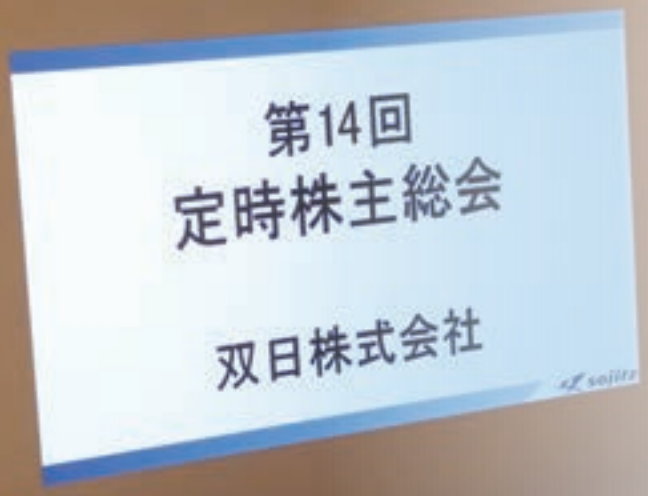
sojitz

New way, New value

Notice of the 14th Ordinary General Shareholders' Meeting



To be held at 10:00 a.m. on Tuesday, June 20, 2017 at ANA InterContinental Tokyo

Starting from this year, no souvenirs will be provided to the shareholders attending the General Shareholders' Meeting. We appreciate your understanding.

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The following is an English translation of Notice of the 14th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz" or the "Company") to be held on June 20, 2017. Sojitz provides this translation for your reference and convenience only. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Sojitz hereby disclaims all representations and warranties with respect to this translation, whether express or implied, including, but not limited to, any representations and warranties with respect to accuracy, reliability or completeness of this translation. Under no circumstances shall Sojitz be liable for any damages 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)

May 30, 2017

To Our Shareholders:

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

Notice of the 14th Ordinary General Shareholders' Meeting

You are cordially invited to attend the 14th Ordinary General Shareholders' Meeting of Sojitz Corporation to be held as described below. We look forward to meeting as many of our shareholders as possible at the meeting.

Date and Time	**10:00 a.m., Tuesday, June 20, 2017** (The reception is scheduled to open at 9:00 a.m.)
Place	**The Prominence Ballroom (B1F) at ANA InterContinental Tokyo** 12-33, Akasaka 1-chome, Minato-ku, Tokyo (Please refer to the Guide Map to the Venue 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 19, 2017 (JST).

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

Purpose of the Meeting

Matters to be reported:	(1) The 14th Fiscal Year (from April 1, 2016 to March 31, 2017) business report, the consolidated financial statements, and the audit reports concerning the consolidated financial statements by the accounting auditors and the Audit & Supervisory Board (2) The 14th Fiscal Year (from April 1, 2016 to March 31, 2017) non-consolidated financial statements
Matters to be resolved:	**Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 14th Fiscal Year)** **Proposal No. 2 Election of Seven (7) Directors** **Proposal No. 3 Election of Two (2) Audit & Supervisory Board Members**

- 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, your proxy will be requested to present your letter of proxy, together with your Voting Right Exercise Form at the reception desk upon arrival at the meeting.
- In accordance with the applicable laws and regulations and Article 14 of the Articles of Incorporation of the Company, we publish the "Basic Concept" of "Basic Concept and Operation Status of Internal Control System" in the Business Report, Notes to the Consolidated Financial Statements and Consolidated Statements of Changes in Equity in the Consolidated Financial Statements, and Notes to the Non-consolidated Financial Statements and Non-consolidated Statements of Changes in Net Assets in 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 14th Ordinary General Shareholders' Meeting will be published on our website at http://www.sojitz.com/en/ir/stkholder/general/ after the General Shareholders' Meeting.
- Starting from this year, no souvenirs will be provided to the shareholders attending the General Shareholders' Meeting. We appreciate your understanding.

Please exercise your "voting rights," which are the rights to participate in the management of 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 14th Ordinary General Shareholders' Meeting" with you to the meeting.

Date and Time of the General Shareholders' Meeting: 10:00 a.m. on Tuesday, June 20, 2017 (JST)

<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 (Internet).

<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 19, 2017 (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 19, 2017 (JST)

<For institutional investors: Electronic Voting Platform>

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

Instructions for Exercising Voting Rights by Electronic Method (Internet)

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

<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/) via a computer, smartphone, or mobile phone. Once you have accessed the site, please use the login ID and temporary password provided on the enclosed Voting Right Exercise Form and then enter your vote for each proposal according to the instructions displayed on the screen.

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

Deadline for Exercising Voting Rights: No later than 5:30 p.m. on Monday, June 19, 2017 (JST)

Precautions to observe

1. Handling of voting rights exercised in duplicate

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

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

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

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

Reference Documents for the General Shareholders' Meeting

Proposals and References

Proposal No. 1: Dividends from Surplus (Year-End Dividends for the 14th Fiscal Year)

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

For the year ended March 31, 2017, in light of fiscal 2016 results and the adequacy of its total equity, we hereby propose year-end dividends for this fiscal year as follows.

(1) Type of Dividend Property

Cash

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

¥4 per share in common stock of the Company, and ¥5,003,930,992 in total

We paid an interim dividend of ¥4 per share on December 1, 2016. Therefore, an annual dividend per share will be ¥8 and the total amount of annual dividends is ¥10,007,978,892.

(3) Effective Date of Dividends from Surplus

June 21, 2017

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 terms 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.

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

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

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

No.	Name (Age)	Current Position and Responsibilities at the Company	Attendance at the Board of Directors Meetings
1	Yoji Sato (67) <Reappointment>	Representative Director, President & CEO	100% (19/19)
2	Takashi Hara (65) <Reappointment>	Representative Director and Vice Chairman	100% (19/19)
3	Masayoshi Fujimoto (59) <New appointment>	Senior Managing Executive Officer, Assigned for Corporate Planning, Public Relations, and Secretariat	Not applicable (new candidate)
4	Satoshi Mizui (64) <Reappointment>	Representative Director, Executive Vice President Adviser to the President, and Executive Management of the Americas, Europe, Russia & NIS Assigned for Logistics, Executive Management Affairs Office, and Business Group	100% (15/15)
5	Seiichi Tanaka (56) <New appointment>	Managing Executive Officer, CFO Executive Management of General Accounting, IT Planning, and Structured Finance Assigned for Investor Relations and Finance	Not applicable (new candidate)
6	Yoko Ishikura (68) <Reappointment> <Outside Director> <Independent Officer>	Director Chairperson of the Remuneration Committee	100% (19/19)
7	Yukio Kitazume (66) <Reappointment> <Outside Director> <Independent Officer>	Director Chairperson of the Nomination Committee	100% (19/19)

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

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

3. If this Proposal is approved, Director candidate Yoji Sato will be appointed as Representative Director and Chairman, Director candidate Masayoshi Fujimoto will be appointed as Representative Director, President & CEO, and Director candidate Seiichi Tanaka will be appointed as Representative Director, Senior Managing Executive Officer at the Board of Directors meeting to be held after the conclusion of this General Shareholders' Meeting.

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
1	 Yoji Sato (July 14, 1949, 67) <Reappointment> Term of office as Director of the Company: 11 years (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 19/19 (100%)	April 1973 Joined Nissho Iwai Corporation October 1998 Treasurer, Nissho Iwai American Corporation April 2003 Executive Officer, Nissho Iwai Corporation April 2004 Managing Executive Officer, Sojitz Corporation (*1) April 2005 Director, Managing Executive Officer, CFO October 2005 Director, Managing Executive Officer, CFO, Sojitz Corporation (*2) April 2006 Director, Senior Managing Executive Officer, CFO April 2008 Representative Director and Executive Vice President, CFO April 2012 Representative Director, President & CEO (current position) *1: In April 2004, the corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation. *2: In October 2005, the corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation. [Reasons for the Nomination of the Candidate for Director] Since assuming office as a Director of the Company in 2005 and later becoming CFO of the Company, Yoji Sato continued to promote the improvement of asset efficiency and the enhancement of profitability. He has also contributed to the improvement of the Company's financial standing in the position of Representative Director, President & CEO of the Company, which he has held from 2012 up until the present. Based on his experience and accomplishments, we have chosen Yoji Sato as a Director candidate predicated on our judgment that as a Director, he will be able to contribute to the strengthening of the corporate governance of the Company through means such as by ensuring that the Board of Directors functions effectively. If Yoji Sato is elected as Director, he is scheduled to be appointed as the Representative Director and Chairman at the Board of Directors meeting to be held after the conclusion of this Ordinary General Shareholders' Meeting. To Shareholders of the Company: Under Medium-Term Management Plan 2017, Sojitz will continue to take on challenges facing the future and will aim to expand its foundations for generating stable earnings through the realization of two values: "Value for Sojitz" and "Value for society." In addition, looking ahead, we will continue to strengthen our governance structure to ensure that it is worthy of shareholders' trust and will also exert every effort to deliver value to our stakeholders and to society by aiming to maximize these two values of Sojitz.	278,000

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
2	 Takashi Hara (August 24, 1951, 65) <Reappointment> Term of office as Director of the Company: 5 years (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 19/19 (100%)	April 1975 Joined The Sanwa Bank Ltd. January 2002 Executive Officer, UFJ Bank Ltd. (*1) May 2005 Managing Executive Officer January 2006 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (*2) June 2008 Managing Director May 2009 Senior Managing Director May 2010 Deputy President June 2012 Representative Director and Vice Chairman, Sojitz Corporation (current position) *1: In January 2002, the corporate name was changed to UFJ Bank Ltd. due to the merger of The Sanwa Bank, Ltd. and The Tokai Bank, Ltd. *2: In January 2006, the corporate name was changed to The Bank of Tokyo-Mitsubishi UFJ, Ltd. due to the merger of The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Ltd. [Reasons for the Nomination of the Candidate for Director] Takashi Hara has acquired abundant experience and made distinguished achievements as a manager through positions such as Deputy President of The Bank of Tokyo-Mitsubishi UFJ Ltd. In addition, since assuming office as Representative Director of the Company in 2012, he has dedicated himself to enhancing the corporate governance of the Company and the management and supervision of business execution. Based on his experience and accomplishments, we have chosen Takashi Hara as a Director candidate predicated on our judgment that he will continue to be able to perform his duties as Director. To Shareholders of the Company: Under Medium-Term Management Plan 2017, Sojitz is committed to expanding foundations for generating stable earnings with the aim of creating and expanding clusters of revenue-generating businesses. The Company will continue to carry out initiatives aimed at future growth. Even while growing in this way, the Sojitz of today must create value not only for Sojitz, but also for society. I will continue to focus my efforts on strengthening corporate governance, including the management and supervision of the Company, so that we can realize the creation of these two types of values.	90,000

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
3	 Masayoshi Fujimoto (January 9, 1958, 59) <New appointment> Term of office as Director of the Company: Not applicable (new candidate) Attendance at the Board of Directors meetings: Not applicable (new candidate)	April 1981 Joined Nissho Iwai Corporation December 2008 MMC Automotriz S.A. Director President August 2012 Sojitz Corporation (*1, *2) of America Regional General Manager, Machinery Division, Americas October 2014 Corporate Officer Senior General Manager, Corporate Planning, Sojitz Corporation April 2015 Executive Officer, Assigned for Corporate Planning and Investor Relations October 2015 Managing Executive Officer, Assigned for Corporate Planning, Investor Relations, and Public Relations April 2016 Senior Managing Executive Officer, Assigned for Corporate Planning, Strategic Investment, Investor Relations, Public Relations, Logistics & Insurance April 2017 Senior Managing Executive Officer, Assigned for Corporate Planning, Public Relations, and Secretariat (current position) *1: In April 2004, the corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation. *2: In October 2005, the corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation. [Reasons for the Nomination of the Candidate for Director] Masayoshi Fujimoto was mainly engaged in the automobile business until 2012, and he has abundant experience exemplified, for example, by the management skills he exerted as a President of Sojitz's local operating company MMC Automotriz S.A. under a difficult business environment for the automobile manufacturing and sales business, which was a priority area for the Company in Venezuela, as well as a Regional General Manager supervising the Americas region while serving at Sojitz Corporation of America. In addition, since 2014, as an Officer overseeing the Corporate Planning Department of the Company, he has played a central role in promoting the medium-term management plan. We have chosen Masayoshi Fujimoto as a new Director candidate predicated on our judgment that henceforth he will demonstrate strong leadership as a Director and will promote the growth of the Company and be able to contribute to the enhancement of corporate value. If Masayoshi Fujimoto is elected as a Director, he is scheduled to be appointed Representative Director, President & CEO at the Board of Directors meeting to be held after the conclusion of this Ordinary General Shareholders' Meeting. To Shareholders of the Company: Through my participation in automobile-related businesses since joining the Company, I have accumulated management experience in operating companies in Poland and Venezuela. In addition, during my time in the Corporate Planning Department, I participated in the preparing for the integration of 2004. After returning to Japan from the United States in 2014, I participated in the formulation of Medium-Term Management Plan 2017 as I oversaw corporate planning. As a member of senior management, I am currently pushing forward with a daily effort to expand our foundations for generating stable earnings and creating clusters of revenue-generating businesses. In the future, I consider it my mission to accelerate my endeavors for facilitating the future growth of Sojitz based on my past experience and to devote myself to the Company's further development. I greatly appreciate your support.	32,100

