



New way, New value

Notice of the 17th Ordinary General Shareholders' Meeting

In order to prevent the spread of COVID-19, we strongly request that you refrain from attending the Ordinary General Shareholders' Meeting this year. To maintain social distance at the venue, the number of seats will be very limited. Please be aware that not all wishing to attend the meeting may be able to enter the meeting site.

**Deadline for Exercising Voting Rights
by Postal Mail or the Internet:**

No later than 5:30 p.m. on Wednesday, June 17, 2020 (JST)

To be held at 10:00 a.m. on
Thursday, June 18, 2020

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Sojitz Corporation

(Securities code 2768)

The following is an English translation of the Notice of the 17th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz") to be held on June 18, 2020. Sojitz provides this translation for your reference and convenience only. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Sojitz hereby disclaims all representations and warranties with respect to this translation, whether express or implied, including, but not limited to, any representations and warranties with respect to accuracy, reliability or completeness of this translation. Under no circumstances shall Sojitz be liable for any damages of any kind of nature, including, but not limited to, direct, indirect, special, punitive, consequential or incidental damages arising from or in connection with this translation. Also, this document was created for the purpose of providing information to our shareholders that will help them make informed decisions. It was not created to solicit investors to buy or sell Sojitz's shares. The final decision and responsibility for investments rests solely with the reader of this document.

To Our Shareholders,

I would like to express my deep appreciation for your kind support for Sojitz Corporation. I also extend my heartfelt condolences to those who lost their lives and their families that have lost loved ones due to COVID-19 and pray for the earliest possible recovery for those who have fallen ill or are facing difficult circumstances.

This is to notify that the 17th Ordinary General Shareholders' Meeting will be held on Thursday, June 18.

In view of the recent COVID-19 pandemic and putting the safety of our shareholders first, we strongly request that you refrain from attending the 17th Ordinary General Shareholders' Meeting to prevent infection and spread of the virus.

We also kindly request that, where possible, you exercise your voting rights either in writing or on the Internet instead of attending the Ordinary General Shareholders' Meeting.

Here, I would like to share my impression of the COVID-19 outbreak. While the fourth industrial revolution triggered by recent digital transformations is often talked about, I have the real sense that this has now arrived all at once. In other words, there is the possibility that the sense of values will change drastically in the post-corona world compared to pre-corona times. From April 1, Sojitz has implemented working from home as a general rule, resulting in an attendance rate of around 10% for Tokyo headquarters employees. Just by looking at such sudden and widespread adoption of working from home, I think there is the potential that post-corona working styles will change dramatically and, consequently, business itself will shift. Going forward, we will do our best to improve the corporate value of Sojitz by treating such changes as opportunities.

We look forward to your continued understanding and support.

May 2020
Representative Director, President & CEO,
Masayoshi Fujimoto

(Securities code 2768)

May 28, 2020

To Our Shareholders:

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

Notice of the 17th Ordinary General Shareholders' Meeting

The 17th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz") will be held as described below.

In order to prevent the spread of COVID-19, you are firmly requested to exercise your voting rights in writing or via the Internet, etc. in advance, and to refrain from coming to the meeting.

Please read the attached Reference Documents for the General Shareholders' Meeting, and exercise your voting rights in accordance with the instructions on pages 4 and 5 by no later than 5:30 p.m. on Wednesday, June 17, 2020 (JST).

Date and Time	<u>10:00 a.m.</u>, Thursday, June 18, 2020 (The reception is scheduled to open at 9:00 a.m.)
Place	Rose Banquet Hall (3F) at Tokyo Kaikan 2-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo *Please refrain from coming to the meeting.

Purpose of the Meeting

Matters to be reported:	<p>(1) The 17th fiscal year (from April 1, 2019 to March 31, 2020) business report, the consolidated financial statements, and the audit reports concerning the consolidated financial statements by the accounting auditors and the Audit & Supervisory Board</p> <p>(2) The 17th fiscal year (from April 1, 2019 to March 31, 2020) non-consolidated financial statements</p>
Matters to be resolved:	<p>Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 17th fiscal year)</p> <p>Proposal No. 2 Partial Amendments to the Articles of Incorporation</p> <p>Proposal No. 3 Election of Seven (7) Directors</p> <p>Proposal No. 4 Election of Three (3) Audit & Supervisory Board Members</p>

- If you exercise your voting rights at the meeting by proxy, you must appoint only one proxy who is a shareholder with voting rights in Sojitz, in accordance with the Articles of Incorporation of Sojitz. In this case, your proxy will be requested to present your letter of proxy, together with your Voting Right Exercise Form at the reception desk upon arrival at the meeting.
- In accordance with the applicable laws and regulations and Article 14 of the Articles of Incorporation of Sojitz, Sojitz publishes the Basic concept and status of implementation and operation of internal control system and Accounting Auditor in the Business Report, Consolidated statements of changes in equity, Notes to the consolidated financial statements, (Reference) Consolidated statements of profit or loss and other comprehensive income and (Reference) Segment information in the consolidated financial statements, and the Non-consolidated statements of changes in net assets and Notes to the non-consolidated financial statements in the non-consolidated financial statements on our website at <https://www.sojitz.com/en/ir/stkholder/general/>.
- In the event of any revisions to the Reference Documents for the General Shareholders' Meeting, the Business Report, consolidated financial statement or non-consolidated financial statements, Sojitz will publish the amendments on our website at <https://www.sojitz.com/en/ir/stkholder/general/>.
- In order to maintain social distance at the venue, the number of seats will be very limited. Please be aware that not all wishing to attend the meeting may be able to enter the meeting site.
- The action taken is subject to change depending on factors including the status of COVID-19's spread and announcements made by the government until the day of the General Shareholders' Meeting. Please be sure to check our website above for information as appropriate.
- No souvenirs will be provided to the shareholders attending the General Shareholders' Meeting. We appreciate your understanding.

Guidance for Exercising Voting Rights

Please read the attached Reference Documents for the General Shareholders' Meeting, and exercise your voting rights in advance through either of the following methods:

<Recommended methods for the exercise of voting rights for this fiscal year>

Exercising voting rights by postal mail

Deadline for exercising voting rights: To arrive no later than 5:30 p.m. on Wednesday, June 17, 2020 (JST)

Please indicate your approval or disapproval on each proposal on the enclosed Voting Right Exercise Form, and return it by postal mail.

*In the event Sojitz receives the form which has no indication of either approval or disapproval on any of the proposals made by Sojitz, Sojitz will regard such proposals as being approved.

Exercising voting rights by electronic method (The Internet)

Deadline for exercising voting rights: No later than 5:30 p.m. on Wednesday, June 17, 2020 (JST)

Please access the website designated by Sojitz for exercising voting rights which is at <https://evote.tr.mufg.jp/> through your smartphone or computer, etc., by using the login ID and temporary password indicated on the enclosed Voting Right Exercise Form, and enter your vote for each proposal according to the instructions on the screen. Please see page 5 for details.

<For institutional investors: Electronic Voting Platform>

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

Instructions for Exercising Voting Rights by the Internet

To exercise your voting rights via the Internet, please access the website designated by Sojitz for this purpose (<https://evote.tr.mufg.jp/>) via a smartphone or computer, etc. Once you have accessed the site, please use the login ID and temporary password provided on the enclosed Voting Right Exercise Form and exercise your voting rights according to the instructions displayed on the screen.

Precautions to observe

1. Handling of voting rights exercised in duplicate

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

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

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

For technical inquiries, please contact:

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

Reference Documents for the General Shareholders' Meeting

Proposals and References

Proposal No. 1: Dividends from Surplus (Year-End Dividends for the 17th fiscal year)

Sojitz recognizes that paying stable, continuous dividends is a management priority, together with enhancing shareholder value and boosting competitiveness through the accumulation and effective use of retained earnings.

Under the Medium-Term Management Plan 2020, the basic dividend policy is set to a consolidated payout ratio of around 30%.

In light of the financial results for the year ended March 31, 2020 and the adequacy of its total equity, Sojitz hereby proposes Year-End Dividends for this fiscal year of ¥8.50 per share (including an interim dividend of ¥8.50 per share, resulting in an annual dividend of ¥17 per share, the same amount as the previous fiscal year), as follows.

(1) Type of Dividend Property

Cash

(2) Allocation of Dividend Property to shareholders, and the total amount

¥8.50 per share in common stock of Sojitz

¥10,378,180,868 in total

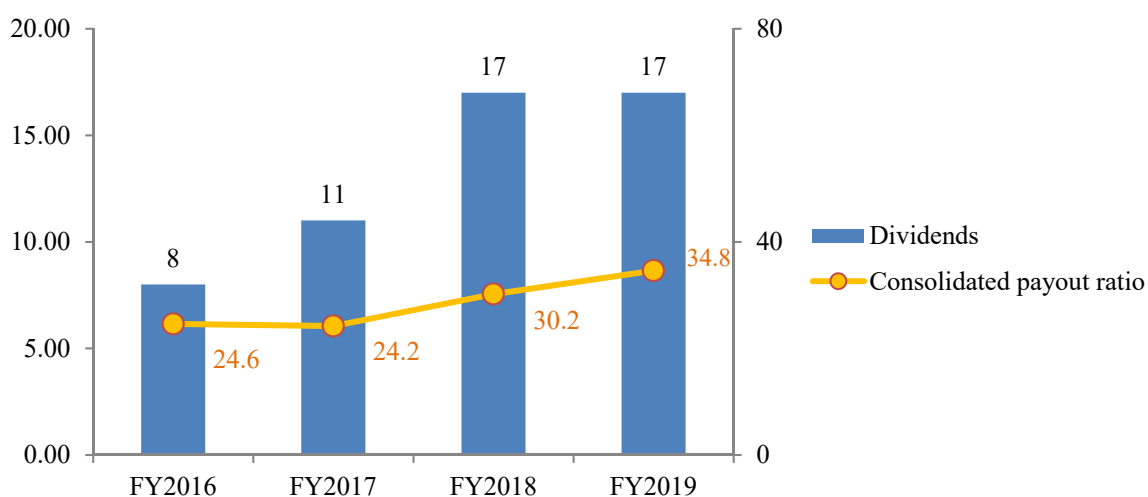
(3) Effective date of Dividends from Surplus

June 19, 2020

(Reference) Trends in dividends per share (annual)/consolidated payout ratio

Dividends (yen)

Consolidated payout ratio (%)



Proposal No. 2: Partial Amendments to the Articles of Incorporation

We propose partial amendments to the current Articles of Incorporation as follows.

