sojitz
New way, New value

Notice of the 12th Ordinary General Shareholders' Meeting

To be held at 10:00 a.m. on Tuesday, June 23, 2015 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 22, 2015 (JST)

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

Sojitz Corporation
(Securities code 2768)

(Securities code 2768)

June 2, 2015

To Our Shareholders:

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

Notice of the 12th Ordinary General Shareholders' Meeting

You are cordially invited to attend the 12th 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	**10:00 a.m., Tuesday, June 23, 2015** (The reception is scheduled to open at 9:00 a.m.)
Place	**Prominence Ballroom (B1F) 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 22, 2015 (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:	(1) The 12th Fiscal Year (from April 1, 2014 to March 31, 2015) business report, consolidated financial statements, and the audit reports concerning the consolidated financial statements by the accounting auditors and the Audit & Supervisory Board (2) The 12th Fiscal Year (from April 1, 2014 to March 31, 2015) non-consolidated financial statements
Matters to be resolved:	**Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 12th Fiscal Year)** **Proposal No. 2 Election of Seven (7) Directors**

- If you exercise your voting rights at the meeting by proxy, you must appoint only one proxy who is a shareholder with voting rights in the Company, in accordance with the Articles of Incorporation of the Company. In this case, the proxy will be requested to present your letter of proxy, together with your Voting Right Exercise Form at the reception desk upon arrival at the meeting.
- In accordance with the applicable laws and regulations and Article 14 of the Articles of Incorporation of the Company, we publish Notes to the Consolidated Financial Statements 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 12th 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 12th 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 22, 2015 (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.evote.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 22, 2015 (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.evote.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.evote.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 22, 2015 (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 12th Fiscal Year)

In addition to paying stable dividends to shareholders on an ongoing basis, the Company is also committed to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing retained earnings as a basic policy and a top management priority. Under its Medium-term Management plan 2014, which ended with the year ended March 31, 2015, the basic dividend policy is to maintain a consolidated payout ratio of around 20%.

For the year ended March 31, 2015, in light of its fiscal 2014 results and the adequacy of its total equity, we hereby propose year-end dividends for this fiscal year as follows.

(1) Type of Dividend Property

Cash

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

3.5 yen per share in common stock of the Company, and 4,378,578,442 yen in total

We paid an interim dividend of 2.5 yen per share on December 2, 2014. Therefore, an annual dividend per share will be 6 yen and the total amount of annual dividends is 7,506,146,307 yen.

(3) Effective Date of Dividends from Surplus

June 24, 2015

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 continue to be registered as independent officers if their election is approved.

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

No.	Name (Age)	Current Position and Responsibilities at the Company	Number of Attendance to the Board of Directors Meetings
1	Yutaka Kase (68) <Reappointment>	Representative Director and Chairman	100% (18/18)
2	Takashi Hara (63) <Reappointment>	Representative Director and Vice Chairman	100% (18/18)
3	Yoji Sato (65) <Reappointment>	Representative Director, President & CEO	100% (18/18)
4	Shigeki Dantani (66) <Reappointment>	Representative Director and Executive Vice President Adviser to the President, and Executive Management of Business Group (Automotive, Aerospace & IT Business, Infrastructure & Environment Business)	100% (18/18)
5	Yoshio Mogi (63) <Reappointment>	Representative Director and Executive Vice President CFO, and Senior Management of Finance & Accounting, Risk Management	100% (18/18)
6	Yoko Ishikura (66) < Reappointment > <Independent Officer> <Outside Director>	Director	100% (14/14) (After appointment in June 2014)
7	Yukio Kitazume (64) < Reappointment > <Independent Officer> <Outside Director>	Director	100% (14/14) (After appointment in June 2014)

(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	 Yutaka Kase (February 19, 1947, 68) <Reappointment> Term of office of Director of the Company: 9 years (as of the conclusion of the Meeting)	May 1970 Joined Nissho Iwai Corporation November 1992 President, Nissho Iwai New Zealand, and General Manager, Auckland Branch April 1995 General Manager, Wood Products Dept., Nissho Iwai Corporation June 1997 General Manager, Portland Branch, Nissho Iwai American Corporation January 1999 Group Executive, Consumer Life & Resources Business Group June 2001 Executive Officer, Nissho Iwai Corporation Executive Vice President, Nissho Iwai American Corporation April 2002 President, Chemicals & Forest Products Company, Nissho Iwai Corporation April 2003 Director, Managing Executive Officer 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 August 2004 Representative Director, Executive Vice President 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 April 2007 Representative Director, President & CEO April 2012 Representative Director and Chairman (current position) June 2013 Outside Director, Astellas Pharma Inc. (current position) [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. [Reasons for the Election of the Candidate for Director] Mr. Yutaka Kase possesses abundant experience and records, having engaged in various important roles at business divisions and overseas offices of the Company. Since assuming office as Director of the Company in 2005, Mr. Kase has served as Representative Director, President for the last 5 years from 2007. In addition, since 2012, Mr. Kase has assumed the responsibilities of the management and supervisory functions of the Company as Representative Director and Chairman and as Chairman of the Board of Directors. Based on his experience and accomplishments, we have chosen Mr. Kase as Director candidate predicated on our judgment that he will continue to be able to perform his duties as Director. To Our Shareholders: As society becomes increasingly demanding towards the enhancement of governance structures through such means as the formulation of corporate governance codes, the Company will focus on further ensuring soundness of business practices. As Chairman of the Board of Directors, I will continue to manage and supervise the execution of business and strive to maintain a sound management system and ensure the transparency of our business activities. At the same time, I will focus my efforts on ensuring that governance is practiced more effectively than ever throughout the Group so as to guarantee thorough compliance and make sure we fulfill our social responsibility by conducting business with “integrity and trust.”	197,400

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	 Takashi Hara (August 24, 1951, 63) <Reappointment> Term of office of Director of the Company: 3 years (as of the conclusion of the Meeting)	April 1975 Joined The Sanwa Bank Ltd. November 1993 General Manager, Mita Branch May 1999 General Manager, Public Relations Division 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. Executive Officer, General Manager, Public Relations Division March 2003 Executive Officer, General Manager, Kyoto Corporate Banking Office, and General Manager, Kyoto Branch July 2004 Executive Officer, General Manager, Human Resources Division May 2005 Managing Executive Officer, General Manager, Human Resources Division 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 June 2008 Managing Director May 2009 Senior Managing Director May 2010 Deputy President June 2012 Representative Director and Vice Chairman, Sojitz Corporation (current position) [Reasons for the Election of the Candidate for Director] Mr. Takashi Hara possesses abundant experience and records as a management acquired through his roles such as Deputy President of The Bank of Tokyo-Mitsubishi UFJ Ltd. In addition, since assuming office as Representative Director of the Company in 2012, he has dedicated himself to enhancement of corporate governance of the Company and other actions. Based on his experience and accomplishments, we have chosen Mr. Hara as Director candidate predicated on our judgment that he will continue to be able to perform his duties as Director. To Our Shareholders: In order for a company to continuously increase its corporate value, it must maintain an appropriate governance structure. As a director, I have supervised the Group's business activities for the past three years from a broad perspective, and endeavored to maintain and enhance the governance structure of the Company and of the Group as a whole. Amid the demands for refinement of corporate governance structures through such means as the including the formulation of corporate governance codes, I will continue to exert my best efforts to meet the expectations of all our stakeholders.	62,000

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	 Yoji Sato (July 14, 1949, 65) <Reappointment> Term of office of Director of the Company: 9 years (as of the conclusion of the Meeting)	April 1973 Joined Nissho Iwai Corporation January 1999 General Manager, Finance and Management, Accounting and Affiliate Administration, Nissho Iwai American Corporation January 2003 Planning Unit Leader, Nissho Iwai Corporation April 2003 Executive Officer April 2004 The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation Managing Executive Officer April 2005 Director, Managing Executive Officer, CFO 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 April 2006 Director, Senior Managing Executive Officer, CFO April 2008 Representative Director and Executive Vice President, Corporate Management, and CFO April 2012 Representative Director, President & CEO (current position) [Reasons for the Election of the Candidate for Director] Since assuming office as Director of the Company in 2005, Mr. Yoji Sato has served as Representative Director, President of the Company since 2012, after taking office as CFO. Under the Medium-Term Management Plan 2014, which places the fiscal year ending March 31, 2015 as its final year, Mr. Sato worked strenuously on improving asset efficiency, enhancing profitability and others, and has delivered positive results. Based on his experience and accomplishments, we have chosen Mr. Sato as Director candidate predicated on our judgment that we can expect him to show his leadership as Director in the new Medium-Term Management Plan. To Our Shareholders: The new Medium-Term Management Plan began in FY2015. As the President, who bears ultimate responsibility for the execution of business, I will work to further enhance the corporate value of the Company by steadily advancing this plan with the aim of achieveing our target of ROE of 8% or above. Moreover, based on the Sojitz Group Statement— “The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity,” — I will never cease to tackle new challenges in our quest to realize continuous growth and meet the expectations of our shareholders.	231,300

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
4	 Shigeki Dantani (September 9, 1948, 66) <Reappointment> Term of office of Director of the Company: 3 years (as of the conclusion of the Meeting)	April 1971 Joined Nissho Iwai Corporation September 1998 General Manager, Coal Department July 2002 Senior Vice President, Energy and Metal Resources Company, and General Manager, Coal Department 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) 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 January 2006 Executive Officer, and General Manager, Non-Ferrous Metals Department April 2006 President & CEO for Asia January 2007 President & CEO for Asia & Oceania April 2008 Managing Executive Officer May 2010 President, Energy & Metal Division April 2011 Senior Managing Executive Officer April 2012 Executive Vice President, Business Group June 2012 Representative Director and Executive Vice President, Business Group April 2015 Director May 2015 Representative Director and Executive Vice president, Advisor to the President, and Executive Management of Business Group (Automotive, Aerospace & IT Business, Infrastructure & Environment Business) (current position) [Reasons for the Election of the Candidate for Director] Mr. Shigeki Dantani has a total of 9 years of experience as Executive Officer of the Company, of which he has 3 years of experience as Representative Director, and has made efforts to enhance the revenue base for business divisions since 2012 as an Executive Officer of Business Group. Based on his experience and accomplishments, we have chosen Mr. Dantani as Director candidate predicated on our judgment that he will continue to be able to perform his duties as Director. To Our Shareholders: As Executive Vice President in charge of business divisions, I have promoted the enhancement of revenue base under the Medium-Term Management Plan 2014. Under the new Medium-Term Management Plan 2017, I will shift towards a growth track, accelerate efforts toward one of our key tasks, the expansion of stable revenue base, and continue to take on forward-looking challenges in the future.	80,800

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
5	 Yoshio Mogi (April 10, 1952, 63) <Reappointment> Term of office of Director of the Company: 3 years (as of the conclusion of the Meeting)	April 1975 Joined Nichimen Company, Limited January 2000 General Manager, Foreign Exchange and Securities Department, Nichimen Corporation (name changed from Nichimen Company, Limited in June 1982) April 2002 General Manager, Financial Enterprise Department April 2003 General Manager, Legal and Risk Management Department 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 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 April 2006 Executive Officer April 2008 Managing Executive Officer April 2012 Senior Managing Executive Officer, CFO, and Finance & Accounting, Risk Management June 2012 Representative Director and Senior Managing Executive Officer, CFO, and Senior Management of Finance & Accounting, Risk Management April 2013 Representative Director and Senior Managing Executive Officer, CFO, and Senior Management of Finance & Accounting, Risk Management, and Corporate Accounting, Finance, Forex & Securities April 2014 Representative Director and Executive Vice President, CFO, and Senior Management of Finance & Accounting, Risk Management, and Corporate Accounting, Forex & Securities April 2015 Representative Director and Executive Vice President, CFO, and Senior Management of Finance & Accounting, Risk Management (current position) [Reasons for the Election of the Candidate for Director] Mr. Yoshio Mogi has a total of 9 years of experience as Executive Officer of the Company, of which he has 3 years of management experience as Representative Director of the Company. Mr. Mogi has been responsible for Finance & Accounting and Risk Management, and since 2012, he has made efforts to maintain and strengthen the soundness of the Company's financial standing as CFO of the Company. Based on his experience and accomplishments, we have chosen Mr. Mogi as Director candidate predicated on our judgment that he will continue to be able to perform his duties as Director. To Our Shareholders: As CFO, the person ultimately responsible for finance, I have strived to strengthen our financial foundation. Under the new Medium-Term Management Plan, I will continue to strive to maintain financial soundness and to further strengthen Sojitz's risk management capabilities, while securing quality capital to facilitate growth-oriented investments and loans for growth and also working to enhance our revenue base.	42,654