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
4	 Satoshi Mizui (August 9, 1952, 64) <Reappointment> Term of office as Director of the Company: 1 year (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 15/15 (100%)	April 1975 Joined Nissho Iwai Corporation July 2002 President of Nissho Iwai Indonesia Corporation February 2006 COO of Sojitz Corporation (*1, *2) of America April 2006 Executive Officer, Sojitz Corporation April 2011 Managing Executive Officer April 2014 Senior Managing Executive Officer October 2015 Executive Vice President June 2016 Representative Director and Executive Vice President (current position) *1: In April 2004, the corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation. *2: In October 2005, the corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation. [Reasons for the Nomination of the Candidate for Director] Satoshi Mizui has held important posts in the wide-ranging business fields of the chemical, energy, and metal divisions of the Company and of Nissho Iwai Indonesia Corporation (currently PT. Sojitz Indonesia). In addition, since assuming the office of Representative Director and Executive Vice President of the Company in 2016, he has been in charge of the executive management of business divisions and has dedicated himself to reinforcing the Company's earnings foundations. We have chosen Satoshi Mizui as a Director candidate predicated on our judgment that he will continue to be able to enhance profitability and fulfill his role in increasing corporate value. To Shareholders of the Company: The speed of change in the operating environment for general trading companies becomes increasingly fast, and it will be difficult for us to continue growing using only conventional business models. We are therefore carrying out initiatives to expand stable earnings foundations and existing businesses and to acquire promising businesses under Medium-Term Management Plan 2017. I will utilize the insight I have developed in chemical, energy, and metal business divisions and my experience as a business manager advancing the current medium-term management plan to continue contributing to the enhancement of the corporate value of the Company.	62,500

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
5	 Seiichi Tanaka (September 14, 1960, 56) <New appointment> Term of office as Director of the Company: Not applicable (new candidate) Attendance at the Board of Directors meetings: Not applicable (new candidate)	April 1984 Joined Nissho Iwai Corporation April 2014 Executive Officer, Assigned for Finance, General Manager, Finance Department, Sojitz Corporation April 2015 Executive Officer, Assigned for General Accounting, Forex & Securities, and Finance April 2016 Managing Executive Officer, CFO, Assigned for Finance and General Accounting April 2017 Managing Executive Officer, CFO, Executive Management of General Accounting, IT Planning, and Structured Finance, Assigned for Investor Relations and Finance (current position) [Reasons for the Nomination of the Candidate for Director] Seiichi Tanaka has been continually engaged in the finance operations of the Company, which has included two postings overseas, and has abundant experience and expertise, having served in positions including General Manager of the Finance Department and, from 2016, CFO and Chairman of the Finance & Investment Deliberation Council. We have chosen Seiichi Tanaka as a new Director candidate predicated on our judgment that he will be able to continue promoting the strengthening of the Company's financial foundations as a Director as the Company advances initiatives with an eye toward future growth. If Seiichi Tanaka is elected as Director, he is scheduled to be appointed as Representative Director, Senior Managing Executive Officer at the Board of Directors meeting to be held after the conclusion of this Ordinary General Shareholders' Meeting. To Shareholders of the Company: Since joining the Company, I have been consistently engaged in the operations of the Finance Department. As part of my experience in this department, I have worked together with senior management to restore our financial standing, committed to ensuring that we are never again exposed to the difficult funding situation that arose before the 2004 integration or the deterioration of assets that occurred at the time of the financial crisis of 2008. At present, Sojitz's financial standing is sufficiently sound. Looking ahead, I will build superior business foundations and make an effort to the ongoing improvement of our asset portfolio, which should prioritize cash flows, while also strengthening our financial foundations. I will thereby strive to meet the expectations of our shareholders.	11,300

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
6	 Yoko Ishikura (Yoko Kurita) (March 19, 1949, 68) <Reappointment> <Outside Director> <Independent Officer> Term of office as Director of the Company: 3 years (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 19/19 (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 June 2014 Director (part-time), Sojitz Corporation (current position) June 2015 External Director, Shiseido Company, Limited (current position) [Reasons for the Nomination of the Candidate for Outside Director] As a member of academia, Yoko Ishikura has extensive knowledge and insight regarding global corporate management and corporate strategies. She has also served as an Outside Director at other companies. Based on her experience, she has actively provided advice at Board of Directors meetings and has appropriately carried out her duties as an Outside Director of the Company, including chairing the Remuneration Committee and supervising business execution. We have therefore chosen Yoko Ishikura as an Outside Director candidate predicated on our judgment that she will continue to be able to perform her duties as Outside Director. [Independence] 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. Yoko Ishikura meets the Company's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 21 and 22 of the Reference Documents for the General Shareholders' Meeting), and we believe that she has sufficient independence from the Company as Outside Director.	0

<table>
<tr><th>No.</th><th>Name
(Date of Birth, Age)</th><th>Career Summary and
Position and Responsibilities at the Company</th><th>Number of Shares of Common Stock of the Company Owned</th></tr>
<tr><td></td><td></td><td>[Significant Concurrent Occupations or Positions at Other Organizations and Business Relationships with the Company]
<table>
<tr><th>Name of Organization</th><th>Occupation or Position</th><th>Relationship with the Company</th></tr>
<tr><td>Nissin Foods Holdings Co., Ltd. (2897) (*2)</td><td>Outside Director</td><td>Less than 1% (*1)</td></tr>
<tr><td>Shiseido Company, Limited (4911) (*2)</td><td>External Director</td><td>Less than 1% (*1)</td></tr>
</table>
*1 Accounts for the ratio of transactions among revenue in the Company's consolidated financial statements.
*2 Figures in parentheses are securities codes.

[Other Matters Concerning the Candidate for Outside Director]
The Company has a limited liability agreement with Yoko Ishikura, limiting her liabilities to the higher of ¥10 million 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 Yoko Ishikura is elected.

To Shareholders of the Company:
The world has faced unprecedented levels of uncertainty over the past year. We are approaching an extremely important turning point in global affairs, exemplified by such developments as withdrawal of the United Kingdom from the European Union, the appointment of Donald Trump as President of the United States, and the upcoming elections in Europe. In order for Sojitz to continue steadily growing amid these conditions, I believe it is essential for people with a variety of expertise and experience to exercise their skills. I also feel that there is a need to further promote diversity.
I continuously make more active discussions in Board of Directors meetings as we look to resolve Sojitz's issues and subsequently achieve growth. I intend to present my opinions within the Company and help strengthen corporate governance.</td><td></td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of Birth, Age)</th><th>Career Summary and
Position and Responsibilities at the Company</th><th>Number of Shares of Common Stock of the Company Owned</th></tr>
<tr><td>7</td><td>
Yukio Kitazume
(August 31, 1950, 66)

<Reappointment>
<Outside Director>
<Independent Officer>

Term of office as Director of the Company:
3 years
(as of the conclusion of the Meeting)

Attendance at the Board of Directors meetings:
19/19
(100%)</td><td>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, Incorporated Foundation Japan Aircraft Development Corporation (*1) (current position)
June 2014 Director (part-time), Sojitz Corporation (current position)
*1: In April 2013, legal status of the Japan Aircraft Development Corporation changed from an incorporated foundation to a general incorporated foundation.

[Reasons for the Nomination of the Candidate for Outside Director]
Based on his long years of experience and his extensive insight developed in important government posts, such as Ambassador Extraordinary and Plenipotentiary, Yukio Kitazume has actively provided advice at Board of Directors meetings. He is appropriately carrying out his duties as an Outside Director of the Company, including chairing the Nomination Committee and supervising business execution. We have therefore chosen Yukio Kitazume as an Outside Director candidate predicated on our judgment that he will continue to be able to perform his duties as Outside Director.

[Independence]
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. Yukio Kitazume meets the Company's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 21 and 22 of the Reference Documents for the General Shareholders' Meeting), and we believe that he has sufficient independence from the Company as Outside Director.

[Significant Concurrent Occupations or Positions at Other Organizations and Business Relationships with the Company]
<table><tr><th>Name of Organization</th><th>Occupation or Position</th><th>Relationship with the Company</th></tr><tr><td>General Incorporated Foundation Japan Aircraft Development Corporation</td><td>Vice Chairman</td><td>There is no special relationship.</td></tr></table></td><td>0</td></tr>
</table>

No.	Name (Date of Birth, Age)	Career Summary and Position and Responsibilities at the Company	Number of Shares of Common Stock of the Company Owned
		[Other Matters Concerning the Candidate for Outside Director] The Company has a limited liability agreement with Yukio Kitazume, limiting his liabilities to the higher of ¥10 million 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 Yukio Kitazume is elected. To Shareholders of the Company: Following the integration of 2004, Sojitz was forced to undertake a difficult business reorganization and restore its financial footing, both of which were accomplished with a certain level of success. However, we are now faced with the need to further change our management approach in response to recent changes in the operating environment for general trading companies. Looking ahead, Sojitz will shift to an offensive management stance, which will entail proactively making investments and providing financing for growth. Amid this shift, I believe the role I have been given is to provide appropriate suggestions from the perspective of an Outside Director regarding strengthening governance and ensuring compliance, among other matters, and to supervise management. I stand committed to fulfilling this role.	

Proposal No. 3: Election of Two (2) Audit & Supervisory Board Members

The terms of Audit & Supervisory Board Members Miki Seko and Tadao Tsuya, among the five (5) current Audit & Supervisory Board Members, terminate as of the conclusion of this General Shareholders' Meeting. For further enhancement of the auditing and supervising system, we hereby propose the election of two (2) Audit & Supervisory Board Members.

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

Outside Audit & Supervisory Board Member candidates Kazunori Yagi and Hyo Kambayashi meet the requirements for independent officers set forth in the listing rules of the Tokyo Stock Exchange on which the Company is listed, and they will be registered as independent officers if their election is approved.

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

Furthermore, the Audit & Supervisory Board of the Company after the election of both candidates will comprise one (1) Audit & Supervisory Board Member and four (4) Outside Audit & Supervisory Board Members. The Audit & Supervisory Board will continue to maintain a position independent from the Board of Directors, and audit the Directors' execution of their duties.

No.	Name (Date of Birth, Age)	Career Summary and Position at the Company	Number of Shares of Common Stock of the Company Owned
1	 Kazunori Yagi (April 1, 1949, 68) <New appointment> <Outside Audit & Supervisory Board Member> <Independent Officer>	April 1972 Joined Yokogawa Electric Works Ltd. October 1999 Vice President (Officer) and General Manager of Finance & Business Planning, Yokogawa Electric Corporation (*1, *2) June 2001 Director, Senior Vice President and General Manager of Finance & Business Planning July 2002 Director, Executive Vice President and General Manager of Finance & Business Planning July 2005 Director, Executive Vice President and General Manager of Administration Headquarters June 2011 Advisor, Yokogawa Electric Corporation Outside Audit & Supervisory Board Member, Yokogawa Bridge Holdings Corporation (current position) June 2012 Outside Director, JSR Corporation (*3) (current position) June 2013 Outside Audit & Supervisory Board Member, TDK Corporation (current position) March 2014 Outside Director, OYO Corporation (current position) *1: In April 1983, the corporate name was changed to Yokogawa Hokushin Electric Corp. due to the merger of Yokogawa Electric Works Ltd. and Hokushin Electric Works, Ltd. *2: In October 1986, the corporate name was changed to Yokogawa Electric Corporation. *3: Scheduled to retire in June 2017. [Reasons for the Nomination of the Candidate for Outside Audit & Supervisory Board Member] Kazunori Yagi has held important positions at Yokogawa Electric Corporation, including roles in accounting, finance, and business planning, and has also served as an Outside Audit & Supervisory Board Member at other companies. In addition, he has served as a member of the Certified Public Accountants and Auditing Oversight Board. In order to reflect various stakeholder perspectives into the auditing of its business activities, the Company considers the diversity of the expertise and background of candidates when appointing Audit & Supervisory Board Members. Based on his experience in corporate management and his abundant knowledge, we have chosen Kazunori Yagi as an Audit & Supervisory Board Member candidate predicated on our judgment that he will be able to appropriately carry out his duties as an Outside Audit & Supervisory Board Member. [Independence] Kazunori Yagi is a candidate for Outside Audit & Supervisory Board Member pursuant to Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act of Japan. Kazunori Yagi meets the Company's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 21 and 22 of the Reference Documents for the General Shareholders' Meeting), and we believe that he has sufficient independence from the Company as Outside Audit & Supervisory Board Member.	0

[Significant Concurrent Occupations or Positions at Other Organizations and Business Relationships with the Company]

Name of Organization	Occupation or Position	Relationship with the Company
Yokogawa Bridge Holdings Corp. (5911) (*)	Outside Audit & Supervisory Board Member	There is no special relationship.
TDK Corporation (6762) (*)	Outside Audit & Supervisory Board Member	There is no special relationship.
OYO Corporation (9755) (*)	Outside Director	There is no special relationship.

* Figures in parentheses are securities codes.

[Other Matters Concerning the Candidate for Outside Audit & Supervisory Board Member]

The Company will enter into a limited liability agreement with Kazunori Yagi, limiting his liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan if he is elected.

To Shareholders of the Company:
I was engaged in accounting operations and fulfilling other roles at Yokogawa Electric Corporation, I have also accumulated experience with regard to corporate management as a Director of this company. In addition, I serve as an Outside Director and an Outside Audit & Supervisory Board Member at other companies. In these positions, I utilize the experience I have accumulated thus far.
In order for Sojitz to continue to grow as a general trading company, I believe it is necessary to strengthen corporate governance in a manner that incorporates external perspectives. I intend to contribute to the enhancement of the corporate value of Sojitz as an Outside Audit & Supervisory Board Member with experience in corporate management and auditing.