1. Purpose of Amendments

- (1) Sojitz proposes to amend Article 20 of the current Articles of Incorporation, so that the President may be selected among all Directors and Executive Officers in order to allow an optimal and flexible management structure.

In connection with the above, Sojitz also proposes to amend Article 13 of the current Articles of Incorporation, so that the person that may convene a General Shareholders' Meeting may be selected among all Directors.

- (2) Sojitz proposes to amend Article 21 of the current Articles of Incorporation, so that the person that may convene a meeting of the Board of Directors and that may preside as Chairman of the Board of Directors may be selected among all Directors, in order to maintain and improve the Board of Directors' function as independent and objective supervisor and monitor of management.

2. Contents of Amendments

The proposed amendments are as follows.

(Underlining indicates amended text.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 13. (Person Authorized to Convene and Chairman)</p> <p>1. Unless otherwise prescribed by laws or regulations, <u>the President</u> shall, upon a resolution of the Board of Directors, convene the General Shareholders' Meeting <u>and preside as Chairman thereat.</u></p> <p>2. If <u>the President</u> is unable to act as provided in the preceding paragraph, another Director shall convene the General Shareholders' Meeting <u>and preside as Chairman thereat,</u> in accordance with the order previously determined by the Board of Directors.</p> <p>(New article)</p>	<p>Article 13. (Person Authorized to Convene and Chairman)</p> <p>1. Unless otherwise prescribed by laws or regulations, <u>the Director who is previously determined by the Board of Directors to convene the General Shareholders' Meeting</u> shall, upon a resolution of the Board of Directors, convene the General Shareholders' Meeting.</p> <p>2. If <u>such Director</u> is unable to act, as provided in the preceding paragraph, another Director shall convene the General Shareholders' Meeting, in accordance with the order previously determined by the Board of Directors.</p> <p>3. <u>The President shall preside as Chairman of the General Shareholders' Meeting.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(New article)</p>	<p><u>4. If the President is unable to act as provided in the preceding paragraph, another Director or an Executive Officer shall preside as Chairman of the General Shareholders' Meeting, in accordance with the order previously determined by the Board of Directors.</u></p>
<p>Article 20. (Representative Directors and Executive Directors)</p> <p>1. The Board of Directors shall elect Representative Directors from among the Directors.</p> <p>(New article)</p> <p>2. The Board of Directors shall elect one (1) President from among the <u>Representative</u> Directors.</p> <p>3. The Board of Directors may elect one (1) Chairman, and several Vice Chairmen, Executive Vice Presidents, Senior Managing Directors and Managing Directors.</p>	<p>Article 20. (Representative Directors, Executive Directors <u>and Executive Officers</u>)</p> <p>1. The Board of Directors shall elect Representative Directors from among the Directors.</p> <p><u>2. The Board of Directors shall elect the Executive Officers to execute certain assigned duties of the Company.</u></p> <p>3. The Board of Directors shall elect one (1) President from among the Directors <u>or the Executive Officers.</u></p> <p>4. The Board of Directors may elect one (1) Chairman, and several Vice Chairmen, Executive Vice Presidents, Senior Managing Directors and Managing Directors.</p>
<p>Article 21. (Person Authorized to Convene and Chairman of Meetings of the Board of Directors)</p> <p>1. Unless otherwise prescribed by laws or regulations, <u>the Chairman</u> shall convene meetings of the Board of Directors and preside as Chairman <u>thereat</u>.</p> <p><u>2. If the post of Chairman is vacant, the President shall convene meetings of the Board of Directors and preside as Chairman thereat.</u></p> <p>3. If <u>the Chairman and President are</u> unable to act as provided in the preceding paragraphs, another Director shall convene meetings of the Board of Directors and preside as Chairman <u>thereat</u>, in accordance with the order previously determined by the Board of Directors.</p>	<p>Article 21. (Person Authorized to Convene and Chairman of Meetings of the Board of Directors)</p> <p>1. Unless otherwise prescribed by laws or regulations, <u>the Director previously determined by the Board of Directors</u> shall convene meetings of the Board of Directors and preside as Chairman <u>at the meetings of the Board of Directors.</u></p> <p>(Deleted article)</p> <p>2. If <u>such Director is</u> unable to act as provided in the preceding paragraph, another Director shall convene meetings of the Board of Directors and preside as Chairman <u>at the meetings of the Board of Directors</u>, in accordance with the order previously determined by the Board of Directors.</p>

Proposal No. 3: Election of Seven (7) Directors


The Board of Directors of Sojitz currently consists of six (6) Directors including two (2) Outside Directors, all of whose terms terminate as of the conclusion of this General Shareholders' Meeting. Accordingly, Sojitz hereby proposes the election of seven (7) Directors including three (3) Outside Directors, increasing the number of Outside Directors by one (1) to ensure management transparency and further strengthen corporate governance.

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


Each of the three (3) Outside Director candidates meets the requirements for Independent Director set forth in the listing rules of the Tokyo Stock Exchange, on which Sojitz is listed, and they will be registered as Independent Directors if their election is resolved.

No.	Name (age)	Current position at Sojitz	Attendance at the Board of Directors meetings (for the fiscal year ended March 31, 2020)	Term of office as Director
1	*Masayoshi Fujimoto (62), male <Reappointment>	Representative Director, President & CEO	100% (18/18)	3 years
2	*Seiichi Tanaka (59), male <Reappointment>	Representative Director, Executive Vice President, CFO	100% (18/18)	3 years
3	*Ryutaro Hirai (61), male <New appointment>	Executive Vice President	—	—
4	Masao Goto (62), male <New appointment>	Senior Managing Executive Officer	—	—
5	Kayoko Naito (71), female <Reappointment> <Outside Director> <Independent Director>	Director	100% (18/18)	2 years
6	Norio Otsuka (69), male <Reappointment> <Outside Director> <Independent Director>	Director	100% (18/18)	2 years
7	Naoko Saiki (61), female <New appointment> <Outside Director> <Independent Director>	—	—	—

- (Notes) 1. The age of each candidate is as of the day of the General Shareholders' Meeting.
2. If this proposal is resolved, each person marked with an asterisk (*) will be appointed as a Representative Director at the Board of Directors meeting to be held after the conclusion of the General Shareholders' Meeting.
3. There is no special interest between any of these Director candidates and Sojitz.
4. Sojitz has a limited liability agreement with Ms. Kayoko Naito and Mr. Norio Otsuka, limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan. If this Proposal is resolved, Sojitz plans to extend the above limited liability agreement with Ms. Naito and Mr. Otsuka and newly enter into a similar limited liability agreement with Ms. Naoko Saiki.

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
1	 <p data-bbox="225 831 446 920">Masayoshi Fujimoto (January 9, 1958, 62)</p> <p data-bbox="225 943 446 972"><Reappointment></p> <p data-bbox="217 1003 450 1104">Term of office as Director: 3 years (as of the conclusion of the Meeting)</p> <p data-bbox="217 1135 450 1236">Attendance at the Board of Directors meetings: 18/18 (100%)</p>	<p data-bbox="464 327 1254 770"> April 1981 Joined Nissho Iwai Corporation April 2005 General Manager of Automotive Department 3, Sojitz Corporation December 2008 MMC Automotriz S.A. Director President August 2012 Sojitz Corporation of America Regional General Manager, Machinery Division, Americas October 2014 Corporate Officer Senior General Manager, Corporate Planning, Sojitz Corporation April 2015 Executive Officer October 2015 Managing Executive Officer April 2016 Senior Managing Executive Officer June 2017 Representative Director, President & CEO (current position) </p> <p data-bbox="464 790 1270 1137"> [Reasons for the nomination of the candidate for Director] Masayoshi Fujimoto assumed office as Representative Director, President & CEO in 2017 after holding important positions including President of an overseas operating company of Sojitz, Regional General Manager of Machinery Division, Americas, and Executive Officer assigned to Corporate Planning. Masayoshi Fujimoto currently promotes Medium-Term Management Plan 2020 with themes of “Achieve steady growth” and “Challenge for future growth.” Sojitz has chosen Masayoshi Fujimoto as Director candidate again predicated on its judgment that he will best demonstrate his management skills in order to create a new business foundation for the future and maximize corporate value under his strong leadership in this challenging business environment, with the rapid decline in the global economy. </p> <p data-bbox="464 1158 1270 1561"> To Our Shareholders: In the FY2019, the second year of Medium-Term Management Plan 2020, we faced a difficult business environment, especially due to the significant impact of the COVID-19 outbreak on the global economy in the fourth quarter, and ultimately fell short of our profit plan. The business environment is expected to remain challenging in the current fiscal year, which is the final year of the Medium-Term Management Plan 2020. Although unfortunately we do not expect to be able to reach our original target of net income of ¥75.0 billion for the final year of the Medium-Term Management Plan, we will do our utmost to achieve net income of ¥100.0 billion in the next medium-term management plan by accumulating quality assets, taking on new challenges in new areas, and fostering human resources who have creative insight and the ability to respond to these challenges, without loosening our commitment to growth. </p>	<p data-bbox="1299 880 1465 909">125,200</p> <p data-bbox="1299 929 1465 985">(Potential shares 47,854)</p>


(Note) The number of potential shares held by each candidate is shown as a reference for the number of shares scheduled to be delivered, which is equivalent to the number of share delivery points granted under the share remuneration system utilizing the trust.


