



New way, New value
Sojitz Group CSR Report 2008

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Editorial Policy

The Sojitz Group has published a CSR report since fiscal 2006 to inform stakeholders about its CSR activities. The fiscal 2008 edition includes a feature on how Sojitz is helping to resolve social issues through its business activities. In the second half, the Management Report, Social Report and Environmental Report explain the Sojitz Group's initiatives for stakeholders, and the thinking and policies behind them.

This report has been prepared in accordance with *GRI Sustainability Reporting Guidelines 2002* published by GRI.*

*GRI stands for "Global Reporting Initiative," a non-governmental organization established by UNEP (United Nations Environment Programme) and CERES (Coalition for Environmentally Responsible Economies) to establish and propagate guidelines for sustainability reports.

Reporting Period and Scope of Coverage

Reporting Period

The period for performance data is fiscal 2007 (April 1, 2007 to March 31, 2008), although descriptions of some activities and projects and some data may be the most recent available.

Scope of Coverage

Sojitz Corporation (Parent company) and some Sojitz Group companies

Publication Information

Published April 2009 (Previous issue: May 2008; Next scheduled issue: November 2009)

Reference Guidelines

GRI Sustainability Reporting Guidelines 2002

Names Used in This Report

"Sojitz," "we," "the Company": Refer to the parent company Sojitz Corporation

"Sojitz Group," "the Group": Refer to Group companies (two or more) within the Sojitz Group

Other Reports Published by Sojitz Corporation

Annual Report 2008 (September 2008)

Securities Report for Fiscal 2008 (June 2008; Japanese only)

Corporate Governance Report (October 2008; Japanese only)

(These reports are available on the Sojitz Corporation website.)

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Corporate Data

Company name: Sojitz Corporation

Established: April 1, 2003

Capitalization: 160,339 million yen

President & CEO: Yutaka Kase

Head office address: 1-20, Akasaka 6-chome, Minato-ku,
Tokyo 107-8655, Japan

Telephone: 03-5520-5000

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Number of branches and offices: Domestic 7

Overseas 93

Number of subsidiaries and affiliates: Domestic 195

Overseas 424

Number of employees: Non-consolidated 2,287

Consolidated 18,294

Organization type: Company with corporate auditors

Stock exchange listings: Tokyo, Osaka

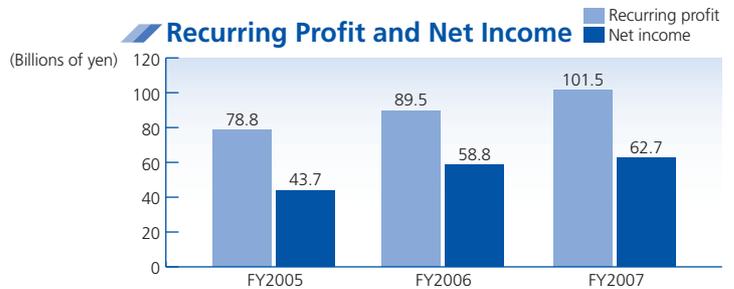
(As of September 30, 2008)

Financial Information (Consolidated)

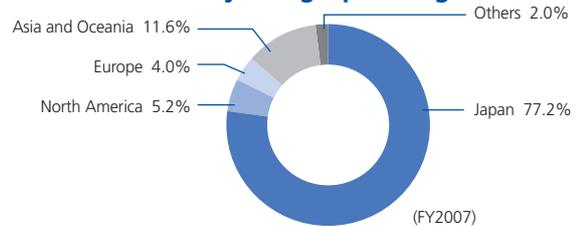
Net Sales



Recurring Profit and Net Income

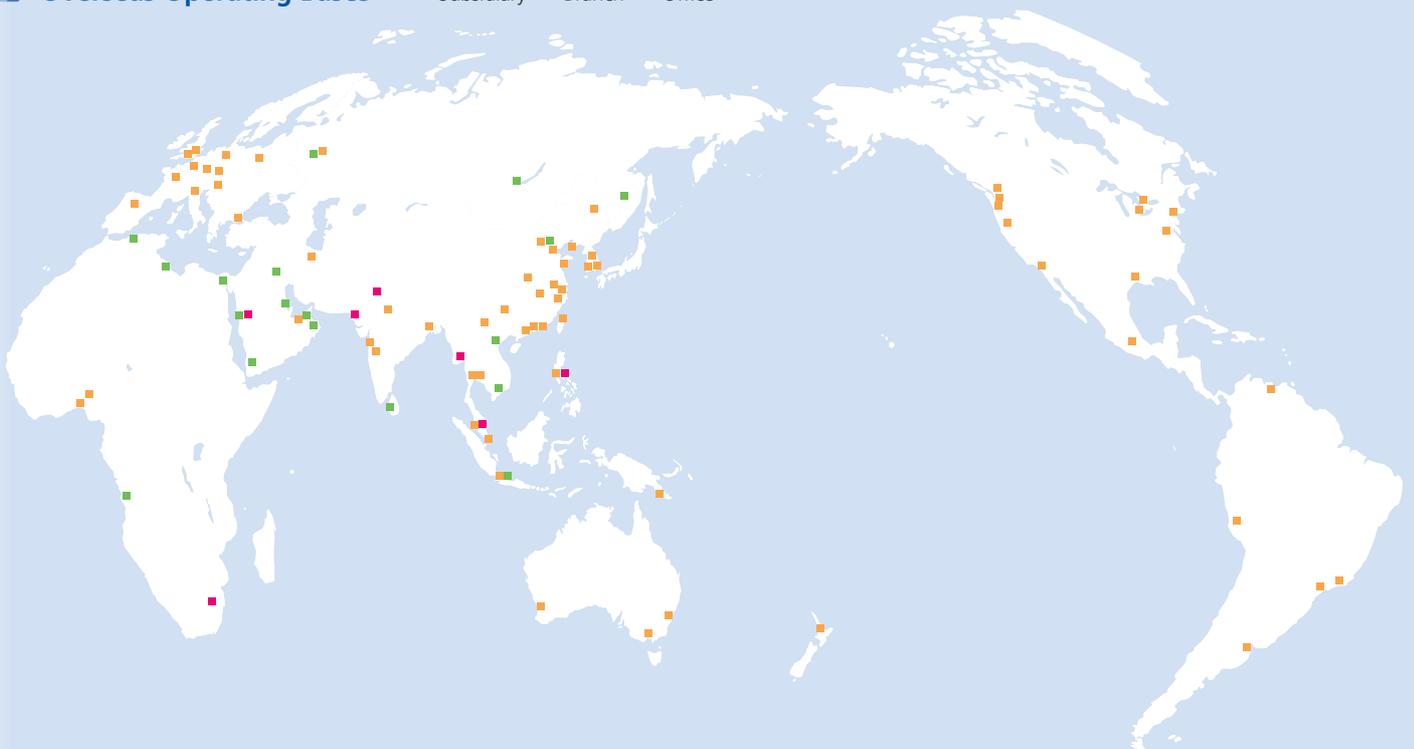


Net Sales by Geographic Segment (% of net sales)



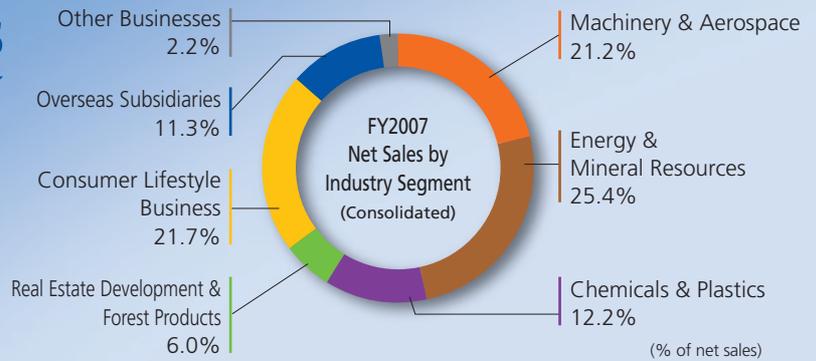
Overseas Operating Bases

Subsidiary Branch Office



Sojitz Group Businesses

The Sojitz Group's businesses span a diverse range of industries. In each of the divisions outlined here, we promote various businesses through financing and coordination in addition to trading.



Machinery & Aerospace Division

Automotive Unit

In addition to exports of completely built-up (CBU) vehicles and knocked down components, the Sojitz Group has built a broad and unique value chain that extends from the upstream businesses of automotive components and engineering to the downstream after-sales market business.

Aerospace Unit

This unit handles commercial aircraft, defense and space-related businesses.

Information and Industrial Machinery Unit

This unit conducts business on a global scale. Its wide-ranging business areas include large-scale plant and project, such as, steel, fertilizer (chemical), energy and electric power plants, power generation and infrastructure projects, as well as, telecommunications network equipment, surface mount technology (SMT) equipment, electronic materials, bearings, and industrial machinery.

Marine Unit

This unit encompasses new shipbuilding, second-hand ships, long-term chartering, marine-related equipment, and Sojitz's own ship-owning business. These businesses collaborate in multiple ways in a wide range of fields, giving the unit comprehensive strengths and a competitive advantage that make it an industry leader.



Energy & Mineral Resources Division

Energy Unit

The Sojitz Group conducts multifaceted energy businesses. In addition to its core business of development, sales and trading of oil and gas from upstream concessions, this unit's operations extend to the nuclear fuel and equipment business as well as liquefied natural gas (LNG) operations through LNG Japan Corporation.

Steel Business Unit

Operating in both upstream and downstream sectors, from development of iron ore mines to sales of steel products in Japan and overseas through 40-percent owned joint venture Metal One Corporation, this unit takes a consistent and integrated approach to the fast-growing world steel industry.

Mineral Resources Unit

The Mineral Resources Unit handles a variety of metal and mineral resources, including coal, ferroalloys, non-ferrous metals, precious metals and rare metals. Sojitz's strength lies in its ability to tap synergies from the combination of investment in mineral resource concessions, which secures access to resources, and related distribution and retail operations.

Environmental and New Energy Businesses

To ensure sustainable growth, Sojitz is cultivating environmental and clean energy businesses such as biofuels, wind power and solar energy as leading businesses of the future.



Chemicals & Plastics Division

■ Chemicals Unit

The Chemicals Unit handles more than 1,400 products, including methanol, petrochemicals, solvents, functional and advanced materials, rare earths, pharmaceuticals and agrochemicals, catalysts and cosmetic ingredients. These products range from upstream resources and basic ingredients to midstream and downstream functional and advanced materials.

■ Plastics Unit

Sojitz Pla-Net Corporation, the core operating company in the plastics business, has plastic compound companies in the Asian region including Japan, and handles various plastic raw materials, packaging film, packaging materials, materials related to flat panel displays (FPDs) and other electronic materials. Overseas, Sojitz sees China and other Asian countries as priority regions, and is building an integrated sales and service network that provides all kinds of plastics products.



Real Estate Development & Forest Products Division

■ Real Estate Development Unit

Leveraging its network and information gathering capabilities as a general trading company, Sojitz has made condominium sales and retail property development a core business area as a general developer with planning and development capabilities. Sojitz conducts this business by utilizing its strengths in product planning and business development, based on an accurate understanding of market trends and social needs.

■ Forest Products Unit

The use of sustainable and renewable forest resources is being promoted globally to absorb carbon dioxide in the atmosphere. Sojitz is engaged in a wide array of forest product businesses, including the import of lumber products from around the world, offshore trade, distribution in Japan and manufacturing operations overseas.



