

# Compliance

## Basic Approach to Compliance

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 must endeavor to make a contribution to society. Sojitz believes that thorough compliance is essential to living up to these requirements. We are focusing on instilling and establishing a compliance mindset among employees while making a Company-wide effort to support teamwork through daily communication among employees. There are no shortcuts to establishing compliance. The Sojitz Group therefore focuses on further ensuring compliance through steady, ongoing reinforcement of policies.

The Sojitz Group has established the Sojitz Group Compliance Program, which lays out procedures to ensure thorough compliance. The Group has also prepared the Sojitz Group Code of Conduct and Ethics, which provides Group-wide compliance conduct guidelines.

## Establishment of the Compliance Framework

The Compliance Committee, chaired by the Chief Compliance Officer (CCO), is at the core of activities to ensure adherence to laws, regulations and corporate ethics, in cooperation with the head office, consolidated Group companies, overseas sites and other parts of the Group.

Compliance supervisors and assistants have been assigned in Sojitz's domestic and overseas operating bases and consolidated Group companies in order to promote the establishment of frameworks for each operating base and company. They also promote educational activities and training, including programs for locally hired employees. Moreover, Sojitz has set up

four regional compliance committees that run committee meetings and carry out local compliance activities overseas. In addition, Sojitz promotes a shared awareness of compliance and regularly exchanges views on future policies through various channels, such as meetings between the CCO and the COO of each division and the presidents of consolidated Group companies and conferences among the compliance officers of domestic consolidated Group companies.

Moreover, to help prevent or rapidly detect violations of compliance regulations, Sojitz has a hotline (reporting system) that provides access to the CCO and outside legal counsel; a consultation desk where Compliance Committee Secretariat members can be contacted; and the multi-lingual Sojitz Ethics Hotline, which is available 24 hours a day, 365 days a year. All Sojitz Group employees are informed about these systems.