No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
2	 <p data-bbox="228 806 443 891">Seichi Tanaka (September 14, 1960, 59)</p> <p data-bbox="228 925 443 958"><Reappointment></p> <p data-bbox="212 1003 454 1104">Term of office as Director: 3 years (as of the conclusion of the Meeting)</p> <p data-bbox="212 1137 454 1238">Attendance at the Board of Directors meetings: 18/18 (100%)</p>	<p data-bbox="462 320 1268 992"> April 1984 Joined Nissho Iwai Corporation April 2011 General Manager, Finance Department, Sojitz Corporation April 2014 Executive Officer April 2016 Managing Executive Officer, CFO June 2017 Representative Director, Senior Managing Executive Officer, CFO Executive Management of General Accounting, IT Planning, Structured Finance April 2018 Representative Director, Senior Managing Executive Officer, CFO Executive Management of General Accounting, IT Planning, M&A Management Office, Controller Office April 2019 Representative Director, Executive Vice President, CFO Executive Management of General Accounting, Finance, Structured Finance, Investor Relations, M&A Management Office, Controller Office Oversight April 2020 Representative Director, Executive Vice President, CFO Executive Management of General Accounting, Business Accounting, Finance, Structured Finance, Investor Relations, M&A Management Office, Controller Office Oversight (current position) </p> <p data-bbox="462 1014 1268 1328"> [Reasons for the nomination of the candidate for Director] Seiichi Tanaka has been engaged in the finance-related operations of Sojitz for many years, and as CFO since 2016, he has contributed to increasing corporate value through promoting improvement in the quality of assets and enhancement of financial standing. In particular, his management style which emphasizes cash flows has helped Sojitz to build up a solid management base under difficult circumstances on a global level. Based on his accomplishments through the execution of his duties to date as well as his specialized knowledge and abundant experience, Sojitz has chosen Seiichi Tanaka as Director candidate predicated on its judgment that he remains qualified to perform his duties as Director. </p> <p data-bbox="462 1350 1268 1541"> To Our Shareholders: The global economy is faced with an unprecedented crisis in the current fiscal year, which is the final year of the Medium-Term Management Plan 2020. Although Sojitz will not be able to avoid the effect of this crisis, it is precisely because of these times that we will strive to meet the expectations of our shareholders by observing financial discipline, taking advantage of opportunities to build a quality asset portfolio, and enhancing corporate value. </p>	<p data-bbox="1292 869 1465 981">50,200 (Potential shares 32,742)</p>

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
3	 <p data-bbox="236 1048 432 1106">Ryutaro Hirai (July 31, 1958, 61)</p> <p data-bbox="229 1137 438 1167"><New appointment></p>	<p data-bbox="464 327 1273 927"> April 1982 Joined Nissho Iwai Corporation October 2003 General Manager, Corporate Planning Department, Nissho Iwai American Corporation April 2009 General Manager, Human Resources & General Affairs Department, Sojitz Corporation April 2013 Executive Officer, Human Resources & General Affairs April 2015 Managing Executive Officer, Secretariat, Human Resources & General Affairs April 2017 Managing Executive Officer, President & CEO for Asia & Oceania April 2019 Senior Managing Executive Officer, Executive Management of Business Group (Automotive, Aerospace & Transportation Project, Machinery & Medical Infrastructure, Energy & Social Infrastructure, Metals & Mineral Resources) April 2020 Executive Vice President, Advisor to the President, Executive Management of Business Group (Automotive, Aerospace & Transportation Project, Machinery & Medical Infrastructure, Energy & Social Infrastructure, Metals & Mineral Resources) (current position) </p> <p data-bbox="464 943 1257 1350"> [Reasons for the nomination of the candidate for Director] Ryutaro Hirai has held important positions, including in machinery-related business and as Executive Officer assigned to Human Resources & General Affairs and President & CEO for Asia & Oceania. He is currently promoting global business development as the Executive Management of Business Group (Automotive, Aerospace & Transportation Project, Machinery & Medical Infrastructure, Energy & Social Infrastructure, Metals & Mineral Resources). Sojitz has chosen Ryutaro Hirai as Director candidate predicated on its judgment that he will be able to play a role in the enhancement of Sojitz's corporate value based on his deep insight, familiarity with internal human resources, and abundant experience developed from having served in these positions. If Ryutaro Hirai is appointed as Director, he will be appointed as Representative Director, Executive Vice President, at the Board of Directors meeting to be held after the conclusion of the General Shareholders' Meeting. </p> <p data-bbox="464 1361 1267 1709"> To Our Shareholders: Up until now, I have been engaged in a wide range of trading company operations in Japan and overseas, both in business divisions and corporate departments. In particular, during the 2010s when calls were being made for the globalization of human resources and the promotion of women's success in the workplace, I worked to not only diversify and utilize human resources, but also improve governance through the development of management personnel as the person in charge of Human Resources & General Affairs. After that, I was responsible for business management in regions with significant economic development as the President & CEO for Asia & Oceania. I will do my utmost to leverage my experience and increase Sojitz's corporate value by expanding our existing businesses and acquiring quality assets. </p>	<p data-bbox="1294 969 1469 1070">59,400 (Potential shares 0)</p>

(Note) Sojitz's share remuneration system is only for use by residents of Japan. Ryutaro Hirai was not a resident of Japan between the time when the system was introduced and March 31, 2019, so no share delivery points have been granted as of March 31, 2020.

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
4	 <p data-bbox="231 1041 443 1131">Masao Goto (December 12, 1957, 62)</p> <p data-bbox="231 1160 443 1193"><New appointment></p>	<p data-bbox="462 324 1268 1086"> April 1980 Joined Nichimen Co., Ltd. March 2002 General Manager, Partex Department, Nichimen Corporation December 2002 General Manager, Integration Promotion Office December 2003 General Manager, Administration Department April 2004 General Manager, Corporate Planning & Investor Relations Department, Nissho Iwai-Nichimen Holdings Corporation April 2005 General Manager, Corporate Planning & Investor Relations Department, Business Administration Department, Sojitz Holdings Corporation October 2005 General Manager, Corporate Planning Department, Sojitz Corporation April 2007 Executive Officer, Senior Vice President, Consumer Lifestyle Business Division, Senior General Manager, Textiles and General Merchandise Unit July 2008 Executive Officer, President, Sojitz (Hong Kong) Ltd., President, Sojitz (Guangzhou) Co., Ltd. April 2014 Executive Officer, President & CEO for China April 2015 Managing Executive Officer, President & CEO for China April 2018 Managing Executive Officer, General Manager, Kansai Office April 2020 Senior Managing Executive Officer, Executive Management of Business Group (Chemicals, Foods & Agriculture Business, Retail & Lifestyle Business, Industrial Infrastructure & Urban Development) (current position) </p> <p data-bbox="462 1108 1268 1422"> [Reasons for the nomination of the candidate for Director] After holding important positions in the textile business, corporate planning and business divisions, Masao Goto has gained extensive management experience overseas as the President & CEO for China. He is currently using the knowledge as the Executive Management of Business Group (Chemicals, Foods & Agriculture Business, Retail & Lifestyle Business, Industrial Infrastructure & Urban Development), and working to strengthen Sojitz's revenue base. Sojitz has chosen Masao Goto as Director candidate predicated on its judgment that he will be able to play a role in the enhancement of Sojitz's corporate value based on his deep insight and abundant experience developed from having served in these positions. </p> <p data-bbox="462 1433 1268 1747"> To Our Shareholders: Since joining Sojitz, I have gained experience in the textile business, including sales in Japan, an assignment in the United States, and the management of subsidiaries, following which I have been in charge of a wide range of its businesses, including corporate departments such as corporate planning and business administration, as well as serving as the President & CEO for China and the Kansai Office General Manager. In order to contribute to the realization of the two types of value that Sojitz aims for, namely value for Sojitz and value for society, I will take advantage of my experience up until now and work toward sustainable growth through business expansion and the establishment of new earnings pillars. </p>	<p data-bbox="1292 974 1460 1086">62,800 (Potential shares 12,775)</p>