Consumer Lifestyle Business Division

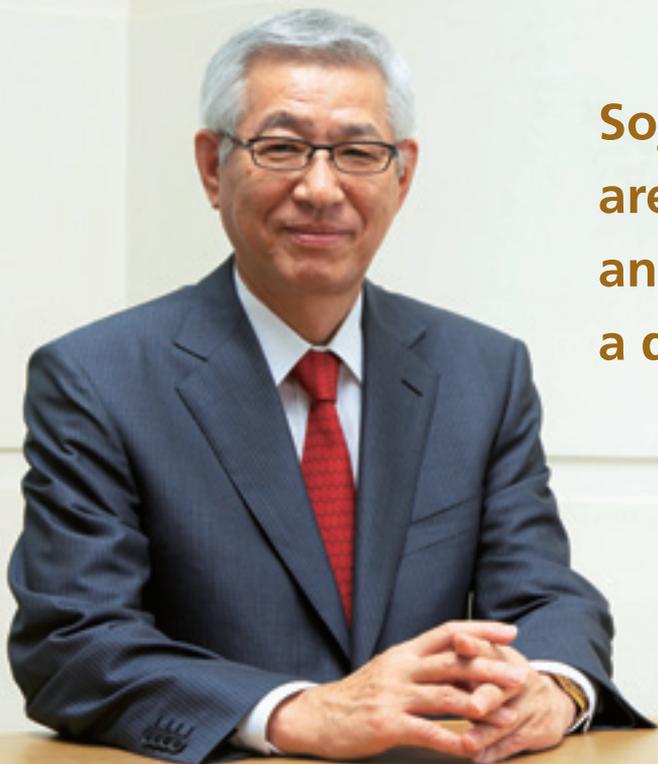
■ Foods Unit

The Foods Unit operates across the entire food sector, handling agricultural, marine and livestock products and associated processed food products. Based on its business vision of establishing a strategic value chain that vertically integrates upstream and downstream activities to provide safe and reliable food, Sojitz has many cooperating factories and joint ventures in Japan and overseas, and is executing a strategy covering the entire value chain, from raw material procurement and processing to distribution and sales.

■ Textiles & General Merchandise Unit

This unit takes advantage of Sojitz's powerful supply chain in its clothing wholesale business, and uses Sojitz's global capabilities for its textile operations and high-performance fabrics and industrial materials businesses. In its lifestyle business, the unit supplies products for daily life to specialty chain stores and volume retailers throughout Japan, while the general commodities and consumer business handles woodchips and consumer goods.





Sojitz's business activities are grounded in sincerity and trust in order to achieve a diversity of wealth.

The Role of General Trading Companies in Society

During the course of Japan's economic development, general trading companies, or *sogo shosha*, have served as a bridge between Japan and the world and contributed to the formation of the nation's industrial foundation.

Today, our business encompasses much more than just trade and distribution, extending to business investment and financing in a wide range of industries, as well as coordination and operation of businesses. With the globalization of capital and labor, the ability to do business in harmony with the characteristics and cultures of various countries and regions is becoming vital.

The businesses needed in a country or region will also change with the degree of economic development, as have industrial infrastructure such as roads and railroads, lifestyle infrastructure such as hospitals, schools and housing, the cement business that builds these facilities, and fertilizer plants for modern agriculture. Just as Japan's economic growth was once supported by the introduction of

technology from abroad, technology transfers from Japan to developing countries, and expansion of businesses that create jobs in those countries, are now required.

To meet these requirements and expectations, general trading companies must play a key role in modern society by leveraging their diverse functions and the global perspective they have cultivated in their business activities to build businesses that contribute to local communities, using the most effective methods in each country and region. The Sojitz Group is committed to doing its part to promote economic development, not only in Japan but around the world.

Earning Trust by Turning Words into Action

Since its establishment in 2003, the Sojitz Group has upheld the Sojitz Group Statement, which reads, "The Sojitz Group produces new sources of wealth by connecting the world's economies, cultures and people in a spirit of integrity."

The phrase "new sources of wealth" in this statement does not refer only to economic wealth. Our aim is to

contribute to enhancing the quality of people's lives while respecting the diverse cultures and values that are rooted in each country, and through that effort, to build a mutually beneficial relationship with society.

The Sojitz Group's CSR activities are a way for us to practice this philosophy in a consistent manner. In doing so, we focus on sincerity and trust, which are fundamental to all of our corporate activities. We will always respond to social requirements by turning words into action. We believe that it is paramount that we make such efforts in order to be a company that is trusted by society.

Today, concern about the impact of corporate activities on society is higher than ever. Companies cannot continue to exist in society without giving due attention to environmental impact and respect for human rights. Fulfilling our corporate social responsibility is something we need to do continuously, regardless of economic conditions. I believe we need to instill this awareness of CSR in our employees to the extent that it becomes a source of moral support when they take action.

Helping Solve Social Issues through Our Businesses

Today, global warming is just one of various global-scale issues that are becoming increasingly serious. Experts predict that a world population of approximately nine billion people will have to be fed by the year 2050. Solving these challenges and creating an environment in which the world's people can all enjoy wealth is an urgent task for society overall. I believe the Sojitz Group can play a significant role in this effort through its business activities.

One example is our new energy business. As part of that business, Sojitz is focusing on producing bioethanol and sugar from sugar cane in Brazil. Bioethanol is attracting attention as a gasoline substitute. Producing it from sugar cane is a shorter process than using corn or other grains as a raw material, and has less environmental impact. We are also showing concern for the food problem by promoting the expansion of sugar cane plantations primarily on open pastures to avoid diverting land used to grow other grains. I believe that taking a CSR perspective in our actions is important in conducting business sustainably.

I am also strongly aware of the importance of maintaining a good balance between the contribution we make through our businesses and the activities outside our core businesses that do not directly generate profits. The latter currently include support for disaster-stricken areas and an international

exchange program. Going forward, we plan to emphasize education and are considering broadening our activities to include areas such as health care. We will continue our CSR activities with a focus on sustainability and consistency, while adapting them to the needs of the times.

Taking Pride in the Company and Our Own Work

People are the lifeblood of our business and CSR activities. We have worked to build a corporate culture that facilitates two-way communication between management and employees, including creating an environment where I myself and every employee can feel free to speak up and voice our opinions. I will strongly convey a message that enables all employees to share a renewed commitment to Sojitz's CSR, and will aggressively promote CSR training and other educational programs to instill awareness of CSR. Ultimately, our goal is to make employees proud to talk about Sojitz's CSR.

I would like all employees to take pride in their own work and in the Company, and to reflect that pride in the way they do their jobs. If we build relationships of trust with people through our business, wherever we are in the world, they will want to work with us again. I believe that steadily creating such relationships will ensure that Sojitz is a trusted company.

We will continue to improve our CSR program by enhancing our communication with society and incorporating the feedback we receive in order to conduct our business activities in a sustainable manner. We invite readers of this report to share their views with us.



Yutaka Kase

President & CEO
Sojitz Corporation

Helping Resolve Social Issues through Our Business Activities

The Sojitz Group conducts business in many different countries and regions. We also contribute to resolving the issues facing these regions and communities, which by extension helps resolve global-scale issues. Our aim is to be a trusted company. Here are a few of the initiatives we are undertaking through our business activities.

Food Safety and Reliability

- ▶ Establishment of the first quality assurance office at a general trading company



New Energy That Helps Solve Environmental Issues

- ▶ A multifaceted approach to new energy



Contributing to Regional Economic Development through Afforestation

- ▶ An afforestation and woodchip manufacturing business that grows with local farmers



Development and Environmental Issues in China

- ▶ Entering the drainage pipe manufacturing and sales business in China

Environment- and Community-Conscious Shopping Centers

- ▶ Creating retail properties needed by the local community



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Establishment of the First Quality Assurance Office at a General Trading Company

In renovating its quality control system, the Sojitz Group established the first quality assurance office at a general trading company and is strengthening efforts to ensure food safety and reliability.



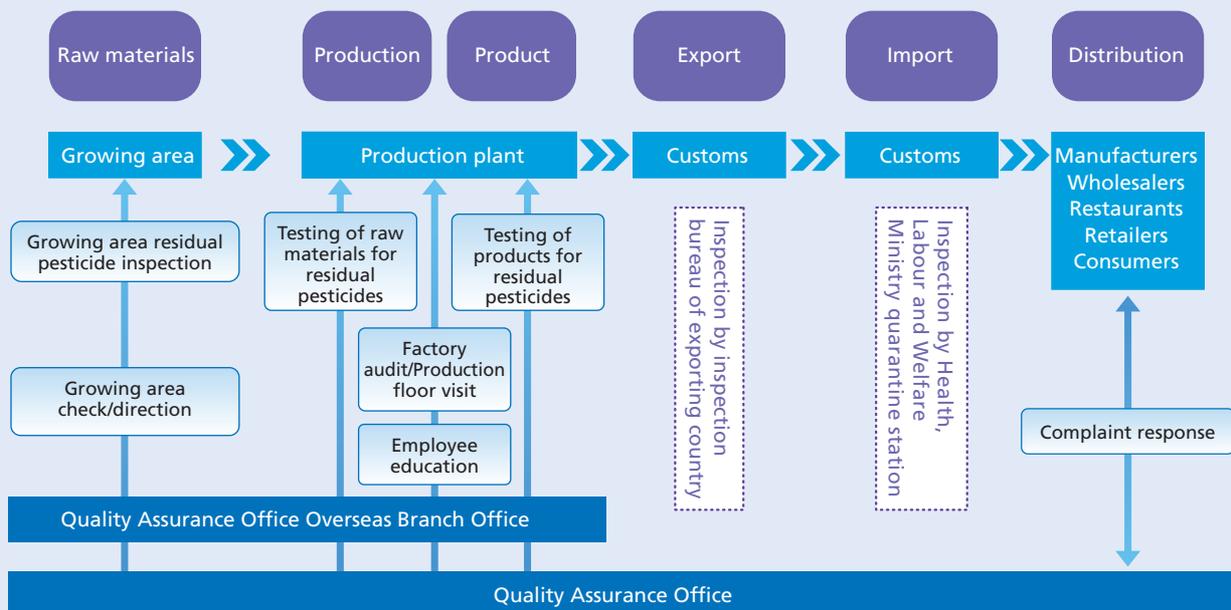
In fiscal 2007, some consumers became seriously ill after eating frozen food products for which Sojitz's subsidiary Sojitz Foods Corporation handled import procedures. A police investigation detected the presence of an organophosphate pesticide on the products. We take incidents such as this very seriously, and are working to further strengthen systems for ensuring food safety and reliability throughout the Sojitz Group. Here are some of the steps we are taking.

Unified Group Management by the Quality Assurance Office

The Sojitz Group's measures for food safety and reliability previously were based on the Sojitz Group Rules for Confirming and Ensuring Food Safety. On April 1, 2008, we moved to raise the effectiveness of those measures by establishing the Quality Assurance Office within the Foods Unit to provide unified management and leadership for food safety and reliability for the entire Sojitz Group.

The Quality Assurance Office is headed by a specialist from Japan Frozen Foods Inspection Corporation*, and is building a

Sojitz Group Food Safety Assurance System



Only main items are shown.

quality control system with a high level of expertise. Below are some of the measures the office is taking.

*Japan Frozen Foods Inspection Corporation (JFFIC) is a public corporation and general food inspection agency. It serves diverse needs, focusing on testing, inspection and quality assurance, to maintain food safety and reliability.

1 Improved System of Testing for Pesticides and Other Chemicals

Testing was previously done primarily at the production stage, but we are extending it to the raw material stage and even to growing areas in order to verify safety.

2 Expanded Factory Audit Items

We have expanded the number of items checked in factory audits from 100 to 150, and improved criteria to conduct more rigorous audits. Previously, audits were centered on items related to food safety in the production process. The addition of items related to food reliability, such as chemical substance control and the presence of surveillance cameras, has reinforced food safety and reliability.

3 Strengthened Factory Audits and Production Floor Visits

The audits that were previously carried out at each Group company now are conducted in principle by the Quality Assurance Office, using a consistent set of criteria. This approach concentrates audit tasks and factory information at a single location. Six auditors assigned to the Quality Assurance Office conduct regular audits. Other improvements include having Quality Assurance Office staff attend screening of new factories and the first production run of new products as a standard practice.