No.	Name (Date of Birth, Age)	Career Summary and Position at the Company	Number of Shares of Common Stock of the Company Owned
2	 Hyo Kambayashi (October 15, 1951, 65) <New appointment> <Outside Audit & Supervisory Board Member> <Independent Officer>	November 1976 Joined Arthur Andersen & Co. July 1991 Partner, Andersen Worldwide July 1993 Senior Partner, Asahi & Co. (*1) September 2001 A Member of the Board of Andersen Worldwide Organization January 2003 President & CEO, Protiviti Japan Co., Ltd. April 2004 Visiting Lecturer, Tama Graduate School of Business May 2005 Representative Director, Robert Half Japan (current position) April 2010 Visiting Lecturer, Aoyama Gakuin University Professional Graduate Schools January 2011 President & CEO, Protiviti LLC January 2016 Chairman & Senior Managing Director, Protiviti LLC (current position) October 2016 Chairman, Japan Internal Control Research Association (current position) *1: Resigned from Asahi & Co. on March 31, 2003. [Reasons for the Nomination of the Candidate for Outside Audit & Supervisory Board Member] Hyo Kambayashi has held important positions in audit firms as a certified public accountant. In addition, he serves as the chairman of a risk consulting company and, as an authority on corporate internal controls, acts as the Chairman of Japan Internal Control Research Association. In order to reflect various stakeholder perspectives into the auditing of our business activities, the Company considers the diversity of the expertise and background of candidates when appointing Audit & Supervisory Board Members. Based on his experience in relation to and his deep insight into auditing and internal control, we have chosen Hyo Kambayashi as an Outside Audit & Supervisory Board Member candidate predicated on our judgment that he will be able to appropriately execute his duties as Outside Audit & Supervisory Board Member. [Independence] Hyo Kambayashi is a candidate for Outside Audit & Supervisory Board Member pursuant to Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act of Japan. Hyo Kambayashi meets the Company's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 21 and 22 of the Reference Documents for the General Shareholders' Meeting), and we believe that he has sufficient independence from the Company as Outside Audit & Supervisory Board Member. Additionally, Hyo Kambayashi has resigned from Asahi & Co. in March 2003. However, while serving at Asahi & Co., he did not participate in accounting auditing for any of the predecessors of the Company, Nichimen Corporation, Nissho Iwai Corporation, and Nissho Iwai-Nichimen Holdings Corporation. In addition, he has not participated in corporate accounting auditing operations since resigning from Asahi & Co.	0

[Significant Concurrent Occupations or Positions at Other Organizations and Business Relationships with the Company]

Name of Organization	Occupation or Position	Relationship with the Company
Protiviti LLC	Chairman & Senior Managing Director	Transactions among revenue in the Company's consolidated financial statements were less than 0.5%, and less than 0.5% of net sales of said company.
Robert Half Japan	Representative Director	There is no special relationship.
Japan Internal Control Research Association	Chairman	There is no special relationship.

* Accounts for the ratio of transactions among revenue in the Company's consolidated financial statements.

[Other Matters Concerning the Candidate for Outside Audit & Supervisory Board Member]
The Company will enter into a limited liability agreement with Hyo Kambayashi, limiting his liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan, if he is elected.

To Shareholders of the Company:
I worked in an audit firm for more than 20 years, during which I was involved in accounting auditing and advisory operations as a certified public accountant. I have consistently focused on internal corporate improvements from an external perspective. I maintained this focus during my time as a representative director at a consulting company that offers risk consulting and internal audit services. I will strive to help enhance the corporate governance structure of Sojitz by utilizing the knowledge and experience I have developed thus far to appropriately supervise the execution of Director's duties as an Outside Audit & Supervisory Board Member and by providing advice about internal corporate risks from an external perspective.

(Reference)

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

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

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

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

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

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

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

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

End

(Attachment to the Notice of the 14th Ordinary General Shareholders' Meeting)

Business Report

(From April 1, 2016 to March 31, 2017)

1. Current Circumstances of the Sojitz Group

(1) Review of Progress and Performance in Operations

In the year ended March 31, 2017, the global economy maintained a stable growth trend supported in part by consistent growth in the U.S. economy, which was driven by increased consumption, as well as the tapering of economic slowdown in certain emerging countries. At the same time, economic conditions in resource producing countries recovered due to the fact that the prices of resources, specifically crude oil and coal, were higher than they were at the beginning of the fiscal year. However, an opaque outlook arose from factors including the potential impacts of economic slowdown in China as well as the uncertainty of the economic repercussions of government policy changes to be implemented by the new presidential cabinet in the United States.

In the United States, economic growth remained consistent amidst increased consumption and an improved job market. The policy interest rate was raised in consideration of these circumstances. Although the high anticipations for the benefits of the economic stimulus measures to be implemented by the new presidential cabinet initially contributed to a large stock market increase, concern regarding the actual state of government affairs led to bearish conditions that persisted up until the end of the fiscal year.

In Europe, although there was concern regarding the decision to leave the European Union made by the United Kingdom, the actual impact on the European economy has been limited. Demand held firm in the region, driven in part by consumer spending, which, when combined with the effects of the ongoing monetary easing measures implemented by the European Central Bank, sustained a gentle economic recovery trend.

In China, the pace of economic deceleration remained slow as a result of brisk consumption and rising government expenditures for infrastructure investment and other purposes. However, the decline in foreign exchange reserves and the implementation of more stringent restrictions on capital outflows gave rise to increasing concern for the future.

Looking to Asia, cause for concern came in the forms capital outflows, currency depreciation, and stock market declines resulted from the increase in interest rates in the United States and the strong U.S. dollar. However, the Asian economy continued to grow steadily due in part to favorable export trends seen amidst ever more solid economic conditions in developed countries.

Economic growth in Japan remained low in comparison to government targets as the sluggish consumer spending counteracted the benefits of an improved trade balance and increasing capital investment.

Sojitz Group Performance

Sojitz Corporation's consolidated business results for the year ended March 31, 2017 are presented below. (Note)

(Note) The Company adopts the International Financial Reporting Standards (hereinafter referred to as "IFRS") in preparing the consolidated financial statements. 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 calculated based on Japanese Generally Accepted

Accounting Practices (JGAAP), 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 decreased 6.5%, to ¥3,745,549 million, due to the impacts of yen appreciation as well as lower sales in the Foods & Agriculture Business Division, a result of the decline in grain transactions, and in the Infrastructure & Environment Business Division, a result of the decline in plant-related transactions.

Gross profit

Gross profit was up ¥19,946 million year on year, to ¥200,685 million, due to higher income in the Metals & Coal Division resulted from a rise in selling prices in overseas coal businesses as well as income growth in the Aerospace & IT Business Division stemming from an increase in aircraft-related transactions.

Operating profit

Although impairment losses were recorded in grain collection businesses, operating profit increased ¥22,376 million year on year, to ¥51,618 million, as a result of the rise in gross profit as well as impact of a conversion of IT business subsidiary into affiliate through partial sale.

Profit before tax

Despite the decrease in share of profit of investments accounted for using the equity method, profit before tax increased ¥13,686 million year on year, to ¥57,955 million, following the rise in operating profit.

Profit for the year

After deducting income tax expenses of ¥13,879 million from profit before tax of ¥57,955 million, profit for the year amounted to ¥44,075 million, up ¥7,589 million year on year. Profit for the year (attributable to owners of the Company) increased ¥4,234 million year on year, to ¥40,760 million.

Comprehensive income for the year

For other comprehensive income for the year, net of tax of ¥57 million was recorded, despite the decrease of foreign currency translation differences for foreign operations, as the impacts of stock price movements, among other factors, led to an increase in financial assets measured at fair value through other comprehensive income. As a result, comprehensive income for the year of ¥44,133 million was recorded, compared with comprehensive loss for the year of ¥28,405 million in the previous fiscal year. Comprehensive income for the year (attributable to owners of the Company) of ¥40,289 million was recorded, compared with comprehensive loss for the year (attributable to owners of the Company) of ¥25,379 million in the previous fiscal year.

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

Automotive Division

Operating performance

Net sales (JGAAP) decreased 10.9% year on year, to ¥283,155 million, as the increase in transactions in automobile dealership businesses in the Americas was outweighed by the decline in exports to Europe. Profit for the year (attributable to owners of the Company) decreased ¥2,330 million year on year, to ¥3,586 million, following a decline in share of profit of investments accounted for using the equity method resulted from the absence of a one-time income recorded by a subsidiary in the previous fiscal year.

Overview of business conditions

While the division's performance was affected by sluggish economic growth caused by currency depreciation and declining crude oil prices in certain regions, performance was strong in the BMW dealership business in the United States. as well as import sales businesses in Puerto Rico and Thailand,.. Furthermore, we have been continuing aggressive initiatives aimed at expanding our business foundation, starting with developing our BMW dealership business in Brazil, which utilizes the business model we cultivated in the U.S, as well as by implementing the auto loan business for purchasers of Mitsubishi vehicles in the Philippines.

Aerospace & IT Business Division

Operating performance

Net sales (JGAAP) decreased 8.5% year on year, to ¥574,670 million, because of the adverse impacts of yen appreciation on transactions made as the import sales representative for The Boeing Company. Despite the recording of impairment losses on Company-owned ships, profit for the year (attributable to owners of the Company) increased ¥6,778 million year on year, to ¥9,905 million, as a result of increased gross profit following higher aircraft-related transactions, and impact of a conversion of IT business subsidiary into affiliate through partial sale.

Overview of business conditions

In the aerospace field, transactions related to The Boeing Company and Bombardier Inc. and the parts-out business performed well. We have also been pushing forward with the business related to airport development in emerging countries. However, the marine business was affected by a market downturn in the shipping business. In the IT-related field, the network infrastructure building business, which we have been striving to develop and which targets major communications carriers, has been performing well.

Infrastructure & Environment Business Division

Operating performance

Net sales (JGAAP) decreased 21.0% year on year, to ¥220,509 million, as a

decrease in plant-related transactions offset the increase brought by the acquisition of a new overseas independent power producer project. Profit for the year (attributable to owners of the Company) increased ¥2,345 million year on year, to ¥4,519 million, as a result of an increase in the profit of domestic solar power generation businesses and the absence of impairment losses recorded in the previous fiscal year in relation to iron ore business assets held through joint investment with the Metals & Coal Division.

Overview of business conditions

In addition to steady expansion of the domestic solar power generation business, in the railway-related businesses, we have made progress in gaining revenue in the renewable energy, transportation and social infrastructure fields with our success in winning orders for signals and telecommunications work and other construction work for a project in India launched in fiscal 2013. Furthermore, in the power-generation business, we are participating in Sojitz's first IPP business in Indonesia and North America.

Energy Division

Operating performance

Net sales (JGAAP) decreased 39.6% year on year, to ¥80,396 million, due to lower transaction volumes of oil related products. Loss for the year (attributable to owners of the Company) decreased ¥6,376 million, to ¥559 million, as a result of gains on sales of oil and gas interests as well as the absence of impairment losses recorded in previous fiscal year in relation to oil and gas interests. These factors offset detractors such as the decrease in gross profit and the decline in share of profit of investments accounted for using the equity method attributable to LNG business and other companies.

Overview of business conditions

Amid an ongoing slump in energy prices caused by sluggish demand and global oversupply, we focused on maintaining and boosting asset prices by continuing to reduce development and operations costs and selling some of our oil and gas interests. Furthermore, with increasing attention on environmental issues, we are working to establish a stable revenue base that is resilient against the impact of market conditions through expansion of our energy value chain while strengthening initiatives for clean energy such as LNG.

Metals & Coal Division

Operating performance

Net sales (JGAAP) decreased 8.6% year on year, to ¥451,994 million, as a result of lower transaction volumes for precious metals and ferroalloys. Profit for the year (attributable to owners of the Company) increased ¥5,369 million, to ¥10,030 million, due to the rise in gross profit stemming from higher selling prices in overseas coal businesses.

Overview of business conditions

A recovery in demand for steel materials in emerging countries and

expectations for an increase in global infrastructure investment caused a rise in market prices for mineral resources overall. Among these mineral resources, the mainstay coal business performed well due to an increase in coal prices. Furthermore, we completed the sale of certain businesses as part of measures to improve our upstream asset portfolio. In addition, we believe one of our urgent tasks is to build a stable revenue base that is not sensitive to market conditions, and in order to build a revenue base that balances trade, interests and businesses, we will not limit our business to raw materials, but have also set our sights on midstream and downstream businesses, including inventory and processing, as we aim to develop high-value-added businesses. .

Chemicals Division

Operating performance

Net sales (JGAAP) decreased 4.2% year on year, to ¥596,561 million, as a result of a downturn in market conditions for chemical and plastic resins as well as the foreign exchange impacts of yen appreciation. Profit for the year (attributable to owners of the Company) was down ¥1,006 million year on year, to ¥7,979 million.

Overview of business conditions

Chemicals and plastic resins overall were affected by a market downturn following declining crude oil prices. However, trading with China and other countries in Asia and the petroleum resin business in North America performed well. In addition, we undertook initiatives to further strengthen our revenue base, including the acquisition of a chemical product company in Europe that will contribute to the expansion of the scale of methanol transactions and strengthen our sales platform for chemical products.

Foods & Agriculture Business Division

Operating performance

Net sales (JGAAP) decreased 17.3%, to ¥302,070 million, following lower grain transactions. Loss for the year (attributable to owners of the Company) of ¥6,899 million was recorded, in comparison to profit for the year (attributable to owners of the Company) of ¥5,009 million in the previous fiscal year. This outcome was largely the result of poor performance and impairment losses in grain collection businesses.

Overview of business conditions

The grain collection business was affected by the severe business environment. However, sales volumes were firm at the high-analysis compound chemical fertilizers business, which boast the top market share in Thailand, the Philippines and Vietnam, and we established a sales company to expand sales in Myanmar. At the tuna business, we increased processing factories in China and acquired a tuna fry farming business in Kushimoto, Wakayama. Going forward, by supplying safe and reliable food products and resources, we hope to raise the standard of living.

Lifestyle Commodities & Materials Division

Operating performance

Net sales (JGAAP) increased 9.8% year on year, to ¥990,546 million, following the expansion of the Company's domestic heat-not-burn cigarette sales area. Profit for the year (attributable to owners of the Company) was up ¥1,516 million, to ¥4,574 million, as a result of an increase in gross profit stemming from higher sales of heat-not-burn cigarettes as well as the absence of impairment losses recognized on fixed assets in overseas woodchip manufacturing businesses during the previous fiscal year.

Overview of business conditions

In the textiles business field, the OEM business for clothing goods, which targets major domestic SPAs[*1], manufacturing and sales at each subsidiary of textiles products, such as threads and cloths, and the wholesale business performed well. Furthermore, business was firm at timber-related businesses because of the high level of housing starts and a steady trend in consumers' purchase power due to the continued low interest rate and residential tax cuts. Going forward, the company hopes to closely link "clothes" and "living," and contribute to the development of the global environment and the international community.

[*1] SPA stands for "specialty store retailer of private label apparel." It is a form of retailing company in which the entire process of product planning, production through to sales is conducted by themselves.

Retail Division

Operating performance

Net sales (JGAAP) decreased 10.3%, to ¥194,614 million, following a decline in meat transactions. Profit for the year (attributable to owners of the Company) increased ¥608 million year on year, to ¥4,050 million, due to sales of commercial facilities in Japan.