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
5	 <p data-bbox="245 958 421 1014">Kayoko Naito (May 2, 1949, 71)</p> <p data-bbox="245 1048 421 1077"><Reappointment></p> <p data-bbox="245 1093 421 1122"><Outside Director></p> <p data-bbox="245 1137 421 1193"><Independent Director></p> <p data-bbox="212 1249 454 1350">Term of office as Director: 2 years (as of the conclusion of the Meeting)</p> <p data-bbox="212 1384 454 1485">Attendance at the Board of Directors meetings: 18/18 (100%)</p>	<p data-bbox="464 327 1257 752"> April 1985 Federation of Bar Associations September 1989 Davis Polk & Wardwell LLP (New York) January 1991 Mitsui, Yasuda, Wani & Maeda September 2004 Partner, Oh-Ebashi LPC & Partners September 2014 Lecturer, Ritsumeikan University School of Law (current position) June 2016 Member of The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry (JCCI) (current position) October 2017 Supervisory Officer, Tokyo Infrastructure Energy Investment Corporation (current position) June 2018 Director, Sojitz Corporation (current position) January 2019 Counsel, Oh-Ebashi LPC & Partners (current position) </p> <p data-bbox="464 768 1267 1025"> [Reasons for the nomination of the candidate for Outside Director] Kayoko Naito has served as an Outside Director of Sojitz since 2018. As an attorney, she has advanced and specialized knowledge in the fields of international law and corporate law. She provides appropriate and useful advice and suggestions at the Board of Directors meetings, based on a wealth of experience, results, and insights, from an objective perspective independent from senior management engaged in business execution. Sojitz has chosen Kayoko Naito as Outside Director candidate predicated on its judgment that she will continue to considerably contribute to strengthening corporate governance. </p> <p data-bbox="464 1048 1235 1189"> [Significant concurrent occupations or positions at other organizations] Counsel of Oh-Ebashi LPC & Partners Member of The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry (JCCI) Supervisory Officer of Tokyo Infrastructure Energy Investment Corporation </p> <p data-bbox="464 1211 1267 1619"> [Independence] Kayoko Naito is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Kayoko Naito meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 25 and 26 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that she has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of her appointment as Independent Director. Supplementary information on independence is as follows: · Transactions with Oh-Ebashi LPC & Partners, a law firm at which she serves as counsel, were less than 0.5% of revenue in Sojitz's consolidated financial statements and less than 0.5% of net sales of said firm. </p> <p data-bbox="464 1641 1267 1809"> To Our Shareholders: Sojitz is involved in a wide range of business areas and geographical areas of activity as a general trading company, and governance is fundamental for this. I will leverage my experience in overseas legal affairs and corporate law to deepen active discussions at the Board of Directors meetings while always being aware of the importance of high-quality corporate governance. </p> <p data-bbox="464 1821 1267 1960"> Furthermore, I will contribute to the realization of the two types of value defined by Sojitz while relying not only on laws and regulations but also on soft law, including international social norms such as the SDGs, and sound common sense in the international community with an eye on the various opportunities and risks associated with growth strategies. </p>	<p data-bbox="1449 1081 1465 1111">0</p> <p data-bbox="1297 1137 1473 1193">(Potential shares 0)</p>

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
6	 <p data-bbox="244 1010 424 1070">Norio Otsuka (July 5, 1950, 69)</p> <p data-bbox="244 1099 424 1128"><Reappointment></p> <p data-bbox="244 1144 424 1173"><Outside Director></p> <p data-bbox="244 1189 424 1249"><Independent Director></p> <p data-bbox="220 1301 446 1406">Term of office as Director: 2 years (as of the conclusion of the Meeting)</p> <p data-bbox="220 1435 446 1541">Attendance at the Board of Directors meetings: 18/18 (100%)</p>	<p data-bbox="462 327 1262 992"> April 1973 Joined NSK Ltd. December 1999 Deputy Head of Corporate Strategy Division HQ April 2000 Vice President, Head of Corporate Strategy Division HQ June 2002 Director, Senior Vice President, Head of Corporate Strategy Division HQ June 2004 Director, Executive Vice President, Head of Corporate Strategy Division HQ June 2007 Director, Senior Executive Vice President, Head of Corporate Strategy Division HQ June 2009 Director, President and Chief Executive Officer June 2015 Director, Chairperson of the Board of Directors June 2016 President, The Japan Bearing Industry Association March 2017 Outside Director, Showa Shell Sekiyu K. K. June 2017 Honorary Chairman, NSK Ltd. June 2018 Director, Sojitz Corporation (current position) Advisor, NSK Ltd. (current position) April 2019 Outside Director, Idemitsu Kosan Co., Ltd. (current position) June 2019 External Member of the Board, Taisei Corporation (current position) </p> <p data-bbox="462 1010 1262 1272"> [Reasons for the nomination of the candidate for Outside Director] Norio Otsuka served as Director, President and Chief Executive Officer, and Chairperson of NSK Ltd., and has abundant experience and deep insight regarding management developed through promoting worldwide growth strategies and strengthening corporate governance. Since 2018, Norio Otsuka has played an appropriate role as Outside Director by supervising business execution as well as providing sound advice from a practical perspective, and Sojitz has chosen him as Outside Director candidate predicated on its judgment that he remains qualified to perform his duties as Outside Director. </p> <p data-bbox="462 1290 1262 1406"> [Significant concurrent occupations or positions at other organizations] Advisor of NSK Ltd. Outside Director of Idemitsu Kosan Co., Ltd. External Member of the Board of Taisei Corporation </p> <p data-bbox="462 1424 1262 2000"> [Independence] Norio Otsuka is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Norio Otsuka meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 25 and 26 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that he has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of his appointment as Independent Director. Supplementary information on independence is as follows: · Transactions with NSK Ltd., at which he serves as advisor, were less than 1.0% of revenue in Sojitz's consolidated financial statements and less than 2.0%* of net sales of said company. *As NSK Ltd.'s financial results have not yet been released for FY2019, we have calculated the company's total amount of net sales for the one-year period from the fourth quarter of FY2018 to the third quarter of FY2019 which had already been released. As a result of comparing this figure and Sojitz's transactions with the company in FY2019, it was confirmed that the transactions were less than 2.0%. </p>	<p data-bbox="1297 1099 1465 1205">0 (Potential shares 0)</p>

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
		<p>[Sale of shareholdings]</p> <p>A total of 209,100 shares of NSK Ltd., stock held by Sojitz, as described in the securities report filed on June 20, 2019, have been sold as of March 31, 2020.</p> <p>To Our Shareholders:</p> <p>Since being appointed as Outside Director in 2018, I have taken a medium- to long-term view of Sojitz's wide range of business development and day to day provided knowledge-based advice on how governance should be approached to explore growth opportunities at the same time as taking risks while watching the efforts of senior management and employees.</p> <p>Through various opportunities going forward, I would like to continue to contribute to the direction of Sojitz's governance and discussions on governance by speaking from the perspective that takes advantage of my business knowledge and management experience in the manufacturing industry.</p>	

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
7	 <p data-bbox="225 1095 450 1155">Naoko Saiki (October 11, 1958, 61)</p> <p data-bbox="225 1189 437 1218"><New appointment></p> <p data-bbox="225 1229 437 1258"><Outside Director></p> <p data-bbox="264 1270 405 1330"><Independent Director></p>	<p data-bbox="464 327 1273 1429"> April 1982 Joined the Ministry of Foreign Affairs March 1998 Senior Coordinator for Policy Coordination, Foreign Policy Bureau April 1998 Director, International Peace Cooperation Division, Foreign Policy Bureau April 2000 Director, Second North America Division, North American Affairs Bureau April 2002 Director, Legal Affairs Division, Treaties Bureau August 2004 Professor, Faculty of Policy Management, Keio University April 2006 Director, Policy Evaluation and Administrative Review Division, Minister's Secretariat, Ministry of Foreign Affairs August 2006 Director, Economic Policy Division, Economic Affairs Bureau September 2006 Director, Financial Affairs Division, Minister's Secretariat January 2009 Deputy Director-General / Senior Fellow, The Japan Institute of International Affairs September 2011 Deputy Press Secretary / Deputy Director-General, Public Diplomacy Department, Ministry of Foreign Affairs September 2012 Deputy Press Secretary / Deputy Director-General, Minister's Secretariat Deputy Secretary-General, Integrated Office for Regional Revitalization, Cabinet Secretariat June 2013 Director-General for Cultural Affairs, Ministry of Foreign Affairs July 2014 Director-General, Economic Affairs Bureau Councillor, Japanese Government's TPP Headquarters, Cabinet Secretariat October 2015 Director-General, International Legal Affairs Bureau July 2017 Director-General, Foreign Service Training Institute January 2019 Retired from the Ministry of Foreign Affairs May 2019 Corporate Advisor, Sojitz Corporation (resigned in February 2020) June 2019 Director, Japan Rugby Football Union (current position) April 2020 Visiting Professor, Graduate School of Public Policy, The University of Tokyo (current position) </p> <p data-bbox="464 1451 1262 1765"> [Reasons for the nomination of the candidate for Outside Director] Naoko Saiki has had a career at the Ministry of Foreign Affairs in positions such as Director General of the Economic Affairs Bureau and Director General of the International Legal Affairs Bureau. In addition to her skills in economic negotiations, she has a high level of insight into international affairs, economics, and culture. Sojitz expects her to utilize her experience and insight, having been at the forefront of diplomatic negotiations, in the management of Sojitz and to fulfill a role as an appropriate supervisor of Sojitz's management from an independent and objective point of view on business execution. Accordingly, Sojitz has chosen her as Outside Director candidate predicated on its judgment that she will be able to play an appropriate role. </p> <p data-bbox="464 1787 1262 1951"> [Significant concurrent occupations or positions at other organizations] Visiting Professor of Graduate School of Public Policy, The University of Tokyo Outside Audit & Supervisory Board Member of Development Bank of Japan Inc. (scheduled to be appointed at the Ordinary General Shareholders' Meeting to be held on June 26, 2020) </p>	<p data-bbox="1299 1077 1465 1182">0 (Potential shares 0)</p>

