

Date and Time	<u>10:00 a.m., Tuesday, June 24, 2014</u> (The reception is scheduled to open at 9:00 a.m.)
Place	Prominence Ball Room (BF1) at ANA InterContinental Tokyo 12-33, Akasaka 1-chome, Minato-ku, Tokyo (Please refer to the Guide Map attached at the end)

If you are unable to attend the meeting in person, please read the attached Reference Documents for the General Shareholders' Meeting, and exercise your voting rights by postal mail or Electronic Method in accordance with the instructions on pages 3 and 4 by no later than 5:30 p.m. on Monday, June 23, 2014 (JST).

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

Purposes of the Meeting

Matters to be reported:	<p>(1) The 11th Fiscal Year (from April 1, 2013 to March 31, 2014) business report, 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 11th Fiscal Year (from April 1, 2013 to March 31, 2014) non-consolidated financial statements</p>
Matters to be resolved:	<p>Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 11th Fiscal Year)</p> <p>Proposal No. 2 Election of Seven (7) 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 the Company, in accordance with the Articles of Incorporation of the Company. In this case, the proxy will be requested to present your letter of proxy, together with your Voting Right Exercise Form at the reception desk upon arrival at the meeting.
- In accordance with the applicable laws and regulations and the Articles of Incorporation of the Company, we publish Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements on our website at <http://www.sojitz.com/en/ir/stkholder/general/>.
- In the event of any revisions to the Reference Documents for the General Shareholders' Meeting, or the business report, consolidated or non-consolidated financial statements, we will publish the amendments on our website at <http://www.sojitz.com/en/ir/stkholder/general/>.
- The Notice of Resolutions for the 11th Ordinary General Shareholders' Meeting will be published on our website at <http://www.sojitz.com/en/ir/stkholder/general/> after the General Shareholders' Meeting.

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

Guidance for Exercising Voting Rights

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

<For shareholders who are attending the meeting>

When you attend the meeting, you are requested to present the enclosed Voting Right Exercise Form at the reception desk upon arrival at the meeting. You are also requested to bring this document “Notice of the 11th Ordinary General Shareholders’ Meeting” with you to the meeting.

<For shareholders who are unable to attend the meeting>

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

<Exercising Voting Rights by Postal Mail>

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

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

Deadline for Exercising Voting Rights: To arrive no later than 5:30 p.m. on Monday, June 23, 2014 (JST)

<Exercising Voting Rights by Electronic Method (Internet)>

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

Deadline for Exercising Voting Rights: No later than 5:30 p.m. on Monday, June 23, 2014 (JST)

<Electronic Voting Platform>

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

Instructions for exercising voting rights by Electronic Method (Internet)

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

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

<Website designated by the Company for exercising voting rights>

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

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

Deadline for Exercising Voting Rights: No later than 5:30 p.m. on Monday, June 23, 2014 (JST)

For computers and smartphones

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

For mobile phones

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

Precautions to observe

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

Handling of voting rights exercised in duplicate

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

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

The costs incurred for the access to the website designated by the Company for exercising voting rights (such as Internet connection charge and phone charge) shall be borne by the shareholder. The packet communication and other fees are charged for the usage of smartphone or mobile phone, which shall also be borne by the shareholder.

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

For technical inquiries, please contact:

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

Reference Documents for the General Shareholders' Meeting

Proposals and Reference Matters

Proposal No. 1: Dividends from Surplus (Year-End Dividends for the 11th Fiscal Year)

We recognize that the stable, continuous payment of dividends is an important management issue, together with enhancing corporate competitiveness and shareholders' value by increasing retained earnings and using them effectively. Our basic dividends policy is a consolidated payout ratio of approximately 20%.

Taking into account matters such as the status of shareholders' equity and capital demand resulting from investments for growth and other matters, we hereby propose year-end dividends for this fiscal year as follows.

(1) Type of Dividend Property

Cash

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

2 yen per share in common stock of the Company, and 2,502,064,406 yen in total

We paid an interim dividend of 2 yen per share on December 3, 2013. Therefore, an annual dividend per share will be 4 yen and the total amount of annual dividends is 5,004,218,068 yen.

(3) Effective Date of Dividends from Surplus

June 25, 2014

Proposal No. 2: Election of Seven (7) Directors

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

Candidates for Directors are as follows. Prior to the nomination of the candidates, we have received a report from the Nomination Committee, an advisory body of the Board of Directors of the Company, stating that each candidate satisfies the criteria for Directors formulated by the Nomination Committee.

We do not have any quantitative standard to determine the independence of candidates for the appointment of Outside Directors. However, in order to reflect advice and recommendations from an objective perspective and independent standpoint in the decision making by the Company, we have always nominated candidates for Outside Directors who have extensive knowledge and insight, including academics and experts in the administrative fields.

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


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


No.	Name (Age)	Position at the Company	Responsibilities at the Company	Number of Attendance to the Board of Directors Meetings
1	Yutaka Kase (67) <Reappointment>	Representative Director and Chairman		100% (15/15)
2	Takashi Hara (62) <Reappointment>	Representative Director and Vice Chairman		100% (15/15)
3	Yoji Sato (64) <Reappointment>	Representative Director, President	CEO	100% (15/15)
4	Shigeki Dantani (65) <Reappointment>	Representative Director and Executive Vice President	Business Group	100% (15/15)
5	Yoshio Mogi (62) <Reappointment>	Representative Director and Executive Vice President	CFO, and Senior Management of Finance & Accounting, Risk Management, and Corporate Accounting, Forex & Securities	100% (15/15)
6	Yoko Ishikura (65) <New> <Independent Officer> <Outside Director>			Not applicable (new candidate)
7	Yukio Kitazume (63) <New> <Independent Officer> <Outside Director>			Not applicable (new candidate)


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

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


No.	Name (Date of Birth, Age)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
1	 <p>Yutaka Kase (February 19, 1947, 67)</p> <p><Reappointment></p> <p>Term of office of Director of the Company: 8 years (as of the conclusion of the Meeting)</p>	<p>May 1970 Joined Nissho Iwai Corporation</p> <p>November 1992 President, Nissho Iwai New Zealand, and General Manager, Auckland Branch</p> <p>April 1995 General Manager, Wood Products Dept., Nissho Iwai Corporation</p> <p>June 1997 General Manager, Portland Branch, Nissho Iwai American Corporation</p> <p>January 1999 Group Executive, Consumer Life & Resources Business Group</p> <p>June 2001 Executive Officer, Nissho Iwai Corporation Executive Vice President, Nissho Iwai American Corporation</p> <p>April 2002 President, Chemicals & Forest Products Company, Nissho Iwai Corporation</p> <p>April 2003 Director, Managing Executive Officer</p> <p>April 2004 The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation Representative Director, Senior Managing Executive Officer</p> <p>August 2004 Representative Director, Executive Vice President</p> <p>October 2005 The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation Representative Director, Executive Vice President</p> <p>April 2007 Representative Director, President & CEO</p> <p>April 2012 Representative Director and Chairman (current position)</p> <p>June 2013 Outside Director, Astellas Pharma Inc. (current position)</p> <p>[Significant Concurrent Occupations or Positions at Other Organizations] Outside Director, Astellas Pharma Inc. There is no special relationship between Astellas Pharma Inc. and the Company.</p> <p>To Our Shareholders: As Chairman of the Board of Directors, I will manage and supervise the execution of business and strive to maintain a sound management system. I will also focus my efforts on ensuring that the Group fulfills its social responsibility as a member of society, and that compliance is thoroughly implemented. As a general trading company engaged in diverse businesses on a global basis amid a changing business environment, we will continue to make every effort to increase shareholders' value, while working to enhance and maintain an appropriate governance structure.</p>	183,300

No.	Name (Date of Birth, Age)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
2	 <p>Takashi Hara (August 24, 1951, 62)</p> <p><Reappointment></p> <p>Term of office of Director of the Company: 2 years (as of the conclusion of the Meeting)</p>	<p>April 1975 Joined The Sanwa Bank Ltd.</p> <p>November 1993 General Manager, Mita Branch</p> <p>May 1999 General Manager, Public Relations Division</p> <p>January 2002 Executive Officer, General Manager, Public Relations Division, UFJ Holdings, Inc. 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>Executive Officer, General Manager, Public Relations Division</p> <p>March 2003 Executive Officer, General Manager, Kyoto Corporate Banking Office, and General Manager, Kyoto Branch</p> <p>July 2004 Executive Officer, General Manager, Human Resources Division</p> <p>May 2005 Managing Executive Officer, General Manager, Human Resources Division</p> <p>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. Managing Executive Officer</p> <p>June 2008 Managing Director</p> <p>May 2009 Senior Managing Director</p> <p>May 2010 Deputy President</p> <p>June 2012 Representative Director and Vice Chairman, Sojitz Corporation (current position)</p> <p>To Our Shareholders: I have endeavored to maintain and enhance governance so that the Group can conduct its business appropriately while seeking to increase corporate value. In light of the fact that the status of corporate governance of enterprises has come under strict scrutiny recently, I will exercise my supervisory function as a director to meet the expectations of our shareholders and all other stakeholders.</p>	40,800

No.	Name (Date of Birth, Age)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
3	 <p>Yoji Sato (July 14, 1949, 64)</p> <p><Reappointment></p> <p>Term of office of Director of the Company: 8 years (as of the conclusion of the Meeting)</p>	<p>April 1973 Joined Nissho Iwai Corporation</p> <p>January 1999 General Manager, Finance and Management, Accounting and Affiliate Administration, Nissho Iwai American Corporation</p> <p>January 2003 Planning Unit Leader, Nissho Iwai Corporation</p> <p>April 2003 Executive Officer</p> <p>April 2004 The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation Managing Executive Officer</p> <p>April 2005 Director, Managing Executive Officer, CFO</p> <p>October 2005 The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation Director, Managing Executive Officer, CFO</p> <p>April 2006 Director, Senior Managing Executive Officer, CFO</p> <p>April 2008 Representative Director and Executive Vice President, Corporate Management, and CFO</p> <p>April 2012 Representative Director, President & CEO (current position)</p> <p>To Our Shareholders: Sojitz Corporation was able to celebrate its 10th anniversary since its establishment in 2004 thanks to the support of everyone. The birth of Sojitz originated from the idea of sincere pursuit of mutual prosperity with all our stakeholders. Remaining true to that initial spirit, as the President who bears ultimate responsibility for the execution of business, I will work to enhance corporate value by striving to produce the results of the Medium-Term Management Plan 2014, which is in its final year this fiscal year. I will continue to take up challenges unceasingly to pursue greater achievements in the next decade.</p>	196,100

No.	Name (Date of Birth, Age)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
4	 <p>Shigeki Dantani (September 9, 1948, 65)</p> <p><Reappointment></p> <p>Term of office of Director of the Company: 2 years (as of the conclusion of the Meeting)</p>	<p>April 1971 Joined Nissho Iwai Corporation</p> <p>September 1998 General Manager, Coal Department</p> <p>July 2002 Senior Vice President, Energy and Metal Resources Company, and General Manager, Coal Department</p> <p>March 2005 General Manager, Non-Ferrous Metals Department, Sojitz Corporation (The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation in April 2004)</p> <p>October 2005 The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation General Manager, Non-Ferrous Metals Department</p> <p>January 2006 Executive Officer, and General Manager, Non-Ferrous Metals Department</p> <p>April 2006 President & CEO for Asia</p> <p>January 2007 President & CEO for Asia & Oceania</p> <p>April 2008 Managing Executive Officer</p> <p>May 2010 President, Energy & Metal Division</p> <p>April 2011 Senior Managing Executive Officer</p> <p>April 2012 Executive Vice President, Business Group</p> <p>June 2012 Representative Director and Executive Vice President, Business Group (current position)</p> <p>To Our Shareholders: As the Vice President in charge of the Business Group, I have actively promoted the implementation of reforms in pursuit of growth initiatives as stated in the Company's management plan. An enterprise must be continually raising its corporate value. The creation of a stable revenue base for the future is a challenge for the Company, and we will accelerate our efforts to capture high quality businesses in order to meet the expectations of our shareholders.</p>	59,600

No.	Name (Date of Birth, Age)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
5	 Yoshio Mogi (April 10, 1952, 62) <Reappointment> Term of office of Director of the Company: 2 years (as of the conclusion of the Meeting)	<p>April 1975 Joined Nichimen Company, Limited</p> <p>January 2000 General Manager, Foreign Exchange and Securities Department, Nichimen Corporation (name changed from Nichimen Company, Limited in June 1982)</p> <p>April 2002 General Manager, Financial Enterprise Department</p> <p>April 2003 General Manager, Legal and Risk Management Department</p> <p>April 2004 The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation General Manager, Risk Management Department, and General Manager, Risk Management Department, Nissho Iwai - Nichimen Holdings Corporation</p> <p>October 2005 The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation (name changed from Nissho Iwai - Nichimen Holdings Corporation in July 2004) and Sojitz Corporation General Manager, Risk Management Department</p> <p>April 2006 Executive Officer</p> <p>April 2008 Managing Executive Officer</p> <p>April 2012 Senior Managing Executive Officer, CFO, and Finance & Accounting, Risk Management</p> <p>June 2012 Representative Director and Senior Managing Executive Officer, CFO, and Senior Management of Finance & Accounting, Risk Management</p> <p>April 2013 Representative Director and Senior Managing Executive Officer, CFO, and Senior Management of Finance & Accounting, Risk Management, and Corporate Accounting, Finance, Forex & Securities</p> <p>April 2014 Representative Director and Executive Vice President, CFO, and Senior Management of Finance & Accounting, Risk Management, and Corporate Accounting, Forex & Securities (current position)</p> <p>To Our Shareholders: As CFO, the person ultimately responsible for finance, I have strived to maintain financial soundness and to accumulate quality assets. Going forward, we will strengthen the revenue base by promoting investments and loans and building high quality businesses in order to improve asset quality, and respond to shareholder expectations of increasing corporate value through the steady accumulation of shareholders' equity.</p>	30,954