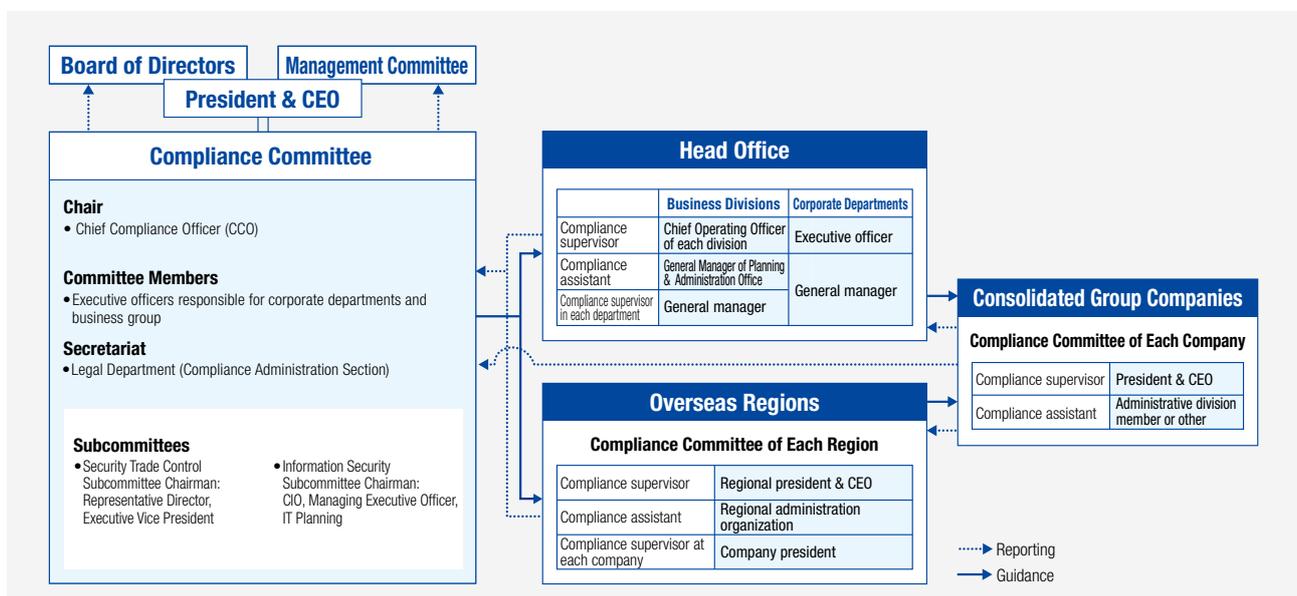
## Initiatives for Thorough Compliance

### Publicizing and Establishing the Compliance Mindset

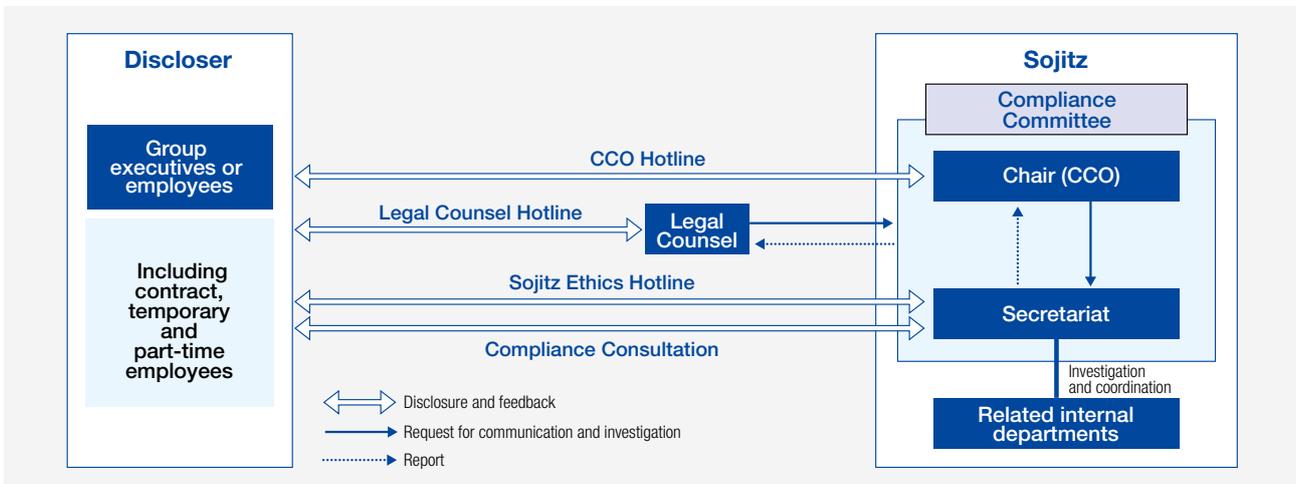
The Sojitz Group conducts a variety of training programs such as e-learning and compliance training, mainly using case studies for Group employees to deepen their understanding of the Sojitz Group Compliance Program and the Sojitz Group Code of Conduct and Ethics. Sojitz has compiled case studies describing specific examples of individual cases and distributes them to all Group employees.

The Sojitz Group includes many operating bases outside Japan, and therefore actively enhances understanding and practice of compliance, not only in Japan but at the global level. The Code of Conduct and Ethics has been issued in 23 languages, including Japanese and English, to enable all Group employees in Japan and overseas to share the same compliance mindset. In addition, the

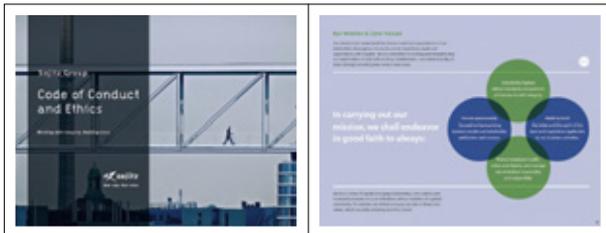
## Compliance Framework



## The Sojitz Group Compliance Hotlines



Sojitz Group takes measures to ensure a consistent level of understanding, such as conducting classroom training at overseas Group companies that do not have an IT environment.



The Sojitz Group Code of Conduct and Ethics

## Comprehensive Compliance Inspections

Sojitz regularly conducts comprehensive inspections at the head office, overseas sites, and major Group companies in Japan and overseas to double check for noncompliance in the workplace. In the year ended March 31, 2015, inspections were conducted at 60 head office departments and offices, 47 overseas sites and 109 Group companies in Japan and overseas. Sojitz reviews and revises the list of inspection items every year based on the results of past inspections and shares the findings across the Group to help prevent similar cases of noncompliance.

Sojitz is working on improvements such as a more efficient and effective inspection method that adds the comprehensive compliance inspection items to an existing self-inspection system for other purposes as a mechanism for voluntary inspections at the head office and Group companies, with a follow-up review of results.

## Enhancement of Anti-Corruption Measures

Recent years have seen a rapidly evolving global anticorruption compliance regime, based on changes in legislative and regulatory frameworks in national and international contexts, especially the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act.

In view of the above, Sojitz formulated an anti-corruption policy in December 2012 (the Sojitz Group Anti-Corruption Policy) to supplement the Sojitz Group Code of Conduct and Ethics, and established extensive guidelines for preventing corruption in April 2013. This policy is being progressively adopted and enforced across all Sojitz Group companies worldwide, starting with the head office in May 2013. In conjunction with the adoption of this policy, Sojitz has also implemented a full range of measures including training sessions regarding enforcement of the corporate anti-corruption rules, e-learning courses focused solely on the prevention of corruption. Moreover, standardized procedures are followed in daily business, such as prescreening of gifts, entertainment, engagement of agents, and other business activities with a high risk of corruption. Sojitz plans to continue implementing these measures to raise awareness throughout the Group.

## Specific Anti-Corruption Measures