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
		<p>[Independence]</p> <p>Naoko Saiki is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Naoko Saiki meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 25 and 26 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that she has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz plans to notify Tokyo Stock Exchange, Inc. of her appointment as Independent Director.</p> <p>Supplementary information on independence is as follows:</p> <ul style="list-style-type: none"> · Sojitz had entered into a part-time advisory agreement with her for a period of ten months from May 2019 to February 2020, on the assumption that she would become an Outside Director of Sojitz, in order for her to gain an understanding of Sojitz's management situation and operations in advance and for Sojitz to obtain advice on management in general from an independent standpoint. Compensation as Corporate Advisor was paid as consideration for advice, however, Sojitz has deemed that there are no concerns about her independence because it is within the scope of the Sojitz's independence standards for Outside Directors. <p>To Our Shareholders:</p> <p>As a general trading company, Sojitz is engaged in global business in a wide range of business categories. In order for Sojitz to continue to grow in the future, I believe it is necessary to give full consideration to the drastic changes in the global situation.</p> <p>I believe that my role as Outside Director is to make appropriate proposals for further strengthening corporate governance and supervise management by leveraging my international experience and negotiation experience at the Ministry of Foreign Affairs and the knowledge I have accumulated up to now. I will contribute so that Sojitz can strengthen its competitiveness and enhance its corporate value as a truly global company.</p>	

Proposal No. 4: Election of Three (3) Audit & Supervisory Board Members

The terms of Audit & Supervisory Board Members Junichi Hamatsuka, Takayuki Ishige, and Mikinao Kitada, among the five (5) current Audit & Supervisory Board Members, terminate as of the conclusion of this General Shareholders' Meeting. For further enhancement of the auditing system, we would like to appoint two (2) new Audit & Supervisory Board Members and reappoint Junichi Hamatsuka as Audit & Supervisory Board Member.

Candidates for Audit & Supervisory Board Members are as follows. Although one of the newly elected candidates for Audit & Supervisory Board Member was originally a member of Sojitz, Sojitz intends to strengthen the effectiveness of audits by appointing two (2) full-time In-house Audit & Supervisory Board Members dedicated to their duties who are familiar with Sojitz's business. The submission of the proposal for their election as Audit & Supervisory Board Members to this General Shareholders' Meeting has been approved by the Audit & Supervisory Board.


Outside Audit & Supervisory Board Member candidate Michiko Nagasawa meets the requirements for independent audit & supervisory board member set forth in the listing rules of the Tokyo Stock Exchange, Inc. on which Sojitz is listed, and she will be registered as Independent Audit & Supervisory Board Member if her election is approved.

The planned structure of the Audit & Supervisory Board will be as follows if this proposal is approved as originally proposed.


No.	Name (age)	Current position at Sojitz	Term of office as Audit & Supervisory Board Member
1	Junichi Hamatsuka (65), male <Reappointment>	Audit & Supervisory Board Member	4 years
2	Masaaki Kushibiki (60), male <New appointment>	Corporate Advisor	—
	Kazunori Yagi (71), male <Current position> <Outside Audit & Supervisory Board Member> <Independent Audit & Supervisory Board Member>	Audit & Supervisory Board Member (Part-time)	3 years
	Hyo Kambayashi (68), male <Current position> <Outside Audit & Supervisory Board Member> <Independent Audit & Supervisory Board Member>	Audit & Supervisory Board Member (Part-time)	3 years
3	Michiko Nagasawa (68), female <New appointment> <Outside Audit & Supervisory Board Member> <Independent Audit & Supervisory Board Member>	—	—


- (Notes) 1. The age of each candidate is as of the day of the General Shareholders' Meeting.
2. There is no special interest between any of these Audit & Supervisory Board Member candidates and Sojitz.

3. Sojitz has a limited liability agreement with Mr. Junichi Hamatsuka, Mr. Kazunori Yagi and Mr. Hyo Kambayashi, limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan, and plans to extend the above limited liability agreement with Mr. Kazunori Yagi and Mr. Hyo Kambayashi. If this Proposal is resolved, Sojitz plans to extend the above limited liability agreement with Mr. Junichi Hamatsuka and enter into a similar limited liability agreement with Mr. Masaaki Kushibiki and Ms. Michiko Nagasawa.

No.	Name (Date of birth, age)	Career summary and position at Sojitz	Number of shares owned
1	 <p data-bbox="225 645 435 734">Junichi Hamatsuka (March 12, 1955, 65)</p> <p data-bbox="225 768 435 790"><Reappointment></p> <p data-bbox="217 842 443 999">Term of office as Audit & Supervisory Board Member: 4 years (as of the conclusion of the Meeting)</p> <p data-bbox="217 1028 443 1133">Attendance at the Board of Directors meetings: 18/18 (100%)</p> <p data-bbox="217 1162 443 1290">Attendance at the Audit & Supervisory Board meetings: 19/19 (100%)</p>	<p data-bbox="464 327 1241 707"> April 1977 Joined Nissho Iwai Corporation October 2005 Executive Officer, General Manager, Corporate Accounting Department, Sojitz Corporation April 2007 Executive Officer, CFO & CAO for the Americas April 2010 Executive Officer, CIO April 2012 Managing Executive Officer April 2015 Managing Executive Officer, Executive Vice President for Asia & Oceania April 2016 Corporate Advisor June 2016 Audit & Supervisory Board Member (Full-time) (current position) </p> <p data-bbox="464 723 1241 779">[Reasons for the nomination of the candidate for Audit & Supervisory Board Member]</p> <p data-bbox="464 786 1241 1099">Junichi Hamatsuka has abundant experience with Sojitz's corporate activities and knowledge of global business management, having been engaged in corporate departments such as finance, accounting and risk management at Sojitz and holding important positions including CFO for the Americas. Since he has experience and knowledge within Sojitz, has performed his duties appropriately since assuming the position of Audit & Supervisory Board Member of Sojitz in June 2016, and has contributed to the improvement of the audit functions of the Audit & Supervisory Board and the Board of Directors, Sojitz has chosen him as Audit & Supervisory Board Member candidate predicated on its judgment that he will continue to be able to monitor and supervise the management of Sojitz.</p> <p data-bbox="464 1115 1241 1426">To Our Shareholders: I have served as Audit & Supervisory Board Member since 2016 after being engaged in finance, accounting and risk management at Sojitz and serving as CFO for the Americas and Executive Vice President for Asia & Oceania. During this period, I have focused on effectiveness of audits by strengthening trust relationships with Directors and related internal departments while maintaining a sense of tension together with Outside Audit & Supervisory Board Members. Going forward I will continue to contribute to the enhancement of Sojitz's corporate value as a global company, with a high level of sensitivity to both the avoidance of risks brought about by major changes in the business environment surrounding companies and the pursuit of business opportunities.</p>	<p data-bbox="1294 813 1463 918">41,015 (Potential shares 0)</p>

(Note) The number of potential shares held by each candidate is shown as a reference for the number of shares scheduled to be delivered, which is equivalent to the number of share delivery points granted to Directors and Executive Officers under the share remuneration system utilizing the trust.

No.	Name (Date of birth, age)	Career summary and position at Sojitz	Number of shares owned
2	 <p data-bbox="231 779 435 869">Masaaki Kushibiki (April 21, 1960, 60)</p> <p data-bbox="231 902 435 925"><New appointment></p>	<p data-bbox="464 327 963 349">April 1983 Joined Nissho Iwai Corporation</p> <p data-bbox="464 367 1246 423">April 2007 General Manager, Corporate Accounting Department, Sojitz Corporation</p> <p data-bbox="464 432 1241 488">April 2014 Corporate Officer, General Manager, Corporate Accounting Department</p> <p data-bbox="464 497 1171 553">April 2015 Executive Officer, Risk Management Planning, Risk Management</p> <p data-bbox="464 562 1235 618">April 2017 Managing Executive Officer, Human Resources & General Affairs</p> <p data-bbox="464 627 1217 683">April 2019 Managing Executive Officer, COO, Human Resources Department, General Affairs & IT Operation Department</p> <p data-bbox="464 692 1011 714">April 2020 Corporate Advisor (current position)</p> <p data-bbox="464 730 1235 786">[Reasons for the nomination of the candidate for Audit & Supervisory Board Member]</p> <p data-bbox="464 790 1262 992">After serving as General Manager of the Corporate Accounting Department, Masaaki Kushibiki has been in charge of risk management as Executive Officer and human resources, general affairs and IT operation as Managing Executive Officer. Because he has expertise and broad knowledge cultivated through his extensive business experience at Sojitz, Sojitz has chosen him as Audit & Supervisory Board Member candidate predicated on its judgment that he will appropriately fulfill his duties as Audit & Supervisory Board Member.</p> <p data-bbox="464 1003 683 1025">To Our Shareholders:</p> <p data-bbox="464 1032 1259 1229">Up until now, I have been in charge of a wide range of functional operations of a general trading company, including accounting, taxation, risk management, human resources, general affairs, and IT systems, as part of the experience I have cultivated since joining Sojitz. As Audit & Supervisory Board Member, I will leverage this experience to contribute to the improvement of sound and transparent corporate governance and the advancement of internal control and auditing for sustainable development and growth of the Sojitz Group.</p>	<p data-bbox="1393 714 1465 736">35,600</p> <p data-bbox="1297 768 1473 824">(Potential shares 12,775)</p>