No.	Name (Date of Birth, Age)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
6	 <p>Yoko Ishikura (Yoko Kurita) (March 19, 1949, 65)</p> <p><New> <Outside Director> <Independent Officer></p> <p>Term of office of Director of the Company: N/A (New candidate for Director)</p> <p>Number of Attendance to the Board of Directors Meetings N/A (New candidate for Director)</p>	<p>July 1985 Manager, McKinsey & Company Inc. Japan Office</p> <p>April 1992 Professor, School of International Politics, Economics and Communication, Aoyama Gakuin University</p> <p>March 1996 Director (part-time), Avon Products Inc.</p> <p>April 2000 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>February 2001 Member of the Central Education Council</p> <p>April 2004 Director (part-time), Vodafone Holdings K.K. Outside Director (part-time) of Japan Post</p> <p>October 2005 Vice President, the Science Council of Japan</p> <p>June 2006 Outside Director, Mitsui O.S.K. Lines, Ltd.</p> <p>January 2008 Member (part-time) of the Council for Science and Technology Policy</p> <p>June 2010 Outside Director, Nissin Foods Holdings Co., Ltd. (current position) Outside Director, Fujitsu Limited</p> <p>April 2011 Professor, Graduate School of Media Design, Keio University</p> <p>April 2012 Professor Emeritus, Hitotsubashi University (current position)</p> <p>June 2012 Outside Director, Lifenet Insurance Company (current position)</p> <p>[Significant Concurrent Occupations or Positions at Other Organizations] Outside Director, Nissin Foods Holdings Co., Ltd. Outside Director, Lifenet Insurance Company</p> <p>[Reasons for the Election of the Candidate for Outside Director] Ms. Yoko Ishikura is a candidate for the office of Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. We have chosen Ms. Ishikura as an Outside Director candidate predicated on our judgment that the candidate will actively give advice and recommendations on the Company's management at the Board of Directors meetings etc. based on her extensive knowledge and insight as an academic in global corporate management and corporate strategies along with experience as Outside Director with other companies, which should serve in supervising the management of the Company. Although Nissin Foods Holdings Co., Ltd., at which Ms. Ishikura is serving as Outside Director, has a business relationship with the Company, the amount of transactions with Nissin Foods Holdings Co., Ltd. accounts for less than 0.1% of revenue and less than 0.1% of cost of sales in the Company's consolidated financial statements for the current fiscal year. Therefore, we believe Ms. Ishikura has sufficient independence from the Company. There is no special relationship between Lifenet Insurance Company and the Company.</p> <p>[Other Matters Concerning the Candidate for Outside Director] The Company will enter into a limited liability agreement with Ms. Yoko Ishikura, limiting her liabilities to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act if she is elected.</p> <p>To Our Shareholders: I have conducted extensive research in the fields of international competitiveness and international corporate strategy, attended numerous international conferences, and built up experience by serving as external director at multiple companies. I will leverage this experience and knowledge to contribute to Sojitz in order to allow the company to enhance its competitiveness and increase its corporate value in a dramatically changing world.</p>	0

No.	Name (Date of Birth, Age)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
7	 Yukio Kitazume (August 31, 1950, 63) <New> <Outside Director> <Independent Officer> Term of office of Director of the Company: N/A (New candidate for Director) Number of Attendance to the Board of Directors Meetings N/A (New candidate for Director)	<p>April 1973 Joined the Ministry of International Trade and Industry</p> <p>July 1993 Director-General for Commerce and Industry Policy Planning, Bureau of Labor and Economic Affairs, Tokyo Metropolitan Government</p> <p>July 1996 Director, General Affairs Division, International Trade Administration Bureau</p> <p>July 1997 Deputy Director-General for Security Export Control and International Trade Administration Bureau</p> <p>July 1999 Director General, Policy Planning and Coordination Department, Japan Patent Office</p> <p>April 2001 Vice Chairman, Nippon Export and Investment Insurance</p> <p>August 2007 Ambassador Extraordinary and Plenipotentiary to the State of Qatar</p> <p>December 2010 Vice Chairman, Japan Aircraft Development Corporation (current position) (April 2013: Legal status of the Japan Aircraft Development Corporation changed from an incorporated foundation to a general incorporated foundation)</p> <p>[Significant Concurrent Occupations or Positions at Other Organizations] Vice Chairman, Japan Aircraft Development Corporation</p> <p>[Reasons for the Election of the Candidate for Outside Director] Mr. Yukio Kitazume is a candidate for the office of Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. We have chosen Mr. Kitazume as an Outside Director candidate predicated on our judgment that although he has not been directly involved in corporate management, he will actively give advice and recommendations on the Company's management at the Board of Directors meetings etc. based on his long years of experience and extensive knowledge and insight developed while assuming important posts in the government such as Ambassador Extraordinary and Plenipotentiary, which should serve in supervising the management of the Company. There is no special relationship between Japan Aircraft Development Corporation and the Company.</p> <p>[Other Matters Concerning the Candidate for Outside Director] The Company will enter into a limited liability agreement with Mr. Yukio Kitazume, limiting his liabilities to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act if he is elected.</p> <p>To Our Shareholders: Since the Asian financial crisis, I have been in charge of export credit and international finance at various organizations, and have also built up experience as a diplomat. Based on this experience, from a perspective independent from the execution of management, I hope to contribute to enhancing the profitability and increasing the corporate value of Sojitz as it seeks to become a truly global corporation.</p>	0

(Attachment to the Notice of the 11th Ordinary General Shareholders' Meeting)

Business Report

(From April 1, 2013 to March 31, 2014)

1. Current Circumstances of the Sojitz Group

(1) Review of Progress and Performance in Operations

The economy in the fiscal year under review (FY2013) remained firm as the economies in the developed countries, including the U.S. and Japan, were on recovery trend, despite emerging economies were tending to slow down.

In the U.S., economy showed signs of moderate recovery, as the quantitative easing policy led to recovery of housing market and personal consumption and increasing number of employees. A shift to domestic energy production and the stable price due to the shale gas revolution also supported the recovery.

Although recovery of personal consumption lagged behind due to factors including persistently high unemployment rates, the European economy is showing a moderate recovery trend as the economic growth turned positive pulled by the German economy with the stabilized financial market supported by recovery of confidence in monetary and fiscal policies.

In China, growth rate is somewhat slowing down, with such emerging issues including the past excess investment and the shadow banking problem, despite the support by investment.

In the Asian emerging nations, import price inflation and decrease in domestic demand were the concern as capital outflow to overseas and the slowdown of direct investment inflow led to depreciation of currencies in deficit ridden nations, in addition to slowdown of Chinese economic growth.

The Japanese economy remained firm with recovered domestic consumption due to yen depreciation and rise in stock prices in addition to large scale monetary easing by the Bank of Japan and government spending, as well as the last-minute demand before the consumption tax increase in the end of the fiscal year.

Sojitz Group Performance

In FY2013, the Group performed as outlined below. (Note)

(Note) Effective from FY2013, the Group adopted the International Financial Reporting Standards (hereinafter referred to as "IFRS") in preparing the consolidated financial statements, and gross profit, operating profit, profit before tax, profit for the year, and total comprehensive income for the year are shown pursuant to IFRS. Net sales are commonly used by the Japanese general trading companies, and represent the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent.

Net sales Net sales totaled ¥4,046,577 million, up 2.8% year on year, due to an increase in earnings in the Consumer Lifestyle Business Division led by increases in the trading volume of wheat and the Southeast Asian sales volume of fertilizers, as well as an increase in earnings in the Chemicals Division led by the effect of yen depreciation in Asian transactions, although there was a decrease in earnings in the Energy & Metal Division affected by the sale of a petroleum products sales subsidiary in the previous fiscal year.

Gross profit Gross profit totaled ¥198,221 million, up ¥10,976 million year on year,

primarily due to increased profits in the Consumer Lifestyle Business Division mainly from the increase in earnings of overseas fertilizer projects and increased profits in the Machinery Division from the increased earnings in the overseas automotive businesses.

Operating profit	Although gross profit increased, operating profit decreased by ¥1,799 million to ¥23,694 million primarily due to deteriorating other income (expenses) including impairment losses with respect to oil and gas field interests and ferroalloy interests, and foreign exchange losses in regard to the overseas automotive business subsidiary.
Profit before tax	Although operating profit decreased, profit before tax totaled ¥44,033 million, up ¥15,981 million year on year, primarily due to a decrease in share of loss of investments accounted for using the equity method.
Profit for the year	After deducting income tax expenses of ¥11,949 million from profit before tax of ¥44,033 million, profit for the year was ¥32,083 million. Profit attributable to owners of the Company was ¥27,250 million, up ¥13,802 million year on year.
Total comprehensive income for the year	Total comprehensive income for the year totaled ¥88,487 million, up ¥26,739 million year on year, primarily due to positive foreign currency translation differences for foreign operations resulting from yen depreciation, in addition to increased profit for the year. In addition, comprehensive income attributable to owners of the Company totaled ¥82,221 million, up ¥26,050 million year on year.

Sojitz Group Segment Performance and Business Overview

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

Machinery Division

Operating performance

Net sales (JGAAP) increased 4.9% year on year to ¥988,430 million mainly due to increased aircraft-related transactions. Profit attributable to owners of the Company decreased ¥1,484 million year on year to ¥2,258 million primarily due to deteriorating other income (expenses) including foreign exchange losses in regard to the overseas automotive business subsidiary, despite good performance in the overseas automotive businesses.

Overview of business conditions

In the automotive field, demand for automobiles on a global basis continues to be strong. Our trading volume increased steadily in the regions including Southeast Asia and Latin America, with recovering sales in Russia. We will continue to strengthen our business in consideration of changes in the business environment and risk management.

In the fields of infrastructure projects and industrial machinery, two large-scale projects in Oman in the Middle East, among the IPP projects which we are focusing on, started the commercial operations. In addition, we will steadily accumulate orders particularly in emerging economies in which the Group has a strong business foundation, including civil and track works for the dedicated

freight corridor in India and gas turbines and ammonia plant in Russia. In Japan, we have entered a mega solar business in four locations including Aomori Prefecture, contributing to the expansion of domestic renewable energy generation, aiming to establish a medium- to long-term and stable revenue base of the Group.

In the marine and aerospace fields, in FY2013, we delivered a total of 24 aircrafts to Japanese airlines as the Japan sales consultant for The Boeing Company in the U.S. and one aircraft to the Japanese airline and another to the government agency as the Japan sales agent for commuter airplanes manufactured by Bombardier Inc. in Canada. Additionally, we strive to improve profitability by replacing ships that we own with more competitive ones.

Energy & Metal Division

Operating performance

Net sales (JGAAP) decreased 12.5% year on year to ¥777,084 million mainly due to the effect of sale of the petroleum products sales subsidiary in the previous period. Profit attributable to owners of the Company totaled ¥9,276 million, down ¥3,450 million year on year, mainly due to deteriorating other income (expenses) including impairment losses with respect to oil and gas field interests and ferroalloys interests, despite the decrease in share of loss of investments accounted for using the equity method.

Overview of business conditions

In the energy field, production volume restored in the oil and gas interests in which the Group has invested, as facility repair in the previous fiscal year was completed, while the depreciation expenses increased due to decreased reserve in some of our interest. In our efforts on LNG projects to cater for recent growing global energy demand, we will aim at procuring competitive LNG through projects in North America and Africa, while strengthening our business structure.

In the coal field, coal prices have been slumping mainly due to the effect of slowdown of growth in the Chinese and other emerging economies. However, in the coal mine interests in which the Company has invested, the effect of the sluggish coal price is minimized with operation cost improvement and reduction of administrative expenses. In addition, the Group will increase the trading volume by further expanding our currently held coal mine interests in Indonesia to better meet increasing energy demands in the emerging economies, mainly in India and China.

In the steel and mineral resources fields, although mineral resource prices including molybdenum were down similar to coals, partially due to the effect of slowdown of growth in the Chinese and other emerging economies, we will contribute to stable supply through measures such as continuous improvement in operational efficiency and costs. In addition, strengthening the cooperation with our affiliate Metal One Corporation will create a robust business platform that integrates the whole process from ferrous materials to sales of the final steel products.

Chemicals Division

Operating performance

Net sales (JGAAP) increased 12.7 % year on year to ¥643,805 million mainly due to the effect of yen depreciation in Asian transactions. Profit attributable to owners of the Company totaled ¥7,933 million, up ¥4,756 million year on year.

Overview of business conditions

In the chemicals field, our mainstay methanol business in Indonesia remained firm due to factors including robust market. In addition, we have started discussions on gas chemical manufacturing project using natural gas produced in Papua New Guinea located in the South Pacific, where extensive natural resources are available.

Our consolidated subsidiary, Sojitz Pla-Net Corporation, recovered its profitability with recovering plastics sales and other factors in Asia.

In the ecological materials and resources field, despite the effects of decreased demands in rare earth, we started commercial production for the industrial salt project in India for which we made our investment in FY2011, and the project in Mexico for manufacturing and sales of barite, which is used for the excavation of shale gas and oil, for which we made our investment in FY2012.

While the profit base of this segment is focused on distributions, the future growth can be expected for the mainstay products such as industrial salt, barite and methanol and we will invest in upstream businesses to build a distribution value chain extending from the supply of raw materials to product sales to increase profitability.

Consumer Lifestyle Business Division

Operating performance

Net sales (JGAAP) increased 5.3 % year on year to ¥1,554,057 million mainly due to increased trading volume of wheat and increased Southeast Asian sales volume of fertilizer. Profit attributable to owners of the Company totaled ¥17,492 million, up ¥10,125 million year on year, mainly due to the increase in share of profit of investments accounted for using the equity method.

Overview of business conditions

In the food resources field, the Group invested in CGG Group in Brazil and entered into agriculture, grain collection, and terminal businesses in Brazil. In collaboration with the grain port in Vietnam, one of the largest grain ports in ASEAN, in which the Group invests, we will make efforts to establish an agricultural and grain value chain between South America and Asia.

In the agriculture and forest resources field, the business of manufacturing and selling advanced chemical fertilizers in Southeast Asia delivered a solid performance. In Japan, the building materials business, which has competitiveness in the area of plywood, also remained firm.

In the consumer services field, the Group entered into capital and business alliance with the City Mart Group Company, the largest distribution business

group in Myanmar where the future growth is expected, to launch consumer goods and foodstuffs distribution and logistics business.

In the development construction field, we are successfully processing the sale of industrial sites in industrial parks of Vietnam and Indonesia, and we will continue to build competitive business model by enhancing the features of our industrial parks and the expansion of their peripheral business.

Other Businesses

Net sales increased 45.5% year on year to ¥83,199 million mainly due to the sale of real estate held. Profit attributable to owners of the Company totaled ¥3,623 million, up ¥2,743 million year on year.

Net Sales by Business Segment

(Millions of yen)

	FY2012		FY2013		Year-on-year	
	(Apr. 2012 to Mar. 2013)	Composition ratio (%)	(Apr. 2013 to Mar. 2014)	Composition ratio (%)	Change	Rate of change (%)
Machinery	941,956	23.9	988,430	24.4	46,474	4.9
Energy & Metal	888,093	22.6	777,084	19.2	(111,009)	(12.5)
Chemicals	571,345	14.5	643,805	15.9	72,460	12.7
Consumer Lifestyle Business	1,475,868	37.5	1,554,057	38.4	78,189	5.3
Other	57,193	1.5	83,199	2.1	26,006	45.5
Total	3,934,456	100.0	4,046,577	100.0	112,121	2.8

- (Notes)
1. Fractions less than one million yen are rounded down.
 2. “Net sales” are commonly used by the Japanese general trading companies, and represent the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent.
 3. For further information on the major products and services of each business segment, please refer to “(5) Major Business Segments of the Sojitz Group.”