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	 Yoko Ishikura (Yoko Kurita) (March 19, 1949, 66) <Reappointment> <Outside Director> <Independent Officer> Term of office of Director of the Company: 1 year (as of the conclusion of the Meeting) Number of attendance to the Board of Directors meetings 14/14 (100%)	July 1985 Manager, McKinsey & Company Inc. Japan Office April 1992 Professor, School of International Politics, Economics and Communication, Aoyama Gakuin University March 1996 Director (part-time), Avon Products Inc. April 2000 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University February 2001 Member of the Central Education Council April 2004 Director (part-time), Vodafone Holdings K.K. Outside Director (part-time) of Japan Post October 2005 Vice President, the Science Council of Japan June 2006 Outside Director, Mitsui O.S.K. Lines, Ltd. January 2008 Member (part-time) of the Council for Science and Technology Policy June 2010 Outside Director, Nissin Foods Holdings Co., Ltd. (current position) Outside Director, Fujitsu Limited April 2011 Professor, Graduate School of Media Design, Keio University April 2012 Professor Emeritus, Hitotsubashi University (current position) June 2012 Outside Director, Lifenet Insurance Company (current position) June 2014 Director, Sojitz Corporation (current position) [Significant Concurrent Occupations or Positions at Other Organizations] Outside Director, Nissin Foods Holdings Co., Ltd. Outside Director, Lifenet Insurance Company Ms. Yoko Ishikura is expected to assume office as Outside Director of Shiseido Company, Limited on June 23, 2015. [Reasons for the Election of the Candidate for Outside Director] Ms. Yoko Ishikura is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. In addition to her extensive knowledge and insight as an academic in global corporate management and corporate strategies, Ms. Ishikura actively provided advice at the Board of Directors meetings based on her experience as Outside Director with other companies. Ms. Ishikura is appropriately fulfilling her duties as Outside Director of the Company including supervision of business execution. Based on her experience and accomplishments, we have chosen Ms. Ishikura as Outside Director candidate predicated on our judgment that she will continue to be able to perform her duties as Outside Director. Although both Nissin Foods Holdings Co., Ltd., at which Ms. Ishikura is serving as Outside Director and Shiseido Company, Limited, at which Ms. Ishikura is expected to serve as Outside Director on June 23, 2015, have a business relationship with the Company, the amount of transactions with Nissin Foods Holdings Co., Ltd. and Shiseido Company, Limited 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, at which Ms. Ishikura is serving as Outside Director, and the Company.	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
		[Other Matters Concerning the Candidate for Outside Director] The Company has a limited liability agreement with Ms. Yoko Ishikura, limiting her liabilities to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan. The Company plans to extend the above limited liability agreement if Ms. Ishikura is elected. To Our Shareholders: Sojitz operates in a wide range of business fields. From an outside perspective, I have been working to identify the strengths of Sojitz that will enable it to succeed in its diverse range of businesses as well as the specific elements that serve to form such strengths. Sojitz began its new Medium-Term Management Plan in FY2015, and will aim to grow on the new stage through this plan. As an outside director, I will strive to contribute to Sojitz so as to enhance its competitiveness and increase its corporate value.	

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, 64) <Reappointment> <Outside Director> <Independent Officer> Term of office of Director of the Company: 1 year (as of the conclusion of the Meeting) Number of attendance to the Board of Directors meetings 14/14 (100%)	April 1973 Joined the Ministry of International Trade and Industry July 1993 Director-General for Commerce and Industry Policy Planning, Bureau of Labor and Economic Affairs, Tokyo Metropolitan Government July 1996 Director, General Affairs Division, International Trade Administration Bureau July 1997 Deputy Director-General for Security Export Control and International Trade Administration Bureau July 1999 Director General, Policy Planning and Coordination Department, Japan Patent Office April 2001 Vice Chairman, Nippon Export and Investment Insurance August 2007 Ambassador Extraordinary and Plenipotentiary to the State of Qatar 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) June 2014 Director, Sojitz Corporation (current position) [Significant Concurrent Occupations or Positions at Other Organizations] Vice Chairman, Japan Aircraft Development Corporation [Reasons for the Election of the Candidate for Outside Director] Mr. Yukio Kitazume is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Although Mr. Kitazume has not been directly involved in corporate management other than Outside Director of the Company, based on his long years of experience and extensive insight developed while assuming important posts in the governments such as Ambassador Extraordinary and Plenipotentiary, Mr. Kitazume is appropriately fulfilling his duty as Outside Director of the Company including supervision of business execution. Based on his experience and accomplishments, we have chosen Mr. Kitazume as Outside Director candidate predicated on our judgment that he will continue to be able to perform his duties as Outside Director. There is no special relationship between Japan Aircraft Development Corporation, at which Mr. Kitazume is serving as Vice Chairman, and the Company. [Other Matters Concerning the Candidate for Outside Director] The Company has a limited liability agreement with Mr. Yukio Kitazume, limiting his liabilities to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. The Company plans to extend the above limited liability agreement if Mr. Kitazume is elected. To Our Shareholders: I believe that it is my role to monitor the Company's management to ensure that Sojitz can maintain high corporate value, while taking into account the issues perceived by its shareholders and other stakeholders. Based on our new Medium-Term Management Plan launched in the current FY2015, I will steadfastly monitor business to help the Company consistently achieve future-oriented growth, and continue to ensure the transparency, fairness and efficiency of management.	0

(Attachment to the Notice of the 12th Ordinary General Shareholders' Meeting)

Business Report

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

1. Current Circumstances of the Sojitz Group

(1) Review of Progress and Performance in Operations

In the year ended March 31, 2015, we witnessed political unrest in certain countries and regions, which caused concern for the possibility of a downturn in economic growth. However, the global economy on the whole experienced a modest recovery trend focused on the United States.

In the United States, the number of people finding employment steadily increased, and consumer spending held firm. While the country maintained its effective zero interest-rate policy, in October 2014, the decision was made to end quantitative easing in light of the improvement seen in the job market. In this manner, the U.S. economy continued to display a modest recovery trend.

In Europe, threats of economic downturn lingered in the form of the residual impacts of the economic sanctions placed on Russia as well as the deceleration of the Chinese economy, and concern for the state of the Greek economy remained. However, economic conditions in Germany held firm, supported by euro depreciation among other factors. Driven by the strong German economy, the European economy experienced a recovery trend, as evidenced by the ceased increase of the unemployment rate and other favorable developments.

The Chinese economy suffered from the negative impacts of the poor real estate market and the slump in capital investment that resulted from excessive production adjustment. Government-spearheaded infrastructure investment and monetary easing measures were instituted as an attempt to prevent these trends from detracting from economic growth, but growth rates remained sluggish nonetheless.

Asia, meanwhile, was adversely affected by a decline in exports destined for Europe and China, and there was a lingering concern for the potential impacts of the end of the United States' quantitative easing. Nonetheless, internal demand in the region rose due to the economic recovery in principal developed nations and the benefits of dropping prices for crude oil, and conditions in the Asian economy held relatively firm as a result.

The Japanese economy initially suffered from a temporary drop in consumer spending following the consumption tax hike. However, corporate performance improved due to the benefits of the Bank of Japan's significant "Quantitative and Qualitative Monetary Easing" policy and the economic stimulus measures instituted by the government administration headed by Prime Minister Shinzo Abe. The resulting improvements in the job market and wages supported a modest economic recovery trend.

Sojitz Group Performance

In FY2014, the Group performed as outlined below. (Note)

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

Net sales

Net sales increased 1.5% year on year, to ¥4,105,295 million, as the increase in plant- and aircraft-related transactions counteracted the decline in transaction

volumes for tobacco.

Gross profit

Gross profit decreased ¥533 million, to ¥197,688 million, as a result of a decline in the profits from overseas fertilizer businesses. This decline offset the profit increases stemming from the acquisition of a U.S. automobile dealership business and higher aircraft-related transactions.

Operating profit

Operating profit increased ¥9,856 million, to ¥33,550 million. While gross profit decreased, this was outweighed by an improvement in the balance of other income and expenses stemming from a year-on-year decrease in losses recorded in Central and South American automotive business.

Profit before tax

Profit before tax rose ¥8,551 million, to ¥52,584 million, due to the increase in operating profit.

Profit for the year

Consolidated profit for the year was ¥37,650 million after deduction of ¥14,933 million in income tax expenses from the ¥52,584 million in profit before tax. Profit for the year (attributable to owners of the Company) increased ¥5,825 million year on year, to ¥33,075 million

Comprehensive income for the year

Comprehensive income for the year was ¥114,919 million, representing a year-on-year increase of ¥26,432 million. This was largely attributable to the growth in profit for the year as well as a rise in financial assets measured at fair value through other comprehensive income following changes in stock prices. Comprehensive income for the year (attributable to owners of the Company) totaled ¥107,347 million, an increase of ¥25,126 million year on year.

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

Effective April 1, 2014, the aircraft leasing business, previously included in Other, was transferred to the Machinery Division. The purpose of this reorganization is to consolidate aircraft-related operations in order to strengthen these businesses and expand the range of opportunities they face.

In addition, the internally decided method for calculating income tax expenses was revised, and figures for each segment from the year ended March 31, 2014, have been restated in accordance with this change.

Machinery Division

Operating performance

Net sales (JGAAP) increased 12.7% year on year, to ¥1,114,078 million, due to an increase in plant- and aircraft-related transactions. Profit for the year (attributable to owners of the Company) amounted to ¥10,338 million, compared with loss for the year (attributable to owners of the Company) of ¥2,304 million. This improvement was a result of higher gross profit combined with an improved balance of other income and expenses stemming from a year-on-year decrease in losses recorded in the Central and South American automotive business.

Overview of business conditions

In the automotive field, sales in Asia were strong backed by world-wide expansion of automobile sales, despite the effect of turmoil in politics and economies in emerging nations. Notably, a joint venture in the Philippines reorganized its production structure by moving to a new plant to further

strengthen its business base while maintaining a high share of sales by increasing sales volumes. In the U.S., where we are currently developing a dealership business, we advanced business expansion in the U.S. market by newly acquiring a BMW brand dealership.

In the fields of infrastructure projects and industrial machinery, we are steadily expanding businesses in the infrastructure field through the start of commercial operations of a mega solar project in Japan and a desalination project in Ghana in addition to three large-scale IPP projects in Middle East. In addition, together with Kawasaki Heavy Industries, Ltd., we received an order from one of the world's largest gas to gasoline plants using natural gas in Turkmenistan. In India, we received an order for large-scale electrification works for a freight corridor linking Delhi to Mumbai, building on the track record that includes the a contract of civil and track works contract for a dedicated freight corridor in 2013. Going forward, we will steadily accumulate orders particularly in emerging economies in which the Group has a strong business foundation.

In the marine and aerospace fields, we delivered aircrafts to Japanese airlines and government agencies as the import sales consultant for The Boeing Company of the U.S. and the commuter aircraft sales agent for Bombardier Inc. of Canada.

Additionally, we newly entered into the aircraft parts business.

Energy & Metal Division

Operating performance

Net sales (JGAAP) decreased 0.6% year on year, to ¥772,437 million, as the decline in oil transactions outweighed the increase in ferroalloy transactions. Profit for the year (attributable to owners of the Company) decreased ¥3,658 million, to ¥798 million.

Overview of business conditions

In the energy field, profit deteriorated for oil and gas interests in which the Group has invested due to a drop in oil prices resulted from slowing growth in global demand and increased production of shale oil. However, the impact was limited as LNG projects were strong. In the LNG projects, we strive to cater to customer needs by ensuring long-term supply stability, the diversification of supply sources, and the flexibility of supply.

In the coal field, coal prices have been slumping mainly due to the effect of a slowdown of growth in the Chinese and other emerging economies. However, in regard to the coal mine interests in which the Company has invested, the effect of the slumping prices is being minimized through operation cost improvements and the reduction of administrative expenses. Going forward, the Group will expand currently held coal mine interests in Indonesia and increase the trading volume from Russia to meet energy demands in Asia, including Japan.

In the steel and mineral resources fields, although profit in some existing interests deteriorated due to sluggish market conditions, we will contribute to a stable supply while enhancing the Company's constitution through means such as improvements in operational efficiency and reductions in costs to further strengthen its resilience against market fluctuations. Elsewhere, our affiliate Metal One Corporation is doing well, and we will continue to step up cooperation

with Metal One Corporation to create a robust business platform that integrates the whole process from procurement of ferrous materials to sales of the final steel products.

Chemicals Division

Operating performance

Net sales (JGAAP) grew 4.9% year on year, to ¥675,230 million, largely as a result of increased transactions for chemicals and plastic resins in Asia. Profit for the year (attributable to owners of the Company) decreased ¥1,616 million year on year, to ¥6,272 million, as a result of increase of selling, general and administrative expenses and a worse balance of other income and expenses.

Overview of business conditions

In the chemicals field, although our mainstay methanol business in Indonesia was affected by changes in market conditions, profits increased due to the solid performance of the liquid chemicals business in Asia and the expansion of offshore trading in Asia and China.

In the ecological materials and resources field, while the rare earth business recovered and thereby delivered a strong performance, some imported products were affected by yen depreciation. The industrial salt production project in India, in which we made our investment in FY2011, and the Mexican manufacturing and sales project for barite (used to the excavation of shale gas and oil), in which we made our investment in FY2012, started commercial production in FY2013, and therefore began contributing to profits to some extent.