No.	Name (Date of birth, age)	Career summary and position at Sojitz	Number of shares owned
3	 <p data-bbox="225 943 445 1025">Michiko Nagasawa (August 26, 1951, 68)</p> <p data-bbox="225 1066 445 1330"><New appointment> <Outside Audit & Supervisory Board Member > <Independent Audit & Supervisory Board Member></p>	<p data-bbox="464 327 1225 909"> April 1984 Registered as Attorney-at-law April 2007 Professor of Law, Gakushuin University Law School January 2008 Partner, The Tokyo-Marunouchi Law Offices (current position) January 2010 Chair, Contract Review Committee, Urban Renaissance Agency (current position) April 2012 Auditor, Daini Tokyo Bar Association September 2012 Representative liquidator, Liquidated Company of the Incubator Bank of Japan March 2013 Board Director, Otsuka Kagu, Ltd. May 2017 Director, Business Rehabilitation Research Organization (current position) July 2018 Auditor (part-time), Building Research Institute, National Research and Development Agency, Ministry of Land, Infrastructure, Transport and Tourism (current position) June 2019 Outside Director, SB Players Corp. (current position) April 2020 Auditor, Japan Federation of Bar Associations (current position) </p> <p data-bbox="464 927 1254 981">[Reasons for the nomination of the candidate for Outside Audit & Supervisory Board Member]</p> <p data-bbox="464 987 1278 1216">Michiko Nagasawa has held important positions in the field of justice, as well as experience as an Outside Director at other companies. Because she has a high level of insight and supervisory skills related to management based on her abundant experience in corporate law as an attorney, Sojitz has chosen her as Audit & Supervisory Board Member candidate predicated on its judgment that she will appropriately fulfill her duties as Outside Audit & Supervisory Board Member and contribute to the improvement of the Sojitz's corporate governance and the enhancement of audits by the Audit & Supervisory Board Members.</p> <p data-bbox="464 1234 1182 1375">[Significant concurrent occupations or positions at other organizations] Partner of The Tokyo-Marunouchi Law Offices Outside Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD. (scheduled to be appointed at the Ordinary General Shareholders' Meeting to be held on June 24, 2020)</p> <p data-bbox="464 1393 1267 1798"> [Independence] Michiko Nagasawa is a candidate for Outside Audit & Supervisory Board Member pursuant to Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act of Japan. Michiko Nagasawa meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see pages 25 and 26 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that she has sufficient independence from Sojitz as Outside Audit & Supervisory Board Member. For this reason, Sojitz plans to notify Tokyo Stock Exchange, Inc. of her appointment as Independent Audit & Supervisory Board Member. Supplementary information on independence is as follows: · There are no business transactions between Sojitz and The Tokyo-Marunouchi Law Offices, at which she serves as partner. </p>	<p data-bbox="1299 999 1465 1104">0 (Potential shares 0)</p>

No.	Name (Date of birth, age)	Career summary and position at Sojitz	Number of shares owned
		<p>To Our Shareholders: I have been in the legal profession for 36 years as an attorney. Recently, I have served as an Outside Director of several companies, and through this experience, I have become aware of the importance of advancing corporate governance.</p> <p>By utilizing the knowledge and experience I have cultivated up until now, I will pay close attention to ensuring thorough compliance and improving the effectiveness of corporate governance, while being conscious of diversity and fulfilling my responsibilities as an Audit & Supervisory Board Member in order to contribute to improvement in Sojitz's corporate value.</p>	

(Reference)

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

Standards concerning appointment of candidates for Outside Directors and Outside Audit & Supervisory Board Members

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

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

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

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

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

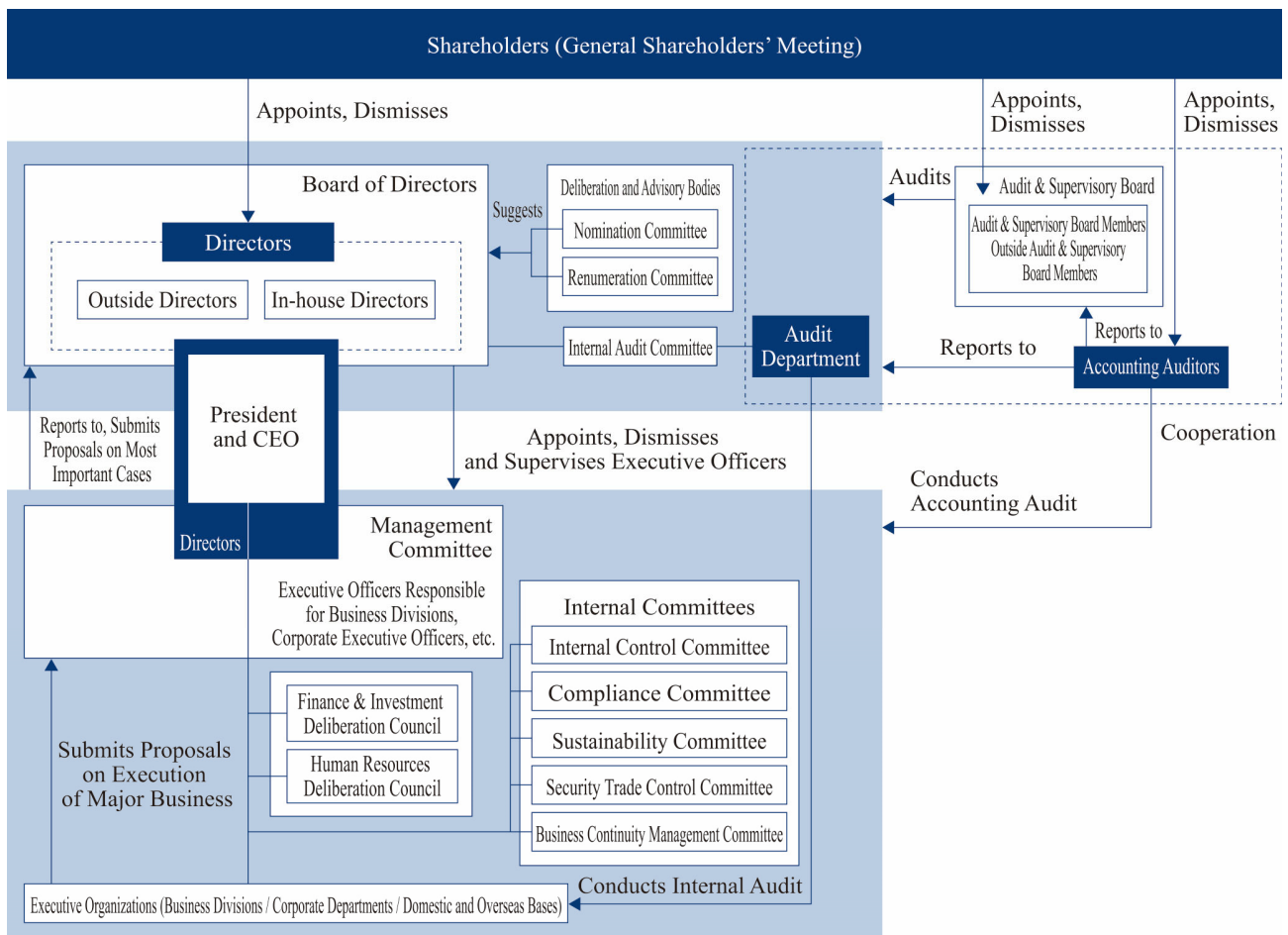
(Reference) **Corporate Governance Initiatives**

1. Basic concept

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

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

Corporate Governance Framework (Following June 18, 2020 General Shareholders’ Meeting)



1) Management and Business Execution System

We employ an executive officer system for the purpose of, clarifying authority and responsibilities, and ensuring a smooth and swift execution of business through the separation of managerial decision-making from business execution. The Board of Directors is the highest decision-making body reviewing and resolving fundamental policies and most important cases concerning the management of the Group. The Board of Directors also supervises business execution through proposals of important matters and regular reports from the executing body.

As the executing body, we have established the Management Committee, chaired by the President, who is also the Chief Executive Officer. The Committee is responsible for the review and approval of the Group's important managerial and executive agendas, from a group-wide and medium-to-long-term viewpoint. In addition, we have established the Finance & Investment Deliberation Council for the review and approval of investments and loans, the Human Resource Deliberation Council for the review and approval of major human resource matters, and internal committees to handle issues to be addressed from cross-organizational perspectives, as executing bodies all directly reporting to the President & CEO. The term of Directors and Executive Officers is set to one year, in order to respond swiftly and appropriately to rapid changes in the business environment and clarify their responsibilities to management.

2) Monitoring and Supervisory Functions for Management

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

2. Company Institutions

1) Board of Directors

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

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

In appointing candidates for Directors, we take into consideration the diversity such as gender, international experience or other characteristics, and appoint multiple candidates who possess abundant experience, specialized knowledge and advanced expertise from both inside and outside Sojitz, to ensure decision-making and management supervision appropriate to a general trading company involved in a wide range of businesses. Sojitz's Articles of Incorporation stipulate that the number of members of the Board of Directors shall be no more than ten. As of March 31, 2020, we have six Directors (five male and one female), consisting of four In-house Directors who have abundant business experience at Sojitz and two Outside Directors who have objective specialist viewpoints and diverse knowledge.

