INTRODUCTION

Sojitz attaches importance to the role of its integrated report as a communication tool to help a wide range of readers understand its business activities and business model. The Integrated Report 2019 has been compiled based on the International Integrated Reporting Framework proposed by the International Integrated Reporting Council (IIRC), with the theme of maximizing “two types of value”: “value for Sojitz” and “value for society,” and an awareness of the connectivity between the use of our management resources and the creation of business functions. In addition, we have endeavored to edit this report to enable stakeholders to gain a better understanding of the Company through the visualization of the strengths Sojitz has cultivated to the present day.

The Cover of This Report
The front/back covers represent Sojitz’s commitment to realizing steady growth through Medium-term Management Plan 2020, as well as its continued efforts to promote further growth by creating value through new ideas. Sojitz promises to pursue sustainable growth through a process that begins with confronting questions (represented visually by a question mark) that are then brought to life as new business (shown as an exclamation mark).

Note on Forward-Looking Statements
The information about future performance (forward-looking statements) in this integrated report is based on information available to management at the time of its disclosure. Accordingly, readers are advised that actual results may differ from forward-looking statements due to a wide variety of factors including, but not limited to, conditions in the Company’s principal overseas and domestic markets, economic conditions, and changes in foreign currency exchange markets.

Priority Initiatives

United Nations Global Compact
Sojitz signed the United Nations Global Compact (UNGC) to clarify our ideals in its global operations, including respect for the environment and human rights through businesses that comply with international standards as well as the laws of countries and regions. The UNGC calls for companies to exercise leadership as members of the international community and pursue sustainability through their businesses. Sojitz joined the UNGC in 2009. We support the 10 principles of the UNGC in the areas of human rights, labor, the environment, and anti-corruption, and practice these principles through our business activities.
The Guidance for Collaborative Value Creation
Sojitz agrees with the Guidance for Collaborative Value Creation issued by Japan’s Ministry of Economy, Trade and Industry. We consult the Guidance for Collaborative Value Creation in all our IR activities, including this Integrated Report, with the objective to receive evaluation of our corporate values through constructive dialogue with investors and shareholders.

Sustainable Development Goals
The Sustainable Development Goals (SDGs) call for the resolution of 17 worldwide priority social issues by 2030. Under the leadership of the United Nations, the goals were adopted in 2015 by 193 member nations. Given the medium- to long-term expectations stakeholders have for the resolution of these issues, Sojitz took the SDGs into account when clarifying the Group’s CSR Focus Areas (current key Sustainability Issues [materiality]).

Task Force on Climate-Related Financial Disclosures (TCFD)
Climate change is a major issue in international society, one which Sojitz is emphasizing as a management issue. We endorse the proposals of the Task Force on Climate-related Financial Disclosures (TCFD), and are making efforts to disclose the impact of climate change on our business activities and to implement specific measures to overcome it.
Since its founding, Sojitz has continued to learn from the past, take on new challenges, and achieve one goal after another. This has forged a “Sojitz Identity” defined by genba-ryoku*—that is, the abilities exhibited by our people on the business frontlines. It is the very culmination of the business ingenuity honed by our predecessors, the capacity for disciplined growth developed from the lessons learned during our hardest times, and the creativity which will lead the way to the future.

Medium-term Management Plan 2020 – Commitment to Growth – began in April 2018, and during our first year of the plan, we successfully linked our past efforts to new profit and maintained fiscal discipline in continuing to replace assets and conduct new investments and loans. We made full use of our greatest advantages and abilities to actively challenge new business areas, hand-in-hand with our trusted partners, while responding to the dizzying changes of the business environment.

This year as well, we will continue to refine our strengths to build new “clusters of revenue-generating business,” reaffirm our “Commitment to Growth,” and realize steady profit growth of around 10% per year.

Sojitz is now in a stage of growth. Seeking to maximize the “two types of value”—“value for Sojitz” and “value for society”—all of us at Sojitz will unite to achieve sustainable growth for our company and create a more prosperous society.

*Genba-ryoku: Refers to the combined capabilities of Sojitz Group members working on the ground—in offices, at project sites, in meetings with customers and clients, and other places of work around the world.

Utilizing innovative ideas, Sojitz will continue to take on new challenges, connecting steady growth to the next leap forward.

August 2019
Representative Director, President and CEO
Masayoshi Fujimoto
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Sojitz has taken on the challenge of maximizing our business value where our two types of value, “Value for Sojitz”, and “Value for Society”, overlap. We do this while understanding the needs of different places across the world, exercising various capabilities and putting management decisions into practice with speed. Creating continuous prosperity for all our stakeholders—that is our company’s raison d’être.

Sojitz’s Value Creation Model
Creating “two types of value”
Sojitz aims to create “two types of value.” The first is “value for Sojitz,” which means enhancing our business foundation and sustained growth, and the second is “value for society,” which includes the development of local economies and environmental preservation.

Strengthening human resources
Human resources are the greatest business assets for a trading company. We are working to understand needs around the world and to enhance our human resource capabilities to create value based on the keywords of genba-ryoku, speed and innovation, making this a source of value creation for Sojitz.

Exercising our capabilities through new ideas
We are always exercising our capabilities through trading, investments in interest, and business investments, with new ideas, looking ahead to the future and quickly expanding our business in advance of the fast-moving changes in the external environment and the diversification of needs.

Practicing strategies and governance that will create sustained growth
Sojitz anticipates business opportunities and risks based on the uncertainty of the external environment, and engages in disciplined investments, loans and risk management. In so doing, we create clusters of revenue-generating businesses and construct a foundation for sustained growth.

Building a robust business foundation
Business locations and partnerships that reach countries across the world, trust-based relationships with customers in different regions that have grown over many years, and brand power: the solid business foundation that Sojitz has built up supports sustained growth.