Furthermore, we positioned the medical field in Asia as a new growing business fields, and took steps to start the export of Japanese-style medical services and hospital operation systems by entering into a business tie-up with a [Japanese] company possessing hospital management know-how.

The profit base of this segment is focused on distribution, 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) decreased 4.9% year on year, to ¥1,477,358 million, as a result of lower transaction volumes for tobacco and wheat. Profit for the year (attributable to the owners of the Company) decreased ¥10,387 million year on year, to ¥6,818 million, due to a decline in share of profit of investments accounted for using the equity method.

Overview of business conditions

In the food and agriculture business field, the Group has started developing agriculture, grain collection, and terminal businesses in Brazil, and we are establishing an agricultural product and grain value chain between South America and Asia in through coordination with a Group-invested grain port in Vietnam that is one of the largest grain ports in the ASEAN region. In addition, the

business of manufacturing and selling advanced chemical fertilizers in Southeast Asia delivered a solid performance. Meanwhile, in Japan, we established My Vegetable Corporation in Chiba prefecture, thereby starting an agricultural business that can grow fresh vegetables efficiently throughout the year, allowing for a stable supply.

In the retail business field, we launched the popular Admiral brand in Taiwan, the Republic of Korea, and Hong Kong. We are also participating in consumer goods and foodstuffs distribution and logistics businesses in Vietnam and Myanmar.

In the overseas industrial and urban infrastructure field, sales of industrial sites in industrial parks of Vietnam and Indonesia are progressing smoothly, and we will continue to build a competitive business model by enhancing the features of our industrial parks and expanding peripheral businesses.

Other Businesses

Net sales (JGAAP) decreased 20.4% year on year, to ¥66,190 million, due to the rebound from the sale of real estate held for resale during the year ended March 31, 2014. Profit for the year (attributable to owners of the Company) increased ¥5,004 million year on year, to ¥8,627 million, following the improvement of the balance of other income and expenses.

Net Sales by Business Segment (Millions of yen)

	FY2013		FY2014		Year-on-year	
	(Apr. 2013 to Mar. 2014)	Composition ratio (%)	(Apr. 2014 to Mar. 2015)	Composition ratio (%)	Change	Rate of change (%)
Machinery	988,430	24.4	1,114,078	27.1	125,648	12.7
Energy & Metal	777,084	19.2	772,437	18.8	(4,647)	(0.6)
Chemicals	643,805	15.9	675,230	16.5	31,425	4.9
Consumer Lifestyle Business	1,554,057	38.4	1,477,358	36.0	(76,699)	(4.9)
Other	83,199	2.1	66,190	1.6	(17,009)	(20.4)
Total	4,046,577	100.0	4,105,295	100.0	58,718	1.5

(Notes) 1. Fractions less than one million yen are rounded down.

2. "Net sales" is commonly used by the Japanese general trading companies, and represents the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent.

3. 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

Under Medium-term Management Plan 2014, which came to an end with the year ended March 31, 2015, the Company continued to implement a basic financial strategy of maintaining and enhancing the stability of its capital structure. Specifically, Sojitz endeavored to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level.

As one source of long-term funding, Sojitz issued straight bonds in the amount of ¥10 billion in April, June, and September 2014. The issuance in June was with a maturity period of ten years, the longest bond maturity period to date for the Company. Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional issues whenever advantageous opportunities to do so arise.

Additionally, Sojitz maintains two committed credit lines, a ¥100 billion yen line and a US$300 million multicurrency line, as supplemental sources of precautionary liquidity.

(3) Assets, Profits and Losses

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

The Group's assets, profits and losses over the fiscal two JGAAP-based fiscal years are as outlined below.

(Millions of yen, otherwise specified)

FY / Item	FY2011 9th Fiscal Year	FY2012 10th Fiscal Year
Net sales	4,494,237	3,955,907
Ordinary income	62,228	34,478
Net income (loss)	(3,649)	14,263
Net income per share (loss) (yen)	(2.92)	11.40
Total assets	2,120,596	2,086,410
Net assets	330,471	382,537
Net assets per share (yen)	244.52	282.60

The Group's assets, profits and losses in FY2014 and the past two fiscal years based on IFRS are as outlined below.

(Millions of yen, otherwise specified)

FY / Item	FY2012 10th Fiscal Year	FY2013 11th Fiscal Year	FY2014 12th Fiscal Year (fiscal year under review)
Net sales (Note 2)	3,934,456	4,046,577	4,105,295
Profit before tax	28,052	44,033	52,584
Profit for the year (attributable to owners of the Company)	13,448	27,250	33,075
Total comprehensive income for the year (attributable to owners of the Company)	56,171	82,221	107,347
Basic earnings per share (attributable to owners of the Company) (yen)	10.75	21.78	26.44
Total assets	2,150,050	2,220,236	2,297,358
Total equity attributable to owners of the Company	382,589	459,853	550,983
Total equity per share attributable to owners of the Company (yen)	305.81	367.58	440.43

(Notes) 1. Effective from the 11th fiscal year, the Group prepares the consolidated financial statements in accordance with IFRS pursuant to the provisions of Article 120, Paragraph 1 of the Company Accounting Regulations. For your reference, the figures for the 10th fiscal year are shown based on IFRS.

2. "Net sales" is commonly used by the Japanese general trading companies, and represents the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent. "Net sales" is not synonymous with "revenue" based on IFRS and shall not be a subject of substitution.

3. Figures are rounded down to the nearest one million yen.

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

The Company's assets, profits and losses in FY2014 and over the past three fiscal years on a non-consolidated basis are as outlined below.

(Millions of yen, otherwise specified)

Item / FY	FY2011 9th Fiscal Year	FY2012 10th Fiscal Year	FY2013 11th Fiscal Year	FY2014 12th Fiscal Year (fiscal year under review)
Net sales	2,667,616	2,436,466	2,533,171	2,560,367
Ordinary income	23,418	11,249	25,396	34,228
Net income (loss)	(23,128)	(14,965)	5,657	(792)
Net income per share (loss) (yen)	(18.49)	(11.96)	4.52	(0.63)
Total assets	1,616,067	1,572,957	1,582,525	1,581,155
Net assets	362,919	340,613	351,833	364,953
Net assets per share (yen)	290.08	272.26	281.23	291.72

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

(4) Business Outlook and Issues to Be Addressed

Medium-Term Management Plan 2014

Under its three-year management plan launched in April 2012 and entitled Medium-term Management Plan 2014 – Change for Challenge, the Group worked to increase its corporate value based on the theme "implementing reforms in pursuit of growth initiatives."

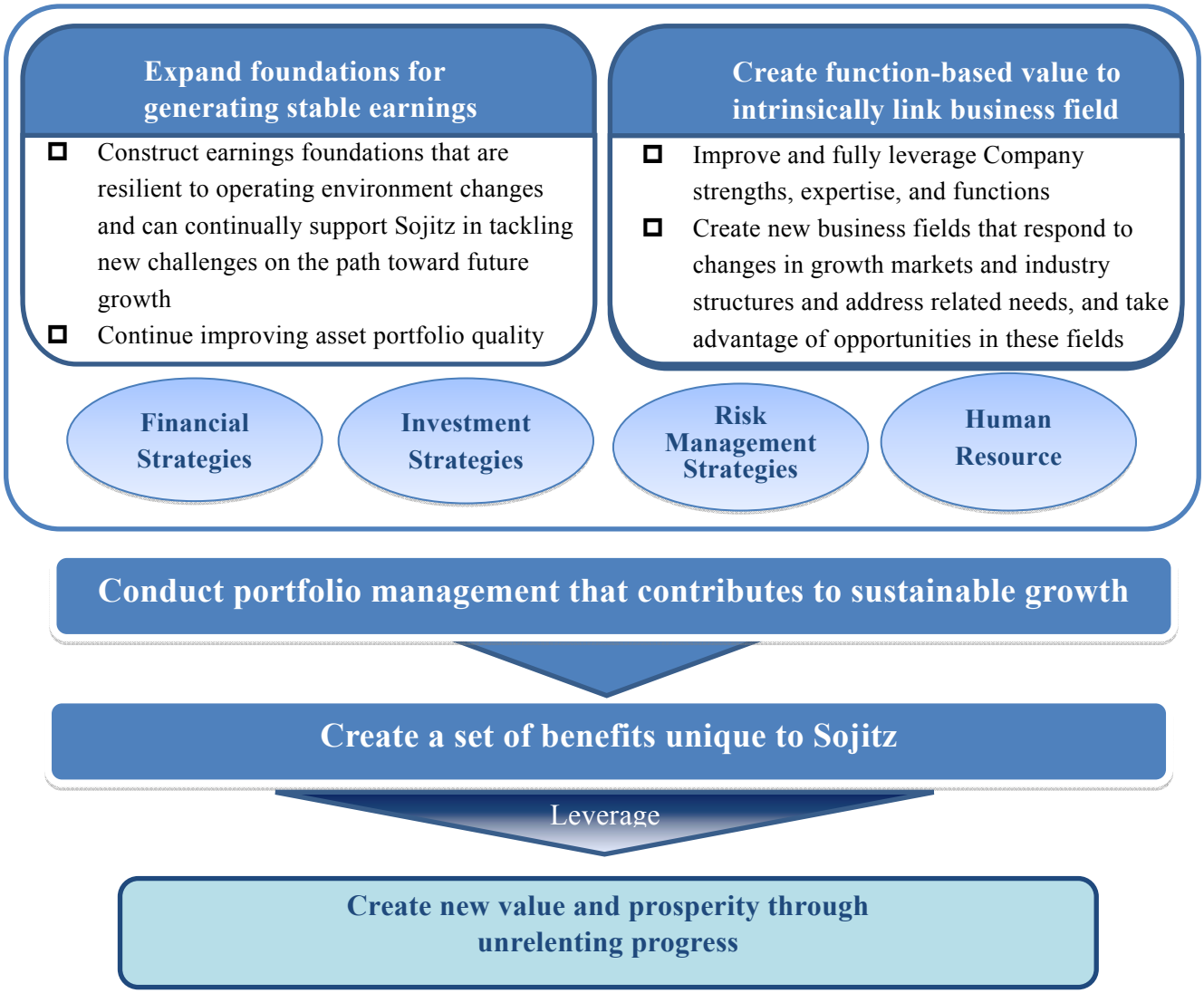
Under Medium-term Management Plan 2014, the improvement of asset portfolio quality through asset replacement progressed steadily, and a certain level of success was achieved with regard to enhancing Sojitz's financial foundation and reinforcing systems to facilitate future growth. Although the reinforcement of our earnings foundation and of new investments and loans in regard to strengthening earnings capacity progressed, we failed to meet the targets defined for the final year of the plan: profit for the year (attributable to owners of the Company) of ¥45.0 billion and return on assets (ROA) of 2.0% or higher. This failure was largely attributable to a slump in the performance of energy- and resource-related businesses due to low commodity prices.

Medium-Term Management Plan 2017

In April 2015, Sojitz launched its new three-year plan: Medium-term Management Plan 2017 – Challenge for Growth. This plan was formulated in consideration of the outcomes and issues encountered in former Medium-term Management Plan 2014, and were designed to guide Sojitz in poising itself to implement growth initiatives targeting further development. Under this new plan, we will pursue improved corporate value by exercising trust and speed in tackling new challenges on the path toward future growth and creating a set of benefits unique to Sojitz.

Medium-Term Management Plan 2017 ~ Challenge for Growth ~

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



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

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

The operating forecasts for the year ending March 31, 2016 are as follows:

(Consolidated)

Net sales (Note)	¥4,400.0 billion
Operating profit	¥40.5 billion
Profit before tax	¥58.5 billion
Profit for the year (attributable to owners of the Company)	¥40.0 billion

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

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

(For more information regarding Medium-term Management Plan 2017 – Challenge for Growth, please refer to Sojitz Corporation's corporate website.)

(5) Major Business Segments of the Sojitz Group

Sojitz Group is engaged in a wide range of businesses on a global basis as a general trading company or sogo-shosha. Our main businesses are trading, import, and export of products, domestic and overseas manufacture and sale of a diverse array of products, provision of domestic and overseas services, planning and organizing of various projects, investment in diversified business areas, and financial activities.

The Group consists of 410 consolidated subsidiaries and equity method associates, including 302 consolidated subsidiaries and 108 equity method associates.