- **Procedure for Nominating Directors**

In line with the policy above, the Board of Directors deliberates on the experience and quality as an officer with respect to each Director candidate based on the results of discussion at the Nomination Committee and resolves the candidate proposal for submission to the General Shareholders' Meeting for approval.

- Matters Deliberated by the Board of Directors

The Board of Directors reviews and resolves fundamental matters concerning management among the Group, involving management policy, business plans and important personnel, organizational and system related matters based on the internal rules of the Board of Directors in addition to laws, regulation and the Articles of Incorporation. It also reviews and resolves the important matters related business execution such as important investments and loans.

As for business execution other than these matters resolved by the Board of Directors, the President, the Chief Executive Officer, or the executing bodies reporting to the President & CEO; the Management Committee, the Finance & Investment Deliberation Council and the Human Resource Deliberation Council etc. review and approve matters depending on the contents, scale, importance and risks of each matter.

- Support System for Directors

The Board Meeting Operation Office was established as an organization comprised of three full-time staff (as of March 31, 2020) who support the Directors by reporting to, providing information to, and communicating with Directors in a timely and appropriate manner.

- Analysis/assessment of effectiveness of the Board of Directors

Each year, we analyze and assess the effectiveness of the Board of Directors as a whole in order to improve its functions.

Based on the results of the assessment on the effectiveness of the Board of Directors for the fiscal year ended March 31, 2019, we performed the following tasks in the fiscal year ended March 31, 2020.

- Following up on the progress of the Medium-Term Management Plan by the Board of Directors
- Explanations by Chief Operation Officers (COO) of business divisions on the positioning of investments and loans within their respective business divisions, in order to enhance the effectiveness of the decision-making process. Additional supplementary explanations such as on the points of discussion by the Finance & Investment Deliberation Council by the In-house Director who chairs the Finance & Investment Deliberation Council.
- Attendance by Outside Audit & Supervisory Board Members at prior explanations given to Outside Directors regarding Board of Director proposals as well as the holding of regular consultations among Outside Officers in an aim to promote communication between Outside Directors and Outside Audit & Supervisory Board Members.
- Reports to the Board of Directors on items for discussion and consideration at the Nomination Committee and Remuneration Committee
- Visits, such as by Outside Officers to a paper-manufacturing company in Vietnam in December 2019, in order to deepen the understanding of the wide-ranging business of Sojitz and the Sojitz Group and provide opportunities for communication with business personnel.

The results of the analysis and assessment for the year ended March 31, 2020, and the tasks ahead are as follows.

Analysis and Assessment Method	<ol style="list-style-type: none"> 1. The Board of Directors discussed how to proceed with the assessment of the effectiveness of the Board of Directors for the fiscal year ended March 31, 2020. 2. A written survey and an individual interview were conducted for all Directors and Audit & Supervisory Board Members. The results of this survey were then assessed by a third party (an outside consultant).
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	<p>3. The analysis and assessment outcome based on the results of the third-party assessment and individual interviews was reported to the Board of Directors for a discussion on tasks to be addressed.</p>
Survey Items	<ol style="list-style-type: none"> 1. Roles and responsibilities of the Board of Directors 2. Composition of the Board of Directors 3. Management of the Board of Directors 4. Decision-making process of the Board of Directors 5. Supervision by the Board of Directors 6. Support system for the Board of Directors 7. Nomination Committee and Remuneration Committee, which are advisory bodies to the Board of Directors 8. Items concerning Outside Directors 9. Suggestions for improving effectiveness, etc.
Outline of Assessment Results	<p>The aggregated survey results showed that the overall average score exceeded the standard, and the third-party assessment was favorable as detailed below. It is therefore confirmed that the Board of Directors is functioning appropriately and effectively as described below.</p>
Excerpts from Third-Party Assessment Observations	<ul style="list-style-type: none"> - From such findings as the clarification of the responsibilities of each Director, active discussions including Outside Officers, appropriate proceedings by the chair, prior information sharing, and the support framework of the newly established Board Meeting Operation Office, it can be concluded that the effectiveness of Sojitz's Board of Directors is fairly high. - While an increase in the number of Outside Directors and a transition to a seven-person framework, comprising of four In-house Directors and three Outside Directors, is proposed at the June 2020 General Shareholders' Meeting, some have called for an increase in the number of In-house Directors while maintaining the ratio of Outside Directors at one-third or more of all Directors, due to the diverse nature of general trading company business. As a globally developing company, diversity is required in the backgrounds, gender and nationalities of the Board of Directors. - Improvements have been seen in the support framework for Outside Officers such as through an acceleration in the sharing of information, including main meeting materials, via the utilization of IT and attendance of Outside Officers at the Finance & Investment Deliberation Council. - Comments were heard wishing for fuller explanations regarding business content and business strategy upon assuming office. Enhanced training framework for new officers planned to be appointed is required in the future. - Some have called for discussions on medium- to long-term improvement of corporate value, management strategies and management plans to be performed from more diversified perspectives.
Tasks ahead to further increase the effectiveness of the Board	<p>Based on the results of the assessment on the effectiveness of the Board of Directors for the fiscal year ended March 31, 2020, in order to further enhance the effectiveness of the Board of Directors, we have confirmed the continuation of the following tasks.</p> <ul style="list-style-type: none"> - Discussions at the Board of Directors, depending on the stage of advancement, on the progress of the Medium-Term Management Plan or the formulation status of the next medium-term management plan.

	<ul style="list-style-type: none"> - Reports made outside of the Board of Directors meetings by each COO of business divisions based on the review of the Medium-Term Management Plan 2020, covering quantitative and qualitative targets in the annual budget and the challenges and specific measures to achieve such targets. - Regular holding of independent Outside Officers meetings comprised only of Outside Officers as well as consultations between the President & CEO and In-house Directors on management issues to share understanding. - Continuation of on-site inspections and visits to bases by Outside Officers in order to deepen their understanding of the wide-ranging business of the Group.
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Visit by Outside Officers to a paper-manufacturing company in Vietnam (December 2019)



- Updates in Fiscal 2020

Upon the resolution of the General Shareholders' Meeting on June 18, 2020, the Board of Directors will be composed of seven Directors (five male and two female), four of whom are In-house Directors with abundant business experience at Sojitz and three who are Outside Directors with objective, specialist perspectives and diverse knowledge.

2) Audit & Supervisory Board

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

- Composition of the Audit & Supervisory Board

As of March 31, 2020, the Audit & Supervisory Board consists of five members (two full-time), including one In-house Audit & Supervisory Board Member with abundant business experience within Sojitz and four Outside Audit & Supervisory Board Members with objective, specialist perspectives and diverse knowledge.

- Support system for Audit & Supervisory Board Members

The Audit & Supervisory Board Members' Office exists as a dedicated body to support the Audit & Supervisory Board Members, comprised of three full-time staff as of March 31, 2020. It provides information to, reports to, and communicates with In-house and Outside Directors in a timely and appropriate manner.

3) Advisory bodies to the Board of Directors (Nomination Committee, Remuneration Committee)

Sojitz has established the following advisory bodies to the Board of Directors.

	Nomination Committee	Remuneration Committee
Roles	Discusses and proposes the standards and methods for selecting Director and Executive Officer candidates and considers candidate proposals.	Discusses and proposes remuneration levels for Directors and Executive Officers and various systems related to evaluation and remuneration.
Members	Two Outside Directors and two In-house Directors	Two Outside Directors and two In-house Directors
	Norio Otsuka (Chairperson/Outside Director) Kayoko Naito (Outside Director) Takashi Hara (Representative Director, Chairman) Masayoshi Fujimoto (Representative Director, President & CEO)	Kayoko Naito (Chairperson/Outside Director) Norio Otsuka (Outside Director) Takashi Hara (Representative Director, Chairman) Masayoshi Fujimoto (Representative Director, President & CEO)

4) Policies on appointment and standards for independence of Outside Officers

Sojitz places importance on the independence of Outside Officers. Sojitz has formulated our own Independence Standards for Outside Officers, in addition to the provisions of the Companies Act and standards for independence of officers set by financial instruments exchanges. Sojitz confirms that all our Outside Officers meet these standards.

For the Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members, please refer to pages 25 and 26 of this notice.

5) Training policy for Directors and Audit & Supervisory Board Members

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

- We provide newly appointed Directors and Audit & Supervisory Board Members with opportunities for lectures by lawyers on legal obligations and responsibilities of Directors and Audit & Supervisory Board Members, as well as programs targeting company management, such as third-party consulting sessions.
- In order for internal and Outside Directors and Audit & Supervisory Board Members to deepen their understanding of our extensive business activities, each of the COO hold business and initiative briefing sessions, and in order for them to deepen their understanding of the latest macroeconomic conditions, our research institute holds monthly briefing sessions. In addition, we provide other necessary information on an ongoing basis.

- We offer Directors and Audit & Supervisory Board Members opportunities to attend seminars, etc. held by external organizations such as the Japan Association of Corporate Directors and the Japan Audit & Supervisory Board Members Association.