(2) Funding, etc.
Funding

The fundamental policy of the Sojitz Group’s financial strategy laid out in the Medium-term Management Plan 2014 is to maintain and improve the stability of the funding structure. The Group will maintain the current long-term debt ratio at target levels, thereby creating a stable funding structure. At the same time, by securing sufficient liquidity on hand to be prepared for changes in the economic and financial environments, the Group works to maintain a stable financial base.

With regard to straight bond, an alternative measure for raising long-term funds, the Group issued ¥10 billion each in April, May, and October 2013. In addition, in April 2014, the Group issued our longest-term 8-year bond for ¥10 billion. The Group will continue to look for opportunities for such issuance at an appropriate timing and cost by carefully monitoring interest rates and market trends.

In order to enhance mobility in fund raising activities and supplemental measures for securing liquidity, the Group has signed a US\$300 million multi-currency commitment line agreement in addition to a ¥100 billion commitment line agreement.

(3) Assets, Profits and Losses

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

The Group's assets, profits and losses over the past three fiscal years based on Japanese GAAP are as outlined below.

(Millions of yen, otherwise specified)

Item \ FY	FY2010 8th Fiscal Year	FY2011 9th Fiscal Year	FY2012 10th Fiscal Year
Net sales	4,014,639	4,494,237	3,955,907
Ordinary income	45,316	62,228	34,478
Net income (loss)	15,981	(3,649)	14,263
Net income per share (loss) (yen)	12.77	(2.92)	11.40
Total assets	2,116,960	2,120,596	2,086,410
Net assets	355,510	330,471	382,537
Net assets per share (yen)	263.79	244.52	282.60

The Group's assets, profits and losses in FY2013 and the previous fiscal year based on IFRS are as outlined below.

(Millions of yen, otherwise specified)

Item \ FY	FY2012 10th Fiscal Year	FY2013 11th Fiscal Year (fiscal year under review)
Net sales (Note 2)	3,934,456	4,046,577
Profit before tax	28,052	44,033
Profit for the year (attributable to owners of the Company)	13,448	27,250
Total comprehensive income for the year (attributable to owners of the Company)	56,171	82,221
Basic earnings per share (attributable to owners of the Company) (yen)	10.75	21.78
Total assets	2,150,050	2,220,236
Total equity attributable to owners of the Company	382,589	459,853
Total equity per share attributable to owners of the Company (yen)	305.81	367.58

- (Notes) 1. Effective from the 11th fiscal year, the Group prepares the consolidated financial statements in accordance with IFRS pursuant to the provisions of Article 120, Paragraph 1 of the Company Accounting Regulations. For your reference, the figures for the 10th fiscal year are shown based on IFRS.
2. "Net sales" are commonly used by the Japanese general trading companies, and represent the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent. This net sales are not synonymous with the revenue based on IFRS and shall not be a subject of substitution.

3. Fractions less than one million yen are rounded down.

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

The Company's assets, profits and losses in FY2013 and over the past three fiscal years on a non-consolidated basis are as outlined below.

(Millions of yen, otherwise specified)

Item \ FY	FY2010 8th Fiscal Year	FY2011 9th Fiscal Year	FY2012 10th Fiscal Year	FY2013 11th Fiscal Year (fiscal year under review)
Net sales	2,466,861	2,667,616	2,436,466	2,533,171
Ordinary income	33,702	23,418	11,249	25,396
Net income (loss)	1,498	(23,128)	(14,965)	5,657
Net income per share (loss) (yen)	1.20	(18.49)	(11.96)	4.52
Total assets	1,660,993	1,616,067	1,572,957	1,582,525
Net assets	393,720	362,919	340,613	351,833
Net assets per share (yen)	314.69	290.08	272.26	281.23

(Note) Fractions less than one million yen are rounded down.

(4) Business Outlook and Issues to Be Addressed

Under the new plan called Medium-Term Management Plan 2014 - Change for Challenge, for new reforms for the 3-year period starting in April 2012, the Group will aim to increase corporate value, upholding the theme of “implement reforms in pursuit of growth initiatives.”

Implement reforms in pursuit of growth initiatives

- Strengthen earnings capacity by improving the quality of assets
- Continue investing for growth (Strategic allocation to business focus areas)
- Build up a structure and organization that enables its business to be creative, efficient, and highly capable of managing risk
- Foster human resources that are able to go the distance even in a business environment typified by accelerating globalization

Enhance the financial foundation through the accumulation of shareholders' equity

Improving corporate value and pursuing greater achievements

Our target financial ratios under the Medium-Term Management Plan 2014 are as follows:

Management benchmark	Targets
Net DER	2 times or less
ROA	2% or more
Dividend payout ratio	Approximately 20%

One of the measures we will focus on toward the achievement of the quantitative targets set forth in the Medium-term Management Plan 2014 is the improvement of asset quality and efficiency. We will improve the asset quality and strengthen the earnings capacity by replacing businesses and assets whose holding purpose can no longer be justified or that are not closely related to existing businesses, while continuing investments for future growth.

In the fiscal year under review, we compressed assets of ¥49.0 billion through the sale of real estate and other assets, while undertaking investments and loans of ¥54.0 billion in the agriculture, grain collection and terminal businesses, the solar business and other businesses for our future growth. The 2-year cumulative amount in the asset compression up to this fiscal year, mostly reached the target amount in the Medium-term Management Plan, and the Group will accelerate the execution of investments and loans mainly in the food resources business and overseas infrastructure business in FY2014, the final year of the Medium-term Management Plan.

With regard to the Group's organization and systems, in order to build high quality assets and strengthen the operation base of divisions by speeding up decision making of the management, we newly established Controller Offices in three divisions, namely, Machinery, Chemicals, and Consumer Lifestyle Business Divisions in the fiscal year under review, in addition to the Controller Office established in the Energy & Metal Division in the previous fiscal year. With the completion in establishing Controller Offices in all the business divisions, we will strive to further enhance our response to changes in the environment and our risk management capability to move forward the establishment of revenue bases for our future growth.

The fiscal year ending March 31, 2015 is the final year of the Medium-term Management Plan 2014.

The results are expected to be lower than the targets for the final year of the Medium-term Management Plan planned at the time of establishment; however, we will strive to achieve the full-year operating forecasts for the fiscal year ending March 31, 2015, by steadily implementing the measures for our growth for early achievement of the initial targets.

The operating forecasts for the fiscal year ending March 2015 are as follows:

(Consolidated)

Net sales (Note)	¥4,230.0 billion
Operating profit	¥40.0 billion
Profit before tax	¥55.0 billion
Profit for the year (attributable to owners of the Company)	¥33.0 billion

(Note) “Net sales” are commonly used by the Japanese general trading companies, and represent the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent.

(5) Major Business Segments of the Sojitz Group

Sojitz Group is a general trading company engaged in globally diversified business activities, including domestic and global trading of commodities, as well as manufacturing and selling of a broad range of products and providing services in Japan and abroad. It also involves other areas of services such as project planning and coordination, investments in various business and financial activities.

The Group consists of 439 consolidated companies which carry out above business activities, including 318 consolidated subsidiaries and 121 entities subject to equity method.

The following table shows a summary of each business segment of the Group, briefly explaining their major products, services, subsidiaries and affiliates.

(As of March 31, 2014)

Segment	Major products/services	Major subsidiaries and affiliates (Main business; Status within consolidated group)
Machinery	Automobiles and automotive components; automobile manufacturing facilities and equipment; construction equipment; ships; rolling stock; aircraft and aerospace-related equipment; telecommunication infrastructure equipment; equipment for electronic industry; general plant equipment for steel manufacturing, cement, chemical and other industries; power generation; power-related equipment and facilities (generation, transformation and distribution facilities); infrastructure business; bearings; industrial power generator; various type of industrial machinery; metal processing machinery and related equipment; IT-related business; data processing; computer software development; etc.	<ul style="list-style-type: none"> • Sojitz Machinery Corporation (import/export and sales of general industrial machinery; subsidiary) • Sojitz Aerospace Corporation (import/export and sales of aerospace- and defense-related equipment; subsidiary) • Sojitz Marine & Engineering Corporation (sales, purchase, charter and brokerage of ships; import/export and domestic sales of marine-related equipment and materials; subsidiary) • Nissho Electronics Corporation (IT systems and network services; subsidiary) • SAKURA Internet Inc. (Internet data center operator; subsidiary)* • MMC Automotriz, S.A. (sales and assembly of automobiles; subsidiary) • Subaru Motor LLC (import and exclusive distribution of Subaru automobiles in Russia; subsidiary) <p style="text-align: center;">94 consolidated subsidiaries 30 entities subject to equity method</p>

Segment	Major products/services	Major subsidiaries and affiliates (Main business; Status within consolidated group)
Energy & Metal	Oil and gas; petroleum products; coke; carbon products; nuclear fuel; nuclear power-related equipment and machinery; coal; iron ore; ferroalloys (nickel, molybdenum, vanadium and other rare metals) and ore; alumina; aluminum; copper; zinc; tin; precious metals; ceramic and minerals; machinery and equipment for offshore oil production; infrastructure business; energy and chemical-related projects; LNG-related business; steel-related business; environmental business; etc.	<ul style="list-style-type: none"> • Sojitz Ject Corporation (trading of coke, carbon products and various minerals; subsidiary) • Tokyo Yuso Co., Ltd. (storage, warehousing and transportation of petrochemical products; subsidiary) • Sojitz Coal Resources Pty. Ltd. (investments in coal mines; subsidiary) • Sojitz Moly Resources, Inc. (investments in molybdenum mine; subsidiary) • Sojitz Energy Venture Inc. (oil and gas development; subsidiary) • Metal One Corporation (import/export and domestic and offshore sales of steel-related products; entities) • LNG Japan Corporation (LNG business and related investments; entity) • Coral Bay Nickel Corporation (manufacturing and sales of nickel and cobalt mixed sulfide; entity) • Japan Alumina Associates (Australia) Pty. Ltd. (alumina production; entity) <p style="text-align: center;">41 consolidated subsidiaries 25 entities subject to equity method</p>
Chemicals	Organic chemicals; inorganic chemicals; specialty chemicals; fine chemicals; industrial salt; cosmetics; foodstuff additives; rare earths; general-purpose resins; raw materials for plastics such as engineering plastics; films and sheets for industrial, packaging and foodstuff; plastic molding machinery; other plastics products; electronic materials such as liquid crystal and electrolytic copper foil; fiber material for industrial supplies and related products; etc.	<ul style="list-style-type: none"> • Sojitz Pla-Net Holdings, Inc. (holding company for plastic business; subsidiary) • Sojitz Pla-Net Corporation (trading and sales of plastic raw materials and products; subsidiary) • Pla Matels Corporation (trading and sales of plastic raw materials and products; subsidiary)* • Sojitz Cosmetics Corporation (development, product planning and sales of cosmetics; subsidiary) • PT. Kaltim Methanol Industri (manufacturing and sales of methanol; subsidiary) • Metton America, Inc. (manufacturing and sales of metton resins, POLY-DCPD; subsidiary) • PT. Moriuchi Indonesia (manufacture of industrial fabrics; entity) <p style="text-align: center;">31 consolidated subsidiaries 17 entities subject to equity method</p>

Segment	Major products/services	Major subsidiaries and affiliates (Main business; Status within consolidated group)
Consumer Lifestyle Business	Grain; wheat flour; oils and fats; oilcake and material for feed; stock farm products and marine products; processed foodstuffs from stock farm products and marine products; fruit and vegetables; frozen vegetables; frozen food; sweets; ingredients for sweets; coffee beans; sugar; other foodstuff and ingredients; chemical fertilizers; cotton and synthetic fabrics; non-woven fabrics; knitted fabrics and products; raw material for textiles; clothing; interior accessory; bedclothes, bedding and home fashion-related products; nursery items; general merchandise; construction materials; imported timber; timber products such as lumber, plywood and laminated lumber; building materials; afforestation and woodchip business; industrial park business, etc.	<ul style="list-style-type: none"> • Sojitz Building Materials Corporation (sales of building materials; subsidiary) • Sojitz Foods Corporation (sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed foodstuffs; and other foodstuff; subsidiary) • Daiichibo Co., Ltd. (manufacturing and sales of textiles; storage and distribution; shopping center management; subsidiary) • Sojitz Infinity Inc. (planning, manufacturing and sales of men's, women's and children's clothing; subsidiary) • Sojitz General Merchandise Corporation (import/export and sales of general merchandise; subsidiary) • Sojitz Fashion Co., Ltd. (cotton and synthetic fabrics printing; planning, processing and wholesaling of plain and yarn-dyed textiles; subsidiary) • Sojitz Yoshimoto Ringyo Co., Ltd. (sales of lumber, plywood, etc.; subsidiary) • Thai Central Chemical Public Co., Ltd. (manufacturing and sales of chemical fertilizers; sales of imported fertilizers; subsidiary) • Vietnam Japan Chip Vung Ang Corporation (manufacturing and sales of woodchips; afforestation; subsidiary) • Sojitz Now Apparel Ltd. (production management and sales of secondary textiles; subsidiary) • JALUX Inc. (logistics and services operations related to airlines and airport retail, lifestyle and customer service sectors; entity)* • Fuji Nihon Seito Corporation (manufacturing, refining, processing and sales of sugar; entity)* • Yamazaki-Nabisco Co., Ltd. (manufacturing of sweets; entity) • Nissho Iwai Paper & Pulp Corporation (sales of paper boards, paper, industrial paper, papermaking raw materials and wrapping materials; entity) • Tachikawa Forest Products (N.Z.) Ltd. (sawmilling and sales of lumber products; entity) <p style="text-align: center;">50 consolidated subsidiaries 28 entities subject to equity method</p>

Segment	Major products/services	Major subsidiaries and affiliates (Main business; Status within consolidated group)
Other	Administration; domestic regional company; logistic and insurance agency services; aircraft operating leasing; real estate business (investment, buying and selling, leasing, management); retail property development; etc.	<ul style="list-style-type: none"> • Sojitz Kyushu Corporation (domestic regional company; subsidiary) • Sojitz Logistics Corporation (logistic services business; land, sea, and air cargo; international non vessel operating common carrier (NVOCC) transportation; subsidiary) • Sojitz Insurance Agency Corporation (insurance agency services; subsidiary) • Sojitz Shared Service Corporation (administration services; subsidiary) • Sojitz General Property Management Corporation (management of building, condominium, retail property and other real estate; subsidiary) • Sojitz New Urban Development Corporation (sales of condominiums and real estate brokerage; subsidiary) • Sojitz Commerce Development Corporation (planning, design, ownership, management of and consulting for retail property; subsidiary) <p style="text-align: center;">53 consolidated subsidiaries 7 entities subject to equity method</p>
Overseas Subsidiaries	<p>As a general trading company dealing with various products, Sojitz has principal operating bases in major cities around the world, conducting a wide variety of activities.</p> <ul style="list-style-type: none"> • In the “Business Segment Information”, operations of overseas subsidiaries are included in each business segment according to the similarity in lines of business. 	<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) <p style="text-align: center;">49 consolidated subsidiaries 14 entities subject to equity method</p>

* Of the subsidiaries and entities subject to equity method, the following 4 companies are listed as of March 31, 2014: JALUX Inc. listed on the first section of the Tokyo Stock Exchange; Fuji Nihon Seito Corporation listed on the second section of the Tokyo Stock Exchange; SAKURA Internet Inc. listed on the Mothers; and Pla Matels Corporation listed on JASDAQ.