4 Established China Liaison Office

On May 8, 2008, the Quality Assurance Office's China Branch Office was established at Sojitz (Dalian) Co., Ltd. For all production plants in China that supply the Sojitz Group, the branch



Quality control training seminar

office 1) conducts fact-finding surveys of production plant management and the risks of agricultural, livestock and marine raw materials used by the production plants; 2) checks, improves/eliminates and provides direction for growing areas to ensure safe and secure raw materials; and 3) provides quality control education and training to key employees of production plants to raise the level of quality control. We also plan to establish a branch office in Southeast Asia, where many production plants that supply us are located, and will continue efforts to strengthen quality management systems at production plants overseas.

5 Revised Criteria of Complaint Levels

To better ensure quick response and minimization of damage when a problem arises, we have adopted stricter criteria and revised response items based on a five-step decision table that is used when a complaint is made.

Through these and other measures, the entire Sojitz Group is working to make sure that it can deliver safer and more reliable food products to consumers.

Working to Increase Knowledge and Awareness of Quality and Risk

At the Quality Assurance Office, our efforts to enhance safety and reliability are centered on the five steps described in the main text above, but another key element in addition to these systemic improvements is people. We are cultivating people with a high level of knowledge and awareness concerning quality and risk, which are necessary for delivering safer and more reliable products to our customers.

The Quality Assurance Office is therefore focusing its efforts on improving and implementing education and training programs for Sojitz Group companies. We have also established the Food Safety Communications Conference, which is held periodically to share quality control information within the Group and to raise awareness.



Mamoru Imura
General Manager
Quality Assurance Office
Foods Unit

A Multifaceted Approach to New Energy

Addressing environmental issues is a top priority for the Sojitz Group. We have established the Environment and New Energy Business Development Committee as a cross-divisional organization, and are working diligently to develop new energy businesses that meet the needs of future generations.



The Environment and New Energy Business Development Committee is a Company-wide organization launched in January 2008. Led by Executive Vice President Hiroyuki Tanabe, it has six cross-divisional subcommittees on bioenergy, solar power generation, fuel cells, CDM (emissions trading), ESCO (energy saving services) and hydro resources, and explores visions for the future of the environment and new energy while promoting information sharing and businesses. The Energy & Mineral Resources Business Development Office, established in April 2006 in the Energy & Mineral Resources Division, serves as the secretariat for this committee, and is developing various eco-conscious businesses.

Here, the people in charge of bioenergy, solar power generation, and effective use of coal discuss what Sojitz is currently doing in their respective areas.

Bioenergy

As global warming becomes more serious, bioethanol (an energy source derived from plants) is attracting greater interest as a gasoline alternative. On the other hand, the sudden expansion in demand has created other problems, including a steep rise in grain prices. Conscious of this problem, Sojitz is developing a bioethanol and sugar manufacturing business in Brazil using sugar cane as the raw material.

Sojitz owns a 33.3 percent stake of ETH Bioenergia S.A. (ETH), which was established by the major Brazilian conglomerate Odebrecht S.A. By 2015, ETH plans to produce approximately 2.7 million kiloliters of ethanol and 970,000 tons of sugar annually at a total of eight to ten factories, making it one of the largest projects in Brazil.

Plant-derived bioethanol is an energy source that has less environmental impact than other fuels such as gasoline because CO₂ is absorbed in the process of growing the plants used as

raw materials. Moreover, producing ethanol from sugar cane has a much greater effect in reducing greenhouse gases than using corn or other grains as raw materials. The reasons for this include:

- 1) Rather than making ethanol by first converting starch into sugar, as is the case when using corn or other grains, the ethanol is made directly from sugar, thus reducing the amount of energy used in the production process.
- 2) Sugar cane waste (bagasse) is used to generate electric power for the factory, obviating the need for fossil fuels.

To minimize the impact on grain hectareage, ETH is expanding sugar cane plantations primarily on the open pastures that make up nearly half of the arable land in Brazil. In addition, producing ethanol and sugar together allows ETH to adjust the production ratios of both, and is thus a business model that takes the food problem into consideration.



ETH's Eldorado Plant (1,200 kilometers northwest of Sao Paulo)



Hideto Kimura
Energy & Mineral
Resources Business
Development Office

Solar Power Generation

The amount of solar energy that reaches the earth is said to be about 50 times the energy consumed in the world, even in terms of the amount that is actually usable at ground level. Solar power uses this vast source of energy to provide a virtually inexhaustible supply of energy, so its popularization is highly desirable from the standpoint of environmental protection. However, high installation costs have hindered the spread of solar power generation, and the difficulty of securing a stable supply of polysilicon, a core material used in solar panels, has become another bottleneck.



Yoshihiko Ito
Energy & Mineral
Resources Business
Development Office

Sojitz is already the top importer in Japan of silicon metal, a raw material of polysilicon. We recently moved to further stabilize supply by signing an agreement with U.S. company Globe Specialty Metals Inc., the world's largest manufacturer of silicon metal, to serve as its distributor in Asia. We are also investing aggressively in new technology to manufacture solar grade polysilicon. These are just some of

the proactive measures we have initiated to promote the spread of solar power, which has finally started to gain independence as an industry.

Sojitz will leverage its strengths as a general trading company to establish operating bases in Europe, the Americas, Asia and Japan, and participate in the broad value chain of the solar power business on a global scale.



Solar power equipment in Korea delivered by Sojitz Pla-Net Corporation

Effective Use of Coal (CCT/CCS)

Coal is the world's most abundant fossil fuel in terms of reserves. On the other hand, coal generates more CO₂ than other fossil fuels when it is used for energy. Two technologies that solve this problem and use coal effectively are clean coal technology (CCT) and CO₂ capture and storage (CCS). CCT uses coal effectively to reduce CO₂ emissions, while CCS captures CO₂ that has been emitted and immobilizes the gas by storing it deep underground. Sojitz is a leader among Japanese companies in advancing both of these technologies.

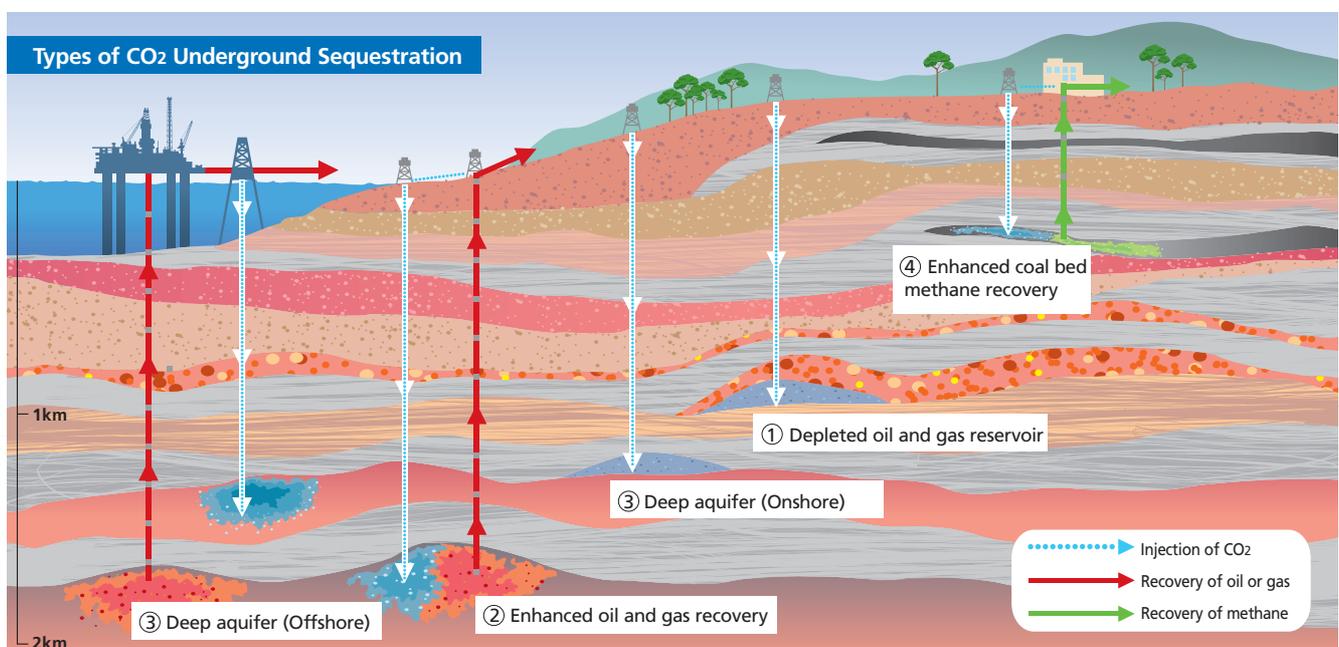


Eiichiro Makino
Energy & Mineral
Resources Business
Development Office

One of our advantages is that we are the only trading company with direct brown coal liquefaction technology, a CCT. We are applying this technology to develop various businesses such as coal gasification and conversion of low-grade coal into high-grade coal, which make the use of coal not only more economical but more environmentally friendly.

In the area of CCS, which is considered the favored approach to CO₂ reduction, we are studying a project to sequester CO₂ in the coal bed and recover methane (④ in diagram below). In addition, we are the only Japanese company (as of November 2008) participating in the Alberta Saline Aquifer Project in Alberta, Canada, which will recover CO₂ and sequester it in deep aquifers (③ in diagram below), considered the most suitable place for CO₂ storage.

Sojitz will continue to focus on business development based on CCT and CCS technologies to utilize coal resources as sustainable "new energy" that contributes to curbing global warming.



An Afforestation and Woodchip Manufacturing Business that Grows with Local Farmers

Providing a stable supply of woodchips to make paper, an indispensable material in daily life, while conducting a parallel afforestation business shows concern for environmental protection, and therefore contributes to regional economic development. Sojitz has had great success with this business model in Vietnam, and is now beginning to apply it in Africa as well.

Sojitz is the largest stakeholder in Vijachip, a joint venture in Vietnam with five local forestry companies. Vijachip operates three chip manufacturing plants in Vietnam while carrying out afforestation projects nearby. The most noteworthy feature of this business is that it is not a typical large-scale tree-planting operation project run by a foreign company. While the five forestry companies are stockholders in Vijachip, they also participate in the project as partner companies. Through the partner companies, Vijachip provides loans or distributes free seedlings to local farmers, who do most of the planting and caring for the trees.

The trees planted by the farmers are bought by Vijachip to be processed into woodchips and exported to Japan. The number of trees Vijachip will buy is set in advance, so the farmers are guaranteed a certain level of income. That

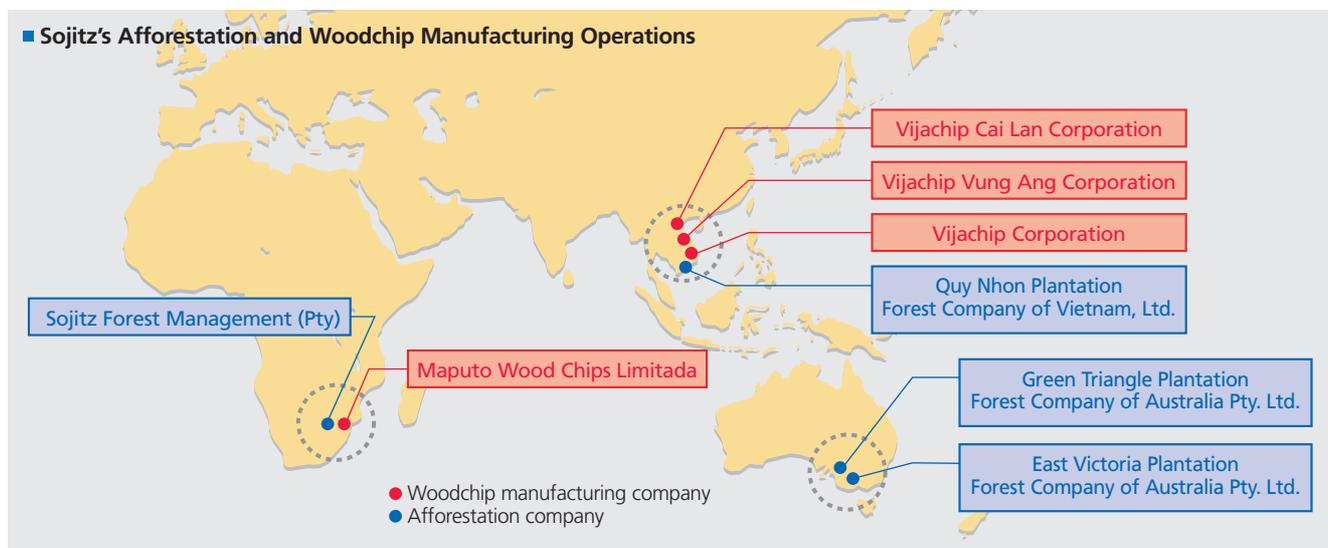
reinforces their motivation to plant trees. Consequently, this program makes barren areas green again and contributes significantly to development of the regional economy.