Overview of business conditions

At the overseas industrial park business, which has been developed in Asia, the transfer was completed as planned, and we undertook initiatives to develop industries and generate employment by providing infrastructure, rental factories and support businesses, etc. Furthermore, in addition to the steady performance of the domestic real estate business, we accelerated the development of the daycare management business in Japan, as well as development of the foods and retail, and retail platform business in accordance with the development phase of each Asian county, thereby contributing to raising people's standard of living.

Sojitz Group Segment Information

FY2016 (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Revenue			Gross profit	Operating profit	Share of profit (loss) of investments accounted for using the equity method	Profit attributable to owner of the Company	Net sales (Note)
	External revenue	Inter-segment revenue	Total revenue					External
Reportable Segments								
Automotive	144,259	9	144,269	24,837	5,232	1,549	3,586	283,155
Aerospace & IT Business	88,552	3,183	91,736	31,118	15,606	567	9,905	574,670
Infrastructure & Environment Business	114,355	19	114,374	18,037	4,031	2,531	4,519	220,509
Energy	47,464	39	47,504	1,880	(485)	1,679	(559)	80,396
Metals & Coal	260,716	3	260,719	19,527	6,608	8,584	10,030	451,994
Chemicals	399,799	9	399,808	37,408	11,864	1,185	7,979	596,561
Foods & Agriculture Business	138,117	10	138,128	21,971	3,040	(5,281)	(6,899)	302,070
Lifestyle Commodities & Materials	179,749	64	179,814	20,552	6,531	630	4,574	990,546
Retail	134,822	361	135,184	21,995	4,751	1,144	4,050	194,614
Total	1,507,837	3,702	1,511,540	197,330	57,180	12,591	37,188	3,694,520
Others	47,511	388	47,900	4,605	(5,473)	82	(1,605)	51,028
Reconciliations	—	(4,091)	(4,091)	(1,250)	(89)	0	5,177	—
Consolidated	1,555,349	—	1,555,349	200,685	51,618	12,673	40,760	3,745,549

Reconciliation of segment profit of ¥5,177 million 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 ¥4,722 million , and unallocated dividend income and others of ¥455 million .

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

(Millions of yen)

	Revenue			Gross profit	Operating profit	Share of profit (loss) of investments accounted for using the equity method	Profit attributable to owner of the Company	Net sales (Note)
	External revenue	Inter-segment revenue	Total Revenue					External
Reportable Segments								
Automotive	141,155	15	141,170	25,082	4,704	4,553	5,916	317,770
Aerospace & IT Business	91,788	1,676	93,465	26,298	5,640	325	3,127	627,883
Infrastructure & Environment Business	106,568	20	106,589	17,731	3,702	603	2,174	279,264
Energy	74,169	10	74,180	2,421	(8,438)	3,902	(6,935)	133,003
Metals & Coal	270,055	3	270,059	9,075	(4,113)	8,156	4,661	494,624
Chemicals	409,332	20	409,352	40,731	12,954	1,251	8,985	622,956
Foods & Agriculture Business	187,437	12	187,449	18,116	6,510	662	5,009	365,197
Lifestyle Commodities & Materials	179,420	112	179,532	18,907	4,708	838	3,058	902,480
Retail	154,831	460	155,292	18,484	3,547	2,857	3,442	216,858
Total	1,614,760	2,333	1,617,093	176,850	29,216	23,150	29,439	3,960,040
Others	43,312	596	43,908	5,513	37	13	4,686	46,609
Reconciliations	—	(2,929)	(2,929)	(1,624)	(10)	(0)	2,400	—
Consolidated	1,658,072	—	1,658,072	180,739	29,242	23,163	36,526	4,006,649

Reconciliation of segment profit of ¥2,400 million includes the difference between the Company's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to ¥1,766 million, and unallocated dividend income and others of ¥633 million.

(Notes) 1. Figures are rounded down to the nearest million yen.
2. "Net sales" is calculated based on Japanese generally accepted accounting practices (JGAAP), and represents the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent.
3. The major products in each business segment are noted in "(2) Major Business Segments of the Sojitz Group."

(2) Major Business Segments of the Sojitz Group

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

The Group consists of 416 consolidated subsidiaries and equity method associates, including 298 consolidated subsidiaries and 118 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 264 companies consisting of 189 consolidated subsidiaries and 75 equity method associates.)

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

(As of March 31, 2017)

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries: 16 Number of equity method associates: 7	Completely built-up (CBU) vehicle export; wholesale and retail; local vehicle assembly, manufacturing and sales, automobile and motorcycle components; tire sales	● Sojitz Automotive & Engineering, Inc. (automobile and motorcycle components; tire sales; 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)
Aerospace & IT Business Number of consolidated subsidiaries: 48 Number of equity method associates: 7	Aero business (Commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business, airport business); Marine business (New building, second-hand ships, ship chartering, ship equipment, ship owning); IT business (Sales and maintenance of communications and IT equipment; systems integration /software development and sales / data centers, cloud services, and managed services / Business Process Outsourcing (BPO), Internet of Things (IOT)-related business)	● Sojitz Aerospace Corporation (Import, export and sale of aero-related and defense-related equipment; Subsidiary) ● Sojitz Marine & Engineering Corporation (Sale, purchase and charter brokerage of ships, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary) ● Nissho Electronics Corporation (IT systems, network services; Subsidiary) ● Sojitz Systems Corporation (System Integration; Subsidiary) ● SAKURA Internet Inc. (Internet data center operator; Equity method associate) * ● Segue Group Co., Ltd. (Holding company for IT infrastructure and network security product design, sales, maintenance, and operation service companies; Equity method associate) *

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Infrastructure & Environment Business Number of consolidated subsidiaries: 41 Number of equity method associates: 26	Infrastructure & Environment (Renewable energy, water business, IPP projects); Energy Projects (IPP and IWPP projects, power plant EPC business); Plant Projects (Plant business (steel, fertilizer & chemical, energy)); Transportation & Social Infrastructure Projects (transportation projects and social infrastructure projects, i.e. water, harbor, hospital PPP); Industrial Machinery and Bearings (Industrial machinery, surface-mounting machines, bearings)	● Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary) ● Mirai Power (Kamikita Rokkasho) Corporation (Solar power generation project; Subsidiary) ● Blue Horizon Kelanitissa Power B.V. (Investment in power generation projects; Subsidiary) ● Blue Horizon Power International Ltd. (Investment in power generation projects; Subsidiary) ● First Technology China Ltd. (Sales and service of surface-mounting machines and semiconductor-related equipment; Subsidiary)
Energy Number of consolidated subsidiaries: 11 Number of equity method associates: 6	Oil and gas; petroleum products; LNG; nuclear fuels; nuclear power-related equipment and machinery; floating production storage and offloading units; LNG-related businesses	● Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary) ● Sojitz Energy Venture Inc. (Oil and gas development; Subsidiary) ● Sojitz Energy Project Ltd. (Oil and gas development; Subsidiary) ● LNG Japan Corporation (LNG business and related investments and loans; Equity method associate)
Metals & Coal Number of consolidated subsidiaries: 28 Number of equity method associates: 15	Coal; iron ore; ferroalloys (nickel, molybdenum, vanadium, other rare metals), ores, alumina, aluminum, copper, zinc, tin, precious metals, ceramics and minerals; coke; carbon products; infrastructure businesses; steel-related business	● Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary) ● Sojitz Coal Resources Pty ltd. (Investment in coal mines; Subsidiary) ● Sojitz Resources (Australia) Pty. Ltd. (Production of alumina; Subsidiary) ● Sojitz Moolarben Resources, Pty. Ltd. (Investment in coal mines; Subsidiary) ● Sojitz Moly Resources, Inc. (Investment in molybdenum mines; Subsidiary) ● Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Equity method associate) ● Coral Bay Nickel Corporation (Production and sale of nickel and cobalt mixed sulfide; Equity method associate) ● Japan Alumina Associates (Australia) Pty. Ltd. (Production of alumina; Equity method associate) ● Cariboo Copper Corporation (Investment in copper mine; Equity method associate)

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Chemicals Number of consolidated subsidiaries: 38 Number of equity method associates: 14	Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; foodstuff additives; rare earths; commodity resins; raw materials for plastics including engineering plastics; films and sheets for industry, packaging, and foodstuffs; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; fiber materials and products for use in industrial supplies	● Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary) ● Pla Matels Corporation (Trading and sale of plastics and related products; Subsidiary) * ● P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) ● solvadis holding S.a.r.l. (Trading and sale of chemicals; Subsidiary)
Foods & Agriculture Business Number of consolidated subsidiaries: 17 Number of equity method associates: 10	Grains; flour; oils and fats; oil stuff; feed materials; marine products; processed seafood; sweets; raw ingredients for sweets; coffee beans; sugar; other foodstuffs and raw ingredients; compound chemical fertilizers	● Thai Central Chemical Public Co., Ltd (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) ● Atlas Fertilizer Corporation (Manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) ● Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Equity method associate) * ● CGG Trading S.A. (Grain collection in Brazil; Equity method associate)
Lifestyle Commodities & Materials Number of consolidated subsidiaries: 17 Number of equity method associates: 9	Cotton and synthetic fabrics; non-woven fabrics; knitted fabrics and products; raw materials for textiles; clothing; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; building materials; afforestation; manufacture and sale of wood chips; imported tobacco	● Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary) ● Daiichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary) ● Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) ● JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Equity method associate) *

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Retail Number of consolidated subsidiaries: 22 Number of equity method associates: 10	Aquaculture products; processed aquaculture products; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; sugar; other foodstuffs and raw ingredients; overseas industrial park businesses; real estate-related businesses (investment, dealing, leasing, management, etc.); administration of commercial facilities; apparel; interior accessories; bedclothes and home fashion-related products; nursery items; general commodities	● Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; 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 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) ● Tri-Stage inc. (Direct marketing support operations; Equity method associate) * ● PT. Puradelta Lestari Tbk (New city development including industrial parks; Equity method associate)
Other Number of consolidated subsidiaries: 17 Number of equity method associates: 4	Administration, domestic branches, logistics and insurance services	● Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary) ● Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary) ● Sojitz Insurance Agency Corporation (Insurance agency services; Subsidiary) ● Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary) ● Sojitz Research Institute (Research and consulting; Subsidiary) ● Sojitz Tourist Corporation (Travel agency; Subsidiary)
Overseas branches Number of consolidated subsidiaries: 43 Number of equity method associates: 10	We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.	● Sojitz Corporation of America (Subsidiary) ● Sojitz Europe plc (Subsidiary) ● Sojitz Asia Pte. Ltd (Subsidiary) ● Sojitz (Hong Kong) Ltd. (Subsidiary) ● Sojitz (China) Co., Ltd. (Subsidiary)

(*) The following six companies are listed in the Japanese stock market as of March 31, 2017: SAKURA Internet Inc. (TSE 1st section), JALUX Inc. (TSE 1st section), Fuji Nihon Seito Corporation (TSE 2nd section), Tri-Stage inc. (Mothers), Segue Group Co., Ltd. (JASDAQ), and PlaMatels Corporation (JASDAQ).

(3) Funding, etc.

Under Medium-term Management Plan 2017, Sojitz Group continues to implement a basic financial strategy of maintaining and enhancing the stability of its funding structure. In addition, Sojitz endeavors to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level.

As one source of long-term funding, Sojitz issued straight bonds in the amount of ¥10 billion in June 2016 and March 2017 respectively. Sojitz will continue to closely monitor interest rates and market conditions and will consider conducting additional issues whenever advantageous opportunities to do so arise.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥100 billion long-term committed credit line (unused) and long-term committed credit line totaling US$1 billion (of which US$230 million has been used). In addition, Sojitz concluded a long-term foreign currency facility agreement with effective period provisions, which is worth US$300 million (unused).

(4) Major Creditors and Borrowed Amounts (As of March 31, 2017)

(Billions of yen)

Creditor	Amount outstanding
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	137.1
Mizuho Bank, Ltd. (Note 3)	73.1
Development Bank of Japan Inc. (Note 3)	61.7
Sumitomo Mitsui Trust Bank, Limited (Note 3)	52.0
The Norinchukin Bank	37.5
Sumitomo Mitsui Banking Corporation (Note 3)	31.9
Mitsubishi UFJ Trust and Banking Corporation	30.7
Nippon Life Insurance Company	29.9
Resona Bank, Ltd. (Note 3)	27.7
Shinkin Central Bank	24.5

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

(5) Assets, Profits and Losses

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

The Group's assets, profits and losses in FY2016 and the past three fiscal years are as outlined below.

(Millions of yen, unless otherwise specified)

FY / Item	FY2013 11th Fiscal Year	FY2014 12th Fiscal Year	FY2015 13th Fiscal Year	FY2016 14th Fiscal Year (fiscal year under review)
Net sales (Note 1)	4,046,577	4,105,295	4,006,649	3,745,549
Profit before tax	44,033	52,584	44,269	57,955
Profit for the year (attributable to owners of the Company)	27,250	33,075	36,526	40,760
Total comprehensive income for the year (attributable to owners of the Company)	82,221	107,347	(25,379)	40,289
Basic earnings per share (attributable to owners of the Company) (yen)	21.78	26.44	29.20	32.58
Total assets	2,220,236	2,297,358	2,056,670	2,138,466
Total equity attributable to owners of the Company	459,853	550,983	520,353	550,513
Total equity per share attributable to owners of the Company (yen)	367.58	440.43	415.95	440.06

(Notes) 1. "Net sales" is calculated based on Japanese generally accepted accounting practices (JGAAP), 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.

2. Figures are rounded down to the nearest million yen.

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

The Company's assets, profits and losses in FY2016 and over the past three fiscal years on a non-consolidated basis are as outlined below.