(6) Business Locations of Sojitz Group and the Number of Employees (As of March 31, 2014)

(a) Business Locations of Sojitz Group

(i) Sojitz Corporation

Domestic: HQ	Tokyo
Branches	Sapporo, Sendai, Nagoya, and Fukuoka
Overseas: Branches	Singapore, the Philippines, Malaysia, Myanmar, Pakistan, Saudi Arabia, and Republic of South Africa

(ii) Subsidiaries

Domestic: Regional Company	Fukuoka
Overseas: Overseas Subsidiaries	24 countries and areas including the US, UK, Singapore, China, Taiwan, Australia, the Republic of Korea, Russia, New Zealand, Thailand, India, Indonesia, Brazil, Vietnam, the Philippines, Malaysia, the UAE, Mexico, Nigeria, Canada, Argentina, and Venezuela

(b) Number of Employees

Segment	Number of employees
Machinery	5,419
Energy & Metal	1,104
Chemicals	1,664
Consumer Lifestyle Business	5,362
Others	2,366
Total	15,915

(c) Employees of the Company

Number of employees	Change from the previous year	Average age	Average service years
2,229	(11)	42.2 years old	15.3 years

- (Notes) 1. The above figures do not include 110 local employees overseas.
 2. The average service years are calculated including the length of service at the former Nichimen Corporation and Nissho Iwai Corporation.

(7) Major Subsidiaries (As of March 31, 2014)

(a) Major Consolidated Subsidiaries and Entities Subject to Equity Method

Consolidated Subsidiaries

(Millions of yen, 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 ST£73,117,500	100.00	Trading business
Sojitz Asia Pte. Ltd.	US\$136,507,474	100.00	Trading business
Sojitz (Hong Kong) Ltd.	US\$90,440,212	100.00	Trading business
Sojitz Aerospace Corporation	1,410	100.00	Import/export and sales of aerospace- and defense-related equipment
Sojitz Machinery Corporation	1,500	100.00	Import/export and sales of general industrial machinery
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
Nissho Electronics Corporation	14,336	100.00	IT systems and network services
Sojitz Ject Corporation	460	100.00	Trading of coke, carbon products and various minerals
Sojitz Pla-Net Holdings, Inc.	6,164	100.00	Holding company for plastic business
Sojitz Pla-Net Corporation	3,000	100.00 (Note 1)	Trading and sales of plastic raw materials and products
Pla Matels Corporation	793	46.55 (Note 2)	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 Kyushu Corporation	500	100.00	Domestic regional company

(Notes) 1. Sojitz Pla-Net Corporation is a wholly owned subsidiary of Sojitz Pla-Net Holdings, Inc.

2. Pla Matels Corporation is a 46.55%-owned subsidiary of Sojitz Pla-Net Corporation.

Entities Subject to Equity Method

(Millions of yen, otherwise specified)

Company	Capital	Controlling share (%)	Main business activities
Metal One Corporation	100,000	40.00	Import/export and domestic and offshore sales of steel-related products
LNG Japan Corporation	8,002	50.00	LNG business and related investments
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. The Group now has 318 consolidated subsidiaries and 121 entities subject to equity method.
2. For the business performance of the Group in FY2013, please refer to “(1) Review of Progress and Performance in Operations.”

(8) Major Creditors and Borrowed Amounts (As of March 31, 2014)

(Billions of yen)

Creditor	Amount outstanding
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	123.2
Mizuho Bank, Ltd. (Note 3)	82.1
Sumitomo Mitsui Trust Bank, Limited (Note 3)	73.8
Development Bank of Japan Inc. (Note 3)	70.6
The Norinchukin Bank	55.9
Sumitomo Mitsui Banking Corporation (Note 3)	41.8
Mitsubishi UFJ Trust and Banking Corporation	36.3
Resona Bank, Ltd. (Note 3)	32.1
Shinkin Central Bank	30.2
Aozora Bank, Ltd.	26.0

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

2. The Company's Shares (As of March 31, 2014)

(1) Total Number of Shares Authorized to Be Issued

Common stock 2,500,000,000 (end of FY2012: 2,500,000,000)

(2) Total Number of Outstanding Shares

Common stock 1,251,499,501 (end of FY2012: 1,251,499,501)

(Note) The total number of outstanding shares of common stock includes the number of treasury stock (end of FY2013: 467,298 shares).

(3) Number of Shareholders

Common stock 174,457

(4) Major Shareholders

Common Stock

Shareholder	Investment in the Company	
	Shares held (in thousands)	Shares Outstanding (%)
Japan Trustee Services Bank, Ltd. (Note 2)	140,446	11.23
The Master Trust Bank of Japan, Ltd. (Note 3)	36,021	2.88
BBH BOSTON CUSTODIAN FOR GMO INTL INTRINSIC VALUE FUND	18,840	1.51
Trust & Custody Services Bank, Ltd. (Note 4)	17,915	1.43
State Street Bank and Trust Company 505225	16,601	1.33
STATE STREET BANK WEST CLIENT - TREATY	14,785	1.18
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	12,479	1.00
Melon Bank, N. A. As Agent For Its Client Melon Omnibus US Pension	11,760	0.94
State Street Bank and Trust Client Omnibus Account OM02	10,760	0.86
Nomura Singapore Limited Customer Segregated A/C FJ-1309	10,666	0.85

- (Notes)
- The number of shares less than 1,000 is rounded down and the figures of shares outstanding are rounded to the nearest second decimal place.
 - The number of shares held by Japan Trustee Services Bank, Ltd. includes 134,329 thousand shares held in trust accounts.
 - The number of shares held by The Master Trust Bank of Japan, Ltd. includes 32,190 thousand shares held in trust accounts.
 - The number of shares held by Trust & Custody Services Bank, Ltd. includes 16,053 thousand shares held in trust accounts.
 - The shares outstanding are calculated excluding the number of shares of treasury stock.

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

(1) List of Directors and Audit & Supervisory Board Members (As of March 31, 2014)

Name	Position	Responsibilities	Important concurrent position
Yutaka Kase	Representative Director and Chairman		Outside Director, Astellas Pharma Inc.
Takashi Hara	Representative Director and Vice Chairman		
Yoji Sato	Representative Director and President	CEO	
Shigeki Dantani	Representative Director and Executive Vice President	Business Group	
Yoshio Mogi	Representative Director and Senior Managing Executive	Senior Management of Finance & Accounting, Risk Management, CFO	
Yoshikazu Sashida	Part-time Director		Counselor, Nisshinbo Holdings Inc. Outside Director, NSK Ltd. Outside Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company
Toru Nagashima	Part-time Director		Senior Advisor, Teijin Limited Outside Director, SEKISUI CHEMICAL CO., LTD. Outside Director, Kao Corporation
Jun Matsumoto	Audit & Supervisory Board Member		
Yoichi Ojima	Audit & Supervisory Board Member		
Yukio Machida	Part-time Audit & Supervisory Board Member		Outside Audit & Supervisory Board Member, Asahi Mutual Life Insurance Co. Outside Audit & Supervisory Board Member, ASKUL Corporation
Miki Seko	Part-time Audit & Supervisory Board Member		
Tadao Tsuya	Part-time Audit & Supervisory Board Member		

- (Notes)
1. Mr. Yoshikazu Sashida and Mr. Toru Nagashima are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
 2. Mr. Yoichi Ojima, Mr. Yukio Machida, Ms. Miki Seko and Mr. Tadao Tsuya are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
 3. Mr. Tadao Tsuya is a licensed certified public accountant and has a substantial knowledge of finance and accounting.

4. The Company has appointed Mr. Yoshikazu Sashida, Mr. Toru Nagashima, Mr. Yoichi Ojima, Mr. Yukio Machida, Ms. Miki Seko and Mr. Tadao Tsuya as independent officers, and submitted a notification of their appointment to the Tokyo Stock Exchange, Inc.
5. Mr. Yukio Machida took office as an Outside Director of Mizuho Bank, Ltd. as of April 25, 2014.
6. Mr. Tadao Tsuya took office as an Outside Audit & Supervisory Board Member of Poletowin Pitcrew Holdings, Inc. as of April 24, 2014.
7. Mr. Yoshio Mogi took office as Representative Director and Executive Vice President as of April 1, 2014.

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

(Millions of yen)

Classification	Directors		Audit & Supervisory Board Members		Total		Remarks
	Number of persons to be paid	Amount	Number of persons to be paid	Amount	Number of persons to be paid	Amount	
Remuneration pursuant to resolution of General Shareholders' Meeting	7	345	8	112	15	457	(*1), (*2)
Internal	5	321	2	46	7	367	
External	2	24	6	65	8	89	

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

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

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

Audit & Supervisory Board Members 150 million yen per year

(Note) Fractions less than one million yen are rounded down.

(3) Concurrent Positions of Outside Directors and Audit & Supervisory Board Members

Name	Position	Other organization	Concurrent position
Yoshikazu Sashida	Outside Director	Nisshinbo Holdings Inc.	Counselor
		NSK Ltd.	Outside Director
		Fukoku Mutual Life Insurance Company	Outside Audit & Supervisory Board Member
Toru Nagashima	Outside Director	Teijin Limited	Senior Advisor
		SEKISUI CHEMICAL CO., LTD.	Outside Director
		Kao Corporation	Outside Director
Yukio Machida	Outside Audit & Supervisory Board Member	Asahi Mutual Life Insurance Co.	Outside Audit & Supervisory Board Member
		ASKUL Corporation	Outside Audit & Supervisory Board Member

(Notes) 1. Nisshinbo Holdings Inc., NSK Ltd., Fukoku Mutual Life Insurance Company, Teijin Limited, SEKISUI CHEMICAL CO., LTD., Kao Corporation, Asahi Mutual Life Insurance Co., and ASKUL Corporation where the Outside Directors and the Outside Audit & Supervisory Board Members have concurrent positions are the Company's business partners; however, there are no special relationships with the Company (such as business operators having a specified relationship). Although Nisshinbo Holdings Inc. for which Mr. Yoshikazu Sashida served as representative director is a business partner of the Company, the amount of transactions with the company accounts for less

than 0.1% of revenue and less than 0.1% of cost of sales in the Company's consolidated financial statements for the current fiscal year.

Although Teijin Limited for which Mr. Toru Nagashima served as representative director is a business partner of the Company, the amount of transactions with the company accounts for less than 0.1% of revenue and less than 0.1% of cost of sales in the Company's consolidated financial statements for the current fiscal year.

2. Mr. Yukio Machida took office as an Outside Director of Mizuho Bank, Ltd. as of April 25, 2014.

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

Name	Position	Main activities
Yoshikazu Sashida	Outside Director	Mr. Sashida has attended all 15 meetings of the Board of Directors held in FY2013. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions in the business industry.
Toru Nagashima	Outside Director	Mr. Nagashima has attended 14 of 15 meetings of the Boards of Directors held in FY2013. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions in the business industry.
Yoichi Ojima	Outside Audit & Supervisory Board Member	Mr. Ojima has attended all 11 meetings of the Board of Directors held in FY2013 after appointed to the office of Audit & Supervisory Board Member, and all 13 meetings of the Audit & Supervisory Board held in the same fiscal year after appointed to the office of Audit & Supervisory Board Member. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions in the finance industry.
Yukio Machida	Outside Audit & Supervisory Board Member	Mr. Machida has attended 13 of 15 meetings of the Board of Directors held in FY2013, and all 18 meetings of the Audit & Supervisory Board held in the same fiscal year. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions in the legal and business industries.
Miki Seko	Outside Audit & Supervisory Board Member	Ms. Seko has attended all 11 meetings of the Board of Directors held in FY2013 after appointed to the office of Audit & Supervisory Board Member, and all 13 meetings of the Audit & Supervisory Board held in the same fiscal year after appointed to the office of Audit & Supervisory Board Member. She provides necessary advice based on her wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through her experiences in key positions in the academia.
Tadao Tsuya	Outside Audit & Supervisory Board Member	Mr. Tsuya has attended all 11 meetings of the Board of Directors held in FY2013 after appointed to the office of Audit & Supervisory Board Member, and all 13 meetings of the Audit & Supervisory Board held in the same fiscal year after appointed to the office of Audit & Supervisory Board Member. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions in the audit firms and business industry.

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

We have concluded an agreement with Outside Directors Yoshikazu Sashida and Toru Nagashima and Outside Audit & Supervisory Board Members Yoichi Ojima, Yukio Machida, Miki Seko and Tadao Tsuya, respectively, to limit their liability to either 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher.

4. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Amount of Remuneration, etc. for Accounting Auditor in FY2013

(Millions of yen)	
	Amount paid
Remuneration, etc. payable by the Company in FY2013	
Remuneration, etc. for services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	445
Remuneration, etc. for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	89
Total	534
Total amount of money and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	886

- (Notes)
- The audit agreement between the Company and the Accounting Auditor does not and cannot practically distinguish between remunerations for audits in accordance with the Companies Act and those in accordance with the Financial Instruments and Exchange Act. For this reason, the above figures include the remuneration for audits under the Financial Instruments and Exchange Act.
 - Of major subsidiaries of the Company, Sojitz Corporation of America, Sojitz Europe plc, Sojitz Asia Pte. Ltd., and Sojitz (Hong Kong) Ltd. are audited (limited to audits stipulated in the Companies Act or 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.
 - Fractions less than one million yen are rounded down.

(3) Non-audit Services

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

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

In the event that the Audit & Supervisory Board deems that any Accounting Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act, or that any situation occurs that may cause material hindrance to the audit activities of the Company, the Accounting Auditor shall be dismissed.

In addition to the above, Directors shall, upon approval of or request by the Audit & Supervisory Board, submit a proposal to General Shareholders' Meeting, for dismissal or non-reappointment of the Accounting Auditor, and election of another audit firm suitable for Accounting Auditor.

(Note) In the Business Report, figures shown in millions of yen have been rounded down to the nearest million.