Trees have been planted on approximately 26,000 hectares by this method, and the afforestation and woodchip manufacturing business in Vietnam creates jobs for some 500,000 people annually. Sojitz aims to expand this business model to other regions, and has started by participating in an afforestation and woodchip manufacturing business in southern Africa. We have established the tree-planting company Sojitz Forest Management (Pty) Ltd. in South Africa with two local companies, and the chip processing and export company Maputo Wood Chips Limitada in neighboring Mozambique, and plan to undertake an integrated business from tree planting to chip export.

Sojitz is now considering expanding application of this business model to ASEAN countries such as Laos and Cambodia.



Plantation in South Africa



Development and Environmental Issues in China

Entering the Drainage Pipe Manufacturing and Sales Business in China

China is moving to upgrade its drainage network and sewage treatment plants to alleviate serious water shortages and water pollution. Sojitz has entered the business of manufacturing and selling steel-plastic composite drainage pipes incorporating new technologies that will contribute significantly to solving these problems.

Made with steel-reinforced plastic, the pipes are lightweight and offer superior flexibility while maintaining adequate strength. They will prevent leakage of polluted water into the soil, which is a cause of soil contamination and groundwater pollution. In addition, the steel reinforcement technology will help promote infrastructure improvement because it lowers manufacturing costs by greatly reducing the use of polyethylene as a raw material.

Sojitz has jointly established Tangshan Caofeidian Sojitz Starway Composite Pipe Co., Ltd. with Harbin Institute of Technology Starway Industrial Co., Ltd. Sojitz has a 61 percent

stake in the joint venture, the total cost of which is approximately one billion yen. Following expansion of its production facilities by 2009, the new company plans to produce about 20,000 tons of steel-plastic composite pipe annually.

The new company was established in the Caofeidian Industrial Zone in Hebei Province, which is positioned as a high-priority national project in China's Eleventh Five-Year Plan and is one of the largest industrial city developments in Asia. The Chinese government has designated it as a "model city of an environment-conscious circular economy," and the drainage pipes supplied by the new company are expected to contribute to both environmental protection and infrastructure improvement in the industrial zone.



Steel-plastic composite pipe manufactured in the Caofeidian Industrial Zone

Environment- and Community-Conscious Shopping Centers

Creating Retail Properties Needed by the Local Community

The Sojitz Group operates three Mallage brand large-scale suburban shopping centers in Japan. At each of these shopping centers, we proactively consider the environment and contribution to the local community.

At Mallage Saga, in Saga City, Saga Prefecture, we installed composting equipment in one corner of the premises to turn all food scraps from the shops and restaurants into compost. The compost created by this equipment totals about eight to nine tons per month, all of which is distributed free of charge to local agricultural cooperatives and fruit and vegetable growers to be used as organic fertilizer.

At Mallage Kashiwa, located in Kashiwa City, Chiba Prefecture, we installed deep well facilities. These facilities reduce the use of tap water and can also supply water to the local community in the event of a disaster.

A notable feature of Mallage Shobu, which opened on November 28, 2008 in the town of Shobu in Saitama Prefecture,

is that it is a family-conscious shopping center. Inside the mall is Soyu Secret Forest, a kids' theme park with a day-care center where parents who present shopping receipts of 3,000 yen or more can leave their children free of charge – an uncommon service in Japan. The mall features a tranquil interior design and color scheme that avoids out-of-place primary colors. It is equipped with LED lighting and an ice thermal storage cooling system that uses nighttime electric power to lessen CO₂ emissions. It also uses colored water-permeable paving to help conserve and recharge groundwater and minimize accumulation of solar heat. These measures are all part of the mall's environment- and community-conscious design.



Soyu Secret Forest, a kids' theme park at Mallage Shobu

CSR at Sojitz

Sojitz Group Statement

The Sojitz Group produces new sources of wealth by connecting the world's economies, cultures and people in a spirit of integrity.

The Sojitz Group helps build a more prosperous society through global-scale business development with integrity as its top priority.

Sojitz Group Slogan

New way, New value

In order to express in simple terms the Company's intentions and posture toward society, the Sojitz Group also formulated its Group Slogan with the aim of improving communication with society. This slogan is a proclamation of the determination of all members of the Sojitz Group to think with unprecedented freedom of imagination, offer new proposals to customers, and create new value in society.

Sojitz as a Member of Society



The Sojitz Group's Main Stakeholders

Important stakeholders for the Sojitz Group, in addition to those in the diagram, include financial institutions, mass media, students and many others.

Sojitz's Approach to CSR

Sojitz Aims for Coexistence with Society

The Sojitz Group Statement reads, "The Sojitz Group produces new sources of wealth by connecting the world's economies, cultures and people in a spirit of integrity." The statement expresses that Sojitz's goal is to coexist with society and to create new value by striving to solve social issues through its business activities, with corporate social responsibility as a management priority.

By taking advantage of its wide-ranging business areas and global network, and ensuring that every employee works with an awareness of the needs of society, Sojitz aims to implement its own distinctive brand of CSR in aiming for coexistence with society.

Relations with Stakeholders

The Sojitz Group is engaged in various business activities throughout the world and has relationships with numerous stakeholders. To meet its social responsibilities, the Sojitz Group considers it vital to build and strengthen relationships of trust with stakeholders. As a prerequisite for trust, it is therefore important for us to manage in good faith. By promoting communication with stakeholders, we will endeavor to provide value that meets their needs and expectations.

"Corporate Activities Based on Social Responsibility" in the Compliance Code of Conduct

Based on the Sojitz Group Statement – "The Sojitz Group produces new sources of wealth by connecting the world's economies, cultures and people in a spirit of integrity" – the Sojitz Group Compliance Code of Conduct begins with the following:

Corporate Activities Based on Social Responsibility

1. Sojitz, as a member of international society and as a good corporate citizen, must actively contribute to the achievement of a sustainable society with due consideration of the spirit of cooperation and harmony in international business activities and corporate social responsibility.
2. Sojitz will hand over a rich and bright future on the earth to the next generation, by continuously conducting our

activities for the preservation of the global environment, and by actively engaging in the resolution of issues of poverty and violations of human rights.

3. Sojitz must respect the spirit of fairness in every occasion of business activities, and oppose any discriminatory practices or treatment against, inter alia, race, nationality, religion or sex.

We disseminate this code of conduct by distributing a booklet containing it and the Compliance Code of Conduct Manual based on it to all Sojitz Group executives and employees, and through other measures such as e-learning training.

CSR Committee

We have established the CSR Committee (Chair: senior managing executive officer; Secretariat: Public Relations Department), which discusses and makes decisions regarding the Sojitz Group's CSR activities in general. This committee was launched in March 2007 by merging the CSR Promotion Committee with the Global Environmental Committee, which had been in charge of promoting environmental management activities under ISO14001, for the purpose of improving the effectiveness of CSR activities from both a social and an environmental perspective.

CSR Committee Structure



Corporate Governance

Fundamental Approach

The Sojitz Group has positioned corporate governance as an important management issue. To strengthen corporate governance, the Group takes steps to clarify management responsibility and accountability to shareholders and other stakeholders and establish a highly transparent management structure. At the same time, the Group implements a variety of corporate governance measures aimed at improving overall profitability and maximizing corporate value.

Corporate Governance System

Sojitz Corporation has adopted the “company with corporate auditors” governance model. The Company’s Board of Corporate Auditors comprises five members, three of whom are independent corporate auditors (three members are full-time auditors). Independent from the Board of Directors, the corporate auditors audit the business performance of directors.

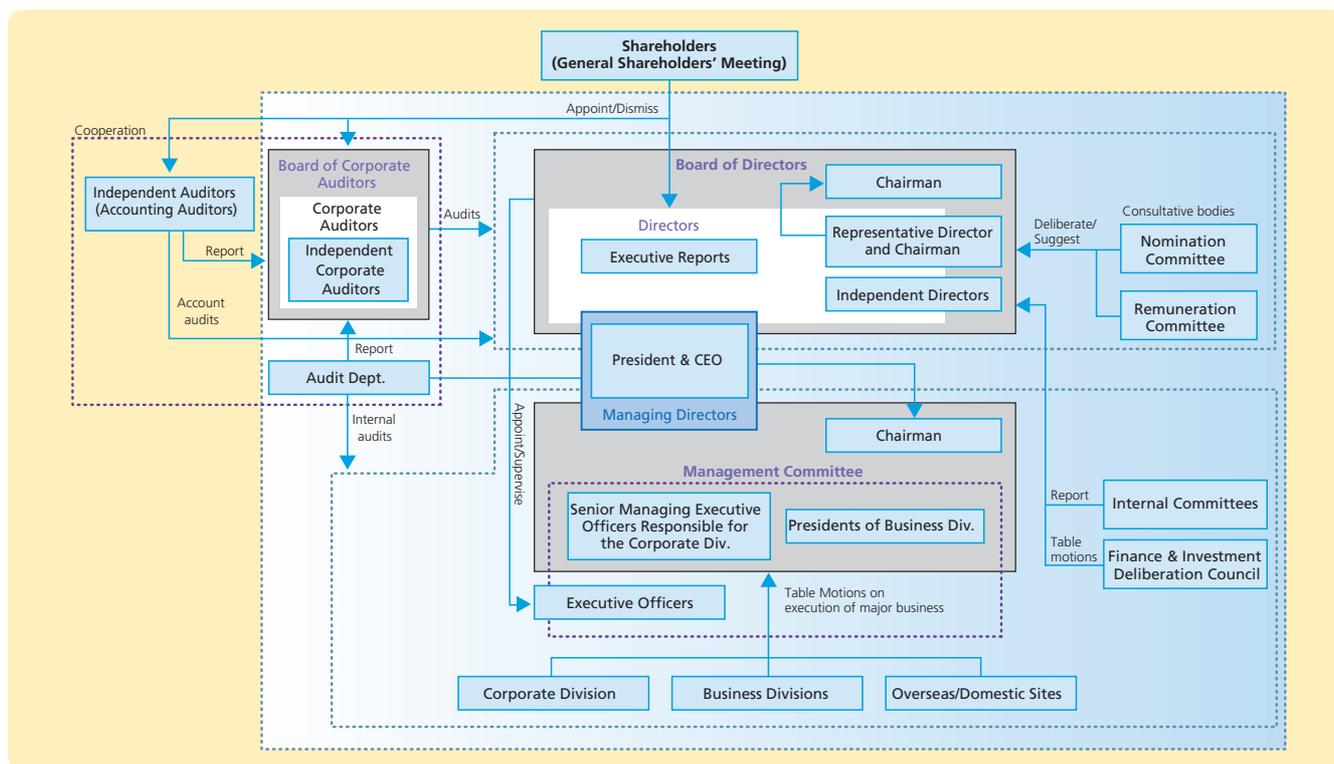
The Company also has a Nomination Committee and a

Remuneration Committee that act as consultative bodies to the Board of Directors. Chaired by independent directors of the Company, these committees ensure the appropriateness and transparency of director appointments and remuneration.

The Board of Directors comprises seven directors, two of whom are independent directors. The Board of Directors is the highest decision-making body of the Company and is responsible for considering and determining basic policies and other important matters related to the Group’s management.