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

(As of March 31, 2015)

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Machinery	Automobiles and automotive components; automobile-related equipment; construction equipment; ships; vehicles; aircraft and aerospace-related equipment; communication infrastructure equipment; equipment for electronic industries; general plant equipment for steel manufacturing, cement plants, chemical plants, etc.; electric power; electronics-related equipment(equipment for power generation, conversion, transmission, etc.); infrastructure business; bearings; industrial generators; various types of industrial machineries; machinery for the processing of metals and related equipment; IT-related business; information processing; computer software development; etc.	• Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary) • Sojitz Aerospace Corporation (Import, export and sale of aerospace-related and defense-related equipment; Subsidiary) • Sojitz Marine & Engineering Corporation (Sale, purchase and charter brokerage, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary) • Nissho Electronics Corporation (IT systems, network services; Subsidiary) • SAKURA Internet Inc. (Internet data center operator; Subsidiary) *1 • MMC Automotoriz, S.A (Assembly and sale of automobiles; Subsidiary) • Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary) • Mitsubishi Motors Philippines Corporation (Import, assembly and sale of Mitsubishi automobiles; Equity method associate) Number of consolidated subsidiaries: 104 Number of equity method associates: 26

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Energy & Metal	Oil and gas; petroleum products; coke; carbon products; nuclear fuels; nuclear power-related equipment and machinery; coal; iron ore; ferroalloys (nickel, molybdenum, vanadium, other rare metals); ores; alumina; aluminum; copper; zinc; tin; precious metals; ceramics and minerals; floating production storage and offloading unit; infrastructure; energy and chemicals-related projects; LNG-related business; steel-related business; etc.	• Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary) • Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary) • Sojitz Coal Resources Pty ltd. (Investment in coal mines; Subsidiary) • Sojitz Moly Resources, Inc. (Investment in molybdenum mine; Subsidiary) • Sojitz Energy Venture Inc. (Oil and gas development; Subsidiary) • Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Equity method associate) • LNG Japan Corporation (LNG business and related investments and loans; Equity method associate) • Coral Bay Nickel Corporation (Manufacture and sale of nickel and cobalt mixed sulfide; Equity method associate) • Japan Alumina Associates (Australia) Pty. Ltd. (Manufacture of alumina; Equity method associate) Number of consolidated subsidiaries: 42 Number of equity method associates: 23
Chemicals	Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; cosmetics; foodstuff additives; rare earths; commodity resins; raw materials for plastics including engineering plastics; film sheets for industry, packaging, and foodstuffs; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; fiber materials for use in industrial supplies; etc.;	• Sojitz Pla-Net Holdings, Inc. (Holdings company for plastics businesses; Subsidiary) *2 • Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary) • Pla Matels Corporation (Trading and sale of plastics and related products; Subsidiary) *1 • Sojitz Cosmetics Corporation (Development, product planning and sale of cosmetics; Subsidiary) • P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) • Metton America, Inc. (Manufacture and sales of metton resins; Subsidiary) • P.T. Moriuchi Indonesia (Manufacture of industrial fabrics; Equity method associate) Number of consolidated subsidiaries: 30 Number of equity method associates: 15

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Consumer Lifestyle Business	Grains; flour; oils and fats; oil stuff; feed materials; marine products; processed seafood; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; coffee beans; sugar; other foodstuffs and raw ingredients; chemical fertilizers; cotton and synthetic fabrics; non-woven fabrics; knitted fabrics and products; raw materials for textiles; clothing; interior accessories; bedclothes and home fashion-related products; nursery items; general commodities; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; building materials; afforestation; manufacture and sale of wood chips; industrial park; etc.	• Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary) • Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary) • Daiichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary) • Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary) • Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary) • Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) • Sojitz Yoshimoto Ringyo Co., Ltd. (Sale of lumber, plywood, etc.; Subsidiary) • Thai Central Chemical Public Co., Ltd (Manufacture and sale of chemical fertilizers; sale of imported fertilizer products; Subsidiary) • Vietnam Japan Chip Vung Ang Corporation (Afforestation; manufacture and sale of wood chips; Subsidiary) • JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Equity method associate) *1 • Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) *1 • Yamazaki-Nabisco Co., Ltd. (Manufacture of sweets; Equity method associate) • Nissho Iwai Paper & Pulp Corporation (Sale of pulp and recycled paper as well as paper and paperboard products; Equity method associate) • Tachikawa Forest Products (N.Z.) Ltd. (Saw milling; Equity method associate) Number of consolidated subsidiaries: 48 Number of equity method associates: 26

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Other	Administration, domestic branches, logistics and insurance services, real estate-related business (investment, dealing, leasing, management etc.), administration of commercial facilities; etc.	• Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary) • Sojitz Logistics Corporation (logistic services; land, sea, and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary) • Sojitz Insurance Agency Corporation (Accident insurance and life insurance agency services; Subsidiary) • Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary) • Sojitz General Property Management Corporation (Condominium and office building management, real estate agency services : Subsidiary) • Sojitz New Urban Development Corporation (Development and consignment sales of newly constructed condominiums, real estate brokerage, development and ownership of rental apartments, sale of residential-related products; Subsidiary) • Sojitz Commerce Development Corporation (Development, construction, ownership, management, consulting of retail property; Subsidiary) Number of consolidated subsidiaries: 25 Number of equity method associates: 5
Overseas	We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.	• Sojitz Corporation of America (Subsidiary) • Sojitz Europe plc (Subsidiary) • Sojitz Asia Pte. Ltd (Subsidiary) • Sojitz (Hong Kong) Ltd. (Subsidiary) • Sojitz (China) Co., Ltd. (Subsidiary) Number of consolidated subsidiaries: 53 Number of equity method associates: 13

*1 The following four companies are listed in the Japanese stock market as of March 31, 2015: JALUX Inc. (TSE 1st section), Fuji Nihon Seito Corporation (TSE 2nd section), SAKURA Internet Inc. (Mothers), and Pla Matels Corporation (JASDEQ).

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

(6) Business Locations of Sojitz Group and the Number of Employees (As of March 31, 2015)

(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, and Argentina

(b) Number of Employees

Segment	Number of employees
Machinery	5,505
Energy & Metal	1,070
Chemicals	1,699
Consumer Lifestyle Business	5,234
Others	2,428
Total	15,936

(c) Employees of the Company

Number of employees	Change from the previous year	Average age	Average service years
2,246	17 (increase)	42.3 years old	15.4 years

(Notes) 1. The above figures do not include 112 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, 2015)

(a) Major Consolidated Subsidiaries and Equity Method Associates

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 GBP73,117,500	100.00	Trading business
Sojitz Asia Pte. Ltd.	US$136,507,474	100.00	Trading business
Sojitz (Hong Kong) Ltd.	US$90,440,212	100.00	Trading business
Sojitz Aerospace Corporation	1,410	100.00	Import/export and sales of aerospace- and defense-related equipment
Sojitz 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, etc.
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 (Note 1)	Holding company for plastic business
Sojitz Pla-Net Corporation	3,000	100.00 (Note 2)	Trading and sales of plastic raw materials and products
Pla Matels Corporation	793	46.55 (Note 3)	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 Corporation merged with Sojitz Pla-Net Holdings, Inc., through an absorption-type merger on April 1, 2015.

2. Sojitz Pla-Net Corporation is a wholly owned subsidiary of Sojitz Pla-Net Holdings, Inc.

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

Equity Method Associates (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 and loans
JALUX Inc.	2,558	22.00	Logistics and services operations related to airlines and airport retail, lifestyle and customer service sectors

(b) Result of Mergers

1. The Group now has 302 consolidated subsidiaries and 108 equity method associates.
2. For the business performance of the Group in FY2014, please refer to "(1) Review of Progress and Performance in Operations."

(8) Major Creditors and Borrowed Amounts (As of March 31, 2015)

(Billions of yen)

Creditor	Amount outstanding
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	120.9
Mizuho Bank, Ltd. (Note 3)	78.1
Development Bank of Japan Inc. (Note 3)	67.7
Sumitomo Mitsui Trust Bank, Limited (Note 3)	66.9
The Norinchukin Bank	49.8
Sumitomo Mitsui Banking Corporation (Note 3)	37.8
Mitsubishi UFJ Trust and Banking Corporation	34.1
Resona Bank, Ltd. (Note 3)	31.2
Shinkin Central Bank	28.1
Nippon Life Insurance Company	26.8

(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, 2015)

(1) Total Number of Shares Authorized to Be Issued

Common stock 2,500,000,000 (end of FY2013: 2,500,000,000)

(2) Total Number of Outstanding Shares

Common stock 1,251,499,501 (end of FY2013: 1,251,499,501)

(Note) The total number of outstanding shares of common stock includes the number of treasury stock (end of FY2014: 477,089 shares).

(3) Number of Shareholders

Common stock 175,035

(4) Major Shareholders

Common Stock

Shareholder	Investment in the Company	
	Shares held (in thousands)	Shares Outstanding (%)
Japan Trustee Services Bank, Ltd. (Note 2)	148,342	11.86
MSIP CLIENT SECURITIES	50,621	4.05
The Master Trust Bank of Japan, Ltd. (Note 3)	38,675	3.09
BBH FOR GMO INTERNATIONAL EQUITY FUND	18,940	1.51
Trust & Custody Services Bank, Ltd. (Note 4)	18,156	1.45
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	17,457	1.40
STATE STREET BANK AND TRUST COMPANY 505223	16,929	1.35
JPMCB: CREDIT SUISSE SECURITIES EUROPE-JPY 1007760	15,239	1.22
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	13,918	1.11
NORTHERN TRUST GLOBAL SERVICES LIMITED, LUXEMBOURG RE CLIENTS NON-TREATY ACCOUNT	12,010	0.96

(Notes) 1. Numbers of shares less than 1,000 are rounded down and the figures of shares outstanding are rounded to the nearest second decimal place.

2. The number of shares held by Japan Trustee Services Bank, Ltd. includes 144,246 thousand shares held in trust accounts.

3. The number of shares held by The Master Trust Bank of Japan, Ltd. includes 34,740 thousand shares held in trust accounts.

4. The number of shares held by Trust & Custody Services Bank, Ltd. includes 16,301 thousand shares held in trust accounts.

5. 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, 2015)

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 Executive Vice President	Senior Management of Finance & Accounting, Risk Management, CFO	
Yoko Ishikura (Yoko Kurita)	Part-time Director		Outside Director, Nissin Foods Holdings Co., Ltd. Outside Director, Lifenet Insurance Company
Yukio Kitazume	Part-time Director		
Jun Matsumoto	Audit & Supervisory Board Member		
Yoichi Ojima	Audit & Supervisory Board Member		
Yukio Machida	Part-time Audit & Supervisory Board Member		Outside Director, Mizuho Bank Ltd. Outside Audit & Supervisory Board Member, Asahi Mutual Life Insurance Co.
Miki Seko	Part-time Audit & Supervisory Board Member		
Tadao Tsuya	Part-time Audit & Supervisory Board Member		Corporate Auditor (outside), Poletowin Pitcrew Holdings, Inc.

(Notes) 1. Ms. Yoko Ishikura and Mr. Yukio Kitazume are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.

2. Mr. 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 Ms. Yoko Ishikura, Mr. Yukio Kitazume, 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. Shigeki Dantani took office as a Director from Representative Director and Executive Vice President on April 1, 2015.

(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	9	364	5	106	14	471	(*1), (*2)
Internal	5	340	1	37	6	378	
External	4	24	4	68	8	92	

*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) Figures are rounded down to the nearest one million yen.

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

Name	Position	Other organization	Concurrent position
Yoko Ishikura (Yoko Kurita)	Outside Director	Nissin Foods Holdings Co., Ltd.	Outside Director
		Lifenet Insurance Company	Outside Director
Yukio Machida	Outside Audit & Supervisory Board Member	Mizuho Bank, Ltd.	Outside Director
		Asahi Mutual Life Insurance Co.	Outside Audit & Supervisory Board Member
Tadao Tsuya	Outside Audit & Supervisory Board Member	Poletowin Pitcrew Holdings, Inc.	Outside Audit & Supervisory Board Member

(Note) Nissin Foods Holdings Co., Ltd., Mizuho Bank, Ltd., and Asahi Mutual Life Insurance where Outside Directors and Outside Audit & Supervisory Board Members of the Company have concurrent positions are the Company's business partners; however, there are no special relationships with the Company (such as business operators having a specified relationship). There are no special relationships between Lifenet Insurance Company and Poletowin Pitcrew Holdings, Inc. with the Company (such as business operators having a specified relationship).