5. A System for Ensuring Appropriate Execution of Business Operations

(1) Basic Concept

We strive to clarify the accountability of the management to our shareholders and other stakeholders, establish a highly transparent management system, and improve the monitoring and supervisory functions in establishing and strengthening corporate governance structure with an aim to improve profitability of the Group as a whole and maximize our corporate value.

The current governance structure is employed for the following reasons:

(a) To separate management functions from executive functions

As the highest decision-making body, the Board of Directors reviews and resolves fundamental policies and critical issues concerning the management of the Group. The Board of Directors is chaired by the Representative Director and Chairman to separate management functions from executive functions. We also employ an executive officer system, with the aim of, through the separation of managerial decision-making from business execution, clarifying authority and responsibilities, and ensuring a smooth and swift execution of business.

(b) To reinforce monitoring functions on management

We appoint Outside Directors in order to further reinforce monitoring functions on business execution from an independent perspective. Outside Directors provide objective, appropriate advice and proposals on the management of the Company within and outside the Board of Directors. As a company with an Audit & Supervisory Board, we also have Audit & Supervisory Board Members who independently audit the business operations executed by Directors. In addition, we have set up the Nomination Committee and the Remuneration Committee as advisory bodies to the Board of Directors chaired by Outside Directors to ensure adequacy and transparency of appointment of and remuneration for our Directors.

(c) To strengthen supervisory functions on business execution

We have established the Management Committee, chaired by the President, who is also the chief executive, responsible for the review and resolution of important managerial agendas, and supervise business executions. In addition, we have established the Finance & Investment Deliberation Council for the review and resolution of major investments and loans. We also have internal committees acting as an executing body directly reporting to the President. They handle issues to be addressed from cross-organizational perspectives.

(2) Management Framework regarding Management-related Decision-making, Execution and Supervision, and Other Corporate Governance Matters

(a) Corporate Governance Organization

i) Structure

We are a company with an Audit & Supervisory Board.

ii) Directors and Executive Officers

As of March 31, 2014, our Board of Directors is currently comprised of seven Directors, including two Outside Directors. As the highest decision-making body, the Board of Directors reviews and resolves fundamental policies and critical issues concerning the management of the Group. To enhance corporate governance, the Board is chaired by the Chairman, who works together with the Vice Chairman and Outside Directors to reinforce the supervisory function over Executive Directors as well as the Company's overall system of business execution. They

also provide their opinions and advice on the Company's corporate governance.

We employ an executive officer system, with the aim of clarifying authority and responsibilities in the management and ensuring swift decision-making and execution. The term of office of Directors and Executive Officers is one year, in order to clarify their responsibilities to management and allow them to swiftly and appropriately respond to rapid changes in the business environment.

We have appointed Mr. Yoshikazu Sashida and Mr. Toru Nagashima as Outside Directors of the Company and concluded a limited liability agreement with them. Both of them were selected because of their capabilities of providing appropriate advice on Sojitz's business, based on their wide range of knowledge with highly specialized expertise in corporate management and operations, which have been accumulated through their experiences in key positions in the business industry. Director Sashida has attended all 15 meetings of the Board of Directors held in FY2013. Since he has proactively given his appropriate advice from independent perspective at the meetings of the Board of Directors or on other occasions during his term, we believe that he has fulfilled his duties as Outside Director. Also, Director Nagashima attended 14 out of 15 meetings of the Board of Directors held in FY2013. Since he has proactively given his appropriate advice from independent perspective at the meetings of the Board of Directors or on other occasions during his term, we believe that he has fulfilled his duties as Outside Director.

iii) Functions and Roles of Outside Directors in Corporate Governance

Mr. Yoshikazu Sashida, besides being Outside Director of the Company, serves as Counselor at Nisshinbo Holdings Inc. He gives appropriate and useful advice on the operation of the Company from an independent perspective, based on his valuable knowledge and experience earned through executive positions he has assumed including that of Representative Director, President at Nisshinbo Industries Inc. Taking into account that Nisshinbo Holdings Inc., where Mr. Sashida served as Representative Director, is not a major business partner of the Company, we believe Mr. Sashida maintains his independence.

Mr. Toru Nagashima, besides being Outside Director of the Company, serves as Senior Advisor at Teijin Limited. He gives appropriate and useful advice on the operation of the Company from an independent perspective, based on his valuable knowledge and experience earned through executive positions he has assumed including that of President at Teijin Limited. Taking into account that Teijin Limited, where Mr. Nagashima served as Representative Director, is not a major business partner of the Company, we believe Mr. Nagashima maintains his independence.

iv) Audit & Supervisory Board Members

As of March 31, 2014, our Audit & Supervisory Board is currently comprised of five Audit & Supervisory Board Members, two of whom are serving full-time, including four Outside Audit & Supervisory Board Members (three males and one female, including one full-time member). The Audit & Supervisory Board Members are independent from the Board of Directors, and audit the Directors' execution of their duties.

We have appointed Mr. Yoichi Ojima, Mr. Yukio Machida, Ms. Miki Seko and Mr. Tadao Tsuya as Outside Audit & Supervisory Board Members of the Company and concluded a limited liability agreement with them.

v) Functions and Roles of Outside Audit & Supervisory Board Members in Corporate Governance

We have established and maintain appropriate corporate governance with Outside Audit &

Supervisory Board Members who have highly specialized expertise and a wide range of knowledge in respective fields of legal, finance, economics, accounting, and management, in order to exert the oversight function to maintain the legality of the Company's business execution in every aspect.

Mr. Yoichi Ojima, being Outside Audit & Supervisory Board Member of the Company, supervises the Company's management and gives appropriate advice and proposals within and outside the Board of Directors, from an independent standpoint and objective perspective as Outside Audit & Supervisory Board Member, based on his extensive insight and expertise in finance earned through executive positions he has assumed in financial industry to properly fulfill his responsibilities. Mr. Ojima served as an executive officer at UFJ Bank Limited (current The Bank of Tokyo-Mitsubishi UFJ, Ltd.) until June 2004, which the Company has a business relationship. However, about ten years have already passed since his retirement from the post; therefore we believe that Mr. Ojima fully maintains his independence. Mr. Ojima attended all 11 meetings of the Board of Directors held in FY2013, after he assumed the position of Audit & Supervisory Board Member and also attended all 13 meetings of the Audit & Supervisory Board held in FY2013, after he assumed the position of Audit & Supervisory Board Member.

Mr. Yukio Machida, besides being Outside Audit & Supervisory Board Member of the Company, currently practices the law, after handling criminal cases mainly as a prosecutor for over 30 years and taking senior posts at the Public Prosecutors Office. Mr. Machida has properly fulfilled his responsibilities by supervising the management of the Company and providing appropriate advice and proposals within and outside the Board of Directors, from an independent and objective viewpoint as Outside Audit & Supervisory Board Member. Mr. Machida has attended 13 out of 15 meetings of the Board of Directors held in FY2013, and also attended all 18 meetings of the Audit & Supervisory Board held in FY2103.

Ms. Miki Seko, being Outside Audit & Supervisory Board Member of the Company, supervises the Company's management and gives appropriate advice and proposals within and outside the Board of Directors, from an independent and objective viewpoint as Outside Audit & Supervisory Board Member, based on her long-term experiences and a wide range of knowledge as a university professor of economics to properly fulfill her responsibilities. She has attended all 11 meetings of the Board of Directors held in FY2013, after she assumed the position of Audit & Supervisory Board Member and also attended all 13 meetings of the Audit & Supervisory Board held in FY2013, after she assumed the position of Audit & Supervisory Board Member.

Mr. Tadao Tsuya, being Outside Audit & Supervisory Board Member of the Company, supervises the Company's management and gives appropriate advice and proposals within and outside the Board of Directors, from an independent and objective viewpoint as Outside Audit & Supervisory Board Member, based on his deep insight as a certified public accountant and his expertise earned through his abundant corporate experiences in important positions at such companies as ORIX Corporation to properly fulfill his responsibilities. Additionally, Arthur Andersen LLP, where Mr. Tsuya previously worked, had a business alliance with KPMG AZSA LLC, which is the accounting auditor of the Company, from 1993 to 2002; however, Mr. Tsuya left the office before such business alliance. Taking into account that ORIX Corporation, where Mr. Tsuya assumed the position of Executive Officer from February 2005 to December 2009, is not a major business partner of the Company, we believe that Mr. Tsuya maintains his independence. He has attended all 11 meetings of the Board of Directors held in FY2013, after he assumed the position of Audit & Supervisory Board Member and also attended all 13 meetings of the Audit & Supervisory Board held in FY2013, after he assumed the position of Audit & Supervisory Board Member.

vi) The Standard or Policy Concerning the Independence of Candidates for the Appointment of Outside Directors or Outside Audit & Supervisory Board Members

We do not have any quantitative standard to determine the independence of candidates for the appointment of Outside Directors or Outside Audit & Supervisory Board Members. However, in order to obtain advice and recommendations from an objective perspective and independent standpoint, we have always appointed as Outside Directors several persons with a wide range of knowledge and deep insight who have extensive experience in industries and administrative fields, such as those who have management experience in business corporations and government agencies and others who have objective and specialized viewpoint toward world affairs and social and economic trends. In appointing Outside Audit & Supervisory Board Members, in addition to the above, we also ensure the diversity of the candidates' background from the perspective of reflecting the viewpoint of a variety of stakeholders in audit of business activities.

We have designated and registered these two Outside Directors and four Outside Audit & Supervisory Board Members as independent officers as they satisfy the requirements specified in the Securities Listing Regulations of the financial instruments exchange in Japan, where the Company lists its stocks.

vii) Support and Information Provision for Outside Directors and Audit & Supervisory Board Members

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

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

(b) Business Execution, Auditing, Supervision, Nomination and Remuneration Decisions

i) Business Execution

We have the following executing bodies.

- Management Committee (held semimonthly)

The committee is comprised of Executive Directors and the heads of business divisions and corporate departments, and discusses and resolves important issues pertaining to the management of the Company.

- Finance & Investment Deliberation Council (held semimonthly)

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

- Internal committees (held quarterly)

In order to address management issues across the entire Group organization, we have established and manage internal committees acting as an executing body under the direct supervision of the President. Currently, there are three committees: the Internal Control Committee (monitoring progress and operation status of establishing the internal control structure and formulating policies related to financial reporting based on internal control regulation specified by the Companies Act and Financial Instruments and Exchange Act), the

Compliance Committee (examining and formulating basic policies on compliance of the Group), and the CSR Committee (examining and formulating basic policies and measures to promote CSR). Each internal committee reports regularly to the Board of Directors and the Management Committee on its activities.

ii) Selection of Directors and Executive Officers and Decision on Remuneration of Directors, Executive Officers and Audit & Supervisory Board Members

We have the following advisory bodies to the Board of Directors to help select Directors and Executive Officers and determine their remuneration.

- Nomination Committee

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

- Remuneration Committee

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

Directors' remuneration is decided at the meeting of the Board of Directors by comprehensively taking into account the performance of the Company based on the deliberations at the Remuneration Committee. Audit & Supervisory Board Members' remuneration is decided, in principle, at the meeting of the Audit & Supervisory Board based on its deliberations.

In both cases, remunerations are determined within the maximum remuneration amount resolved at the Ordinary General Shareholders' Meeting of the Company.

iii) Corporate Audit, Accounting Audit and Internal Audit

- Corporate Audit

Organization: Audit & Supervisory Board

Members: Five Audit & Supervisory Board Members, including four Outside Audit & Supervisory Board Members. Of the five, two are full-time, and of the four Outside Audit & Supervisory Board Members, three are male and one is female, including one full-time (as of March 31, 2014).

Procedures: Pursuant to the Corporate Audit Standards established by the Audit & Supervisory Board and in line with audit plans and task assignments, Audit & Supervisory Board Members attend the meetings of the Board of Directors and other important meetings such as those of the Management Committee and Finance & Investment Deliberation Council. Audit & Supervisory Board Members oversee and audit the operations of the Group by performing audits through interview with Directors to discuss about their performance of duties, reviewing important board resolution documents and checking business reports submitted from consolidated subsidiaries. In addition, to enhance this auditing function of Audit & Supervisory Board Members, we have set up the Audit & Supervisory Board Members Office, a dedicated support team of three staff members for the Audit & Supervisory Board.

Audit & Supervisory Board Members receive explanation of audit plans and regular audit reports from the Accounting Auditor, and share information with each other to conduct an

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

- Accounting Audit

Our Accounting Auditor is KPMG AZSA LLC which conducts accounting audits in accordance with the Companies Act, as well as financial statement audits, quarterly reviews and internal control audits in accordance with the Financial Instruments and Exchange Act. Details of their executive officers and assistant staff working for Sojitz in FY2013 are as follows:

Name of CPAs, etc.		Audit Firm
Designated Limited Liability Partners	Masami Hashimoto	KPMG AZSA LLC
Engagement Partners	Tatsunaga Fumikura	
	Takemitsu Nemoto	

Their assistant staff working for the Company includes 26 CPAs and 32 assistant CPAs.

Details on their service years are omitted, as all of the CPAs who audited the Company have served for less than seven years.

- Internal Audit

Organization: Audit Department

Staff: 38 employees including General Manager (As of March 31, 2014)

Procedures: Based on an audit plan approved by the Board of Directors at the beginning of each fiscal year, the Audit Department conducts an audit on the business divisions, corporate departments, and consolidated subsidiaries including major overseas subsidiaries. For audit procedures, placing emphasis on compliance, reliability of financial reporting, status of risk management and investment and loan management, the Audit Department closely monitors audited divisions and departments to ensure that internal control systems and governance are functioning effectively. The Department also investigates and assesses the existence of major management risks in the operation of these units, then gives practical advice on improvement.

After the audit is completed, the Department holds an audit review meeting for the audited departments and the concerned parties (President of lead divisions, Officers responsible for corporate departments and Audit & Supervisory Board Members) and also reports the audit results based on the recorded documents.

The Department submits a summarized audit report to the President and provides explanation to the Chairman, Vice Chairman, President and Executive Vice President, and Senior Managing Executive, who are also Directors, on a monthly basis. In order to ensure a swift response of audited divisions and departments towards improvement of their problem areas identified in audits,

the Department requests them to submit an improvement progress report for the three-and six-month periods after the audits, thus conducts a follow-up assessment to check their progress.

Other than this, the Department has introduced a Self-inspection System by business division and Group company, under which checks are performed annually based on check items prepared by the Audit Department and each business division or Group company to follow up the implementation status of remediation measures. Under this system, the business divisions endeavor to identify and handle transaction risks in a timely and accurate manner. Carrying out the repetitive self check will help them identify frontline operation problems in the early stages, improve the operational efficiency, prevent the occurrence of losses, and raise awareness on risk management.