A new post of chairman was created in April 2007. To strengthen the corporate governance structure, since June 2007 the chairman serves as chair of the Board of Directors. The Company has also introduced an executive officer system. This system serves to clarify authority and responsibilities by separating managerial decision-making and business execution functions, thereby increasing the speed of decision-making and execution. Moreover, to respond rapidly and appropriately to sudden changes in the business environment and to clarify management responsibilities, the tenure of directors and executive officers has been set at one year.

■ Corporate Governance System



The Company also has various internal committees – the Internal Control Committee, the Compliance Committee and the CSR Committee – which handle management issues that affect the Company across organizational boundaries.

Ensuring Management Transparency

1. Audits by Corporate Auditors

In accordance with auditing standards for corporate auditors set by the Board of Corporate Auditors, the corporate auditors carry out audits in line with audit implementation plans for their respective audit areas. As part of these audits, the corporate auditors attend meetings of the Board of Directors, the Management Committee and other important meetings. Additionally, the corporate auditors hear from directors and other officers regarding progress on the execution of their duties, examine important documents pertaining to decision-making and other matters, and request business reports from subsidiaries. Through these and other actions, the corporate auditors fulfill their function of monitoring and supervising Company management. To further enhance the auditing function performed by the corporate auditors, the Company has established the Corporate Auditors' Office under the authority of the Board of Corporate Auditors, with a dedicated staff to assist the corporate auditors.

2. Independent Audits

As required under the Corporate Law and the Securities and Exchange Law, the Company has appointed as its independent auditors KMPG AZSA & Co.

3. Internal Audits

Based on auditing plans approved by the Board of Directors at the beginning of each fiscal year, the Audit Department carries out audits of the sales and finance departments of the Company, its consolidated subsidiaries and overseas companies, inspecting compliance, financial reporting, status of risk management and other major items. The Audit Department has been strengthened, and audits of the sales and finance departments of the Company and of its domestic consolidated subsidiaries are carried out on an annual basis.

4. Collaboration between Corporate Auditors, Independent Auditors and the Audit Department

In terms of collaboration between the Company's corporate auditors, independent auditors and the Audit Department exchange information to enhance the efficacy and efficiency of audits and complement their respective roles.

Internal Control System

Improving the Internal Control System

Sojitz has endeavored to conduct its business activities in coexistence with society and to build and reinforce its business foundation on which these activities are based, taking steps to improve the quality of its businesses and operations in response to the expectations and demands from customers and society.

Meanwhile, in the wake of numerous cases of falsification of financial reporting by companies both in Japan and overseas, it is society's new requirement that all the corporations must establish their internal control systems. To ensure their credibility, companies need to make their structure transparent and disclose information accurately and appropriately.

According to Japan's Corporate Law of May 2006, the boards of directors of corporate entities defined as large companies (those capitalized at 500 million yen or more, or with liabilities in excess of 20 billion yen) are under legal obligation to resolve basic policies for establishing an internal control system, to ensure that operations are carried out appropriately.*1 Additionally, beginning with the first fiscal year starting on or after April 1, 2008, the Financial Instruments and Exchange Law mandates the Internal Control Report System whereby the management of each listed company is required to prepare an evaluation report on its internal control over financial reporting, for audit by outside auditors. Through documentation and assessment, management ascertains that the system for appropriate and accurate disclosure of financial reports and other information is functioning, and pledges to the shareholders and society at large that the information made public is appropriate and accurate. To clarify this policy, the Board of Directors adopted the Basic Policy for Ensuring Appropriate Financial Reporting at its April 2008 meeting.*2

To meet these requirements, Sojitz has made Group executives and employees aware of the importance of internal control and is also taking steps to implement and improve its internal control system. At the same time, Sojitz will not only ensure that it operates appropriately and produces credible financial reports as required by law, it will also make ongoing efforts to improve the effectiveness, efficiency and transparency of overall management of the Group.

*1. The Basic Policy for Ensuring Appropriate Operations adopted by Sojitz's Board of Directors appears in its *Securities Report* and can also be read on the Sojitz website.

*2. The basic policy described here also appears in the *Securities Report* and can be read on the Sojitz website.

Internal Control Project

The objectives of internal control stated by the Financial Services Agency's Business Accounting Council are to ensure 1) effectiveness and efficiency of business operations, 2) reliability of financial reporting, 3) compliance with applicable laws and regulations, and 4) safeguarding of assets. Sojitz uses SCVA (Sojitz Corporation Value Added), our unique risk/return indicator, to improve its business effectiveness and efficiency. Compliance is overseen under the Compliance Committee's directions, and we are adopting more sophisticated management systems for individual risks and setting up a total risk management system for the purpose of safeguarding assets. Regarding reliability of financial reporting, in November 2005, prior to the enactment of the Financial Instruments and Exchange Law, we established an Internal Control Committee that set out our basic policy regarding a project to inspect and assess the internal control system to ensure the reliability of financial reports and started up an internal control project. The aims of this project are to establish an internal control system for financial reporting and, through its activities, reinforce awareness among Group executives and

employees regarding compliance and overall internal control.

Sojitz is now documenting internal control assessment results for Company-level and process-level internal controls including IT systems, after determining the scope of assessment on a consolidated financial statement basis. The vital task of ascertaining whether each business location or unit has a system in place for preventing misstatement due to fraud or error that could impair financial reporting reliability, and whether such a control system is implemented correctly as planned for, is being carried out at a steady pace.

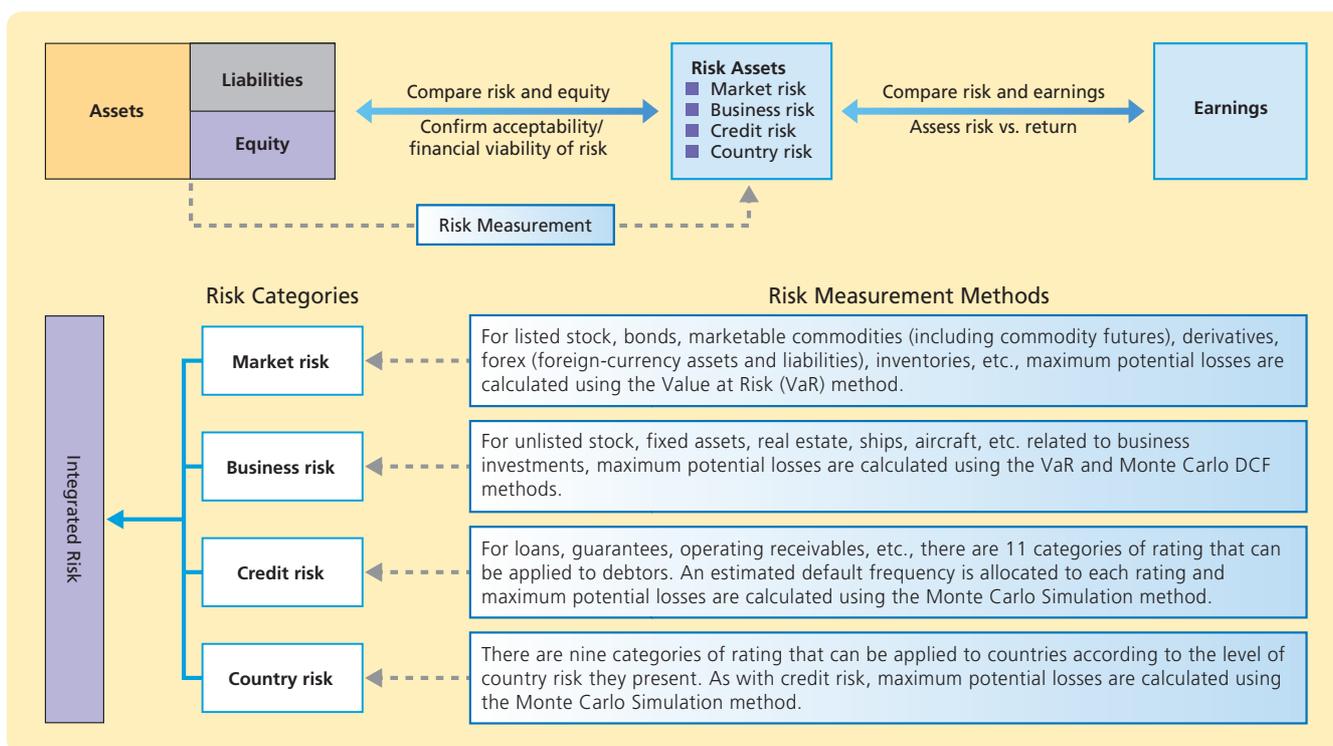
Through these actions the Sojitz Group is laying the groundwork for stronger coexistence with society.

Risk Management

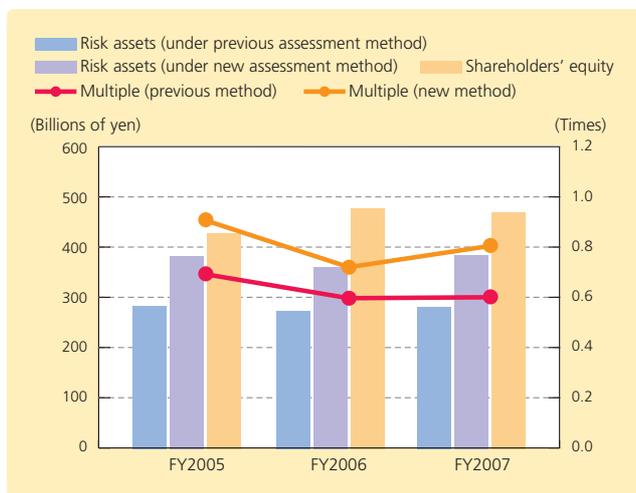
Fundamental Risk Management Approach

As an innovative function-oriented trading company, the Sojitz Group is engaged in a wide and diverse range of businesses globally. Due to the nature of its businesses the Group is exposed to a variety of risks, including market, business, credit and

Integrated Risk Management System



■ Changes in Shareholders' Equity and Risk Assets



country risk. Management believes that in response to this exposure, it is important to upgrade and enhance risk management for the Group and maintain a high-quality portfolio by accurately identifying and managing those risks.

/// Integrated Risk Management

Integrated risk management involves monitoring and controlling Group-wide risk in an integrated manner from a common perspective by identifying the risks to which the Group is exposed and measuring them on a category-by-category basis (quantified as "risk assets").

The purpose of integrated risk management is to (1) manage risk to keep risk assets within the strength of the Company (within the scope of its equity), and (2) maximize earnings in line with the level of risk exposure.

Sojitz previously measured risk assets in three categories: market risk, credit risk and country risk. The risk of assets related to the business investments that are critical to a general trading company – namely, unlisted stock, investments and fixed assets – were measured in terms of credit risk and country risk. However, we saw the need to look in greater detail at the risk of the businesses themselves, not just the credit situation of the businesses and countries we invest in. Therefore, we partially revised our risk asset measurement methods and added the new category of business risk. We now use business risk and country risk to measure the risk of assets related to business investment. As a

result, we now have a method of measuring business investment risk in full detail that suits our current policy of expanding business investments.

/// Risk Management System

At Sojitz, risk management is carried out primarily by three entities: the Risk Management Department, responsible for planning and establishing regulations, systems and policy related to risk management, as well as examining various kinds of individual business proposals in the credit approval process and reviewing each business investment under the monitoring system; the Legal Department, responsible for managing legal risks and strengthening compliance; and the Internal Control Administration Department, charged with constructing systems related to internal control. Moreover, to continually reinforce and enhance risk management, it is essential to extend risk management mechanisms to the whole Group. Sojitz has instituted the following system to ensure that risk management is implemented throughout its organization.

● Credit Management Standard

Group-wide risk is managed on the basis of a systematized internal credit rating system, whereby business partners and suppliers are all rated according to the same scale.