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

Name	Position	Main activities
Yoko Ishikura (Yoko Kurita)	Outside Director	Ms. Ishikura has attended all 14 meetings of the Board of Directors held in FY2014 after appointed to the office of Outside Director. She provides necessary advice from an independent and objective perspective based on her wide range of knowledge and abundant experience as a scholar, and her experience as an Outside Director at a diverse range of companies..
Yukio Kitazume	Outside Director	Mr. Kitazume has attended all 14 meetings of the Boards of Directors held in FY2014 after appointed to the office of Outside Director. He provides necessary advice from an independent and objective perspective based on his wide range of knowledge and long experience as a diplomat, which have been accumulated through his experience in key positions in the government administration field.
Yoichi Ojima	Outside Audit & Supervisory Board Member	Mr. Ojima has attended all 18 meetings of the Board of Directors held in FY2014, and all 19 meetings of the Audit & Supervisory Board held in the same fiscal year. He provides necessary advice from an independent and objective perspective based on his wide range of knowledge and highly specialized expertise, which have been accumulated through his experience in key positions in the finance industry.
Yukio Machida	Outside Audit & Supervisory Board Member	Mr. Machida has attended 17 of 18 meetings of the Board of Directors held in FY2014, and all 19 meetings of the Audit & Supervisory Board held in the same fiscal year. He provides necessary advice from an independent and objective perspective based on his wide range of knowledge and highly specialized expertise, which have been accumulated through his experience in key positions in the legal and business industries.
Miki Seko	Outside Audit & Supervisory Board Member	Ms. Seko has attended all 18 meetings of the Board of Directors held in FY2014 and all 19 meetings of the Audit & Supervisory Board held in the same fiscal year. She provides necessary advice from an independent and objective perspective based on her wide range of knowledge and highly specialized expertise, which have been accumulated through her long experience as a university professor of economics.
Tadao Tsuya	Outside Audit & Supervisory Board Member	Mr. Tsuya has attended all 18 meetings of the Board of Directors held in FY2014, and all 19 meetings of the Audit & Supervisory Board held in the same fiscal year. He provides necessary advice from an independent and objective perspective based on his wide range of knowledge and abundant experience, which have been accumulated through his experience in key positions in audit firms and the business industry.

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

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

4. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Amount of Remuneration, etc. for Accounting Auditor in FY2014

(Millions of yen)

	Amount paid
Remuneration, etc. payable by the Company in FY2014	
Remuneration, etc. for services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	437
Remuneration, etc. for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	37
Total	474
Total amount of money and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	821

(Notes) 1. 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.

2. Of major subsidiaries of the Company, Sojitz Corporation of America, Sojitz Europe plc, Sojitz Asia Pte. Ltd., and Sojitz (Hong Kong) Ltd. are audited (limited to audits stipulated in the Companies Act or the Financial Instruments and Exchange Act (including equivalent laws and regulations of the relevant overseas country)) by CPAs or audit firms (including those who hold equivalent qualifications of the relevant overseas country) other than KPMG AZSA LLC.

3. Figures are rounded down to the nearest one million yen.

(3) Non-audit Services

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

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

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

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

(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 for continuous improvement of our corporate value over the medium-to-long term through contribution to the society based on "Sojitz Group Statement" ("The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.") In order to realize this, based on our belief that strengthening our corporate governance is an important issue of the management, we have built the following corporate governance structure to strive to establish highly transparent management structure and to enhance monitoring and supervisory functions, including fulfillment of our management responsibility and accountability to our shareholders and other stakeholders.

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

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

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

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

(b) Monitoring functions for management

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

As a Company with Audit & Supervisory Board, the Company also has Audit & Supervisory Board Members who independently audit the operational execution of Directors. The Audit & Supervisory Board Members attend important meetings including those of the Management Committee and the Finance & Investment Deliberation Council in addition to the meetings of the Board of Directors. The Audit & Supervisory Board Members oversee and audit the operations of the Group by performing audits through interviews with Directors and by reviewing important board resolution documents.

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

(a) Corporate Governance Organization

i) Structure

The Company is a Company with an Audit & Supervisory Board.

ii) Directors and Executive Officers

As of March 31, 2015, our Board of Directors is currently comprised of seven Directors (six males and one female), including two Outside Directors. As the highest decision-making body, the Board of Directors reviews and approves fundamental policies and critical issues concerning the management of the Group. The Board is chaired by the Chairman, who works together with the Vice Chairman and Outside Directors to provide 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 for Directors and Executive Officers is one year, in order to clarify their responsibilities to management and allow them to swiftly and appropriately respond to rapid changes in the business environment.

iii) Functions and Roles of Outside Directors in Corporate Governance

Ms. Yoko Ishikura, an Outside Director of the Company, gives appropriate and useful advice on the operation of the Company from an independent perspective, based on her abundant knowledge in relation to global competitiveness and global company strategies as a scholar and her experience accumulated by serving as an outside director at several other companies.

Mr. Yukio Kitazume, an Outside Director of the Company, gives appropriate and useful advice on the operation of the Company from an independent perspective, based on his abundant knowledge and longtime experience accumulated in the executive positions he has assumed in the field of government administration including his service as a diplomat.

We concluded agreements with Outside Directors Yoko Ishikura and Yukio Kitazume to limit their liability.

iv) Audit & Supervisory Board Members

As of March 31, 2015, 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. 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 companies by performing audits through interviews with Directors and by reviewing important board resolution documents and others.

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, such as the manager of internal audit division, 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 is a major business partner of the Company. However, more than ten years have already passed since his retirement from the post; therefore we believe that Mr. Ojima fully maintains his independence.

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.

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.

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. 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.

We have concluded agreements with Outside Audit & Supervisory Board Members Yoichi Ojima, Yukio Machida, Miki Seko and Tadao Tsuya, respectively, to limit their liability.

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

We do not have any quantitative standard to determine the independence of candidates for the appointment as 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 people with a wide range of

knowledge and deep insight and experience in industries and administrative fields, such as those who have management experience in business corporations and government agencies and others who have 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 the 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 Executive Officers in charge of business divisions and heads of corporate departments, and discusses and resolves important issues pertaining to the management and execution of the Company.

- **Finance & Investment Deliberation Council** (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**

  We have established and manage the following internal committees that act as executing bodies under the direct supervision of the President to advance management initiatives to be handled from cross-organizational perspectives and in accordance with duties in order to improve corporate value. Each internal committee regularly issues reports on its activities to the Board of Directors and the Management Committee.

  Internal Control Committee

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

  Compliance Committee

  The Compliance Committee examines and formulates fundamental policies related to compliance of the Group.

CSR Committee

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

Disclosure Study Committee

The Disclosure Study Committee examines and formulates fundamental policies concerning disclosure and communication of corporate information to the public and checks the process concerning public information disclosure.

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. The selection of Directors and Executive Officers and determination of their remuneration are decided at meetings of the Board of Directors based on the deliberations at each Committee.

- Nomination Committee

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

- Remuneration Committee

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

Directors' remuneration is decided by comprehensively taking into account the performance of the Company. Audit & Supervisory Board Members' remuneration is decided, in principle, 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: Membership is comprised of five Audit & Supervisory Board Members, including four Outside Audit & Supervisory Board Members. Of the five, Audit & Supervisory Board Members, two are full-time, and of the four Outside Audit & Supervisory Board Members, three are male and one is female, and one of them is full-time (as of March 31, 2015).

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

- **Accounting Audit**

Our Accounting Auditor is KPMG AZSA LLC which conducts accounting audits in accordance with the Companies Act, as well as financial statement audits, quarterly reviews and internal control audits in accordance with the Financial Instruments and Exchange Act. Details of their executive officers and assistant staff working for Sojitz in FY2014 are as follows:

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

Their assistant staff working for the Company includes 23 CPAs and 26 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, 2015)

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 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, 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 Company and the Group companies have introduced a Self-inspection System through which business divisions endeavor to identify and handle transaction risks in a timely and accurate manner. Carrying out repetitive self-checks will help them identify frontline operation problems in the early stages, improve operational efficiency, prevent the occurrence of losses, and raise awareness on risk management. Each business division performs checks annually based on check items prepared by the Audit Department and each business division and conducts follow ups on the implementation status of remediation measures.

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

(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 and disclosure on the corporate website (in Japanese and English)
- Avoid dates which other companies are likely to choose for their meetings
- Allow for the exercise of voting rights by electronic methods
- Publish the Shareholders Magazine for shareholders
- Establish a website for individual shareholders
- Host briefing sessions for shareholders (Nagoya and Fukuoka)
- Provide video clips of the General Shareholders' Meeting and briefing sessions for shareholders

(b) Investor Relations Activities

The Investor Relations Office (IR 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. Moreover, the IR Office conducts individual meetings with institutional investors in Japan and provides opportunities for such meetings 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

i) 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." 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.

ii) 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." (Resolved in May 2006, partly revised in April 2008)

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.

Based on the revised Companies Act and revised Ordinance for Enforcement of the Companies Act, the Company once again made a resolution on the "Basic Policies Regarding Establishment of System for Ensuring Appropriate Execution of Business Operations of the Group" at the meeting of the Board of Directors held on April 24, 2015, as follows.

i) Retention and Management of Information relating to the Execution of Directors' Duties of the Company

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

ii) System to Ensure Compliance by Directors and Employees of the Company with Laws and Regulations and the Articles of Incorporation in Execution of Duties

- The Company shall establish the Sojitz Group Compliance Code of Conduct and Ethics and the Manual for its implementation, as well as the Sojitz Group Compliance Program to ensure that directors and employees of the Group comply with laws and regulations, the Articles of Incorporation, and internal rules.
- In order to fully achieve understanding and compliance of amendments of laws and regulations relating to the Group's operations, the Company shall promote the reinforcement and improvement of the legal compliance system centering on the Compliance Committee. Also, the Company shall clarify the responsibilities of each department within the Company and the supervisor in charge of Group companies.
- The Company shall ensure that the Group does not enter into any business or other relationship with antisocial forces, and shall resolutely reject any improper request with legal measures if necessary.

iii) Regulations regarding Management of Loss Risks of the Company and its Subsidiaries and Other Systems

- In order to prevent, or when impossible to prevent, to minimize economic losses of the Group, the Company shall analyze and categorize various potential risks for economic losses both inside and outside the Company including credit risks, business investment risks, market risks and disaster risks. The Company shall establish internal rules or manuals, and assign a department for managing the risks in each category.
- The Company shall periodically review and improve the effectiveness of internal rules and handling procedures. Furthermore, in the event that a new type of risk emerges in the Group due to changes in the business environment, the Company shall promptly appoint a person and/or department to be responsible, and prescribe appropriate internal rules with regard to the new risk.

iv) System to Ensure Efficiency in Execution of Directors' Duties of the Company and its Subsidiaries

- The Company shall make clear the responsible fields or departments of each director and executive officer of the Company and the responsibility of each department within the Company, as well as chains of command, scopes of authority 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.
- The Company shall establish a department to oversee the management structure of the Group and ensure the sound management of the Group companies.
- Top management policy of the Group shall be promptly announced to all directors and employees of the Group companies through the Management Committee, Corporate Planning Department or the supervisor in charge, and through other oral or written methods.
- The Company shall promote the Group management by preparing the management plan on a consolidated basis and by sharing the management objectives and the management indices with the Group.

v) Reports to the Company relating to the Execution of Subsidiaries Directors' Duties and Other Systems for Proper and Ethical Business Operations in the Company and its Subsidiaries

- The Company must designate the supervisor in charge who manages the Group companies as prescribed in the Basic Code of Group Management. The supervisor in charge must request prior consultation to the Group companies regarding important matters, and must report to the Company regularly on the business report, operating activity reports, and other reports.

- The Company shall review and develop the business processes of each Group company in the light of internal controls relating to consolidated financial reporting.
- The Audit Department of the Company shall conduct internal audits on the Group companies, and ensure the proper and ethical conduct of their business operations.

vi) Employees Assisting Audit & Supervisory Board Members of the Company and their Independence from Directors, and System to Ensure Efficiency of Instructions to the Employees from the Audit & Supervisory Board Members of the Company

- 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 of the Company.

vii) Reports to Audit & Supervisory Board Members of the Company in the Company and its Subsidiaries

- The Board of Directors rules shall include a rule that requires any director of the Company to immediately report to Audit & Supervisory Board Members when he/she learns of a fact that may cause significant damage to the Company.
- The department in charge of the internal reporting system of the Group shall report regularly to Audit & Supervisory Board Members of the Company on the status of the internal report from directors and employees of the Group through Compliance Committee and others.
- The Audit Department of the Company shall provide Audit & Supervisory Board Members of the Company with a copy of the internal audit report upon completion of each internal audit.
- The Audit & Supervisory Board of the Company shall be entitled to request a report from an Accounting Auditor, director of the Company or other person, as it deems necessary.

viii) System for Ensuring that Person Who Reported to Audit & Supervisory Board Members of the Company Will Not Receive Disadvantageous Treatments for the Reason of the Reporting

- The Company shall not carry out disadvantageous treatments to directors or employees of the Group who reported through the internal reporting system and other methods (including the reports to Audit & Supervisory Board Members of the Company and others) for the reason of the reporting.

ix) Other Arrangements to Ensure Efficient Auditing by the Audit & Supervisory Board Members of the Company

- The Company shall pay expenses deemed necessary, keeping in mind the efficiency and appropriateness of audits by Audit & Supervisory Board Members.
- One or more of the Audit & Supervisory Board Members of the Company shall attend every meeting of the Board of Directors of the Company and express opinions as necessary. They may also attend the Management Committee and other important meetings of the Company, directly observing the discussions and reporting on important matters.
- Representative directors of the Company shall regularly meet with Audit & Supervisory Board Members of the Company and exchange opinions on key issues for the Company, as well as on the conditions of, and important issues relating to, audits by Audit & 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, inspections and improvements to the legal compliance systems will be conducted mainly by the Compliance Committee, inspections and improvements to the risk management methods will be conducted mainly by the Risk Management Planning Department, and conduct "Assessment of Internal Controls Regarding Financial Reporting" under the Financial Instruments and Exchange Act will be conducted mainly by the Internal Control Committee. In addition, the Internal Control Committee monitors the status of establishment and operation of overall internal control systems of the Company and the Group and promotes improvements of such systems.