(Millions of yen, unless otherwise specified)

Item \ FY	FY2013 11th Fiscal Year	FY2014 12th Fiscal Year	FY2015 13th Fiscal Year	FY2016 14th Fiscal Year (fiscal year under review)
Net sales	2,533,171	2,560,367	2,530,034	2,297,451
Ordinary income	25,396	34,228	20,935	19,519
Net income (loss)	5,657	(792)	9,407	11,448
Net income per share (loss) (yen)	4.52	(0.63)	7.52	9.15
Total assets	1,582,525	1,581,155	1,443,469	1,483,021
Net assets	351,833	364,953	356,484	368,931
Net assets per share (yen)	281.23	291.72	284.96	294.91

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

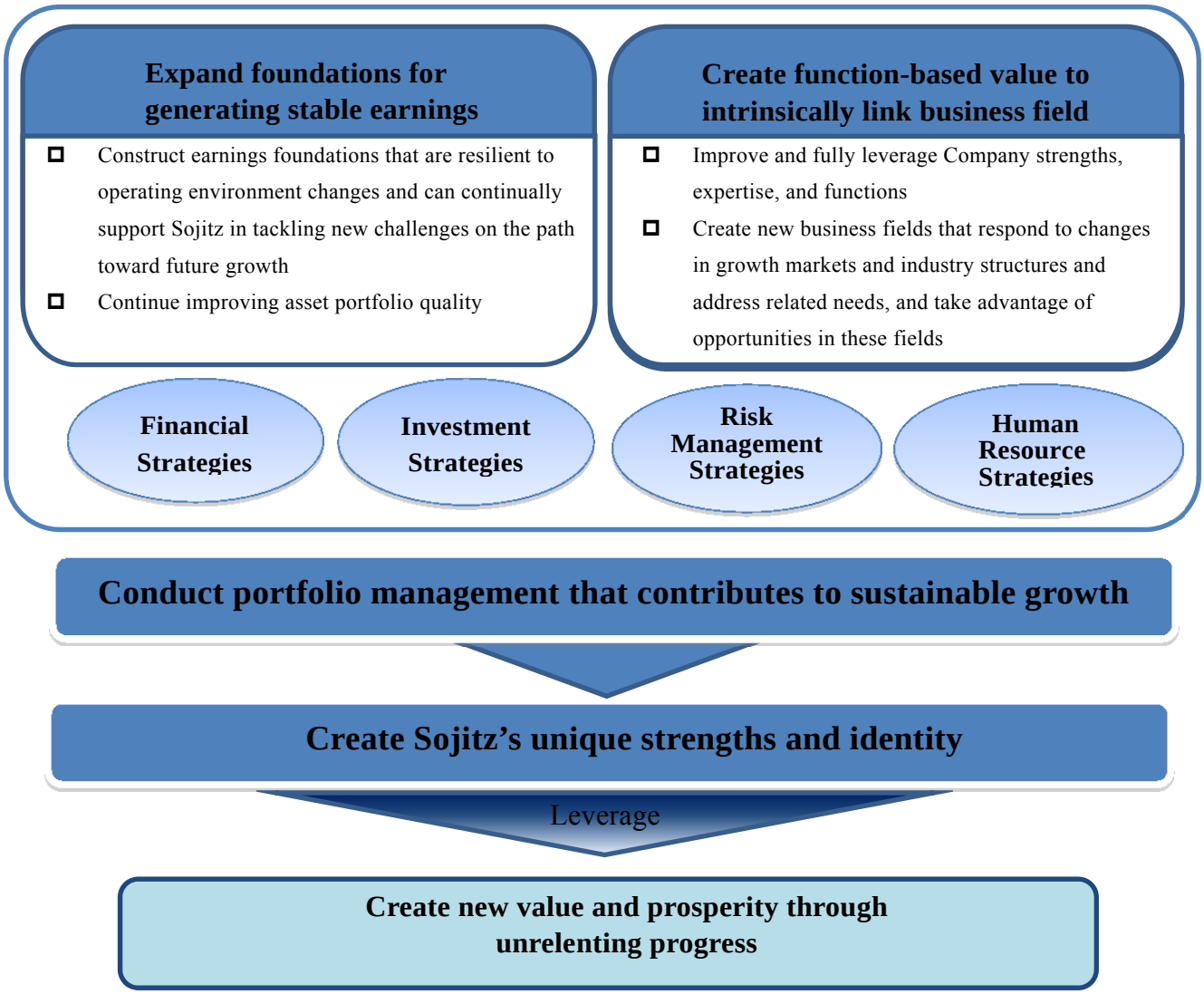
(6) Business Outlook and Issues to Be Addressed

Medium-term Management Plan 2017

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

Medium-Term Management Plan 2017 ~ Challenge for Growth ~

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



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

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

Going forward, the Sojitz Group will advance function-based initiatives, and pursue growth through trading in addition to investments and loans. Accordingly, we have earmarked approximately ¥300 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 billion, and will target profit for the year (attributable to owners of the Company) of more than ¥60 billion in the year ending March 31, 2018, the final year of the plan.

Progress and future outlook of the Medium-Term Management Plan 2017

In the year ended March 31, 2017, the second year of Medium-term Management Plan 2017, although there was a recovery in resource prices and the stable growth of the U.S. economy due to an increase in consumption, a sense of uncertainty continued owing to an inability to foresee the impact of the new U.S administration's policies and a sluggish Chinese economic growth rate. In light of this environment, despite a decrease in sales because of the effects of yen appreciation and a decrease in the share of profit from investments accounted for using the equity method, profit for the year (attributable to owners of the Company) amounted to ¥40.8 billion due to increased profits at the coal business due to higher sales prices at the overseas coal businesses, etc. and increased profits due to an increase in aircraft-related transactions, allowing the Company to achieve its initial business outlook. Furthermore, ROA was 1.9% compared to the 2% target outlined in the Medium-term Management Plan.

The growth strategy calls for the Company to continue investments and loans to expand and create clusters of revenue-generating businesses and build a stable earnings base for the future, but aggregate new investments and loans during the previous two years was approximately ¥160 billion. Going forward, the company will further accelerate efforts to build a high-quality asset portfolio. The accumulated amounts of investments and loans for the three years of the Medium-term Management Plan are expected be ¥300.billion as we planned initially.

The operating forecasts for fiscal 2017, the final fiscal year of Medium-term Management Plan 2017, projects a ¥50billion of profit for the year (attributable to owners of the Company). Furthermore, we expect to achieve performance targets such as those of ROA and ROE for the final fiscal year that were set when the Medium-term Management Plan was formulated.

Although we will not achieve the profit target for the final year, we will further accelerate the speed of implementing the growth strategy, increase our resilience to environmental changes and actively work to "Expand foundations for generating stable earnings," which is one of the objectives of the Medium-term Management Plan.

The operating forecasts for the year ending March 31, 2018 are as follows:

(Consolidated)

Net sales (Note)	¥4,100 billion
Operating profit	¥55 billion
Profit before tax	¥69 billion
Profit for the year (attributable to owners of the Company)	¥50 billion

(Note) "Net sales" is calculated based on Japanese generally accepted accounting practices (JGAAP), and represents the total amount of the transactions in which the Group took part as principal and those in which the Group took part as an agent.

(7) Business Locations of Sojitz Group and the Number of Employees (As of March 31, 2017)

(a) Business Locations of Sojitz Group

<Domestic>

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

<Overseas>

Branches, etc.	MEA Office (Dubai), Singapore Branch, Kuala Lumpur Branch, Yangon Branch, Jeddah Branch, Johannesburg Branch Besides the above, 14 liaison offices and sub-branches of liaison offices and overseas branches
Overseas Subsidiaries	28 Overseas Subsidiaries, including Sojitz Corporation of America, Sojitz Europe plc, Sojitz (China) Co., Ltd. and Sojitz Asia Pte. Ltd. (Singapore) Besides the above, 34 branches and offices, etc. of overseas subsidiaries

(b) Number of Employees

Segment	Number of employees
Automotive	1,852
Aerospace & IT Business	1,344
Infrastructure & Environment Business	1,034
Energy	200
Metals & Coal	512
Chemicals	1,633
Foods & Agriculture Business	1,909
Lifestyle Commodities & Materials	1,407
Retail	2,453
Others	1,897
Total	14,241

(c) Employees of the Company

Number of employees	Change from the previous year	Average age	Average years of service
2,318	48 (increase)	42.2 years old	15.4 years

(Notes) 1. The above figures do not include 146 locally hired employees in overseas offices.

2. The average years of service is calculated including the length of service at the former Nichimen Corporation and Nissho Iwai Corporation.

(8) Major Subsidiaries (As of March 31, 2017)

(a) Major Consolidated Subsidiaries and Equity Method Associates

Consolidated Subsidiaries (Millions of yen, unless otherwise specified)

Company	Capital	Controlling share (%)	Major business activities
Sojitz Corporation of America	US$336,083,868	100.00	Trading business
Sojitz Europe plc	13,240 GBP73,117,500	100.00	Trading business
Sojitz Asia Pte. Ltd.	US$136,507,474	100.00	Trading business
Sojitz Aerospace Corporation	1,410	100.00	Import/export and sales of aerospace- and defense-related equipment
Sojitz Marine & Engineering Corporation	800	100.00	Sales, purchase, charter, and brokerage of ships; import/export and domestic sales of marine-related equipment and materials, etc.
Nissho Electronics Corporation	14,336	100.00	IT systems and network services
Sojitz Machinery Corporation	1,500	100.00	Import/export and sales of general industrial machinery
Sojitz Pla-Net Corporation	3,000	100.00	Trading and sales of plastic raw materials and products
Pla Matels Corporation	793	46.55 (Note)	Trading and sales of plastic raw materials and products
Sojitz Building Materials Corporation	1,039	100.00	Sales of building materials
Sojitz Foods Corporation	412	100.00	Sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed foodstuffs; and other foodstuff
Sojitz New Urban Development Corporation	3,000	100.00	Development and consignment sales of condominiums, real estate brokerage, development and ownership of rental condominiums, sale of residential-related products
Sojitz Kyushu Corporation	500	100.00	Domestic regional company

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

Equity Method Associates (Millions of yen, unless otherwise specified)

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

(b) Result of Mergers

1. The Group now has 298 consolidated subsidiaries and 118 equity method associates.
2. For the business performance of the Group in FY2016, please refer to "(1) Review of Progress and Performance in Operations."

2. The Company's Shares (As of March 31, 2017)

(1) Total Number of Shares Authorized to Be Issued

Common stock 2,500,000,000 (end of FY2015: 2,500,000,000)

(2) Total Number of Outstanding Shares

Common stock 1,251,499,501 (end of FY2015: 1,251,499,501)

(Note) The total number of outstanding shares of common stock includes the number of treasury stock (end of FY2016: 516,753 shares).

(3) Number of Shareholders

Common stock 153,741

(4) Major Shareholders

Common Stock

Shareholder	Investment in the Company	
	Shares held (in thousands)	Shares Outstanding (%)
Japan Trustee Services Bank, Ltd. (Note 2)	140,059	11.20
ICHIGO TRUST PTE. LTD.	110,289	8.82
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	63,315	5.06
The Master Trust Bank of Japan, Ltd. (Note 3)	43,898	3.51
JPMCB NA ITS LONDON CLIENTS AC MORGAN STANLEY AND CO INTERNATIONAL LIMITED	37,872	3.03
Trust & Custody Services Bank, Ltd. (Note 4)	22,910	1.83
STATE STREET BANK AND TRUST COMPANY 505103	15,546	1.24
JP MORGAN CHASE BANK 385151	15,386	1.23
BBH FOR GMO INTERNATIONAL EQUITY FUND	14,053	1.12
STATE STREET BANK AND TRUST COMPANY 505225	12,721	1.02

(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 134,664 thousand shares held in trust accounts.
3. The number of shares held by The Master Trust Bank of Japan, Ltd. includes 40,298 thousand shares held in trust accounts.
4 The number of shares held by Trust & Custody Services Bank, Ltd. includes 20,896 thousand shares held in trust accounts.
5 The shares outstanding are calculated excluding the number of shares of treasury stock.

3. Holdings of Listed Shares

<Policies Regarding Share Holdings>

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

In addition, with regard to the shares held by the Company, we review the reasons for holding the

shares from the qualitative perspective as mentioned above, and also by quantitatively verifying investment returns such as revenue and dividend income in connection with each investment target on a yearly basis.

<Exercise of Voting Rights>

Upon considering the significance of holding listing shares, voting rights are exercised based on whether the exercise contributes to sustainable growth of both the Company and the investment target as well as for enhancing their corporate value over the medium-to-long term, therefore, the Company has established a system that confirms the status of exercising voting rights.

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

(1) List of Directors and Audit & Supervisory Board Members (As of March 31, 2017)

Name	Position	Responsibilities	Important concurrent position
Yutaka Kase	Representative Director and Chairman		Outside Director, Astellas Pharma Inc. Outside Director, JAC Recruitment Co., Ltd. Outside Director, SEKISUI CHEMICAL CO., LTD.
Takashi Hara	Representative Director and Vice Chairman		
Yoji Sato	Representative Director and President	CEO	
Yoshio Mogi	Representative Director and Executive Vice President	Adviser to the President, Senior Management of Finance & Accounting, Risk Management	
Satoshi Mizui	Representative Director and Executive Vice President	Adviser to the President, Executive Management of Business Group (Energy Division and Chemicals Division)	
Yoko Ishikura (Yoko Kurita)	Director (Part-time)		Outside Director, Nissin Foods Holdings Co., Ltd. Professor Emeritus, Hitotsubashi University External Director, Shiseido Company, Limited
Yukio Kitazume	Director (Part-time)		Vice Chairman, General Incorporated Foundation Japan Aircraft Development Corporation
Junichi Hamatsuka	Audit & Supervisory Board Member		
Takayuki Ishige	Audit & Supervisory Board Member		
Miki Seko	Audit & Supervisory Board Member (Part-time)		Professor Emeritus, Keio University Professor, Faculty of Economics, Musashino University
Tadao Tsuya	Audit & Supervisory Board Member (Part-time)		Outside Corporate Auditor, Ubiteq, INC.
Mikinao Kitada	Audit & Supervisory Board Member (Part-time)		Special Counsel, Mori Hamada & Matsumoto Outside Audit & Supervisory Board Member, Oji Holdings Corporation Outside Audit & Supervisory Board Member, ASKUL Corporation Outside Director, Yokogawa Bridge Holdings Corporation

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

2. Takayuki Ishige, Miki Seko, Tadao Tsuya and Mikinao Kitada are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.

3. Junichi Hamatsuka has a substantial knowledge of finance and accounting, having been engaged in operations such as finance, accounting and risk management, etc. at the Company and holding important positions including CFO for the Americas.
Takayuki Ishige has a substantial knowledge of finance and accounting, having been responsible for accounting, financial and auditing operations, etc. at Kao Corporation, and also has experience of serving as an Audit & Supervisory Board Member at the same company.
Tadao Tsuya is a licensed certified public accountant and tax accountant, and has a substantial knowledge of finance and accounting.