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

(3) Measures regarding Shareholders and Other Stakeholders

(a) Efforts to Ensure a Well-facilitated, Active General Shareholders' Meeting and Smooth Exercise of Voting Rights

We take the following measures:

- Deliver a convocation notice of General Shareholders' Meeting as early as possible
- Avoid dates which other companies are likely to choose for their meetings
- Introduce the exercise of voting rights by electronic method
- Publish the Shareholders Magazine for shareholders
- Establish a webpage for individual shareholders
- Host briefing sessions for shareholders (Osaka and Fukuoka)
- Provide video clips of General Shareholders' Meeting and shareholder seminars

(b) Investor Relations Activities

The Investor Relations Office, which is a specialized department for the Company's investor relations activities, organizes seminars for analysts and institutional investors upon announcement of our second-quarter and full-year financial results twice a year, and also holds conferences over the Internet to announce first- and third-quarter financial results. In addition, the IR office held investors meetings for business activities where the managing executive officers from each business division made presentations and held observation tours for overseas business companies for analysts and institutional investors in FY2013. Moreover, the IR Office conducts individual interviews with institutional investors in Japan and provides such interviews on a regular basis to foreign institutional investors at their premises in areas such as the U.S., Europe and Asia. Furthermore, the Office issues annual reports and provides the audio and video clips of IR seminars and seminar materials on the Company's website, in order to deliver more information to investors.

Meanwhile, the IR Office also make efforts in promoting shareholder relations (SR) focusing on individual shareholders, by holding shareholder seminars to provide an opportunity for individual shareholders to have direct conversations with our management and conducting shareholder surveys, as well as by publishing the "Shareholders Magazine" as an information transmission tool.

(c) Respect the Rights of Stakeholders

- Establishing standards to protect the rights of stakeholders

Our mission is to understand the diverse needs and expectations of our stakeholders throughout the world, and to meet those needs and expectations with integrity. We are aiming to build strong trust with our stakeholders by continuing to provide “New way” and “New value” regardless of the size of stakeholders. In order to accomplish this, we put emphasis in response to our stakeholders according to the following core values.

- Uphold the highest ethical standards and perform all that we do with integrity;
- Abide by both the letter and spirit of the laws and regulations applicable to our business activities;
- Protect employee health, safety and dignity and manage our workplace responsibly and respectfully; and
- Remain passionately focused on harmonizing business results and stakeholder satisfaction and success.

- Efforts on CSR and environmental protection activities

We established “Sojitz Group CSR Policy” to achieve mutual prosperity of both our corporate activities and society/environment through steady practice of our corporate philosophy as a member of the international society.

In promoting CSR, we set forth and practice the following high priority themes in consideration of the “expectation and interest of stakeholders” as well as the “importance to the Group” based on the idea that we pursue the creation and maximization of value together with our stakeholders.

“Promotion of CSR in supply chains”

“Promotion of businesses which contribute to the prevention of climate change”

“Promotion of businesses which contribute to the development of developing and emerging countries”

“Improvement of systems and environments to enable every employee to fulfill their potential”

In addition, every employee of the Group makes an effort to reduce environmental impact by implementing measures such as energy and resource conservation, waste reduction, recycling and green procurement, while making effort in social contribution activities including the provision of educational support and restoration support for the affected areas by the Great East Japan Earthquake.

(4) Basic Concept and Implementation of Internal Control System

(a) Basic Concept

We have been working on implementing and maintaining our internal control systems in terms of regulations, organization and systems. The following basic policies have been resolved by the Board of Directors regarding the establishment of “System for Ensuring Appropriate Execution of Business Operations.”

i) Compliance by Directors and Employees

The Company shall establish the Sojitz Group Compliance Code of Conduct and Ethics, Sojitz

Group Code of Conduct and Ethics Manual, and the Sojitz Group Compliance Program to ensure that directors and employees comply with laws and regulations, the Articles of Incorporation, and internal rules.

The Compliance Committee shall lead the reinforcement and improvement of the legal compliance system. Also, the Company shall make clear the responsibility of each department so that any amendment of laws and regulations relating to the Company's operations will be closely followed and fully observed.

The Company shall ensure that the Sojitz Group does not enter into any business or other relationship with antisocial forces, and shall resolutely reject any improper request with legal measures if necessary.

With regard to important laws and regulations such as security export control and insider trading, the Company shall establish respective internal rules to ensure strict compliance.

ii) Retention of Information relating to the Execution of Directors' Duties

With respect to important documents relating to the execution of directors' duties such as the minutes of the Board of Directors meetings and approval documents, the Company shall prescribe in the Board of Directors rules and the internal rules for document retention a retention period that is equal to, or longer than, that required by the relevant law or regulation. The Company shall also designate the department in charge of such retention and documents shall be made available as review or examination becomes necessary.

iii) Regulations regarding Management of Loss Risks; Other Systems

In order to prevent, or when impossible to prevent, to minimize, economic losses, the Company shall analyze and categorize potential risks for economic losses both inside and outside its operations. It shall establish internal rules or manuals, and assign a department for managing the risks in each category.

Credit risk and business investment risk shall be assessed and appropriately handled in accordance with the internal rules for risk management. Market risk shall be controlled to ensure that it is minimized in accordance with applicable internal rules. The Company shall prepare for natural disasters by establishing internal rules and drawing up disaster manuals.

The Company shall periodically review the effectiveness of internal rules and handling procedures, and revise them if required. Further, in the event that a new type of risk emerges due to changes in the business environment, the Company shall promptly appoint a person and/or department in charge, and prescribe appropriate internal rules with regard to the new risk.

iv) Efficiency in Execution of Directors' Duties

The Company shall make clear the responsible fields or departments of each director and executive officer and the responsibility of each department, as well as chains of command, scopes of authority and decision making rules.

The Company shall clearly prescribe in the Board of Directors rules important matters requiring Board resolutions, and shall convene the Management Committee and other committees to deliberate and decide other important matters. Also, matters to be reported to the Board of Directors shall be set forth in the Board of Directors rules.

Top management policy shall be promptly announced to all directors and employees of the Company through the Management Committee or Corporate Planning Department, and through other oral or written methods or via the intranet.

v) Proper and Ethical Business Operations in the Sojitz Group

The Company shall establish a department to oversee the management structure of the Group companies, ensuring the sound management of each Group company. The Company shall enhance its Audit Department to audit Group companies, ensuring the proper and ethical conduct of their business operations.

Compliance Code of Conduct and Ethics and the Compliance Program shall apply to all Group companies and shall be fully observed by their directors and employees.

The Company shall review and develop the business processes of each Group company in the light of internal controls relating to consolidated financial reporting.

vi) Employees Assisting Audit & Supervisory Board Members and Their Independence from Directors

The Company shall establish the Audit & Supervisory Board Members Office to assist Audit & Supervisory Board Members and assign the necessary employees. These employees shall work under the direction of Audit & Supervisory Board Members, and their performance evaluations and personnel changes shall require the consent of Audit & Supervisory Board Members.

vii) Reports to Audit & Supervisory Board Members

The Board of Directors rules shall include a rule that requires any director to immediately report to Audit & Supervisory Board Members when he/she learns of a fact that may cause significant damage to the Company. The Audit Department shall provide Audit & Supervisory Board Members with a copy of the internal audit report upon completion of each internal audit.

The Audit & Supervisory Board shall be entitled to request a report from an Accounting Auditor, director or other person, as it deems necessary.

viii) Other Arrangements to Ensure Efficient Auditing by the Audit & Supervisory Board Members

One or more of the Audit & Supervisory Board Members shall attend every meeting of the Board of Directors and express opinions as necessary. They may also attend the Management Committee and other important meetings, directly observing the discussions and reporting on important matters.

Representative directors shall regularly meet with Audit & Supervisory Board Members and exchange opinions on key issues for the Company, as well as on the conditions of, and important issues relating to, audits by Audit & Supervisory Board Members.

(b) Progress of Improvement

i) Overview

With respect to the status of establishing internal control systems of the Company and Group companies, in addition to inspections and improvements to the legal compliance systems, led by the Compliance Committee, and inspections and improvements to the risk management methods, led by the Risk Management Planning Department, we establish, improve and operate overall internal control systems while promoting “Assessment of Internal Controls Regarding Financial Reporting” under the Financial Instruments and Exchange Act, led by the Internal Control Committee.

Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members

review the establishment and operation status of internal controls for which the Internal Control Committee or other units related to internal controls are responsible, by attending meetings of the Board of Directors, Management Committee by fulltime Audit & Supervisory Board Members and other important meetings. Furthermore, they are monitoring the overall internal control systems of the Company and providing advice on more efficient operations of the systems through an interactive exchange of information with the Accounting Auditor and units related to internal controls such as the Internal Control Administration Department and the Audit Department when necessary.

ii) Compliance

Our efforts to enhance compliance are as follows:

We provide compliance training on a regular basis in order to ensure that directors and employees of the Company and Group companies are fully aware of the Sojitz Group Code of Conduct and Ethics and raise their awareness of compliance issues.

We ensure that the Compliance Committee is properly informed at an early stage and the compliance status is thoroughly reviewed on a group-wide basis for the purpose of prevention, early detection and appropriate handling of a violation of laws and regulations. We have also implemented a whistleblower program for reports to the Chief Compliance Officer, the external legal counsel, etc., a multilingual Sojitz ethics hotline service available on a 24-hour, 365-day basis, and a consultation contact with the Legal Department.

In response to the trend toward stricter oversight on corruptions, we have formulated anticorruption rules and set out methods for preventing corruption for our dedicated team within the Legal Department to promote the efforts to prevent such corruptions in the Group.

With respect to measures against antisocial forces, we have clearly stipulated the elimination of relationships with antisocial forces in the Sojitz Group Code of Conduct and Ethics and Manual for Handling Antisocial Forces, to ensure full awareness and thorough implementation by all employees and directors of the Group. In addition, we set up contact and consultation desks internally.

The Audit Department conducts compliance-centric audits on all companies of the Sojitz Group, strictly focusing on compliance audits in accordance with laws and regulations, the Articles of Incorporation, and internal regulations, and reviewing if appropriate measures have been taken from CSR perspectives.

iii) Risk Management

The businesses of the Group are, due to their nature, exposed to various kinds of risks; therefore, we first define and classify risks by items in compliance with its Basic Code of Corporate Risk Management and manage them according to the nature of each risk based on the Risk Management Policy and Plan formulated by an officer in charge of each risk item.

Quantifiable risks (market risks, business investment risks, credit risks, and country risks) are measured and managed as comprehensive risk management according to the calculated risk asset scores, in addition to individual risk management based on the following basic policies.

We try to minimize market risks, in principle, by adopting the asset/liability matching model for product transaction balances, etc., and the hedge transactions such as forward exchange contracts, commodity futures trading and forward commodity contracts, and interest rate swaps.

Credit risks are controlled through the use of an internal credit rating system for each business

partner.

Country risks are controlled with the use of a country rating system, which determines a maximum exposure limit for each country.

Business investment risks are controlled based on our strict criteria, designed for assessing risks of new projects, taking into account partner risks and their business features, and setting a standard for IRRs (internal rates of return). We conduct follow-up checks on a regular basis, maintaining strict criteria for withdrawal.

As for nonquantifiable risks (legal risks, compliance risks, environmental risks, financing risks, disaster risks and system risks), the management status are also reported to the management.

iv) Management of Group Companies

The Corporate Planning Department adopts and promotes a management system for the Group companies' business operations. Meanwhile, the Audit Department conducts audits on the Group companies and strives to strengthen its oversight function over them, identify problems in the early stages, and prevent the occurrence of loss to the Company. In addition, the Audit Department has introduced the Self-inspection System, to raise awareness towards operational improvements in frontline operations. Furthermore, Audit & Supervisory Board Members and the Audit Department are working on to build a good cooperation with Audit & Supervisory Board Members of major Group companies through the exchange of information, thereby implementing efficient monitoring that corresponds to the Group management.

v) Efforts for Ensuring the Reliability of Financial Reporting

The Internal Control Committee plays a central role in practically maintaining and improving the internal control systems relating to the financial reporting of the entire Group, in order to secure the reliability of financial reporting, with an aim to ensure a qualitative progress of those internal control systems. We have carried out the assessment on the effectiveness of internal controls in accordance with the "Assessment, Reporting and Auditing of Internal Controls over Financial Reporting." Further, to remind the entire Group of the importance of securing the reliability of financial reporting, as well as the importance of internal control activities for that purpose, the Board of Directors adopted a resolution regarding the following "Basic Policy to Ensure Appropriate Financial Reporting," and we have been making every attempt to keep all employees informed and involved.

<Basic Policy to Ensure Appropriate Financial Reporting>

To maintain and earn higher social credibility of the Company, we believe one of the most important goals is to ensure appropriate financial reporting. Subsequently, we have established the following basic policy in accordance with the “Internal Control Reporting System” as prescribed in Article 24-4-4 of the Financial Instruments and Exchange Act.

1. Basic Principle for Ensuring Appropriate Financial Reporting

- Sojitz Group always applies appropriate accounting principles and adopts them as its own principles. Therefore, all directors and employees of the Group shall be informed and understood of this policy, and carry out accounting processing in accordance with these principles.
- All directors and employees shall understand that any false representations arising from fraud, willful act, negligence, or improper understanding of accounting standards may damage the reliability of financial reporting of the Group. This could be disastrous and harm the credibility of the entire Group. Should such a situation occur, the Company will take disciplinary actions against any individuals found to be accountable.

2. Establishment of Systems and Procedures for Ensuring Appropriate Financial Reporting

- The Board of Directors shall understand and perform its responsibilities for proper supervision and monitoring over management, with respect to financial reporting as well as internal controls over the financial reporting.
- In order to ensure appropriate financial reporting, a proper organizational framework shall be established that is optimal for the features of the Group’s businesses. Duties and responsibilities involved in financial reporting shall be clarified, and authorities and obligations shall be appropriately allocated.
- Potential risks of significant false representations shall be identified and analyzed. To minimize such risks, effective internal controls shall be established and implemented in good faith.
- A system to routinely monitor internal controls over financial reporting shall be established. Any problems detected by the constant monitoring shall be reported in a timely and appropriate manner, and a system for this process shall be established.
- Any material information on internal controls over financial reporting shall be communicated between the levels of management, managers, and responsible staff in a timely and appropriate manner, and a system for this process shall be maintained and established.