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 for the purpose of prevention, early detection and appropriate handling of a violation of laws and regulations, and have 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 in the Legal Department.

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, credit risks, business investment 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 a 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 controls a management system for the Group companies' business operations, appoints a supervisor in charge of each group company inside Sojitz's headquarters according to the Basic Code of Group Management, and promotes formation and enhancement of Group companies' reporting systems and business management systems through the supervisors. 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 has formulated the "Basic Policy to Ensure Appropriate Financial Reporting," as follows. (Finalized in April 2008)

<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 Report" system described 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

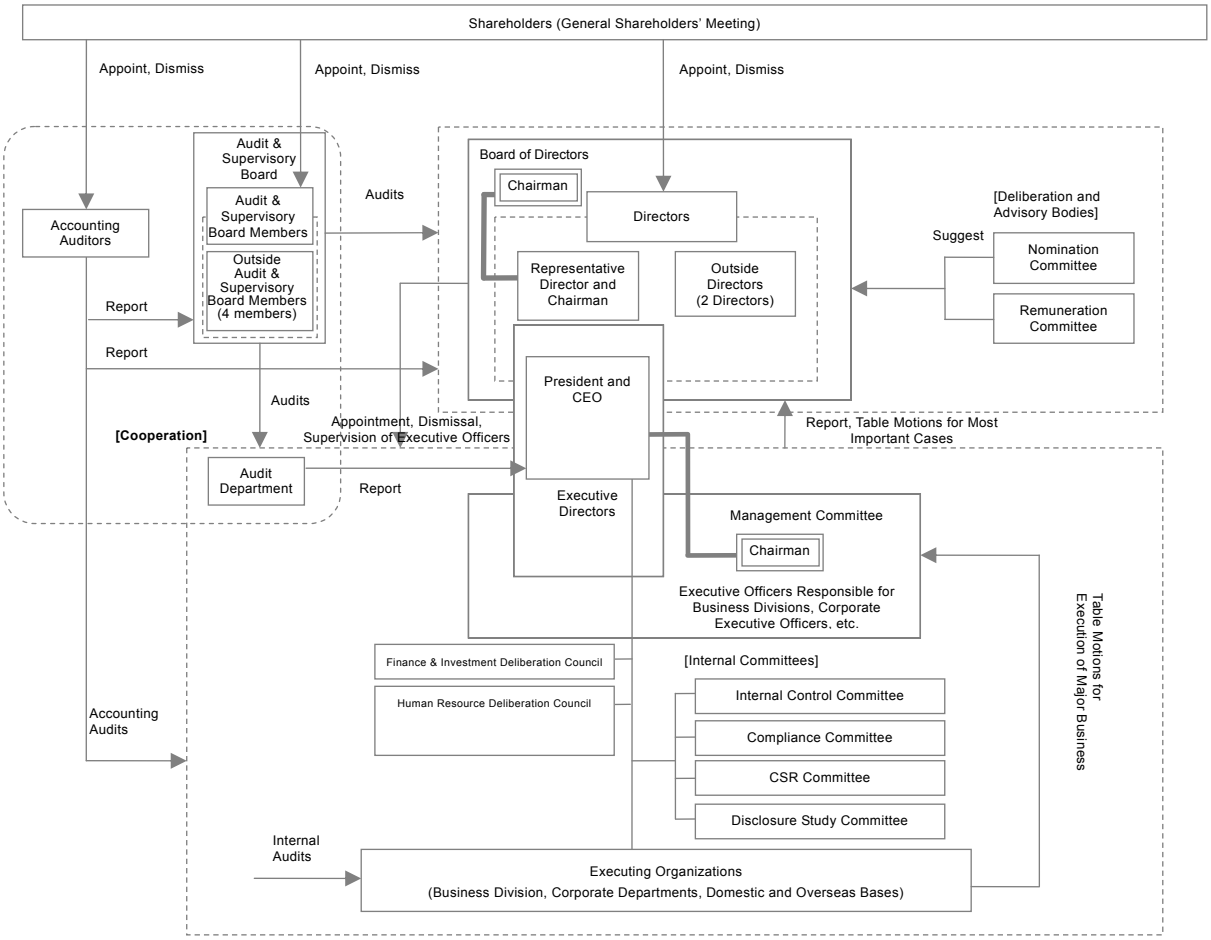
- All directors and employees of the Group shall understand the importance of IT infrastructures in relation to internal controls over financial reporting and appropriately understand its associated risks. These risks shall be minimized to the possible extent, and IT controls shall be effectively used 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, 2015	(Reference) As of Mar. 31, 2014
Assets		
Current assets		
Cash and cash equivalents	403,748	420,658
Time deposits	5,464	4,362
Trade and other receivables	559,291	524,826
Derivatives	6,977	5,185
Inventories	270,274	301,979
Income tax receivables	3,712	4,907
Other current assets	63,122	46,759
Subtotal	1,312,591	1,308,680
Assets as held for sale	10,905	13,143
Total current assets	1,323,497	1,321,824
Non-current assets		
Property, plant and equipment	217,912	213,934
Goodwill	50,164	46,264
Intangible assets	53,882	60,958
Investment property	19,459	25,334
Investments accounted for using the equity method	394,055	336,761
Trade and other receivables	45,017	60,310
Other investments	174,791	133,625
Derivatives	1,865	209
Other non-current assets	7,483	9,683
Deferred tax assets	9,227	11,329
Total non-current assets	973,860	898,411
Total assets	2,297,358	2,220,236

Items	As of Mar. 31, 2015	(Reference) As of Mar. 31, 2014
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	490,865	514,585
Bonds and borrowings	208,360	227,216
Derivatives	8,803	6,400
Income tax payables	7,570	8,038
Provisions	4,271	1,207
Other current liabilities	53,807	54,402
Subtotal	773,678	811,850
Liabilities directly relating to assets held for sale	6,860	–
Total current liabilities	780,538	811,850
Non-current liabilities		
Bonds and borrowings	830,409	838,060
Trade and other payables	9,545	10,463
Derivatives	2,942	1,721
Retirement benefits liabilities	17,943	16,917
Provisions	25,098	20,798
Other non-current liabilities	7,591	7,321
Deferred tax liabilities	32,631	20,143
Total non-current liabilities	926,163	915,426
Total liabilities	1,706,702	1,727,277
Equity		
Share capital	160,339	160,339
Capital surplus	146,515	146,515
Treasury stock	(159)	(157)
Other components of equity	194,557	119,617
Retained earnings	49,731	33,538
Total equity attributable to owners of the Company	550,983	459,853
Non-controlling interests	39,672	33,105
Total equity	590,656	492,959
Total liabilities and equity	2,297,358	2,220,236

Consolidated Statements of Profit or Loss

(Millions of yen)

Items	FY2014 (From April 1, 2014 to March 31, 2015)	(Reference) FY2013 (From April 1, 2013 to March 31, 2014)
Revenue		
Sales of goods	1,718,165	1,714,176
Sales of services and others	91,535	88,928
Total revenue	1,809,701	1,803,104
Cost of sales	(1,612,013)	(1,604,882)
Gross profit	197,688	198,221
Selling, general and administrative expenses	(149,739)	(151,628)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	1,058	6,132
Impairment loss on fixed assets	(17,446)	(19,461)
Gain on sale of subsidiaries/associates	1,758	1,666
Loss on reorganization of subsidiaries/associates	(2,080)	(2,684)
Other operating income	17,193	10,429
Other operating expenses	(14,882)	(18,980)
Total other income (expenses)	(14,398)	(22,898)
Operating profit	33,550	23,694
Financial income		
Interests earned	4,860	5,359
Dividends received	4,456	3,810
Other financial income	78	43
Total financial income	9,395	9,213
Financial costs		
Interest expenses	(18,975)	(19,855)
Total financial costs	(18,975)	(19,855)
Share of profit (loss) of investments accounted for using the equity method	28,613	30,979
Profit before tax	52,584	44,033
Income tax expenses	(14,933)	(11,949)
Profit for the year	37,650	32,083
Profit attributable to:		
Owners of the Company	33,075	27,250
Non-controlling interests	4,575	4,833
Total	37,650	32,083

Consolidated Statements of Changes in Equity

(Millions of yen)

	Attributable to owners of the Company					
				Other components of equity		
	Share capital	Capital surplus	Treasury stock	Foreign currency translation differences for foreign operations	Financial assets measured at fair value through other comprehensive income	Cash flow hedges
Balance as of March 31, 2014	160,339	146,515	(157)	59,373	60,687	(443)
Profit for the year						
Other comprehensive income				31,687	46,603	(3,115)
Total comprehensive income for the year	—	—	—	31,687	46,603	(3,115)
Purchase of treasury stock		(0)	(1)			
Dividends						
Change in ownership interests in subsidiaries without loss/acquisition of control				479		(27)
Reclassification from other components of equity to retained earnings					(687)	
Other changes						
Total contributions by and distributions to owners of the Company	—	(0)	(1)	479	(687)	(27)
Balance as of March 31, 2015	160,339	146,515	(159)	91,540	106,604	(3,586)

(Reference)

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)

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

(Reference)

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) Consolidated Statements of Profit or Loss and Other Comprehensive Income

(Millions of yen)

Items	FY2014 (From April 1, 2014 to March 31, 2015)	FY2013 (From April 1, 2013 to March 31, 2014)
Profit for the year	37,650	32,083
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	46,787	15,065
Remeasurement of defined benefit pension plans	(925)	(425)
Total items that will not be reclassified to profit or loss	45,862	14,639
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	34,811	40,578
Cash flow hedges	(3,405)	1,184
Total items that may be reclassified subsequently to profit or loss	31,405	41,763
Other comprehensive income for the year, net of tax	77,268	56,403
Total comprehensive income for the year	114,919	88,487
Total comprehensive income attributable to:		
Owners of the Company	107,347	82,221
Non-controlling interests	7,571	6,265
Total	114,919	88,487

(Reference) Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2014 (From April 1, 2014 to March 31, 2015)	FY2013 (From April 1, 2013 to March 31, 2014)
Cash flows from operating activities		
Profit for the year	37,650	32,083
Depreciation and amortization	31,683	36,100
Impairment loss on fixed assets	17,446	19,461
Finance (income) costs	9,579	10,641
Share of (profit) loss of investments accounted for using the equity method	(28,613)	(30,979)
(Gain) loss on sale and disposal of fixed assets, net	(1,058)	(6,132)
Income tax expense	14,933	11,949
(Increase) decrease in trade and other receivables	(18,583)	4,226
(Increase) decrease in inventories	31,396	(6,151)
Increase (decrease) in trade and other payables	(27,908)	(10,640)
Increase (decrease) in retirement benefits liabilities	674	390
Others	(19,792)	(1,451)
Subtotal	47,408	59,498
Interests earned	4,709	5,225
Dividends received	18,439	16,424
Interests paid	(19,261)	(20,308)
Income taxes paid	(12,186)	(13,842)
Net cash provided (used) by/in operating activities	39,109	46,997
Cash flows from investing activities		
Purchase of property, plant and equipment	(31,258)	(23,579)
Proceeds from sale of property, plant and equipment	767	13,578
Purchase of intangible assets	(3,566)	(4,522)
(Increase) decrease in short-term loans receivable	2,470	(1,706)
Payment for long-term loans receivable	(4,174)	(3,423)
Collection of long-term loans receivable	1,165	5,202
Proceeds from (payments for) acquisition of subsidiaries	(5,222)	(7,024)
Proceeds from (payments for) sale of subsidiaries	10	232
Purchase of investments	(8,455)	(23,658)
Proceeds from sale of investments	10,681	7,910
Others	23,791	12,521
Net cash provided (used) by/in investing activities	(13,792)	(24,469)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(29,012)	(14,714)
Proceeds from long-term borrowings	163,996	170,858
Repayment of long-term borrowings	(179,780)	(178,687)
Proceeds from issuance of bonds	29,820	29,862
Redemption of bonds	(20,000)	(30,000)
Payment for acquisition of subsidiaries' interests from non-controlling interest holders	(129)	(0)
Proceeds from non-controlling interest holders	3,209	104
Purchase of treasury stock	(2)	(11)
Dividends paid	(5,629)	(4,378)
Dividends paid to non-controlling interest holders	(2,320)	(1,805)
Others	(2,752)	(2,160)
Net cash provided (used) by/in financing activities	(42,600)	(30,931)
Net increase (decrease) in cash and cash equivalents	(17,282)	(8,403)
Cash and cash equivalents at the beginning of year	420,658	424,371
Effect of exchange rate changes on cash and cash equivalents	372	4,690
Cash and cash equivalents at the end of year	403,748	420,658

(Reference) Segment Information

Information Regarding Reportable Segments

The Company consists of segments specific to business division according to products and services, and the four segments of "Machinery," "Energy & Metal," "Chemicals," and "Consumer Lifestyle Business" are treated as reportable segments. Major products and services of each reportable segment are listed in "1. Current Circumstances of the Sojitz Group (5) Major Business Segments of the Sojitz Group."