4. The Company has appointed Yoko Ishikura, Yukio Kitazume, Takayuki Ishige, Miki Seko and Tadao Tsuya as independent officers, and submitted a notification of their appointment to Tokyo Stock Exchange, Inc.

5. Nissin Foods Holdings Co., Ltd. and Shiseido Company, Limited where an Outside Director 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 General Incorporated Foundation Japan Aircraft Development Corporation, Ubiteq, INC., Oji Holdings Corporation, ASKUL Corporation and Yokogawa Bridge Holdings Corporation with the Company (such as business operators having a specified relationship).

(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	8	408	7	97	15	505	(*1), (*2)
Internal	6	384	2	37	8	422	
Outside	2	24	5	59	7	83	

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

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

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

¥150 million per year

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

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

Name	Position	Number of Attendance to the Board of Directors Meetings	Number of Attendance to the Audit & Supervisory Board Meetings	Main activities
Yoko Ishikura (Yoko Kurita)	Outside Director	100% (19/19)	—	Yoko Ishikura provides valuable advice from an independent and objective perspective based on her wide range of knowledge and abundant experience as a scholar, and her experience as an Outside Director at a diverse range of companies.
Yukio Kitazume	Outside Director	100% (19/19)	—	Yukio Kitazume provides valuable advice from an independent and objective perspective based on his wide range of knowledge and abundant experience as a diplomat. He has accumulated experience in key positions in the public administration field.
Takayuki Ishige	Outside Audit & Supervisory Board Member	100% (15/15)	100% (14/14)	Takayuki Ishige provides valuable advice from an independent and objective perspective based on his abundant experience in finance, accounting and management audits etc., and in serving as an Audit & Supervisory Board Member.
Miki Seko	Outside Audit & Supervisory Board Member	100% (19/19)	100% (19/19)	Miki Seko provides valuable advice from an independent and objective perspective based on her wide range of knowledge and highly specialized expertise, which have been accumulated through her abundant experience as a university professor of economics.
Tadao Tsuya	Outside Audit & Supervisory Board Member	100% (19/19)	100% (19/19)	Tadao Tsuya provides valuable advice from an independent and objective perspective based on his wide range of knowledge and abundant experience, which have been accumulated through his experience in key positions in auditimg firms and the business industry.
Mikinao Kitada	Outside Audit & Supervisory Board Member	93% (14/15)	93% (13/14)	Mikinao Kitada provides valuable advice from an independent and objective perspective based on his experience in the judicial field by holding important posts as a public prosecutor and as an attorney, as well as in serving as an Outside Director and Outside Audit & Supervisory Board Member at various companies.

(Note) The number of attendance for Takayuki Ishige and Mikinao Kitada is based on their attendance record after they assumed the position of Audit & Supervisory Board Member on June 16, 2016.

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

We have concluded a Limited Liability agreements with Outside Directors (Yoko Ishikura and Yukio Kitazume) and Audit & Supervisory Board Members (Junichi Hamatsuka, Takayuki Ishige, Miki Seko, Tadao Tsuya and Mikinao Kitada) limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.

5. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Amount of Remuneration, etc. for Accounting Auditor in FY2016

(Millions of yen)

	Amount paid
Remuneration, etc. payable by the Company in FY2016	
Remuneration, etc. for services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	420
Remuneration, etc. for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	50
Total	470
Total amount of money and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	820

(Notes) 1. The Audit & Supervisory Board conducted necessary verification on whether the contents of the audit plan, the status of execution of accounting audit duties and the basis for calculating the estimated amount of remunerations, etc. of the Accounting Auditor are appropriate. As a result, the Audit & Supervisory Board has given the consent with regard to remuneration, etc. for the Accounting Auditor in accordance with Article 399, Paragraph 1 of the Companies Act.

2. 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.

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

4. Figures are rounded down to the nearest million yen.

(3) Non-audit Services

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

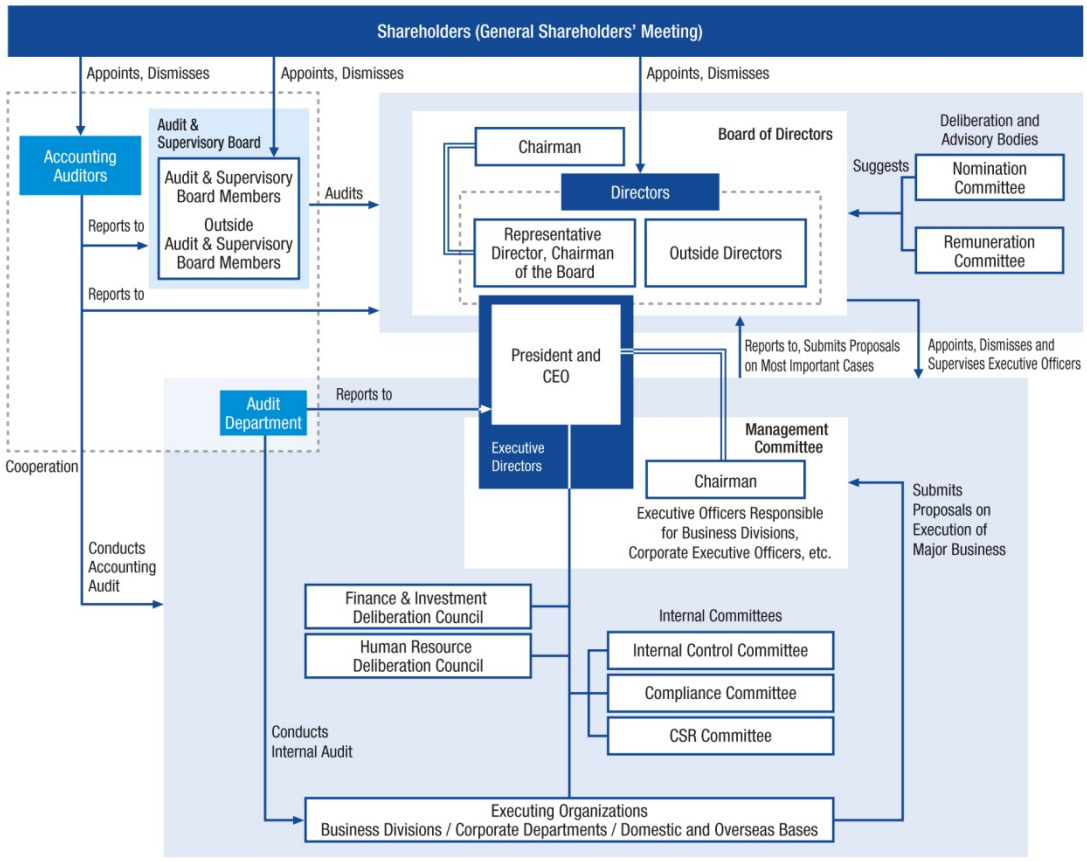
(4) Policy for Determining Dismissal or Non-reappointment of Accounting Auditor

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

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

6. Corporate Governance Structure

Corporate Governance Framework



(1) Basic Concept

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

In order to materialize this, based on our belief that the enhancement of our corporate governance is an important issue of management, we have built the following corporate governance structure in our effort to establish a highly sound, transparent and effective management structure, while also working toward the fulfillment of our management responsibilities and accountability to our shareholders and other stakeholders.

(a) Management and Business Execution System

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

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

As the executing body, we have established the Management Committee, chaired by the President, who is also the Chief Executive Officer. The Committee is responsible for the review and approval of the Group’s important managerial and executive agendas, from 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 investments and loans, the Human Resource Deliberation Council for the review and approval of major human resource matters, and internal committees to handle issues to be addressed from cross-organizational perspectives, as executing bodies all directly reporting to the President & CEO.

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

(b) Monitoring and Supervisory Functions for Management

We appoint multiple Outside Directors for the purpose of receiving appropriate advice and proposals on management of the Group from an outside, objective standpoint and to reinforce the supervisory function of the Board of Directors. In addition, We ensure appropriateness and transparency with regard to the appointment of Directors and remuneration by having Outside Directors serve as the chair of the Nomination Committee and the Remuneration Committee, both advisory bodies to the Board of Directors,

We are a company with an Audit & Supervisory Board, that independently oversees and audits the operations of the Group.

(2) Company Institutions

(a) Board of Directors

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

- Policy for Appointing Directors and Composition of the Board of Directors

In appointing candidates for Directors, we take into consideration the diversity of candidates regardless of gender or other characteristics, and appoint multiple candidates who possess abundant experience, specialized knowledge and advanced expertise from both inside and outside Sojitz, to ensure decision-making and management supervision appropriate to a general trading company involved in a wide range of businesses. Sojitz's Articles of Incorporation stipulate that the number of members of the Board of Directors shall be no more than ten. As of March 31, 2017, we have seven Directors (six male and one female), consisting of five in-house Directors who have abundant business experience at Sojitz and two Outside Directors who have objective specialist viewpoints and diverse knowledge.

- Procedure for Appointing Directors

The Board of Directors resolves candidates for Directors based on the above policy and deliberation at the Nomination Committee, an advisory body to the Board of Directors.

- Matters Deliberated by the Board of Directors

The Board of Directors reviews and resolves fundamental matters concerning management among the Group, involving management philosophy, business plans and important personnel, organizational and system related matters based on the internal rules of the Board of Directors in addition to laws, regulation and the Articles of Incorporation. It also reviews and resolves the important matters related business execution such as important investments and loans. As for business execution other than these matters resolved by the Board of Directors, the President, the Chief Executive Officer, or the executing bodies reporting to the President & CEO ; the Management Committee, the Finance & Investment Deliberation Council and the Human Resource Deliberation Council etc. review and approve matters depending on the contents, scale, importance and risks of each matter.

- Analysis and Assessment of the Effectiveness of the Board of Directors

Each year, we analyze and assesse the effectiveness of the Board of Directors as a whole in order to improve the functions of the Board of Directors. Starting from the fiscal year ended March 31, 2016, we have been conducting assessments of the effectiveness of the Board of Directors.

<Analysis and Assessment Method>

In the fiscal year ended March 31, 2017, a written self-assessment survey was conducted for all Directors and Audit & Supervisory Board Members. Then, we had the survey results assessed by a third party (an outside consultant), and the details of analysis was discussed at the Board of Directors.

<Overview of Major Self-Assessment Survey Items>

Roles and responsibilities of the Board of Directors, Composition of the Board of Directors, Management of

the Board of Directors, Decision-making process of the Board of Directors, Supervision by the Board of Directors, Support system for the Board of Directors, Nomination Committee and Remuneration Committee, which are advisory bodies to the Board of Directors, and Items concerning Outside Directors

<Outline of Assessment Results for the Fiscal Year Ended March 31, 2017>

The aggregated survey results showed that both the average score and scores by major items exceeded the standard, while the assessment by the third party confirmed that as a whole, the Board of Directors is functioning appropriately and its effectiveness is ensured. In particular, it was confirmed that the Board of Directors is actively engaged in discussion and that the Outside Directors are carrying out their functions appropriately.

Based on these assessment results, we will continue working to improve the effectiveness of the Board of Directors.

- Support System for Directors

In order to enable the Board of Directors to appropriately exercise its supervision functions of the management, there is a system for reporting, providing information and communicating for in-house and Outside Directors timely and appropriately.

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

(b) Audit & Supervisory Board

Audit & Supervisory Board Members are independent from the Board of Directors, and audit the Directors' execution of their duties based on laws and regulations, the Articles of Incorporation, internal rules, and the Corporate Audit Standards established by the Audit & Supervisory Board. Audit & Supervisory Board Members attend major meetings related to the execution of business in addition to the meetings of the Board of Directors. Audit & Supervisory Board Members also monitor and audit operations of business through means such as interviewing Directors and reviewing important documents related to approval.

- Composition of the Audit & Supervisory Board

As of March 31, 2017, our Audit & Supervisory Board consisted of five members (two full-time), including one in-house Audit & Supervisory Board Member who has abundant business experience within Sojitz and four Outside Audit & Supervisory Board Members (three male, one female) who have objective and specialist viewpoints and diverse knowledge.

- Support System for Audit & Supervisory Board Members

The Audit & Supervisory Board Members' Office is the dedicated body to support the Audit & Supervisory Board Members, comprised of three full-time staff as of March 31, 2017. It provides information, reporting and communicating for in-house and Outside Directors timely and appropriately.

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

We have established the following advisory bodies to the Board of Directors.

- Nomination Committee (four Directors including two Outside Directors)

Chaired by an Outside Director, the Committee discusses and proposes the standards and methods for selecting Director and Executive Officer candidates, and considers candidate proposals.

- Remuneration Committee (four Directors including two Outside Directors)

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

(d) Policies on Appointment and Standards for Independence of Outside Officers

We place importance on the independence of outside officers. We have formulated our own Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members in addition to the provisions of the Companies Act, and standards for independence of officers set by financial instruments exchange, and confirm that all our outside officers meet these standards. Please refer to page 21 of this convocation notice for the "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members."

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

We take the following initiatives to enable Directors and Audit & Supervisory Board Members to appropriately fulfill their roles and responsibilities.

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

(f) Policy for Determining Remuneration of Directors and Audit & Supervisory Board Members

Remuneration of Directors and Audit & Supervisory Board Members is set within the limits determined by resolutions of the Ordinary General Shareholders' Meeting. Remuneration of Directors is determined comprehensively taking into account business results and non-financial aspects of performance. Remuneration of Audit & Supervisory Board Members is, in principle, deliberated and decided by the Audit & Supervisory Board.

(3) Business Executing Bodies

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

(a) Main Council

- Management Committee

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

- Finance & Investment Deliberation Council

The Council is comprised of Executive Directors and Executive Officers in charge of business divisions and the heads of corporate departments. It discusses and resolves important investment and loan proposals from Group-wide viewpoints.