3. Use of IT for Internal Controls over Financial Reporting

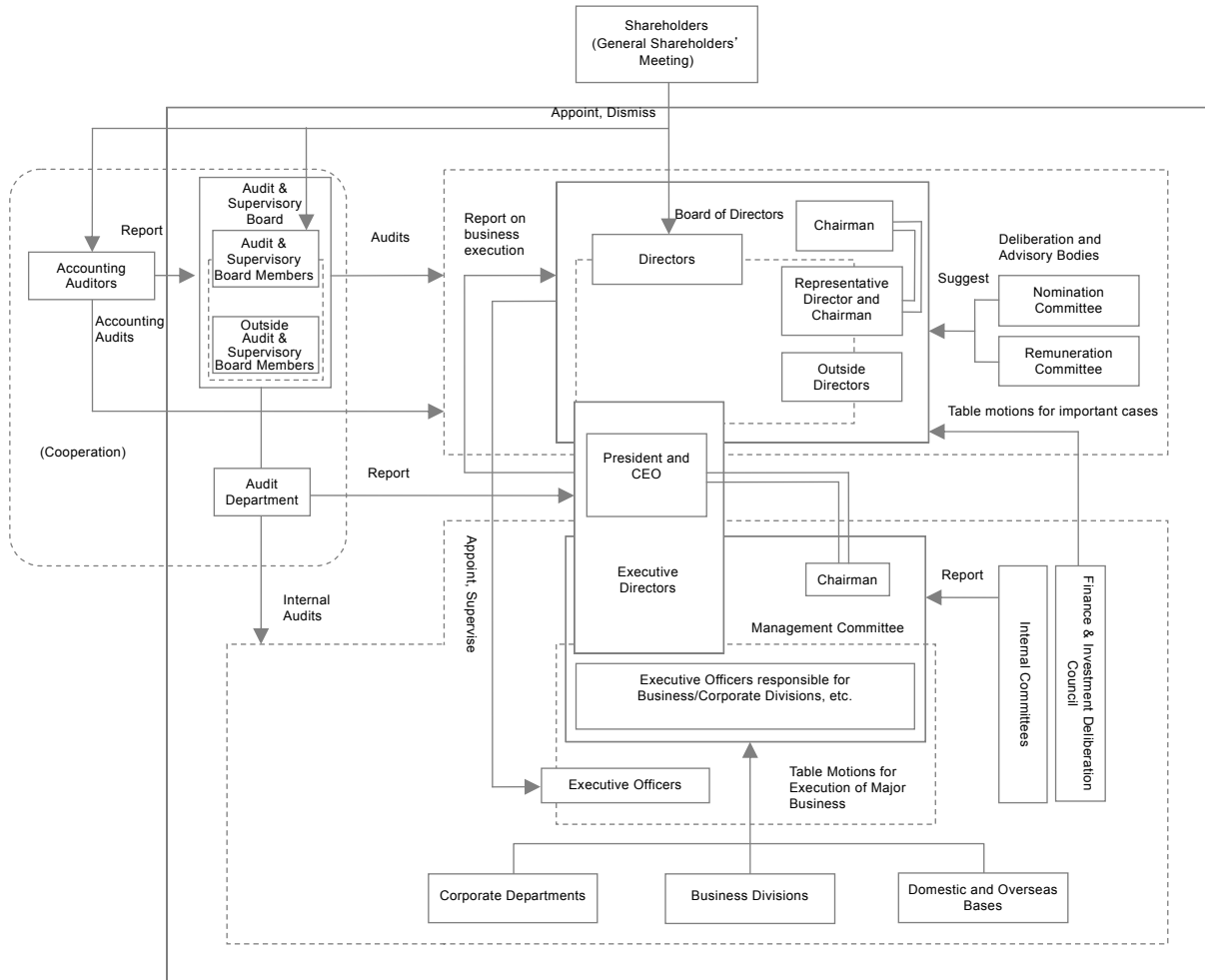
- All directors and employees of the Group shall understand the importance of IT infrastructures in relation to internal controls over financial reporting and appropriately understand its associated risks. These risks shall be minimized to the possible extent, and IT controls shall be effectively used for the efficient internal controls.

4. Implementation of “Assessment and Reporting of Internal Controls over Financial Reporting” Pursuant to the Financial Instruments and Exchange Act

- All directors and employees of the Group shall faithfully carry out its practice standards and procedures for the “Assessment and Reporting of Internal Controls over Financial Reporting by Management” established pursuant to the Financial Instruments and Exchange Act. Detailed guidelines and plans shall be separately determined as necessary.
- Any insufficiency or material defects in internal controls of the Group identified in the course of implementing “Assessment and Reporting of Internal Controls over Financial Reporting by Management” shall be corrected immediately.

Regarding the corporate governance framework, please refer to the chart on the next page.

Corporate Governance Framework



Financial Statements
Consolidated Financial Statements

Consolidated Statements of Financial Position

(Millions of yen)

Items	As of Mar. 31, 2014	(Reference) As of Mar. 31, 2013	Items	As of Mar. 31, 2014	(Reference) As of Mar. 31, 2013
Assets			Liabilities and equity		
Current assets			Liabilities		
Cash and cash equivalents	420,658	424,371	Current liabilities		
Time deposits	4,362	9,313	Trade and other payables	514,585	515,989
Trade and other receivables	524,826	508,690	Bonds and borrowings	227,216	258,375
Derivatives	5,185	4,100	Derivatives	6,400	15,952
Inventories	301,979	297,389	Income tax payables	8,038	7,038
Income tax receivables	4,907	4,778	Provisions	1,207	1,419
Other current assets	46,759	41,231	Other current liabilities	54,402	50,150
Subtotal	1,308,680	1,289,875	Total current liabilities	811,850	848,926
Assets as held for sale	13,143	1,303	Non-current liabilities		
Total current assets	1,321,824	1,291,178	Bonds and borrowings	838,060	818,632
Non-current assets			Trade and other payables	10,463	9,816
Property, plant and equipment	213,934	231,840	Derivatives	1,721	1,884
Goodwill	46,264	45,725	Retirement benefits liabilities	16,917	16,158
Intangible assets	60,958	63,207	Provisions	20,798	18,892
Investment property	25,334	40,055	Other non-current liabilities	7,321	7,313
Investments accounted for using the equity method	336,761	279,815	Deferred tax liabilities	20,143	17,127
Trade and other receivables	60,310	62,963	Total non-current liabilities	915,426	889,824
Other investments	133,625	114,596	Total liabilities	1,727,277	1,738,751
Derivatives	209	229	Equity		
Other non-current assets	9,683	10,976	Share capital	160,339	160,339
Deferred tax assets	11,329	9,461	Capital surplus	146,515	146,518
Total non-current assets	898,411	858,871	Treasury stock	(157)	(148)
			Other components of equity	119,617	62,826
			Retained earnings	33,538	13,053
			Total equity attributable to owners of the Company	459,853	382,589
			Non-controlling interests	33,105	28,709
			Total equity	492,959	411,298
Total assets	2,220,236	2,150,050	Total liabilities and equity	2,220,236	2,150,050

Consolidated Statements of Profit or Loss

(Millions of yen)

Items	FY2013 (From April 1, 2013 to March 31, 2014)	(Reference) FY2012 (From April 1, 2012 to March 31, 2013)
Revenue		
Sales of goods	1,714,176	1,659,233
Sales of services and others	88,928	88,517
Total revenue	1,803,104	1,747,750
Cost of sales	(1,604,882)	(1,560,504)
Gross profit	198,221	187,245
Selling, general and administrative expenses	(151,628)	(151,091)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	6,132	2,209
Impairment loss on fixed assets	(19,461)	(11,549)
Gain on sale of subsidiaries/associates	1,666	2,138
Loss on reorganization of subsidiaries/associates	(2,684)	(3,525)
Other operating income	10,429	10,702
Other operating expenses	(18,980)	(10,636)
Total other income (expenses)	(22,898)	(10,660)
Operating profit	23,694	25,493
Financial income		
Interests earned	5,359	4,984
Dividends received	3,810	2,761
Other financial income	43	276
Total financial income	9,213	8,022
Financial costs		
Interest expenses	(19,855)	(21,247)
Total financial costs	(19,855)	(21,247)
Share of profit (loss) of investments accounted for using the equity method	30,979	15,784
Profit before tax	44,033	28,052
Income tax expenses	(11,949)	(11,058)
Profit for the year	32,083	16,993
Profit attributable to:		
Owners of the Company	27,250	13,448
Non-controlling interests	4,833	3,544
Total	32,083	16,993

Consolidated Statements of Changes in Equity

(Millions of yen)

	Attributable to owners of the Company					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Foreign currency translation differences for foreign operations	Financial assets measured at fair value through other comprehensive income	Cash flow hedges
Balance as of April 1, 2013	160,339	146,518	(148)	20,038	44,332	(1,543)
Profit for the year						
Other comprehensive income				39,335	14,954	1,100
Total comprehensive income for the year	—	—	—	39,335	14,954	1,100
Purchase of treasury stock		(2)	(9)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control						
Reclassification from other components of equity to retained earnings					1,400	
Other changes						
Total contributions by and distributions to owners of the Company	—	(2)	(9)	—	1,400	—
Balance as of March 31, 2014	160,339	146,515	(157)	59,373	60,687	(443)

(Reference)

Balance as of April 1, 2012	160,339	146,518	(147)	(12,543)	37,083	(960)
Profit for the year						
Other comprehensive income				32,581	11,114	(583)
Total comprehensive income for the year	—	—	—	32,581	11,114	(583)
Purchase of treasury stock		(0)	(0)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control						
Reclassification from other components of equity to retained earnings					(3,865)	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(0)	—	(3,865)	—
Balance as of March 31, 2013	160,339	146,518	(148)	20,038	44,332	(1,543)

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company		
	Remeasurement of defined benefit pension plans	Total other components of equity				
Balance as of April 1, 2013	—	62,826	13,053	382,589	28,709	411,298
Profit for the year			27,250	27,250	4,833	32,083
Other comprehensive income	(418)	54,971		54,971	1,432	56,403
Total comprehensive income for the year	(418)	54,971	27,250	82,221	6,265	88,487
Purchase of treasury stock				(11)		(11)
Dividends			(4,378)	(4,378)	(1,805)	(6,184)
Change in ownership interests in subsidiaries without loss/acquisition of control			2	2	(25)	(23)
Reclassification from other components of equity to retained earnings	418	1,819	(1,819)	—		—
Other changes			(569)	(569)	(38)	(607)
Total contributions by and distributions to owners of the Company	418	1,819	(6,765)	(4,957)	(1,869)	(6,827)
Balance as of March 31, 2014	—	119,617	33,538	459,853	33,105	492,959

(Reference)

Balance as of April 1, 2012	—	23,580	(327)	329,962	25,218	355,180
Profit for the year			13,448	13,448	3,544	16,993
Other comprehensive income	(388)	42,723		42,723	2,031	44,754
Total comprehensive income for the year	(388)	42,723	13,448	56,171	5,576	61,748
Purchase of treasury stock				(1)		(1)
Dividends			(3,753)	(3,753)	(1,659)	(5,412)
Change in ownership interests in subsidiaries without loss/acquisition of control			(36)	(36)	(503)	(539)
Reclassification from other components of equity to retained earnings	388	(3,477)	3,477	—		—
Other changes			245	245	77	323
Total contributions by and distributions to owners of the Company	388	(3,477)	(67)	(3,545)	(2,084)	(5,630)
Balance as of March 31, 2013	—	62,826	13,053	382,589	28,709	411,298

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

(Millions of yen)

Items	FY2013 (From April 1, 2013 to March 31, 2014)	FY2012 (From April 1, 2012 to March 31, 2013)
Profit for the year	32,083	16,993
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	15,065	11,172
Remeasurement of defined benefit pension plans	(425)	(398)
Total items that will not be reclassified to profit or loss	14,639	10,774
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	40,578	34,509
Cash flow hedges	1,184	(528)
Total items that may be reclassified subsequently to profit or loss	41,763	33,980
Other comprehensive income for the year, net of tax	56,403	44,754
Total comprehensive income for the year	88,487	61,748
Total comprehensive income attributable to:		
Owners of the Company	82,221	56,171
Non-controlling interests	6,265	5,576
Total	88,487	61,748

(Reference) Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2013 (From April 1, 2013 to March 31, 2014)	FY2012 (From April 1, 2012 to March 31, 2013)
Cash flows from operating activities		
Profit for the year	32,083	16,993
Depreciation and amortization	36,100	31,047
Impairment loss on fixed assets	19,461	11,549
Finance (income) costs	10,641	13,225
Share of (profit) loss of investments accounted for using the equity method	(30,979)	(15,784)
(Gain) loss on sale and disposal of fixed assets, net	(6,132)	(2,209)
Income tax expense	11,949	11,058
(Increase) decrease in trade and other receivables	4,226	40,625
(Increase) decrease in inventories	(6,151)	(709)
Increase (decrease) in trade and other payables	(10,640)	(30,116)
Increase (decrease) in retirement benefits liabilities	390	985
Others	(1,451)	(1,839)
Subtotal	59,498	74,825
Interests earned	5,225	5,082
Dividends received	16,424	13,777
Interests paid	(20,308)	(21,840)
Income taxes paid	(13,842)	(16,722)
Net cash provided (used) by/in operating activities	46,997	55,124
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,579)	(29,473)
Proceeds from sale of property, plant and equipment	13,578	14,384
Purchase of intangible assets	(4,522)	(8,310)
(Increase) decrease in short-term loans receivable	(1,706)	3,400
Payment for long-term loans receivable	(3,423)	(11,704)
Collection of long-term loans receivable	5,202	2,399
Proceeds from (payments for) acquisition of subsidiaries	(7,024)	(5,624)
Proceeds from (payments for) sale of subsidiaries	232	1,530
Purchase of investments	(23,658)	(2,646)
Proceeds from sale of investments	7,910	17,831
Others	12,521	6,559
Net cash provided (used) by/in investing activities	(24,469)	(11,652)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(14,714)	(10,928)
Proceeds from long-term borrowings	170,858	236,109
Repayment of long-term borrowings	(178,687)	(248,449)
Proceeds from issuance of bonds	29,862	9,953
Redemption of bonds	(30,000)	(35,000)
Payment for acquisition of subsidiaries' interests from non-controlling interest holders	(0)	(468)
Proceeds from non-controlling interest holders	104	71
Purchase of treasury stock	(11)	(1)
Dividends paid	(4,378)	(3,753)
Dividends paid to non-controlling interest holders	(1,805)	(1,659)
Others	(2,160)	(2,050)
Net cash provided (used) by/in financing activities	(30,931)	(56,177)
Net increase (decrease) in cash and cash equivalents	(8,403)	(12,706)
Cash and cash equivalents at the beginning of year	424,371	425,595
Effect of exchange rate changes on cash and cash equivalents	4,690	11,481
Cash and cash equivalents at the end of year	420,658	424,371

(Reference) Segment Information

FY2013 (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segments					Others	Reconciliations	Consolidated
	Machinery	Energy & Metal	Chemicals	Consumer Lifestyle Business	Total			
Revenue								
External revenue	354,340	468,316	383,356	516,927	1,722,941	80,163	—	1,803,104
Inter-segment revenue	1,598	—	8	3	1,611	405	(2,016)	—
Total revenue	355,939	468,316	383,364	516,931	1,724,552	80,568	(2,016)	1,803,104
Segment profit (loss)	(2,258)	9,276	7,933	17,492	32,443	3,623	(8,816)	27,250
Other:								
Interest income	1,050	1,816	414	867	4,148	2,134	(923)	5,359
Interest expenses	(6,248)	(8,020)	(3,412)	(4,718)	(22,399)	1,621	923	(19,855)
Depreciation and amortization	(7,887)	(18,391)	(2,547)	(2,967)	(31,794)	(4,306)	—	(36,100)
Gain (loss) on sale and disposal of fixed assets, net	981	5,267	(12)	(37)	6,198	(65)	—	6,132
Impairment loss on fixed assets	(56)	(18,248)	—	(62)	(18,368)	(1,093)	—	(19,461)
Gain on sale of subsidiaries/ associates	1,300	51	314	—	1,666	—	—	1,666
Loss on reorganization of subsidiaries/associates	(1,620)	(1)	(190)	(317)	(2,129)	(558)	2	(2,684)
Share of profit (loss) of investments accounted for using the equity method	3,395	16,224	599	10,427	30,646	332	—	30,979
Income tax expenses	(3,434)	9,556	(3,627)	(3,458)	(963)	(1,791)	(9,193)	(11,949)
Segment assets	420,472	590,783	280,271	478,435	1,769,963	235,008	215,263	2,220,236
Other:								
Investment accounted for using the equity method	25,653	250,408	11,846	45,444	333,352	3,481	(72)	336,761
Capital expenditure	8,708	11,374	903	4,464	25,451	2,409	—	27,861
Net sales (Note)								
External	988,430	777,084	643,805	1,554,057	3,963,377	83,199	—	4,046,577

Segment profit (loss) is reconciled based on the profit (attributable to owners of the company) for the year under the Consolidated Statements of Profit or Loss.