● Credit Assessment System

The financial condition of business partners and suppliers and the soundness of the business credit provided by Sojitz to each company are assessed periodically. Companies to be assessed are identified from among Sojitz's business partners and suppliers according to internal standards. This process enables the Company to assess credit risks and to calculate individual allowances for doubtful receivables rigorously and appropriately.

● Country Risk Management Standard

Exposure limits have been established for each country on the basis of internal ratings, and risk is managed accordingly.

● Business Investment Standard

The cash flow-based internal rate of return at the investment target should in principle exceed the sum of capital costs and the risk premium (total of country risk, partner risk, business risk, etc.).

● Business Investment Monitoring System

After investment, periodic monitoring is conducted to ensure compliance with conditions for withdrawal.

Compliance

Fundamental Approach

Companies must not concern themselves with the pursuit of profit alone; rather, they must work to develop their businesses while conducting themselves in accordance with social norms, and endeavor to make a contribution to society. Sojitz recognizes that thoroughgoing compliance is essential to living up to these requirements. For Sojitz, compliance involves adhering to domestic and international law and Company regulations, but it also entails abiding by the standards of corporate ethics – the moderation and good sense required of a corporation. The Company as a whole strives in good faith to maintain compliance based on this understanding.

Compliance Initiatives

(1) Raising Compliance Awareness

Sojitz Corporation's compliance program aims to ensure that Group executives and employees adhere to domestic and international law and Company regulations, and that they conduct themselves in an ethical manner in accordance with social norms.

The Company has created a Compliance Code of Conduct and a Code of Conduct Manual to provide a set of guidelines for ensuring more thoroughgoing compliance along with specific criteria for making decisions on ethical matters, and makes certain that all executives and employees are aware of these guidelines and are putting them into practice.

Furthermore, a commentary on the manual in the form of case studies has been created and is distributed to all executives

Sojitz Group Compliance Code of Conduct

The Company established the Sojitz Group Compliance Code of Conduct based on the corporate social responsibilities required of a trading company. Employees and executives of the Company work to put the code into practice, communicate it to Sojitz Group companies, and ensure that it is fully adhered to by the Group.

1. Business Activities in Consideration of Corporate Social Responsibility

- (1) Sojitz, as a member of international society and as a good corporate citizen, must actively contribute to the achievement of a sustainable society with due consideration for the spirit of cooperation and harmony in international business activities and corporate social responsibility.
- (2) Sojitz will hand over a rich and bright future on the earth to the next generation, by continuously conducting our activities for the preservation of the global environment, and by actively engaging in the resolution of issues of poverty and violations of human rights.

- (3) Sojitz must respect the spirit of fairness in every occasion of business activities, and oppose any discriminatory practices or treatment against, inter alia, race, nationality, religion or sex.

2. Legal Compliance and Fair Business Activities

- (1) In addition to legal compliance, Sojitz must abide by both the letter and the spirit of international rules and regulations, and always conduct itself in a socially conscientious and moderate manner.
- (2) Sojitz must strive to be a reliable corporate entity in its respective regional areas of operation by maintaining open, fair and wholesome relations with business partners, consumers, political parties and governments, and also by managing its business activities based on free and fair competition.
- (3) Sojitz must maintain transparent practices through the appropriate and timely disclosure of corporate information.
- (4) Sojitz must strive to provide resources, goods, and services that enrich society. In the provision of these resources, goods and services, it must give due

consideration to the importance of its personal and business partners' information and intellectual property, and must make every effort to manage these resources in a reasonable manner.

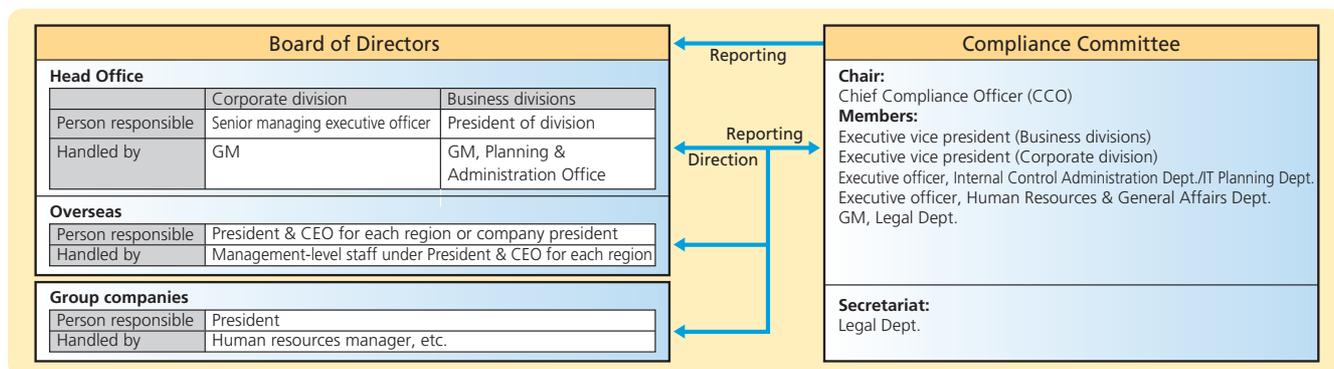
- (5) Sojitz will not, in any circumstances, deal with any organizations influenced by or comprised of organized crime that may operate in the communities in which it does business.

3. Respect for Employees' Character and Individuality and Creation of Work Environments

Sojitz must respect the character and individuality of its employees and actively create and maintain safe and fulfilling work environments, under which each individual's talents and creativity may be fully developed.

In the event of a violation of this code of conduct, executive management will resolve the situation, make a full investigation of the causes of the violation, and make every effort possible to prevent a recurrence of the violation.

Compliance Framework



and employees along with the Code of Conduct and Code of Conduct Manual in booklet form.

The Company conducts various training and education programs to raise awareness of compliance-related issues among executives and employees. As part of these efforts, the Company held compliance training for all executives and employees using e-learning and is carrying out compliance training using case studies.

(2) Establishing a Compliance Framework

To drive initiatives that instill compliance throughout the Sojitz Group, the Company has created a Compliance Committee and appointed a chief compliance officer (CCO) as its chair. The Compliance Committee smoothly implements the compliance program and carries out activities to ensure adherence to laws, regulations, and the Group's standards of corporate ethics. The CCO reports to the Board of Directors on the activities of the Compliance Committee. The Company has also established a hotline providing direct access to the CCO and legal counsel aimed at preventing, or rapidly detecting and dealing with, violations of statutory and regulatory requirements by members of the Sojitz Group. Domestic and overseas operating bases and key Group subsidiaries and affiliates also have staff to oversee and handle compliance, and each operating base and company maintains a compliance framework and conducts compliance training.

Most important in carrying out initiatives to ensure compliance is not only raising awareness of the issue in the narrow sense of adherence to laws and internal regulations, but also making certain that all executives and employees of the Sojitz Group follow the general standards of moderation and good sense required of companies. In light of this, the Company implements the aforementioned compliance-related initiatives on a repeat basis.

Information Management and Information Security Initiatives

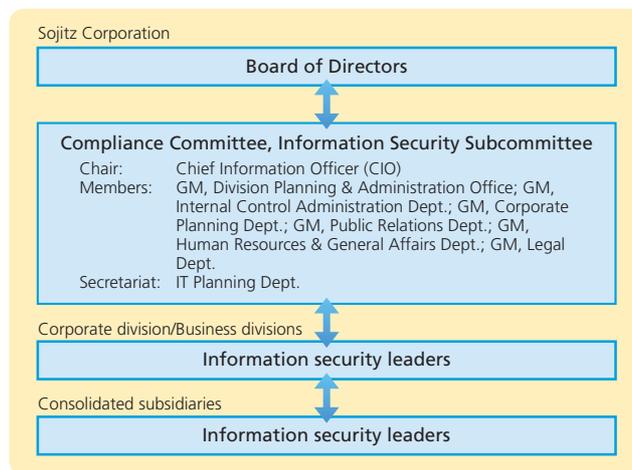
Sojitz considers information security an important management issue and has instituted Group-wide initiatives to ensure the proper protection, use and management of information assets.

An information security subcommittee within the Compliance Committee has been created to promote information security. Information security leaders have also been appointed in each workplace in the corporate division, business divisions and Group companies to initiate relevant measures, resulting in a Company-wide management system.

Specific steps include measures to protect against unauthor-

ized access from external networks, antivirus measures and reassessments of the PC hardware and software environment, along with strengthening technical measures to prevent information leakage and dealing with system failure or disaster-related incidents. To improve information management, Sojitz has set down regulations and is carrying out employee education. Rules and regulations for information management, such as an IT security policy detailing use and management mainly of IT-based information assets, and information management regulations classifying information assets and setting out handling rules have been created and are available to employees at any time on the Company intranet. Sojitz has also implemented an e-learning program on information security for all Group executives and employees, and is carrying out training and education programs to raise awareness of information security and acquaint personnel with the Sojitz Group's information security policy and rules.

Information Security Management System



Personal Information Protection

With the enforcement of the Personal Information Protection Law in April 2005, Sojitz Corporation reaffirmed its commitment to protecting personal information from improper handling. Believing the proper handling of personal information to be a social duty, the Company has formulated a Privacy Policy regarding its protection. To ensure the appropriate management of personal information, it also has established personal information protection regulations and appointed supervisors. The entire Privacy Policy is available at:

[URL http://www.sojitz.com/en/privacy/policy.html](http://www.sojitz.com/en/privacy/policy.html)

Disclosure

Shareholder and Investor Communication

Sojitz complies with the Corporate Law, the Financial Instruments and Exchange Law and other related laws and maintains an appropriate information disclosure system. Sojitz will continue disclosing information appropriately, whenever it is necessary to acquaint shareholders and other stakeholders with important information concerning the Company, or to further understanding of the Company's business activities.

General Shareholders' Meeting

We will send out convocation notices for the ordinary general shareholders' meeting early to allow shareholders to gain a deeper understanding of the Company's management and allow them to fully consider the proposals on the agenda. During ordinary general shareholders' meetings, business reports are presented visually on a large screen at the meeting venue. We have also adopted Internet-based electronic voting to facilitate voting by shareholders. A video of the shareholders' meeting proceedings is also available on our website for a specified period of time after the meeting for the benefit of shareholders who were unable to attend.

Communication Media

Investor Relations Homepage

The "Investor Relations" section of the Sojitz website provides financial results, stock information and other data for shareholders and investors in a timely manner.

URL <http://www.sojitz.com/en/ir/index.html>

Annual Report

Sojitz publishes an *Annual Report* in English and Japanese, distributed mainly to institutional investors in Japan and overseas. This publication describes Sojitz's management policies, main businesses and business activities, and provides financial information.

URL <http://www.sojitz.com/en/ir/annual/index.html>



Shareholder Newsletter

All shareholders receive written communication from Sojitz to better acquaint them with Sojitz's business performance and activities. Titled *Shareholder Newsletter*, it is issued quarterly. The current issue and back numbers of *Shareholder Newsletter* are also available to non-shareholder members of the public on the Sojitz website. We intend to continue working to make this booklet a more reader-friendly communication medium for shareholders.



URL <http://www.sojitz.com/jp/ir/reports/stkholder/index.html>

Activities for Individual Shareholders and Investors

We have opened an investor relations homepage on our Japanese website to give individual shareholders and investors easy access to the information they need. We also hold shareholder receptions as an opportunity for executives and directors to speak directly with shareholders. To date, we have held one reception in Tokyo after the general shareholders' meeting, and two in Osaka, where shareholders are most numerous after the Tokyo area. We intend to continue taking various measures to improve communication with individual shareholders.

Activities for Institutional Investors in Japan and Overseas

Coordinated with the announcement of our financial results every quarter, we hold meetings for Japanese institutional investors to review those results in depth. The Company president and/or the executive vice president/CFO attend these meetings to go over the outline of the results, describe our business activities and brief participants on future management strategies. We also give one-on-one interviews with institutional investors and securities analysts, take part in question and answer sessions, and discuss our views, with the aim of getting investors to know us better.