- Human Resource Deliberation Council

The Council is comprised of Executive Directors and Executive Officers in charge of business divisions and the heads of corporate departments, and discusses and resolves important issues pertaining to human resources from Group-wide viewpoints

(b) Internal Committees

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

- Internal Control Committee

The Internal Control Committee formulates policies to maintain and improve our internal control system based on the Companies Act and the Financial Instruments and Exchange Act, and monitors this internal control system and its enforcement among the Group.

- Compliance Committee

The Compliance Committee examines and formulates fundamental policies and measures to ensure compliance.

- CSR Committee

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

In addition, we have established the Disclosure Subcommittee, Security Trade Control Subcommittee and Information Security Subcommittee as subsidiary bodies of the internal committees.

(4) Corporate Audits, Accounting Audits and Internal Audits

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

(a) Audits by Audit & Supervisory Board Members

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

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

(b) Accounting Audits

We have appointed the independent auditing firm KPMG AZSA LLC to conduct accounting audits in accordance with the Companies Act, as well as audits of financial statements, quarterly reviews and internal control audits in accordance with the Financial Instruments and Exchange Act. Their executive officers and assistant staff involved in audits for Sojitz in the fiscal year ended March 31, 2017 are as follows. Details on their years of service are omitted, as all of the certified public accountants (CPAs) who audited us have served for less than seven years.

(Designated Limited Liability Partners, Engagement Partners)
Iwao Hirano, Takemitsu Nemoto, Daisuke Yamada
(Assistant staff working for our accounting audit)
17 CPAs and 22 assistant CPAs

(c) Internal Audits

Based on an audit plan adopted by the Board of Directors, the Audit Department comprised of 26 people (as of March 31, 2017) conducts audits covering the business divisions, corporate departments and consolidated subsidiaries as follows;

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

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

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

In addition, Sojitz and its consolidated subsidiaries have introduced a Self-Assessment System to help identify frontline operation problems at each organization in the early stages, improve operational efficiency, prevent losses, and raise awareness on risk management.

(5) Respect for the Position of Various Stakeholders

Our Group mission is to meet the diverse needs and expectations of our stakeholders throughout the world with integrity, and to continue to provide a “New way, New value.”, and we believe that this will lead to the practice of the Sojitz Group Statement. To build stronger relationships of trust with stakeholders, we have established the Sojitz Guiding Principles, all Group officers and employees should practice, “the Sojitz Group Code of Conduct and Ethics” for compliance as well as “the Sojitz Group CSR Policy” for corporate social responsibility, and have publicized them..

(a) CSR Approaches and Initiatives

Under “the Sojitz Group CSR Policy”, we pursue harmony and mutual prosperity of our corporate activities with society and the environment, and carry out initiatives aimed at creating and maximizing two types of value: “Value for society,” such as development of local economies, environmental preservation and respect for human rights, and “Value for Sojitz,” including enhancement of our business foundation and sustained growth. In the fiscal year ended March 31, 2017, the Sojitz Group revised its CSR focus areas, which are the six initiatives we will strive to put into practice over the medium-to-long term through our business activities. We aim to maximize these two values in each business through promoting initiatives related to these focus areas.

<CSR Focus Areas>

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

Also, under the policies related to CSR, supply chains, we have established the “Wood Procurement Policy” as part of our effort to promote wood procurement in consideration of the environment and society. In the fiscal year ended March 31, 2017, we set specific quantitative targets of the policy and promoted initiatives to achieve the targets.

(b) Human Resource Diversity

In order to continue strengthening its competitiveness through global business development over the long term, we continuously strive to ensure the diversity of our human resources by hiring, developing and utilizing human resources irrespective of gender, nationality, age, values, and other characteristics. We also make efforts to create systems and work environments that enable all Sojitz Group's offices and employees to maximize their potential.

- Effort to Promote Women in the Workforce

We are implementing various measures to enhance work environments including systems, and raise awareness among employees including supervisors and female employees themselves from a medium-to-long-term perspective. In addition, a specialized office within the Human Resources & General Affairs Department is coordinating with the heads of various departments on efforts to promote training of women for management positions. We have set specific targets for increasing the ratio of new female graduates hired for career-track positions and the number of female managers by March 31, 2021, with initiatives to promote work-life balance and facilitate flexible work styles. In March 2017, Sojitz was selected as a "Nadeshiko Brand" that recognizes publicly listed companies that are outstanding in terms of empowerment of women in the workplace, in a program jointly administered by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

- Hiring and Developing Global Human Resources

Our hiring policy is to maintain a 10 to 20 percent ratio of non-Japanese staff among newly hired graduates, and we are continuing to carry out recruitment of graduates regardless of Japanese language ability at leading universities overseas. At overseas operating companies, we locally hire highly competent managers to push forward with our worldwide growth strategies, while providing ongoing training at the head office to foster executive candidates among local staff overseas. Also at our head office, we are actively carrying out measures to develop human resources with a global perspective. These measures include overseas trainee programs where all new Japanese employees have experience overseas within five years after joining us, overseas language training programs, and MBA/LLM study abroad programs.

- Promoting the Utilization of Human Resources Irrespective of Age
- In order to effectively utilize human resources and enable long-term competitiveness, we have established a human resources system to reflect individual performance in compensation by further differentiating employee evaluations, making it possible to promote competent employees at an early stage. Furthermore, we are clarifying the roles of senior employees to prepare an environment where they can play an active part, leveraging their experience, knowledge and other capabilities to the fullest.
  Employment of Persons with Disabilities

At our subsidiary certified under the law as a "Special Subsidiary," we are creating a work environment that is also suitable for people with intellectual and mental disabilities by dividing work duties according to the nature of individual disabilities and by providing follow-up with regard to everyday life. We have achieved the legally mandated ratio of two percent for employment of persons with disabilities specified under the Act on the Promotion of the Employment of Disabled Persons.

(c) Dialogue with Shareholders

We have a basic policy of engaging in constructive dialogue with shareholders. We provide appropriate and

timely information on management policy and our initiatives to achieve sustained growth and increase corporate value over the medium-to-long term. In addition, we hold easy-to-understand briefings on an ongoing basis, and reflecting them in management.

To ensure appropriate disclosure, we have established and are strictly complying with the internal rules, in addition to the “Prevent insider trading” and the “Information Disclosure Rules”, that stipulate fundamental policies for compliance with laws and regulations, transparency, timeliness, fairness, continuity, and confidentiality, along with the Rules pertaining to Insider Transaction Prevention.

- Providing Information to Shareholders

Our basic policy is to communicate information fairly and equally to all shareholders. Information regarding the Medium-term Management Plan and financial results is publicized via TDnet or our website immediately after resolution by the Board of Directors.

- Initiatives with Regard to the Ordinary General Shareholders’ Meeting

The Notice of Convocation is posted on our website in Japanese and English four weeks prior to the Ordinary General Shareholders’ Meeting and is sent out by mail three weeks prior to the meeting. In addition, we take active measures aimed at holding open Ordinary General Shareholders’ Meetings, including selecting the date of the meeting to avoid the period when most other companies in Japan are holding their general shareholders’ meetings, using Internet voting and providing a webcast of the Ordinary General Shareholders’ Meeting on our website after the meeting has ended.

- Systems and Initiatives for Dialogue with Shareholders

We have established a system where Directors play an active role in dialogue with shareholders with support of the IR Office, a dedicated body for this purpose.

Parties	Initiatives	Specific Activities in the Fiscal Year Ended March 31, 2017
Individual shareholders and individual investors	Hold various briefing sessions to ensure opportunities for the Representative Directors, the CFO and the Senior Managing Executive Officer for Investor Relations to explain our management policies and vision, etc.	Briefing for shareholders (Fukuoka, Osaka, Nagoya, Hiroshima) Briefings for individual investors Participation in IR events organized by securities companies
Institutional investors (Japan and overseas)	Ensure to provide opportunities for direct dialogue through various briefings and individual meetings, etc.	Financial results briefings Business activity meetings Individual meetings Participation in conferences held by securities companies in Japan and overseas Small meetings

In addition to the above, financial results briefings, business activities meetings and small meetings were carried out for securities analysts.

(6) Basic Policy on Internal Control Systems and Their Establishment and Operational Status

(a) Basic Concept

We have been working on implementing and maintaining our internal control systems on Group-wide basis. The following "Basic Policy Regarding the Establishment of Systems for Ensuring Appropriate Execution of Sojitz Group Business Operations" was resolved by the Board of Directors on April 24, 2015, based on the Companies Act and Ordinance for the Enforcement of the Companies Act of Japan. In accordance with the applicable laws and regulations and Article 14 of the "Articles of Incorporation", the matters resolved are posted on our website at http://www.sojitz.com/en/ir/stkholder/general/.

(b) Status of Implementation and Operation

- **Overall Internal Control System**

The Internal Control Committee chaired by the President & CEO, consolidates and monitors the status of implementation and operation of the Internal Control System, and leads maintenance and improvement of our internal control systems.

(Overview of Operational Status)

The Internal Control Committee oversees the implementation and enforcement of the overall internal control system and conducts periodic monitoring. The Committee also identifies issues and considers countermeasures related to the internal systems and frameworks, points these issues out to the relevant departments, and makes improvements. In addition, the Committee monitors the progress of assessments of internal controls over financial reporting based on the Financial Instruments and Exchange Act, and works to ensure the reliability of financial reporting. Each committee (Compliance Committee, CSR Committee, etc.) and subcommittee (the Disclosure Subcommittee, Information Security Subcommittee, etc.) discuss specific initiatives for each area. The Internal Control Committee met five times in the fiscal year ended March 31, 2017, and reported the details to the Board of Directors.

- **Compliance**

We have established "Sojitz Group Compliance Program", which sets out procedures for achieving thorough compliance, and have also formulated "Sojitz Group Code of Conduct and Ethics", which provides common criteria for conduct that applies to Group officers and employees globally. The Compliance Committee, chaired by the Chief Compliance Officer (CCO), is at the core of activities to set up compliance systems at the Group companies and overseas bases, such as appointing compliance supervisors and forming compliance committees. To help prevent or quickly detect violations of compliance regulations, we have a hotline (internal reporting system) that provides access to the CCO and outside legal counsel; a consultation desk where Compliance Committee Secretariat members can be contacted; and the multi-lingual Sojitz Ethics Hotline, which is available 24 hours a day, 365 days a year, and publicize them for all Sojitz Group officers and employees. In addition, to prevent corruption, we have established "Sojitz Group Anti-Corruption Rule" and the "Sojitz Group Anti-Corruption Guidelines", and are also introducing corresponding rules at overseas Group companies and bases.

Measures to prevent harassment pertaining to pregnancy, childbirth, childcare and nursing care leave and other such matters are now mandatory as a result of amendments to the Child Care and Family Care Leave Act and

the Equal Employment Opportunity Law (enforcement date: January 1, 2017). Accordingly, we have partially revised our Work Rules to maintain positive workplaces that are free from harassment.

(Overview of Operational Status)

We revised the Sojitz Group Code of Conduct and Ethics in April 2016 in response to recent revisions of domestic and overseas laws and regulations and changes in social norms, and have been introducing it for the Sojitz Group. Moreover, based on the action plan formulated by the Compliance Committee, we provide counsel on measures for preventing recurrence of compliance issues as well as assistance and guidance to the Group companies on practicing said Code of Conduct.

Specific activities in the fiscal year ended March 31, 2017 included the following:

- Meetings between the CCO and presidents of Group companies
- Regular liaison meetings among the compliance officers of Group companies
- Seminars and briefings on preventing harassment and corruption
- Various training programs for newly hired employees, employees hired as mid-career professionals, employees on overseas assignments, and others.

The Compliance Committee met a total of four times, once in each quarter, in the fiscal year ended March 31, 2017.

- **Risk Management**

We have designated categories of business activity risk based on the “Basic Rule of Corporate Risk Management”, have assigned the officers responsible for each risk and have formulated the “Risk Management Policy and Plan” in order to take measure for various risks among a general trading company. By implementing a PDCA cycle for formulating, executing, monitoring and summarizing the Risk Management Policy and Plan, we strive to secure its sustainability and further improve risk management system.

(Overview of Operational Status)

“Risk Management Policy and Plan” is resolved at the Board of Directors, and the Internal Control Committee deliberates its operation status and reports to the Board of Directors every quarter. Additionally, in the event that it becomes necessary to make the whole Company aware of measures to counter changes in the business environment or respond to risks in new fields, such situations are dealt with upon making the necessary reports to the management on the issues and the status of responses.

Among the risk categories, quantifiable risks such as market risk, credit risk, business investment risk and country risk, are managed based on a calculation of risk assets. As for the risks that are difficult to quantify such as legal risk, compliance risk, environmental and social (human rights) risk, funding risk, disaster risk and system risk, their management status is monitored and reported to the management.

We conduct ongoing education programs through a variety of risk management training in order to firmly establish awareness of risk management among the officers and employees of the Sojitz Group.

- **Management of Group Companies**

For management of the Group companies, each of the Group companies maintains a system based on the management system for the Group companies' business operations defined in the "Basic Rule of Group Management" and the "Group Management Administration Rule". In addition, the Corporate Planning Department confirms that each Group company maintains the system. Moreover, Directors monitor the business management of the Group companies through the chief of business divisions or corporate departments with primary responsibility or the Directors, Audit & Supervisory Board Members or others dispatched to the Group companies.

(Overview of Operational Status)

We manage and supervise the establishment and operation of an appropriate management foundation and corporate governance through the Directors and the Audit & Supervisory Board Members that it has dispatched to each Group company, and receives regular reports including annual business reports and monthly operating activity reports. Also, as for the important cases of the Group companies, we appropriately manage important business execution by requiring advance consultation with Sojitz headquarters.

Additionally, in order to promote Group management, we explain the Group's management philosophy via the chief of business divisions or corporate departments with primary responsibility, and make efforts to publicize our management philosophy and policies as well as at the training seminars for Group companies' officers and employees.

- **Management and Storage of Information**

With respect to handling of important documents related to execution of duties such as the minutes of Board of Directors meetings, the responsible department shall appropriately manage such documents according to the retention period required by law based on guidelines including the internal rules for document retention, and shall make such documents available for viewing as necessary. As for the information related to business execution, a system is in place to monitor the status of operation by establishing rules that define the classification and confidentiality of the information. (Overview of Operational Status)

With respect to information related to business execution, we regularly review the classification, management method and retention period of information prescribed in the internal rules, and make efforts to ensure proper management. In the fiscal year ended March 31, 2017, we revised the rules for information management and promoted thorough information management in each organization. In addition, we are continuing efforts led by the Information Security Subcommittee to bolster security measures against cyber-attacks and other threats.