In addition, effective April 1, 2014, the aircraft leasing business, previously included in Other, was transferred to the Machinery Division.

The accounting method for the reported business segments are basically consistent with those used in the Consolidated Financial Statements, except with respect to the calculation of income tax expenses. Effective April 1, 2014, the internally decided method for calculating income tax expenses was revised, and figures for each segment from the year ended March 31, 2014, have been restated in accordance with these changes. Transactions between segments are determined at market price or at arms length price.

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

(Millions of yen)

	Reportable segments					Others	Reconciliations	Consolidated
	Machinery	Energy & Metal	Chemicals	Consumer Lifestyle Business	Total			
Revenue								
External revenue	342,810	446,078	427,258	531,356	1,747,504	62,197	—	1,809,701
Inter-segment revenue	1,533	—	8	6	1,548	362	(1,910)	—
Total revenue	344,343	446,078	427,267	531,363	1,749,052	62,559	(1,910)	1,809,701
Segment profit (loss)	10,338	798	6,272	6,818	24,228	8,627	220	33,075
Other:								
Interest income	1,212	1,480	397	870	3,961	1,957	(1,059)	4,860
Interest expenses	(6,749)	(8,207)	(3,309)	(4,175)	(22,441)	2,407	1,059	(18,975)
Depreciation and amortization	(8,407)	(14,714)	(2,862)	(3,045)	(29,029)	(2,653)	—	(31,683)
Gain (loss) on sale and disposal of fixed assets, net	(3)	7	26	(36)	(6)	1,065	—	1,058
Impairment loss on fixed assets	(341)	(16,271)	(234)	(153)	(17,000)	(446)	—	(17,446)
Gain on sale of subsidiaries/ associates	530	737	64	246	1,578	179	—	1,758
Loss on reorganization of subsidiaries/associates	(553)	(0)	(464)	(818)	(1,837)	(242)	—	(2,080)
Share of profit (loss) of investments accounted for using the equity method	3,942	21,431	588	2,557	28,519	54	39	28,613
Income tax expenses	(4,998)	2,274	(3,309)	(3,505)	(9,539)	(4,451)	(942)	(14,933)
Segment assets	460,505	622,986	290,087	491,275	1,864,855	227,811	204,690	2,297,358
Other:								
Investment accounted for using the equity method	28,540	299,985	12,475	48,218	389,220	4,867	(32)	394,055
Capital expenditure	17,609	14,167	702	2,141	34,620	2,089	—	36,710
Net sales (Note)								
External	1,114,078	772,437	675,230	1,477,358	4,039,105	66,190	—	4,105,295

Segment profit (loss) is reconciled based on the profit (attributable to owner of the Company) for the year under the consolidated statements of profit or loss. Reconciliation of segment profit of 220 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 (942) million yen, and unallocated dividend income and others of 1,162 million yen.

The reconciliation amount of segment assets of 204,690 million yen includes elimination of inter-segment transactions or the like amounting to (76,298) million yen, and all of the Companies' assets that were not allocated to each segment, amounting to 280,988 million yen, which mainly consists of the Company's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

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)	(2,304)	4,456	7,888	17,205	27,245	3,623	(3,618)	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	(3,480)	4,736	(3,672)	(3,745)	(6,161)	(1,791)	(3,995)	(11,949)
Segment assets	444,066	590,783	280,271	478,435	1,793,557	211,416	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 owner of the Company) for the year under the consolidated statements of profit or loss.

Reconciliation of segment loss of (3,618) 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 (3,995) million yen, and unallocated dividend income and others of 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, which mainly consists of the Company's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

(Note) Net sales above is based on JGAAP, and includes transactions where Sojitz Group took part as an transaction agent.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

Items	As of Mar. 31, 2015	(Reference) As of Mar. 31, 2014
Assets		
Current assets	728,827	699,619
Cash and deposits	236,344	233,715
Notes receivable-trade	9,667	9,241
Accounts receivable-trade	215,932	205,380
Merchandise	126,428	163,084
Advance payments-trade	16,533	15,152
Short-term loans receivable	72,273	30,342
Deferred tax assets	653	3,577
Other	51,457	40,195
Allowance for doubtful accounts	(463)	(1,069)
Noncurrent assets	852,023	882,668
Property, plant and equipment	17,597	18,101
Buildings	5,732	6,089
Land	9,932	9,932
Other	1,932	2,079
Intangible assets	9,178	10,438
Software	2,368	2,753
Goodwill	6,479	7,364
Other	330	321
Investments and other assets	825,247	854,128
Investment securities	123,154	93,116
Stocks of subsidiaries and affiliates	610,841	617,929
Investments in capital of subsidiaries and affiliates, etc.	27,081	27,526
Long-term loans receivable	43,563	47,024
Bad debts	92,224	98,727
Other	16,466	42,007
Allowance for doubtful accounts	(76,827)	(61,820)
Allowance for investment loss	(11,256)	(10,382)
Deferred assets	303	237
Bond issuance cost	303	237
Total assets	1,581,155	1,582,525

Items	As of Mar. 31, 2015	(Reference) As of Mar. 31, 2014
Liabilities		
Current liabilities	466,495	485,037
Notes payable-trade	7,565	18,936
Accounts payable-trade	209,161	223,122
Short-term loans payable	134,965	125,169
Current portion of bonds	20,000	20,000
Income taxes payable	1,474	2,018
Advances received	12,002	15,331
Deposits received	58,928	62,376
Provision for bonuses	2,542	2,371
Other	19,853	15,709
Noncurrent liabilities	749,706	745,654
Bonds payable	80,000	70,000
Long-term loans payable	641,266	658,881
Deferred tax liabilities	8,574	2,419
Provisions for retirement benefits	7,475	7,238
Other	12,390	7,115
Total liabilities	1,216,201	1,230,691
Net assets		
Shareholders' equity	339,270	345,563
Capital stock	160,339	160,339
Capital surplus	155,271	155,271
Legal capital surplus	152,160	152,160
Other capital surplus	3,110	3,110
Retained earnings	23,819	30,109
Other retained earnings		
Retained earnings brought forward	23,819	30,109
Treasury stock	(159)	(157)
Valuation and translation adjustments	25,682	6,270
Valuation difference on available-for-sale securities	34,848	14,813
Deferred gains or losses on hedges	(9,166)	(8,543)
Total net assets	364,953	351,833
Total liabilities and net assets	1,581,155	1,582,525

Non-consolidated Statements of Income

(Millions of yen)

Items	FY2014 (From April 1, 2014 to March 31, 2015)	(Reference) FY2013 (From April 1, 2013 to March 31, 2014)
Net sales	2,560,367	2,533,171
Cost of sales	2,504,437	2,480,652
Gross profit	55,929	52,518
Selling, general and administrative expenses	52,433	53,298
Operating income (loss)	3,495	(779)
Non-operating income		
Interest income	4,528	5,858
Dividends income	42,044	35,676
Other	6,547	7,001
Total non-operating income	53,119	48,536
Non-operating expenses		
Interest expenses	14,442	14,997
Loss on valuation of derivatives	470	2,641
Foreign exchange losses	3,840	370
Other	3,633	4,350
Total non-operating expenses	22,387	22,360
Ordinary income	34,228	25,396
Extraordinary income		
Gain on sales of noncurrent assets	274	127
Gain on sales of subsidiaries and affiliates' stocks, etc.	9,859	2,260
Gain on sales of investment securities, etc.	317	908
Reversal of allowance for doubtful accounts	1,040	1,001
Total extraordinary income	11,492	4,297
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	58	48
Impairment loss	624	1,795
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	43,549	16,534
Loss on sales of investment securities, etc.	0	6
Loss on valuation of investment securities, etc.	51	3,974
Total extraordinary losses	44,283	22,359
Income before income taxes	1,437	7,334
Income taxes-current	987	(715)
Income taxes-deferred	1,243	2,392
Total income taxes	2,230	1,677
Net income (loss)	(792)	5,657

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, 2014	160,339	152,160	3,110	155,271	30,109	30,109
Cumulative effects of changes in accounting policies					131	131
Restated balance	160,339	152,160	3,110	155,271	30,241	30,241
Dividends from surplus					(5,629)	(5,629)
Net loss					(792)	(792)
Purchase of treasury stock						
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	—	—	(6,422)	(6,422)
Balance as of March 31, 2015	160,339	152,160	3,110	155,271	23,819	23,819

(Reference)

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

	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, 2014	(157)	345,563	14,813	(8,543)	6,270	351,833
Cumulative effects of changes in accounting policies		131				131
Restated balance	(157)	345,694	14,813	(8,543)	6,270	351,965
Dividends from surplus		(5,629)				(5,629)
Net loss		(792)				(792)
Purchase of treasury stock	(1)	(1)				(1)
Net changes of items other than shareholders' equity			20,034	(622)	19,411	19,411
Total changes of items during the period	(1)	(6,424)	20,034	(622)	19,411	12,987
Balance as of March 31, 2015	(159)	339,270	34,848	(9,166)	25,682	364,953

(Reference)

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

Independent Auditors' Audit Report

May 14, 2015

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, 2015 and for the 12th consolidated fiscal year from April 1, 2014 to March 31, 2015.

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, 2015.

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 14, 2015

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, 2015 and for the 12th fiscal year from April 1, 2014 to March 31, 2015.

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, 2015 in conformity with accounting principles generally accepted in Japan.

Other Matter

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

Audit & Supervisory Board's Audit Report: Full Copy

Audit Report

With respect to the Directors' performance of their duties during the 12th fiscal year (from April 1, 2014 to March 31, 2015), 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 15, 2015

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 23, 2015

(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-itchome Station: 2 minute walk from Exit 3.
  (5 minute walk from Roppongi-itchome Station.)





Internet Disclosure of Matters for the Notice of the 12th Ordinary General Shareholders' Meeting

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

Sojitz Corporation

Notes to the Consolidated Financial Statements

Significant Basis of Presenting Consolidated Financial Statements

1. Basis for Presenting Consolidated Financial Statements

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

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

2. Scope of Consolidation

Number of Consolidated Subsidiaries: 302

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

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

3. Application of Equity Method

Number of Entities Subject to Equity Method: 108

The major entities subject to equity method are as follows:

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

4. Accounting Policies

(1) Basis and Methods of Valuation of Significant Assets

1) Financial assets

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

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

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

(a) Financial assets measured at amortized costs

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

- The asset is held based on a business model whose objective is to hold an asset in order to collect cash flow under a contract; and,
- Based on the contractual terms with respect to the financial asset, the cash flow, which is intended only for payment of principal and interests on the outstanding principal balance, arises on a specified date.

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

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

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

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

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

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

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

2) Inventories

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

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

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

3) Property, plant and equipment

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

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

4) Goodwill and intangible assets

(a) Goodwill

Goodwill is measured at cost less any accumulated impairment losses.

(b) Intangible assets

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

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

5) Investment property

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

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

(2) Depreciation Method for Significant Depreciable Assets

1) Property, plant and equipment

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

2) Intangible assets

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

3) Investment property

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

(3) Accounting Standards for Significant Provisions

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

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

(4) Retirement Benefits Liabilities

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

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

Past service costs are immediately recognized as profit or loss.

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

(5) Foreign Currency Translation

1) Foreign currency transactions

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

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

The exchange rate used for settlement in each transaction is used for translation between Venezuela

Bolivar Fuerte and other currencies due to coexistence of plural exchange rates in the exchange controls of Venezuela.

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

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

2) Foreign operations

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

Provided, however, that if financial statements of the Group's consolidated subsidiary are prepared in functional currency of a country with hyperinflationary economy, all amounts on such financial statements will be translated into presentation currency using the exchange rate at the reporting date after adjusting for inflations based on the measurement unit as of the reporting date in accordance with changes in the general purchasing power of such functional currency. The amounts on the financial statements for the year ended March 31, 2014 have not been corrected/revised. As a result of assessment of qualitative characteristics of the economic environment by country, Venezuela has been classified as a country of hyperinflationary economy for the years ended March 31, 2014 and March 31, 2015. Although multiple exchange rates coexist in the exchange controls of Venezuela, when translating the amounts on the financial statements into the currency presented, the Sistema Complementario de Administración de Divisas (SICAD) was used for the fiscal year ended March 31, 2014 and the Sistema Marginal de Divisas (SIMADI) was used for the fiscal year ended March 31, 2015 as the exchange rates adopted for the payment of dividends and repayment of capital. The financial statements to be adjusted for inflation were prepared based on a historical cost basis. In addition, the price index used for adjustments for inflation on the financial statements was of that officially announced by Banco Central De Venezuela. The inflation rates for the years ended March 31, 2014 and March 31, 2015 were 59.3% and 87.5%, respectively.