Regarding communication with overseas institutional investors, in addition to one-on-one interviews with investors who visit the Company, we organize road shows overseas where senior management, including the president and the executive vice president/CFO, go over our management strategy and business results. In addition, various IR materials are translated into English and posted on our website to facilitate access to information from overseas.

Sojitz and Its Employees

Fundamental Approach

The Sojitz Group depends on its employees for growth and development. Strengthening our human resources is critical for achieving sustainable growth and realizing our management vision. From this perspective, the basic policy of our personnel strategy is to continue attracting, training and maintaining the human resources that Sojitz requires. We carry out a variety of measures to fulfill this policy.

Basic Personnel Policy

Sojitz's basic personnel policy is to provide fair recompense for performance, lift employee morale to generate energy in the Company and lay foundations for the growth of the Sojitz Group. Performance is defined as actions taken to meet targets and employees' achievement of those targets in accordance with their assigned roles in fulfilling the organization's objectives. The system provides fair remuneration for both results achieved and the processes and actions taken to produce those results.

Evaluation System

The Sojitz personnel system is based on clearly defining each person's role within the organization. A yearly objective is set in accordance with each person's role and the actions needed to reach the objective are outlined. Remuneration is determined according to evaluation results. The system aims to boost organizational strength by having each employee contribute to the operation of the organization in accordance with his or her role.

Evaluation is employed not simply to measure results but also to improve employee morale and contribute to their training. For this reason, the evaluation process emphasizes communication between the evaluator and evaluatee. When objectives are set for individual employees, the evaluator is required to explain the Company's objectives and strategy to the employee.

The two sides also communicate regarding progress toward the objective and actions taken, and evaluators must provide a written explanation of evaluation results in addition to giving feedback when employees are notified of evaluation results.

Opportunities for Self-actualization

(1) Job category transfer

The Sojitz personnel system has job categories determined

according to the nature of the role and degree of responsibility for the organization's overall performance. Employees can take advantage of the job category transfer system to try different roles.

(2) In-house recruiting

In-house recruiting is used to fill various jobs, giving employees opportunities for self-actualization by exerting their autonomy or following a career plan and making the most of diverse attitudes toward work.

Personnel Hiring and Training

When hiring, Sojitz aims to develop personnel who will become professionals with high market value. Sojitz looks for people who meet the following criteria in terms of technical and qualitative aspects.

Criteria of Required Human Resources

Technical Aspects: Definition of the primary technical skills needed to fulfill Sojitz's management vision, the Group slogan and the "three S's" (sincerity, solution, success)

Knowledge	Professionals with high market value who have both a broad base of knowledge and specialized expertise (highly specialized)
Creativity	People who possess a pioneer spirit and can respond quickly to environmental changes and globalization, think freely, unbound by convention, and constantly strive to create new value (entrepreneurial/internationally minded) People with insight who can propose accurate solutions (managerial)

Qualitative Aspects: Definition of the fundamental qualities needed as an employee of a trading company

Ability to translate ideas into reality	People of action who show strong leadership and can translate ideas into reality by communicating with those around them
Human skills	People with high aspirations who can win the trust of those around them by seeing things from the other person's viewpoint and acting with integrity

Sojitz hires people who meet these criteria and implements various employee development programs to help them hone their skills and qualities. Sojitz also provides opportunities for employees' self-actualization and career advancement, focusing on developing personnel capable of taking the initiative and equipped with the necessary imagination and drive to tackle change and absorb new knowledge.

To obtain a diverse workforce, Sojitz adopts a no-discrimination policy – on the basis of race, nationality, religion, sex, age or disability – toward prospective recruits and current employees.

Sojitz and Its Employees

Employee Development

Education and Training

Various training programs are available for employees in accordance with their position or work environment. Programs include training for prospective, new and mid-career employees, as well as introductory and follow-up training for new employees. Sojitz also implements training courses for middle-ranking employees and management trainee courses. To promote self-improvement and develop leaders for the next generation, qualified candidates are sent abroad for language courses, law school or MBA programs, or to business schools in Japan.

In addition, Sojitz Group companies are becoming increasingly important in continually raising the Group's corporate value. To strengthen employee development and management at Group companies, employees are required to attend training courses in trading basics; law, trade regulations and compliance; and basic accounting. Risk management training is also conducted for Group company employees at the managerial level.

Workplace Environment

Sojitz takes a variety of steps to create a workplace environment where employees can work with comfort.

Employee Health Management

Sojitz has an employee health clinic to help employees stay healthy. In addition, employees perform stretching exercises to prevent and alleviate stress. Mental health specialists and counselors are on duty at the clinic regularly to help prevent and detect mental health problems and treat affected employees appropriately.

Non-Statutory Accident Compensation

In the case of a work-related injury, illness or disability, Sojitz provides non-statutory accident compensation, paying out compensation for leave or disability or providing a survivors' benefit.

Employee Training Programs

Rank	General Manager	Manager	Deputy Manager	Assistant Manager	Senior Leader	Senior Staff	New Employee
Training Concept	Develop next generation of board executives		Develop next generation of line managers	Develop ability to utilize knowledge and produce concrete results	Develop ability to apply basic knowledge	Absorption of basic knowledge	
Mandatory Training	<ul style="list-style-type: none"> Management Training •General manager training 		<ul style="list-style-type: none"> •e-Learning -Compliance -Risk management -Information security 	<ul style="list-style-type: none"> Basic Training •Training for mid-career hires 	<ul style="list-style-type: none"> •Training prior to overseas assignment 	<ul style="list-style-type: none"> Mandatory Exams •Law, trade regulations, compliance •Accounting •Basic bookkeeping •TOEIC •Trading basics 	<ul style="list-style-type: none"> •New employee training
Training for Selected Candidates	<ul style="list-style-type: none"> Study at Business School in Japan •Executive management •Middle management 				<ul style="list-style-type: none"> Study Abroad Programs •MBA •Law school •Language training 		
Specialized Training	<ul style="list-style-type: none"> •Architect first class •Certified public accountant 	<ul style="list-style-type: none"> •Lawyer •Securities analyst 	<ul style="list-style-type: none"> •SME management consultant •Hazardous materials handling technician •Other 		<ul style="list-style-type: none"> Professional Training B •Business planning •Corporate strategy •Marketing •Finance •Human skills training •Leadership 	<ul style="list-style-type: none"> Professional Training A •Accounting •Marketing •Corporate strategy •Finance •Presentation skills •Logical thinking •Human skills training 	<ul style="list-style-type: none"> Follow-up Training
Other Training	<ul style="list-style-type: none"> Self-study Support •English conversation •Chinese conversation •Other special languages 						

/// Promotion of Diversity

Sojitz declares in its Group slogan that each employee will think freely, unbound by convention, to bring new value to society. We believe that embracing diversity is vital to this, and therefore established the Diversity Promotion Section as a dedicated unit in April 2008.

Sojitz accepts employees with diverse values, without regard to attributes such as race, nationality, religion, sex or disability, and endeavors to maintain an environment (workplace, systems, corporate culture) in which individual employees can make the most of their abilities.

/// Child Care and Nursing Care Systems

Sojitz offers various systems to help employees meet child care and nursing care responsibilities, including paid maternity leave, child care leave and paid nursing care leave. If a family member needs nursing care, employees can choose to use flextime, nursing care leave or take a leave of absence. Nursing care leave of absence can be taken for up to 183 days non-sequentially or sequentially, and the total leave under this system is 366 days.

As part of its personnel strategy, Sojitz established the Work-Life Balance Committee in August 2008 in cooperation with the Sojitz Employees Union. The committee is focusing its efforts on reducing long working hours, promoting the use of annual paid holidays, and rethinking existing systems for child care and nursing care to improve work-life balance and create a work environment in which employees will continue to work hard.

/// Employee Housing/Support for Asset Accumulation

In addition to company dormitories, Sojitz provides housing for transferred employees. To support long-term asset accumulation, there is also an employee stock ownership plan and an asset-building savings plan.

/// Human Rights Education

In conducting their business activities, companies must never allow outright or implicit discrimination on the basis of race, nationality, religion, social class, sex, age, beliefs or disability. Sojitz conducts human rights education for its employees to help them understand and be aware of sex differences, discrimination against certain social groups, or human rights issues in connection with illness or other reasons. Human rights education is offered as part of compliance training for new employees

in an effort to eliminate discrimination.

Sojitz's rules of employment and the Compliance Code of Conduct Manual prohibit sexual harassment. To deal with this issue, the Company has set up a consultation center where employees can bring up a problem or lodge a complaint.

/// Labor-Management Relations

Based on the awareness that good labor-management relations are a prerequisite for good company management, Sojitz makes various efforts to ensure that it is a rewarding company to work for through open discussions with the Sojitz Employees Union. As part of the Company's efforts to inculcate its management policies and vision and promote internal communication, Sojitz and the union regularly hold meetings of the President's Labor-Management Council, the President of Division Council and the Results Briefing Council.

Comment from the Chairman of the Sojitz Employees Union

The ongoing mission of the Sojitz Employees Union is to maintain and improve remuneration for union members. With the awareness that employees' happiness rests with Sojitz's continuous growth, we the Union and Sojitz management continuously hold council meetings concerning personnel management, employee benefits and other employee-related measures such as work environment improvements, based on the idea that raising employee job satisfaction also contributes to the Company's growth. We will continue to dialogue with management in good faith, collaborating in most areas but holding our ground. At the same time, we are aware of our own social responsibility from a broader perspective, and are committed to cooperating with management in carrying out CSR activities.



Nahoyoshi Tomita
Union Chairman

Social Contribution Initiatives

Outlook on Social Contribution Activities

The Sojitz Group Statement reads, "The Sojitz Group produces new sources of wealth by connecting the world's economies, cultures and people in a spirit of integrity." As a good corporate citizen and a member of the global community, the Group endeavors to create a richer society.

As a first step, we have started with grassroots social contribution activities such as collecting used stamps and cooperating with a bakery shop that helps disabled people achieve independence and participate in society.

Social Contribution Activities

Grassroots Social Contribution Activities

To encourage Group executives and employees to develop closer relationships with the community or society, the Company's intranet features a social contribution homepage describing social contribution activities.

Specifically, it includes appeals for participation in volunteer activities such as the biannual blood collection drive at the workplace and collection of used stamps, postcards and pre-paid cards and foreign coins, descriptions of charity events, and promotion of other grassroots social contribution activities that are part of daily life.

Donation of Used Office Furniture

On March 28, 2008, PT. Sojitz Indonesia donated office furniture and fixtures, which it no longer needed due to relocation of its offices, to the Central Java earthquake region and flooded areas in eastern Java. Items worth a total of 100 million rupiahs (about 1 million yen), including 110 desks, 150 chairs, 50 office shelves, 2 televisions and 3 refrigerators, were delivered to com-



Donation of used office furniture at former office of PT. Sojitz Indonesia

munity centers, schools, churches and mosques in the disaster areas. OISCA - International, an NGO, cooperated in selecting donation recipients and transporting the supplies.

Japan and Indonesia designated 2008 as "Japan-Indonesia Friendship Year" to mark their fiftieth year of diplomatic relations and further deepen ties between the two countries. This donation of office furniture was made as part of a larger regional contribution. In addition, Sojitz co-sponsored the Japan-Indonesia Friendship Festival on July 27, 2008, and is making other efforts to help deepen the relationship between the two countries.

Disaster Relief Activities

When there is a disaster in Japan or overseas, the Sojitz Group cooperates in providing relief for victims and restoring the disaster area through measures such as making cash donations and providing relief supplies.

Main Disaster Relief Activities Since Fiscal 2007

Disaster (Time of occurrence)	Main Contributions ¹
Noto Hanto Earthquake (March 2007)	Donated ¥500,000
Niigataken Chuetsu-Oki Earthquake (July 2007)	Donated ¥5 million Provided relief supplies equivalent to ¥36,000
Peru Earthquake (August 2007)	Donated \$20,000
Southern California wildfires (October 2007)	Donated \$3,000
Bangladesh cyclone damage (November 2007)	Donated \$30,000
Myanmar cyclone damage (May 2008)	Donated \$30,000 Funds raised by Group executives and employees totaled ¥456,519 (Sojitz provided matching funds of ¥460,000)
Earthquake in Sichuan Province, China (May 2008)	Donated \$50,000 Provided relief supplies equivalent to ¥2 million Funds raised by Group executives and employees totaled ¥726,847 ²

1. Cash donations are given to the Red Cross in each country and to nonprofit organizations working in the disaster areas.
2. Separate funds were raised individually by executives and employees at the local China subsidiary.