Reconciliation of *Segment loss* of 8,816 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to -9,193 million yen, and unallocated dividend income and others relating to all of the companies' assets which amounted to 377 million yen.

The reconciliation amount of *Segment assets* of 215,263 million yen includes elimination of inter-segment transactions or the like amounting to -55,347 million yen and all of the companies' assets that were not allocated to each segment amounting to 270,610 million yen, and mainly consists of the Company's surplus funds in the form of cash in bank or the like for investment and marketable securities or the like.

FY2012 (From April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable segments					Others	Reconciliations	Consolidated
	Machinery	Energy & Metal	Chemicals	Consumer Lifestyle Business	Total			
Revenue								
External revenue	326,512	588,090	345,261	435,248	1,695,113	52,637	—	1,747,750
Inter-segment revenue	1,633	3	7	5	1,649	345	(1,995)	—
Total revenue	328,146	588,093	345,269	435,253	1,696,763	52,982	(1,995)	1,747,750
Segment profit (loss)	(774)	12,726	3,177	7,367	22,496	880	(9,929)	13,448
Other:								
Interest income	796	2,230	372	611	4,012	1,441	(469)	4,984
Interest expenses	(6,211)	(8,964)	(3,441)	(5,164)	(23,782)	2,065	469	(21,247)
Depreciation and amortization	(7,635)	(13,429)	(2,346)	(2,483)	(25,895)	(5,151)	—	(31,047)
Gain (loss) on sale and disposal of fixed assets, net	127	1,119	621	234	2,103	106	—	2,209
Impairment loss on fixed assets	(1,221)	(6,963)	(139)	(203)	(8,528)	(3,021)	—	(11,549)
Gain on sale of subsidiaries/associates	215	1,758	85	46	2,106	167	(135)	2,138
Loss on reorganization of subsidiaries/associates	(1,261)	(1,857)	(420)	(119)	(3,657)	—	132	(3,525)
Share of profit (loss) of investments accounted for using the equity method	4,011	9,504	(41)	2,583	16,058	(285)	10	15,784
Income tax expenses	(3,667)	9,199	(4,341)	(2,402)	(1,211)	387	(10,235)	(11,058)
Segment assets	399,835	559,747	274,633	420,537	1,654,754	262,034	233,261	2,150,050
Other:								
Investment accounted for using the equity method	24,889	218,890	11,050	21,394	276,224	3,662	(72)	279,815
Capital expenditure	11,601	15,169	902	4,161	31,834	4,066	—	35,901
Net sales (Note)								
External	941,956	888,093	571,345	1,475,868	3,877,263	57,193	—	3,934,456

Segment profit (loss) is reconciled based on the profit (attributable to owners of the company) for the year under the Consolidated Statements of Profit or Loss.

Reconciliation of *Segment loss* of 9,929 million yen includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to -10,235 million yen, and unallocated dividend income and others relating to all of the companies' assets which amounted to 306 million yen.

The reconciliation amount of *Segment assets* of 233,261 million yen includes elimination of inter-segment transactions or the like amounting to -70,539 million yen and all of the companies' assets that were not allocated to each segment amounting to 303,800 million yen, and mainly consists of the Company's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

(Note) "Net sales" are based on Japanese GAAP, and represent the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

Items	As of Mar. 31, 2014	(Reference) As of Mar. 31, 2013	Items	As of Mar. 31, 2014	(Reference) As of Mar. 31, 2013
Assets			Liabilities		
<u>Current assets</u>	699,619	673,680	<u>Current liabilities</u>	485,037	500,665
Cash and deposits	233,715	270,566	Notes payable-trade	18,936	21,267
Notes receivable-trade	9,241	9,954	Accounts payable-trade	223,122	212,975
Accounts receivable-trade	205,380	184,080	Short-term loans payable	125,169	120,250
Merchandise	163,084	141,882	Current portion of bonds	20,000	30,000
Advance payments-trade	15,152	9,317	Income taxes payable	2,018	900
Short-term loans receivable	30,342	19,417	Advances received	15,331	10,412
Deferred tax assets	3,577	1,400	Deposits received	62,376	77,945
Other	40,195	38,077	Provision for bonuses	2,371	2,482
Allowance for doubtful accounts	(1,069)	(1,015)	Other	15,709	24,431
<u>Noncurrent assets</u>	882,668	899,086	<u>Noncurrent liabilities</u>	745,654	731,678
<u>Property, plant and equipment</u>	18,101	19,932	Bonds payable	70,000	60,000
Buildings	6,089	6,322	Long-term loans payable	658,881	659,541
Land	9,932	11,170	Deferred tax liabilities	2,419	—
Other	2,079	2,440	Provisions for retirement	7,238	5,906
Intangible assets	10,438	11,844	benefits		
Software	2,753	3,304	Other	7,115	6,230
Goodwill	7,364	8,284			
Other	321	256			
<u>Investments and other assets</u>	854,128	867,308	Total liabilities	1,230,691	1,232,343
Investment securities	93,116	84,773	Net assets		
Stocks of subsidiaries and affiliates	617,929	607,671	<u>Shareholders' equity</u>	345,563	344,293
Investments in capital of subsidiaries and affiliates, etc.	27,526	42,777	<u>Capital stock</u>	160,339	160,339
Long-term loans receivable	47,024	73,813	<u>Capital surplus</u>	155,271	155,271
Bad debts	98,727	80,038	Legal capital surplus	152,160	152,160
Deferred tax assets	—	5,620	Other capital surplus	3,110	3,110
Other	42,007	42,636	<u>Retained earnings</u>	30,109	28,831
Allowance for doubtful accounts	(61,820)	(59,820)	Other retained earnings		
Allowance for investment loss	(10,382)	(10,200)	Retained earnings brought forward	30,109	28,831
<u>Deferred assets</u>	237	190	<u>Treasury stock</u>	(157)	(148)
Bond issuance cost	237	190	<u>Valuation and translation adjustments</u>	6,270	(3,679)
			<u>Valuation difference on available-for-sale securities</u>	14,813	5,240
			<u>Deferred gains or losses on hedges</u>	(8,543)	(8,920)
			Total net assets	351,833	340,613
Total assets	1,582,525	1,572,957	Total liabilities and net assets	1,582,525	1,572,957

Non-consolidated Statements of Income

(Millions of yen)

Items	FY2013 (From April 1, 2013 to March 31, 2014)	(Reference) FY2012 (From April 1, 2012 to March 31, 2013)
Net sales	2,533,171	2,436,466
Cost of sales	2,480,652	2,386,522
Gross profit	52,518	49,944
Selling, general and administrative expenses	53,298	52,891
Operating loss	(779)	(2,947)
Non-operating income		
Interest income	5,858	4,315
Dividends income	35,676	25,135
Foreign exchange gains	—	7,621
Other	7,001	7,941
Total non-operating income	48,536	45,013
Non-operating expenses		
Interest expenses	14,997	16,160
Loss on valuation of derivatives	2,641	10,566
Foreign exchange losses	370	—
Other	4,350	4,090
Total non-operating expenses	22,360	30,817
Ordinary income	25,396	11,249
Extraordinary income		
Gain on sales of noncurrent assets	127	181
Gain on sales of subsidiaries and affiliates' stocks, etc.	2,260	120
Gain on sales of investment securities, etc.	908	8,527
Reversal of allowance for investment loss	—	99
Reversal of allowance for doubtful accounts	1,001	—
Gain on transfer of business	—	1
Total extraordinary income	4,297	8,930
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	48	81
Impairment loss	1,795	4,958
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	16,534	30,403
Loss on sales of investment securities, etc.	6	29
Loss on valuation of investment securities, etc.	3,974	1,354
Loss on litigation	—	582
Total extraordinary losses	22,359	37,409
Income (loss) before income taxes	7,334	(17,229)
Income taxes-current	(715)	(1,018)
Income taxes-deferred	2,392	(1,245)
Total income taxes	1,677	(2,264)
Net income (loss)	5,657	(14,965)

Non-consolidated Statements of Changes in Net Assets

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings (Retained earnings brought forward)	Total retained earnings
Balance as of April 1, 2013	160,339	152,160	3,110	155,271	28,831	28,831
Dividends from surplus					(4,378)	(4,378)
Net income					5,657	5,657
Purchase of treasury stock						
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	—	—	1,278	1,278
Balance as of March 31, 2014	160,339	152,160	3,110	155,271	30,109	30,109

(Reference)

Balance as of April 1, 2012	160,339	152,160	3,110	155,271	47,549	47,549
Dividends from surplus					(3,753)	(3,753)
Net loss					(14,965)	(14,965)
Purchase of treasury stock						
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	—	—	(18,718)	(18,718)
Balance as of March 31, 2013	160,339	152,160	3,110	155,271	28,831	28,831

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance as of April 1, 2013	(148)	344,293	5,240	(8,920)	(3,679)	340,613
Dividends from surplus		(4,378)				(4,378)
Net income		5,657				5,657
Purchase of treasury stock	(9)	(9)				(9)
Net changes of items other than shareholders' equity			9,572	377	9,950	9,950
Total changes of items during the period	(9)	1,269	9,572	377	9,950	11,219
Balance as of March 31, 2014	(157)	345,563	14,813	(8,543)	6,270	351,833

(Reference)

Balance as of April 1, 2012	(147)	363,012	1,292	(1,385)	(92)	362,919
Dividends from surplus		(3,753)				(3,753)
Net loss		(14,965)				(14,965)
Purchase of treasury stock	(0)	(0)				(0)
Net changes of items other than shareholders' equity			3,947	(7,534)	(3,586)	(3,586)
Total changes of items during the period	(0)	(18,719)	3,947	(7,534)	(3,586)	(22,306)
Balance as of March 31, 2013	(148)	344,293	5,240	(8,920)	(3,679)	340,613

Independent Auditors' Audit Report

May 15, 2014

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Masami Hashimoto
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Tatsunaga Fumikura
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Takemitsu Nemoto

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, 2014 and for the 11th consolidated fiscal year from April 1, 2013 to March 31, 2014.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these consolidated financial statements referred to above, prepared with the omission of certain disclosures required by the IFRS pursuant to the second sentence of Section 1 of Article 120 of the Corporate Accounting Regulations, present fairly, in all material aspects, the financial position and results of operations of the Company and its subsidiaries, applicable to the consolidated fiscal year ended March 31, 2014.

Matters for Emphasis

As mentioned in Significant Subsequent Events in the Notes to the Consolidated Financial Statements, the Company issued “The 29th series of Unsecured Bonds” on April 22, 2014 based on a resolution of the Board of Directors held on March 27, 2014.

This matter has no impact on our audit opinion.

Other Matter

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

Independent Auditors' Audit Report

May 15, 2014

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Masami Hashimoto
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Tatsunaga Fumikura
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Takemitsu Nemoto

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, 2014 and for the 11th fiscal year from April 1, 2013 to March 31, 2014.

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

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these non-consolidated financial statements and supplementary schedules referred to above present fairly, in all material aspects, the financial position and results of operation of the Company, applicable to the fiscal year ended March 31, 2014 in conformity with accounting principles generally accepted in Japan.

Matters for Emphasis

As mentioned in Significant Subsequent Events in the Notes to the Non-consolidated Financial Statements, the Company issued “The 29th series of Unsecured Bonds” on April 22, 2014 based on a resolution of the Board of Directors held on March 27, 2014.

This matter has no impact on our audit opinion.

Other Matter

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

Audit Report

With respect to the Directors' performance of their duties during the 11th fiscal year (from April 1, 2013 to March 31, 2014), 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

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.

In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies 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, 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.

Also, each Audit & Supervisory Board Member regularly received reports on the status of the system and performance from the Directors and other employees and, as necessary, requested explanations for and expressed opinions on the status of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the business report complied with all laws, regulations and the articles of incorporation of the company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (*kabushiki kaisha*), and the systems (internal control systems) based on such resolutions. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and supplementary schedules for the fiscal year under consideration.

In addition, each Audit & Supervisory Board Member monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with, among other things, the "Quality Control Standards for audit" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

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

2. Results of Audit

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

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

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

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

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

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

(3) Results of Audit of the consolidated financial statements

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

May 16, 2014

Sojitz Corporation Audit & Supervisory Board

Audit & Supervisory Board Member (Full-time)

Jun Matsumoto

Outside Audit & Supervisory Board Member (Full-time)

Yoichi Ojima

Outside Audit & Supervisory Board Member

Yukio Machida

Outside Audit & Supervisory Board Member

Miki Seko

Outside Audit & Supervisory Board Member

Tadao Tsuya

Guide Map

Date and Time:

10:00 a.m., Tuesday, June 24, 2014

(The reception is scheduled to open at 9:00 a.m.)

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

Place:

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

Rail access via:

Tokyo Metro Ginza Line

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

Tokyo Metro Namboku Line

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