Foreign exchange translation differences are recognized as other comprehensive income. If the Group's foreign operation is disposed of, the cumulative amount of the foreign exchange translation differences related to such foreign operation are reclassified to profit or loss at the time of such disposal.

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

(6) Derivatives and Hedge Accounting

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

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

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

1) Fair value hedges

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

2) Cash flow hedges

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

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

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

3) Hedge of a net investment

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

4) Derivatives not designated as hedging instrument

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

(7) Accounting for Consumption Tax

The tax-excluded method is used.

5. Changes in Accounting Policies

The Group has adopted the accounting standard, as set out below, the application of which has become mandatory from the fiscal year ended March 31, 2015.

Accounting standard no.	Name of standard	Outline of new or revised standard
IAS No. 32	Financial instruments: Presentation	Offsetting financial assets and financial liabilities

The Group has adopted the above standard in compliance with transitional measures and the above adoption has no material impact on the Group.

Consolidated Statements of Financial Position

1. Pledged Assets and Corresponding Liabilities

(1) Assets Pledged as Security

(Millions of yen)

	As of March 31, 2015
Assets pledged as security	
Inventories	728
Property, plant and equipment	48,663
Investment property	4,093
Other investments	8,494
Others	9,823
Total	71,802
Corresponding liabilities	
Trade and other payables	40
Bonds and borrowings	32,694
Total	32,734

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

(2) Assets Pledged in Lieu of Guarantee Money

(Millions of yen)

	As of March 31, 2015
Inventories	694
Property, plant and equipment	1,020
Intangible assets	7,569
Investments accounted for using the equity method	51,197
Other investments	1,401
Others	5,192
Total	67,075

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

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

45,257 million yen

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

235,566 million yen

4. Guaranteed Obligation

(Millions of yen)

	As of March 31, 2015
Guarantees for obligations of Entities subject to Equity Method	20,311
Guarantees for obligations of third parties	6,780
Total	27,092

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

Consolidated Statements of Changes in Equity

1. Class and Numbers of Shares Outstanding as of March 31, 2015

Common stock 1,251,499,501 shares

2. Dividends

(1) Amount of Dividends Paid

Resolution	Class of shares	Source of dividend funds	Total amount of dividends (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary General Shareholders' Meeting held on June 24, 2014	Common stock	Retained earnings	2,502	2.00 yen	March 31, 2014	June 25, 2014
Meeting of the Board of Directors held on November 5, 2014	Common stock	Retained earnings	3,127	2.50 yen	September 30, 2014	December 2, 2014

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

The Company presents the following proposal on the year-end dividends for common stock as the agenda for the 12th Ordinary General Shareholders' Meeting scheduled on June 23, 2015.

Dividends of Common Stock

(a) Total amount of dividends	4,378 million yen
(b) Source of dividend funds	Retained earnings
(c) Dividend per share	3.50 yen
(d) Record date	March 31, 2015
(e) Effective date	June 24, 2015

3. Retained earnings

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

Financial Instruments

1. Status of Financial Instruments

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

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

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

2. Fair Value of Financial Instruments

As of March 31, 2015, carrying amounts and fair values of the main financial instruments by type were as follows.

(Millions of yen)

	As of March 31, 2015	
	Carrying amount	Fair value
Financial assets		
Trade and other receivables		
Trade notes and accounts receivables	521,720	521,479
Other investments		
Financial assets measured at fair value through profit or loss	986	986
Financial assets measured at fair value through other comprehensive income	173,805	173,805
Derivative financial assets	8,842	8,842
Total	705,355	705,113
Financial liabilities		
Trade and other payables		
Trade notes and accounts payables	413,707	413,705
Bonds and borrowings		
Bonds payable (including current portion)	99,688	101,229
Long-term loans payable (including current portion)	835,936	857,463
Derivative financial liabilities	11,746	11,746
Total	1,361,079	1,384,145

The fair values stated above were calculated as follows.

(a) Trade notes and accounts receivables

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

(b) Other investments

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

(c) Derivative financial assets and liabilities

Currency-related derivatives

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

Interest rate-related derivatives

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

Commodity-related derivatives

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

(d) Trade notes and accounts payables

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

credit risk.

(e) Bonds and borrowings

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

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

Investment Property

1. Status of Investment Property

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

2. Fair Values of Investment Property

Carrying amounts and fair values of investment property for 2015 were as follows.

(Millions of yen)

	As of March 31, 2015
Carrying amount	19,459
Fair value	20,708

(Notes) 1. The above carrying amount is calculated by subtracting accumulated depreciations and accumulated impairment losses from acquisition costs.

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

Per-share Information

Basic Earnings per Share 26.44 yen

Subsequent Events

Not applicable

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

Notes to the Non-consolidated Financial Statements

Significant Accounting Policies

1. Basis and Methods of Valuation of Assets

(1) Securities

- Trading Securities

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

- Held-to-Maturity Debt Securities

  Stated at amortized cost (straight-line method).

- Stocks of subsidiaries and affiliates

  Stated at cost using the moving average method.

- Available-for-Sale Securities

  - Securities with available fair values

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

  - Securities with no readily available fair value

    Stated at cost using the moving average method.

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

(2) Derivatives

Stated at fair value.

(3) Fund Trusts for Investment Purpose

Stated at fair value.

(4) Inventories

- Inventories held for sale in the ordinary course of business

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

- Inventories held for trading purpose

  Stated at fair value.

2. Depreciation Method for Noncurrent Assets

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

Property, plant and equipment are depreciated using the declining balance method.

However, the buildings (excluding fixtures) acquired on or after April 1, 1998 are depreciated using the straight-line method.

(2) Intangible Assets (excluding lease assets)

Intangible assets are amortized using the straight-line method.

3. Accounting Standards for Provisions

(1) Allowance for Doubtful Accounts

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

(2) Allowance for Investment Loss

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

(3) Provision for Bonuses

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

(4) Provision for Retirement Benefits

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

1) Method of Attributing Projected Retirement Benefits to Periods

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

2) Method of Amortization of Actuarial Differences

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

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

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

5. Hedge Accounting

(1) Hedge Accounting Method

In general, the deferral hedge accounting is applied.

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

(2) Hedging Instruments and Hedged Items

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

(3) Hedge Policy

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

(4) Assessment of Hedge Effectiveness

The Company assesses the hedge effectiveness by comparing the cumulative change in cash-flows or the changes in fair value of hedged items with the corresponding changes of hedging instruments on a quarterly basis. However, the assessment of hedge effectiveness is omitted for interest rate swaps under the preferential treatment.

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

(1) Accounting for Deferred Assets

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

(2) Accounting for Consumption Tax

The tax-excluded method is used.

(3) Application of Consolidated Taxation Systems

The consolidated taxation system is applied.

Changes to Accounting Policies

(Application of Accounting Standard for Retirement Benefits, Etc.)

From the fiscal year under review, the Company adopted the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012; hereinafter referred to as the "Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on March 26, 2015) and thus reviewed its method of calculating retirement benefit obligation and services costs. Accordingly, the Company changed its method of attributing expected retirement benefits to periods of service from the straight-line basis to the benefit formula basis.

Accounting Standard for Retirement Benefits and its Guidance were applied transitionally as stipulated by Paragraph 37 of the Standard, and the effect of the change in the method of calculating retirement benefit obligation and service costs is reflected in retained earnings brought forward at the beginning of the fiscal year under review.

As a result, provision for retirement benefits at the beginning of the fiscal year under review decreased by 205 million yen, while retained earnings brought forward increased by 131 million yen.

The impact of these changes on the non-consolidated statements of income for the fiscal year under review are immaterial.

Non-consolidated Balance Sheets

1. Pledged Assets and Corresponding Liabilities

(1) Assets Pledged as Collateral

(Millions of yen)

	As of March 31, 2015
Pledged assets	
Investment securities	8,370
Total	8,370
Corresponding liabilities	
Long-term loans payable (including current portion)	185
Total	185

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

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

(Millions of yen)

	As of March 31, 2015
Investment securities (including stocks of subsidiaries and affiliates)	38,616
Short-term loans receivable	22
Long-term loans receivable	6,751
Total	45,390

2. Accumulated Depreciation of Property, Plant and Equipment 6,253 million yen

3. Guaranteed Obligation

(Millions of yen)

	As of March 31, 2015
Guarantees for obligations of subsidiaries and affiliates	184,178
Guarantees for other obligations	11,621
Total	195,800

(Note) The above guarantees for obligations mainly consist of the Company's guarantees for the borrowings from financial institutions, and include items similar to guarantees in the amount of 77,159 million yen.

4. Notes Receivable-Trade—Discounted 27,651 million yen

(Note) Outstanding inter-bank transactions, which represent the balance of export letters of credit yet to be purchased by banks, are included in the discounts on notes receivable-trade because they can be treated as trade note discounts. The amount is 8,503 million yen.

5. Monetary Receivables from and Payables to Subsidiaries and Affiliates

Short-term monetary receivables:	159,217 million yen
Long-term monetary receivables:	95,586 million yen
Short-term monetary payables:	62,857 million yen
Long-term monetary payables:	4,090 million yen

Non-consolidated Statements of Income

Transactions with Subsidiaries and Affiliates

Sales to subsidiaries and affiliates:	291,575 million yen
Purchases from subsidiaries and affiliates:	326,226 million yen
Non-operating transactions with subsidiaries and affiliates:	55,778 million yen

Non-consolidated Statements of Changes in Net Assets

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

Common stock	477,089 shares

Tax Effect Accounting

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

Deferred tax assets	(Millions of yen)
Excess amount over limitation of taxable allowance for doubtful accounts	27,598
Loss on valuation of investment securities	29,136
Loss from merger	946
Excess amount over limitation of taxable allowance for retirement benefits	2,719
Loss carried forward	19,795
Other	13,906
Subtotal	94,103
Valuation allowance	(75,721)
Total deferred tax assets	18,382
Offset against deferred tax liabilities	(17,728)
Amounts recorded as deferred tax assets	653
Deferred tax liabilities	
Foreign exchange losses relating to stocks of subsidiaries and affiliates	(7,745)
Gain from merger	(3,623)
Valuation difference on available-for-sale securities	(14,625)
Other	(307)
Total deferred tax liabilities	(26,302)
Offset against deferred tax assets	17,728
Amounts recorded as deferred tax liabilities	(8,574)
Net deferred tax assets	(7,920)

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

With the promulgation on March 31, 2015 of the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 9, 2015) and the “Act for Partial Amendment of the Local Tax Act, etc.” (Act No. 2, 2015), income tax rates have been changed from the fiscal year beginning on or after April 1, 2015. In accordance with this change, the statutory effective tax rate used in calculations of deferred tax assets and deferred tax liabilities has been changed from the previous 35.6% to 33.1% for temporary differences expected to be recovered or settled in the fiscal year beginning on April 1, 2015 and to 32.3% for temporary differences expected to be recovered or settled from the fiscal year beginning on April 1, 2016. The impact of the change in the tax rates is immaterial.

Transactions with Related Parties

Subsidiaries

(Millions of yen)

Classification	Company name	Ownership including voting right	Relationship		Transactions	Amount of transactions	Account	As of March 31, 2015
			Interlocking executive positions	Business relationship				
Subsidiary	Sojitz Corporation of America	Directly and wholly owned	1 person in interlocking positions	Buyer and supplier of products	Guarantee on debt (Note 1)	47,242	—	—
					Guarantee fees received (Note 2)	43	—	—
Subsidiary	Sojitz Pla-Net Holdings, Inc.	Directly and wholly owned	—	Borrower of funds	Funds loaned (Note 3)	—	Short-term loans receivable	17,922
					Interest received (Note 3)	404	—	—
Subsidiary	Sojitz Asia Pte. Ltd.	Directly and wholly owned	—	Buyer and supplier of products	Sales of stocks of subsidiaries and affiliates (Note 4)	8,716	Accounts receivable-other	8,716
					Gains on sales of stocks of subsidiaries and affiliates	8,019	—	—
Subsidiary	Sojitz Resources (Australia) Pty. Ltd.	Directly owned 96.7% Indirectly owned 3.3%	—	Buyer and supplier of products	Subscription to capital increase (Note 5)	17,423	—	—
Affiliate	Mitsubishi Motors Philippines Corporation	Directly owned 49.0%	—	Buyer and supplier of products	Sales of products (Note 6)	70,248	Accounts receivable-trade	19,020

Conditions of Transactions and Policies for Determining the Conditions

(Notes) 1. The Company guarantees the bank borrowings of the above companies.

2. The Company receives the guarantee fee of 0.1% per annum on the outstanding balance of the guarantee.

3. Interest rate is determined reasonably based upon the market interest rate. These loans and interest are not secured by collateral.

4. The selling prices of stocks of subsidiaries and affiliates are determined upon consideration of evaluation reports prepared by independent third parties.

5. The Company subscribed to a third party allocation of new shares.

6. The Company determines selling price in the same way as general transactions by taking market prices into consideration.

Per-share Information

1. Net Assets per Share: 291.72 yen
2. Net Loss per Share: 0.63 yen

Subsequent Events

Not applicable.

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