Sojitz Foundation

One of Sojitz's social contributions is its activities through the Sojitz Foundation, founded in December 1988 by Nissho Iwai, one of Sojitz's predecessor companies.

With the help of Sojitz's global network, over the past 20 years the foundation has provided broad-ranging support for international exchange activities to promote international understanding and further the growth of the world community. During that time, it has funded over 470 projects, providing grants totaling 550 million yen.

Grants are awarded in three major areas. The first is support for academic research to foster better understanding between Japan and other countries of the world. Since its inception the foundation has supported seminars on U.S.-Japan relations and U.S.-Japan studies projects by the Brookings Institution and The Edwin O. Reischauer Center for East Asian Studies.

The second is scholarships for foreign students in Japan. So far, over 100 foreign students have received scholarships from the foundation. Most return to their home countries after graduating from Japanese universities, and many of them help further better understanding of Japan in their own countries or through working in Japanese companies.

The third is grants for various international exchanges and programs to promote understanding of Japan. This includes,

for example,

- Support for forums organized by students of Japan and the U.S., Japan and China, Japan and Korea, etc., and for various international conferences
- Support for programs for gatherings of young people studying Japanese overseas and of foreign students in Japan
- Support for projects presenting Japanese arts and culture overseas, such as Noh theater and traditional music
- Donations of books and other materials in Japanese to Japanese studies departments at universities and Japanese learning groups overseas

Through the Sojitz Foundation, Sojitz will continue activities to foster better mutual understanding between Japan and other countries and contribute to the development of the international community.



Promoting international exchange

Nagaoka Zen Training Center (Nagaoka Zen Juku)

Nagaoka Zen Training Center (Nagaoka Zen Juku) was established in 1936 by Katsujiro Iwai, the founder of Iwai & Co. Ltd., one of Sojitz's predecessor companies, for the purpose of promoting a Zen-based background to education and providing scholarships. It is a Zen training school for motivated university students, who are given their own individual rooms and board at the school. They attend university during the day and practice Zen in the mornings and evenings. Numerous students and working people active in many fields have partaken of Zen teachings at the center. As a member of the Saishokai Group, which is the corporate group of Iwai & Co., Ltd., Sojitz will continue to support the center and carry on the spirit in which it was founded.



Nagaoka Zen Training Center



Environment-Related Initiatives

Policy for Environmental Initiatives

Sojitz places high priority on preserving the global environment, and undertakes environmental initiatives based on the following policy.

Environmental Policy

Fundamental Philosophy

Now that environmental problems have become such pressing – and potentially long-term – issues, Sojitz considers environmental conservation to be one of its most important management challenges.

Striving to bequeath an earth that can provide abundantly for the next generation, the Sojitz Group is doing its utmost under the Sojitz Group Statement to realize sustainable growth whereby economic development and environmental preservation can coexist.

Basic Policy

1. Environmental awareness

In the conduct of our business operations, we will be aware of their environmental effects. We will show due concern for ecological and environmental-protection issues on both a local community and a global basis, while working to prevent environmental pollution and striving to use energy and resources efficiently to reduce our environmental impact.

2. Compliance with environmental laws and regulations

We will in the course of our business operations comply with environmental laws and regulations, international treaties, and all agreements and standards to which we subscribe.

3. Implementation and continual improvement of an environmental management system

We will establish and periodically review environmental objectives and targets, and will work constantly to improve our environmental management system.

4. Promotion of environmental protection activities

We will contribute to the realization of a recycling-oriented society by actively promoting energy conservation and resource efficiency, waste reduction, recycling, and green procurement in our daily office routine.

5. Promoting environmentally friendly businesses

To reduce the burden on the global environment and contribute to sustainable growth, we will promote environmentally friendly businesses through the manufacture and sale of products that conserve energy and resources, while at the same time developing recycling and new-energy businesses.

6. Promoting awareness of our environmental policy

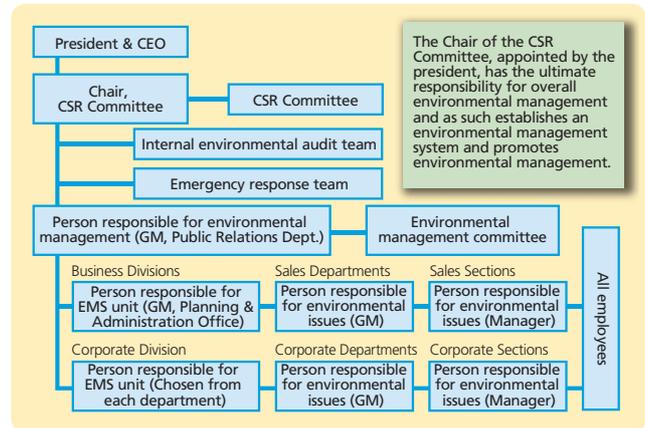
We will ensure that all directors and employees are thoroughly familiar with this policy, and will release it to the public. In addition, we will promote environmentally conscious educational and training activities to ensure that all concerned have the deep understanding of environmental problems needed to ensure that due concern for the environment is reflected in all our business activities.

Environmental Activities

As a general trading company, Sojitz provides an array of products and services and carries out business investments and other activities in Japan and overseas. Today, Sojitz is aware that environmental problems have effects that are global in scope, and that they are serious problems that will have ramifications on the next generation and beyond. Based on this awareness, Sojitz will promote Company-wide environmental protection activities to pursue both economic development and environmental protection through its business activities.

To this end, the Company has introduced an environmental management system based on ISO14001, the international standard for such systems. It is also working to achieve the Company-wide goals of promoting environmentally friendly businesses, managing the Sojitz Group's compliance with environmental laws and regulations, and requesting outside parties such as suppliers or customers to cooperate with Sojitz's

Environmental Management System



environmental activities. Sojitz conducts internal environmental audits every year to ensure proper implementation and promote ongoing improvement of its environmental management system.

The Company is also participating in the pilot phase of the Japanese Voluntary Emissions Trading Scheme, which the Japanese government launched in October 2008, to realize a low-carbon society.

Environmental Risk Management

In the course of conducting business activities the Company is exposed to various environmental risks. Sojitz regards compliance with environmental laws and prevention of environmental pollution as corporate social responsibilities, and accordingly utilizes an environmental management system to monitor and manage environmental risks associated with business activities.

● Compliance with environmental laws and regulations

Sojitz maintains an understanding of not only the laws and regulations that it must comply with directly, but also those that affect the Company indirectly, and regularly checks to make sure it is in compliance. As a “specified shipper” pursuant to the Revised Energy Conservation Law, Sojitz is also taking steps to reduce energy consumption.

● Environmental impact assessments for new business investment

When proposing new business investments, the department submitting the proposal is required to prepare a checklist from an environmental perspective to assess the environmental impact.

● Environmental auditing of Group companies

Sojitz Group companies with manufacturing or processing facilities undergo audits of environmental aspects such as

environmental management systems and compliance with environmental regulations at the same time as regular audits. Starting in fiscal 2008, companies in Japan that discharge industrial waste are obligated to submit an industrial waste discharge report for the previous one-year period to the prefectural governor. Therefore, Sojitz is also promoting thorough waste treatment at Group companies.

Environmental Education and Training

To ensure that its environmental management system runs smoothly, Sojitz offers regular education and training to improve employees' knowledge of the system and of the environment. This includes environmental impact assessment training for persons responsible for dealing with environment issues, environment education for new and veteran employees, and training for internal environmental audit personnel, as well as e-learning based environmental education. Employees can also read about Sojitz's environmental policies and environmental management system on the Company intranet's Environment ISO homepage.

Consolidated Subsidiaries with ISO14001 Accreditation

(As of September 30, 2008)

- Sojitz Machinery Corporation •Sojitz Pla-Net Corporation
- Pla Matels Corporation •Sojitz Building Materials Corporation
- Nichimen Infinity Inc. •Daiichibo Co., Ltd.
- Nissho Electronics Corporation •Filteren Co., Ltd.
- Autrans (Thailand) Co., Ltd.
- Long Binh Industrial Zone Development Company (LOTECO)
- PT Kaltim Methanol Industri •Sojitz Engineering Plastics (Dalian) Co., Ltd.

Initiatives in the Office

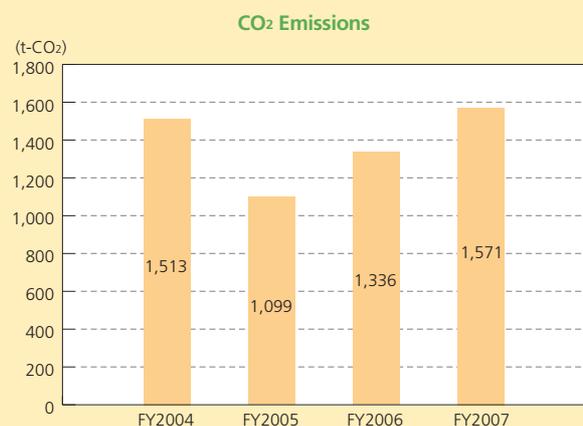
Sojitz promotes energy conservation, resource efficiency, waste reduction, recycling and green procurement, involving all employees in reducing the Company's environmental load. As a member of "Team Minus 6%," a national campaign to help stop global warming, the Company aims to cut CO₂ emissions through reduction of energy consumption at its business offices by participating in the "Cool Biz" and "Warm Biz" programs, turning off lights during lunch break and at the end of the day, and turning off copiers and other office equipment when they are not in use, among other initiatives. As one example, Sojitz produced a "Step by Step" sticker encouraging Company and subsidiary employees at the head office building to use the stairs when going up one floor or down two floors.



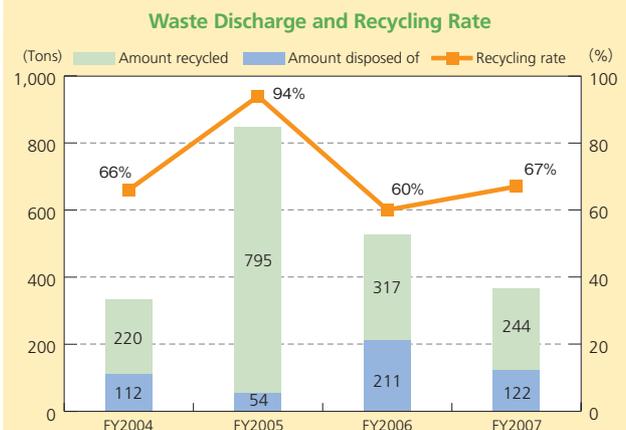
"Step by Step" sticker

ment when they are not in use, among other initiatives. As one example, Sojitz produced a "Step by Step" sticker encouraging Company and subsidiary employees at the head office building to use the stairs when going up one floor or down two floors.

Environmental Load in the Office



Note 1: CO₂ emissions are calculated from the amount of electricity consumption, using the CO₂ emission coefficient presented by the Federation of Electric Power Companies of Japan.



Total Office Floor Area (Thousand sq. meters)

Fiscal Year	FY2004	FY2005	FY2006	FY2007
Total Office Floor Area (Thousand sq. meters)	25.66	26.12	30.16	32.46

Note 2: All Sojitz offices are tenants in rental buildings. The figures above are sums of monthly estimates adjusted as necessary to reflect Sojitz's portion of the floor space in each building.

Note 3: Sojitz was created from the merger of Nichimen and Nissho Iwai in April 2004, and subsequently relocated and closed some offices. As a result, the total office floor area increased as shown above.



New way, New value



Stop Global Warming!

Team Minus 6%

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