- **Arrangements to Ensure Effective Auditing by the Audit & Supervisory Board Members**

In terms of the system of reporting to Audit & Supervisory Board Members, we have adopted a system in which, in addition to the reports by the Directors, reports timely required matters for audit such as reporting on Group-wide matters by the Compliance Committee and the Internal Audit Department, business reports from the consolidated subsidiaries. Additionally, relevant rules provide that persons who report to the Audit & Supervisory Board Members will not receive disadvantageous treatment on account of having made the report.

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

(Overview of Operational Status)

Audit & Supervisory Board Members receive reports in a timely fashion and set interviews regularly as well as exchange of opinions conducted between the Audit & Supervisory Board Members and Directors.

Financial Statements

Consolidated Financial Statements

Consolidated Statements of Financial Position

(Millions of yen)

Items	As of March 31, 2017	(Reference) As of March 31, 2016	Items	As of March 31, 2017	(Reference) As of March 31, 2016
Assets			Liabilities and equity		
Current assets			Liabilities		
Cash and cash equivalents	308,632	344,414	Current liabilities		
Time deposits	5,728	6,657	Trade and other payables	483,049	439,245
Trade and other receivables	563,458	496,156	Bonds and borrowings	158,698	168,264
Derivatives	3,919	6,593	Derivatives	3,669	3,728
Inventories	271,327	237,111	Income tax payables	9,190	6,630
Income tax receivables	3,647	6,068	Provisions	2,124	2,525
Other current assets	72,417	49,017	Other current liabilities	60,912	53,294
Subtotal	1,229,130	1,146,018	Subtotal	717,646	673,688
Assets as held for sale	616	326	Liabilities directly related to assets held for sale	101	88
Total current assets	1,229,747	1,146,344	Total current liabilities	717,748	673,776
			Non-current liabilities		
Non-current assets			Bonds and borrowings	766,669	754,434
Property, plant and equipment	172,201	186,957	Trade and other payables	3,709	9,696
Goodwill	57,594	53,055	Derivatives	4,004	5,001
Intangible assets	34,148	38,829	Retirement benefits liabilities	21,381	18,727
Investment property	21,100	18,369	Provisions	20,792	18,949
Investments accounted for using the equity method	386,740	377,597	Other non-current liabilities	6,490	7,475
Trade and other receivables	45,485	44,558	Deferred tax liabilities	19,698	18,891
Other investments	172,944	173,618	Total non-current liabilities	842,747	833,176
Derivatives	36	163	Total liabilities	1,560,495	1,506,953
Other non-current assets	9,815	9,668	Equity		
Deferred tax assets	8,650	7,507	Share capital	160,339	160,339
Total non-current assets	908,719	910,325	Capital surplus	146,513	146,514
			Treasury stock	(170)	(161)
			Other components of equity	132,682	132,415
			Retained earnings	111,149	81,245
			Total equity attributable to owners of the Company	550,513	520,353
			Non-controlling interests	27,457	29,363
			Total equity	577,970	549,716
Total assets	2,138,466	2,056,670	Total liabilities and equity	2,138,466	2,056,670

Consolidated Statements of Profit or Loss

(Millions of yen)

Items	FY2016 (From April 1, 2016 to March 31, 2017)	(Reference) FY2015 (From April 1, 2015 to March 31, 2016)
Revenue		
Sales of goods	1,463,536	1,566,839
Sales of services and others	91,813	91,233
Total revenue	1,555,349	1,658,072
Cost of sales	(1,354,664)	(1,477,333)
Gross profit	200,685	180,739
Selling, general and administrative expenses	(153,038)	(154,416)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	4,797	1,498
Impairment loss on fixed assets	(4,618)	(24,051)
Gain on sale of subsidiaries/associates	10,358	12,909
Loss on reorganization of subsidiaries/associates	(8,174)	(1,349)
Other operating income	9,566	20,646
Other operating expenses	(7,958)	(6,733)
Total other income/expenses	3,971	2,919
Operating profit	51,618	29,242
Financial income		
Interests earned	3,903	3,893
Dividends received	4,165	4,349
Total financial income	8,068	8,242
Financial costs		
Interest expenses	(14,382)	(16,316)
Other financial costs	(22)	(63)
Total financial cost	(14,405)	(16,379)
Share of profit (loss) of investments accounted for using the equity method	12,673	23,163
Profit before tax	57,955	44,269
Income tax expenses	(13,879)	(7,782)
Profit for the year	44,075	36,486
Profit attributable to:		
Owners of the Company	40,760	36,526
Non-controlling interests	3,314	(39)
Total	44,075	36,486
(For reference)		
Net sales (Note)	3,745,549	4,006,649

(Note) Net sales is calculated based on Japanese Generally Accepted Accounting Practices (JGAAP), 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.

(Reference) Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2016 (From April 1, 2016 to March 31, 2017)	FY2015 (From April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Profit for the year	44,075	36,486
Depreciation and amortization	23,442	30,059
Impairment loss of fixed assets	4,618	24,051
Finance (income) costs	6,337	8,136
Share of (profit) loss of investments accounted for using the equity method	(12,673)	(23,163)
(Gain) loss on sale of fixed assets, net	(4,797)	(1,498)
Income tax expenses	13,879	7,782
(Increase) decrease in trade and other receivables	(60,463)	55,835
(Increase) decrease in inventories	(31,853)	28,270
Increase (decrease) in trade and other payables	40,158	(43,767)
Increase (decrease) in retirement benefits liabilities	(1,409)	320
Others	(7,611)	(15,528)
Subtotal	13,702	106,986
Interests earned	3,496	3,785
Dividends received	12,818	20,326
Interests paid	(14,872)	(16,746)
Income taxes paid	(14,287)	(14,412)
Net cash provided (used) by/in operating activities	857	99,939
Cash flows from investing activities		
Purchase of property, plant and equipment	(31,830)	(31,943)
Proceeds from sale of property, plant and equipment	8,340	11,846
Purchase of intangible assets	(2,219)	(3,061)
(Increase) decrease in short-term loans receivable	(4,408)	1,083
Payment for long-term loans receivable	(3,867)	(4,157)
Collection of long-term loans receivable	1,232	1,919
Proceeds from (payments for) acquisition of subsidiaries	(5,408)	(9,100)
Proceeds from (payments for) sale of subsidiaries	(51)	(467)
Purchase of investments	(16,263)	(6,315)
Proceeds from sale of investments	16,473	6,731
Others	5,822	(445)
Net cash provided (used) by/in investing activities	(32,179)	(33,910)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	14,697	(30,383)
Proceeds from long-term borrowings	160,331	122,767
Repayment of long-term borrowings	(164,596)	(173,948)
Proceeds from issuance of bonds	19,891	—
Redemption of bonds	(20,035)	(20,000)
Proceeds from sale of subsidiaries' interests to non-controlling interest holders	—	5
Payment for acquisition of subsidiaries' interests from non-controlling interest holders	—	(18)
Proceeds from non-controlling interest holders	771	323
Purchase of treasury stock	(10)	(2)
Dividends paid	(10,008)	(9,382)
Dividends paid to non-controlling interest holders	(2,563)	(1,763)
Others	(2,507)	(2,292)
Net cash provided (used) by/in financing activities	(4,029)	(114,695)
Net increase (decrease) in cash and cash equivalents	(35,350)	(48,666)
Cash and cash equivalents at the beginning of year	344,414	403,748
Effect of exchange rate changes on cash and cash equivalents	(430)	(10,667)
Cash and cash equivalents at the end of year	308,632	344,414

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

Items	As of March 31, 2017	(Reference) As of March 31, 2016
Assets		
Current assets	658,351	619,025
Cash and deposits	185,773	212,489
Notes receivable-trade	7,303	7,309
Accounts receivable-trade	208,413	175,936
Merchandise	142,417	114,073
Advance payments-trade	19,995	14,518
Short-term loans receivable	44,148	54,592
Deferred tax assets	859	900
Other	49,538	39,316
Allowance for doubtful accounts	(99)	(110)
Noncurrent assets	824,406	824,222
Property, plant and equipment	7,238	7,831
Buildings	2,682	3,098
Land	3,171	3,171
Other	1,383	1,561
Intangible assets	6,709	8,043
Software	1,727	2,229
Goodwill	4,778	5,672
Other	203	141
Investments and other assets	810,458	808,347
Investment securities	115,179	105,173
Stocks of subsidiaries and affiliates	594,554	610,254
Investments in capital of subsidiaries and affiliates, etc.	30,406	28,167
Long-term loans receivable	53,586	41,126
Bad debts	71,897	79,041
Deferred tax assets	—	288
Other	12,049	14,391
Allowance for doubtful accounts	(63,139)	(68,282)
Allowance for investment loss	(4,076)	(1,813)
Deferred assets	264	222
Bond issuance cost	264	222
Total assets	1,483,021	1,443,469

Items	As of March 31, 2017	(Reference) As of March 31, 2016
Liabilities		
Current liabilities	462,976	429,974
Notes payable-trade	11,322	5,859
Accounts payable-trade	196,000	177,598
Short-term loans payable	145,964	139,366
Current portion of bonds	10,000	20,000
Income taxes payable	2,420	977
Advances received	17,012	12,097
Deposits received	65,459	61,899
Provision for bonuses	2,951	2,795
Other	11,844	9,379
Noncurrent liabilities	651,113	657,011
Bonds payable	70,000	60,000
Long-term loans payable	559,257	578,860
Deferred tax liabilities	1,097	—
Provisions for retirement benefits	8,671	7,984
Other	12,086	10,165
Total liabilities	1,114,089	1,086,985
Net assets		
Shareholders' equity	340,725	339,293
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	25,285	23,844
Other retained earnings		
Retained earnings brought forward	25,285	23,844
Treasury stock	(170)	(161)
Valuation and translation Adjustments	28,206	17,190
Valuation difference on available-for-sale securities	34,764	24,193
Deferred gains or losses on hedges	(6,557)	(7,003)
Total net assets	368,931	356,484
Total liabilities and net assets	1,483,021	1,443,469

Non-consolidated Statements of Income

(Millions of yen)

Items	FY2016 (From April 1, 2016 to March 31, 2017)	(Reference) FY2015 (From April 1, 2015 to March 31, 2016)
Net sales	2,297,451	2,530,034
Cost of sales	2,250,173	2,484,730
Gross profit	47,278	45,304
Selling, general and administrative expenses	57,673	55,700
Operating income (loss)	(10,395)	(10,396)
Non-operating income		
Interest income	2,835	3,593
Dividends income	36,238	37,377
Gain on valuation of derivatives	650	3,163
Other	6,040	7,274
Total non-operating income	45,764	51,408
Non-operating expenses		
Interest expenses	11,212	12,927
Foreign exchange losses	1,900	4,084
Other	2,737	3,064
Total non-operating expenses	15,850	20,076
Ordinary income	19,519	20,935
Extraordinary income		
Gain on sales of noncurrent assets	300	1,357
Gain on sales of subsidiaries and affiliates' stocks, etc.	5,164	1,081
Gain on sales of investment securities, etc.	9,873	1,623
Reversal of allowance for doubtful accounts	0	6
Income from merger	—	128
Total extraordinary income	15,338	4,196
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	4	4
Impairment loss	1	114
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	24,123	18,533
Loss on sales of investment securities, etc.	46	10
Loss on valuation of investment securities, etc.	189	748
Total extraordinary losses	24,365	19,411
Income before income taxes	10,491	5,721
Income taxes-current	(233)	(1,491)
Income taxes-deferred	(723)	(2,195)
Total income taxes	(957)	(3,686)
Net income	11,448	9,407

Accounting Auditors' Audit Report Concerning the Consolidated Financial Statements: Full Copy

Independent Auditors' Audit Report

May 16, 2017

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC

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

In accordance with Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, comprising the consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity and the notes to the consolidated financial statements of Sojitz Corporation and its subsidiaries as of March 31, 2017 and for the 14th consolidated fiscal year from April 1, 2016 to March 31, 2017.

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, 2017.

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.

Accounting Auditors' Audit Report Concerning the Non-consolidated Financial Statements: Full Copy

Independent Auditors' Audit Report

May 16, 2017

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC

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

In accordance with Article 436, Paragraph 2 Item 1 of the Companies Act, we have audited the non-consolidated financial statements, comprising the non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets and notes to the non-consolidated financial statements and supplementary schedules of Sojitz Corporation as of March 31, 2017 and for the 14th fiscal year from April 1, 2016 to March 31, 2017.

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, 2017 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 14th fiscal year (from April 1, 2016 to March 31, 2017), the Audit & Supervisory Board has prepared this audit report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby report as follows:

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

(1) The Audit & Supervisory Board has established the audit policies, assignment of duties, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the accounting auditors regarding the status of performance of their duties, and requested explanations as necessary.

(2) In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies, audit plans, and assignment of duties, etc., each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, the internal audit division and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and performed audits using the following methods.

(i) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective businesses as necessary.

(ii) Each Audit & Supervisory Board Member regularly received reports on the status of the system and performance from the Directors and other employees and, as necessary, requested explanations for and expressed opinions on the status of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the business report complied with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of the corporate group consisting of a joint stock company (kabushiki kaisha) and its subsidiaries, and the systems (internal control systems) based on such resolutions.

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

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

2. Results of Audit

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

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

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

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

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

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

(3) Results of Audit of the consolidated financial statements

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

May 16, 2017

Sojitz Corporation Audit & Supervisory Board

Audit & Supervisory Board Member(Full-time)	Junichi Hamatsuka
Outside Audit & Supervisory Board Member(Full-time)	Takayuki Ishige
Outside Audit & Supervisory Board Member	Miki Seko
Outside Audit & Supervisory Board Member	Tadao Tsuya
Outside Audit & Supervisory Board Member	Mikinao Kitada

Guide Map to the Venue

Date and Time:

10:00 a.m., Tuesday, June 20, 2017

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

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

Place:

ANA InterContinental Tokyo
Prominence Ball Room, 1st Basement Floor,
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.)