6) Policy for determining remuneration of Directors and Audit & Supervisory Board Members

Remuneration of Directors and Audit & Supervisory Board Members is set within the limits determined by resolution at the Ordinary General Shareholders' Meeting. Remuneration of Directors is determined with regards to both account business results and non-financial aspects of performance. Remuneration of Audit & Supervisory Board Members is, in principle, deliberated and decided by the Audit & Supervisory Board.

3. Business Executing Bodies

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

1) Management Committee

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

2) Finance & Investment Deliberation Council

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

3) Human Resource Deliberation Council

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

4) Internal Committees

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

	Roles
Internal Control Committee	The Internal Control Committee formulates policies to maintain and improve our internal control system based on the Companies Act and the Financial Instruments and Exchange Act, and monitors this internal control system and its enforcement among the Group.
Compliance Committee	The Compliance Committee examines and formulates fundamental policies and measures to ensure compliance.
Sustainability Committee	The Sustainability Committee examines and formulates fundamental policies and measures related to promotion of Sustainability.

Security Trade Control Committee	The Security Trade Control Committee expedites responses to changing security trade control issues associated with Sojitz Group and establishes appropriate trade control systems.
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In addition, we have established the Disclosure Subcommittee and Information Security Subcommittee as subsidiary bodies of the internal committees. On April 1, 2020, we established the Business Continuity Management Committee in order to ensure the effectiveness of and, responding to changes in the business environment, continuously review, improve, and develop the basic policy for crisis management, based on the “Sojitz Group Basic Policy on Crisis Management.”

4. Corporate Audits, Accounting Audits and Internal Audits

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

1) Audits by Audit & Supervisory Board Members

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

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

2) Accounting Audits

Sojitz has appointed the independent auditing firm KPMG AZSA LLC to conduct accounting audits in accordance with the Companies Act, as well as audits of financial statements, quarterly reviews and internal control audits in accordance with the Financial Instruments and Exchange Act. Their executive officers and assistant staff involved in audits for Sojitz in the fiscal year ended March 31, 2019, are as follows. Details on their years of service are omitted, as all of the certified public accountants (CPAs) who audited Sojitz have served for less than seven years.

(Designated Limited Liability Partners, Engagement Partners)

Iwao Hirano, Kentaro Onishi, Daisuke Yamada

(Assistant staff working for our accounting audit)

18 CPAs and 18 assistant CPAs

3) Internal Audits

Based on an audit plan adopted by the Board of Directors and under the command of the Internal Audit Committee, the Internal Audit Department (comprising 27 people as of March 31, 2020) conducts audits covering the business divisions, corporate departments, and consolidated subsidiaries as follows.

- During the audit, the Department investigates whether organizational governance, risk management, and internal controls are functioning appropriately and makes proposals for effective improvements to prevent loss and resolve issues.
- After the audit is completed, the Department submits an audit report to the Internal Audit Committee and the Audit & Supervisory Board Members after exchanging opinions at an audit review meeting for the audited organizations and the concerned parties (COOs of divisions with primary responsibility, COOs responsible for corporate departments and Audit & Supervisory Board Members). In addition, the Department holds an audit report meeting to provide an explanation to the Internal Audit Committee every month.
- To address the problems identified in the audits, the Internal Audit Department receives reports about improvements by the audited organizations for the three- and six-month periods after the audits, and conducts a follow-up audit to check their progress.

5. Holdings of listed shares

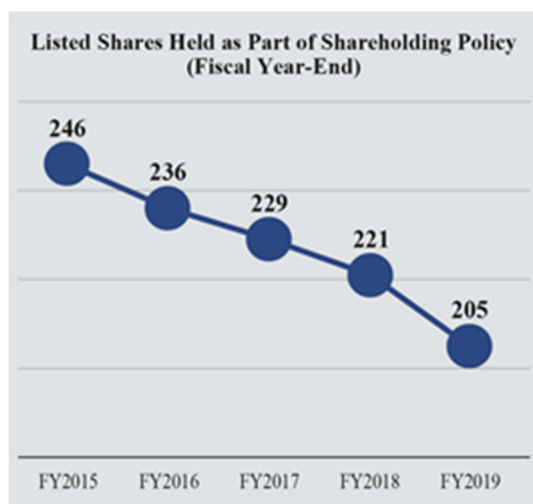
1) Policies for share holdings

Each year, we conduct a quantitative assessment of listed shares held in each company as part of our shareholding policy to ensure that dividends or related profit earned from those shares exceeds the shares' equity cost (WACC). We also conduct a qualitative assessment, looking at whether the shares help improve our corporate value. Based on these assessments, we examine the value of retaining these shares. We retain those that are deemed to be worthwhile, seeking ways to achieve greater impact and benefit from those shares. Meanwhile, for those shares which are deemed to now lack significant value, we set a deadline to improve their value, or, if there is no indication these shares will improve, we examine the possibility of divestiture. The Board of Directors and the Management Committee conducts this assessment for each lot of shares held in each company.

2) Exercise of voting rights

Based on the significance of holding shares of listed companies, we exercise our voting rights based on whether or not they contribute to sustainable growth and improved corporate value over the medium-to-long term for both Sojitz and the investment target. We also have a system of monitoring the status of exercise of voting rights.

Listed Shares Held as Part of Shareholding Policy (Fiscal Year-end)



(Note) Listed and unlisted shares held by the Company

(Reference) **Initiatives for Sustainable Growth**

Respect for the rights of stakeholders

As expressed in the Sojitz Group Statement, Sojitz strives through its corporate activities to meet the diverse needs and expectations of our stakeholders throughout the world with integrity and to provide new value continuously. By doing so, Sojitz works to maximize two types of value: “Value for Sojitz,” including enhancement of the Sojitz Group’s business foundation and sustained growth; and “Value for society,” such as development of national and local economies, environmental preservation and respect for human rights.

To implement the Sojitz Group Statement and build stronger relationships of trust with stakeholders, Sojitz has established the guiding principles and standards such as “Sojitz Group CSR Action Guidelines for Supply Chains” and “Sojitz Group Code of Conduct and Ethics,” which all Group officers and employees are expected to honor, and formulated “Sojitz Group Environmental Policy” and “Sojitz Group Human Rights Policy” as sustainability policies in accordance with international norms such as the Ten Principles of the UN Global Compact, the Paris Agreement, and SDGs (Sustainable Development Goals), and ensures they are made known and thoroughly complied with by each Group company as well as their officers and employees.

1) Sustainability Initiatives

At Sojitz, in order to continue creating the “two types of value” into the future, together with defining 6 Key Sustainability Issues (Materiality) to focus on in our business over the medium- to long-term, we have established our long-term vision “Sustainability Challenge,” and are striving to integrate solutions to global environmental and social problems with our corporate activities and build systems for such integration.

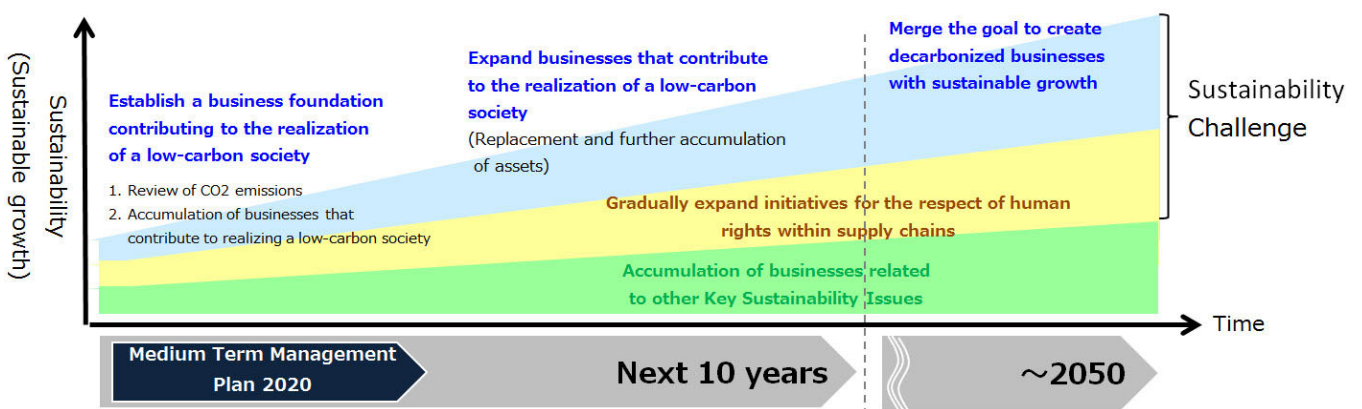
<Key Sustainability Issues (Materiality)>



<Sustainability Challenges>

“We aim to create sustainable growth for both Sojitz and society by working to help achieve a decarbonized society through our business activities, and by responding to human rights issues, including those within our supply chains.”

Positioning the three years of the Medium-Term Management Plan 2020 as a preparation phase for the realization of our long-term vision, our management will demonstrate its leadership in the company-wide effort to understand and assess the CO₂ emissions from our business activities. Moreover, we will accelerate the accumulation of businesses that contribute to the achievement of a low-carbon society and, together with striving to expand our low-carbon businesses over the next 10 years, we will broaden our initiatives to ensure human rights are always respected.



<Initiatives for Low Carbon and Decarbonization>

Sojitz Group is “working to achieve a decarbonized society through our business activities” as set out in the “Sustainability Challenge,” and we are promoting initiatives that link business to measures against climate change, such as our renewable energy business. These initiatives are based on the requirements of the Paris Agreement adopted in the United Nations Framework Convention on Climate Change (COP21) in 2015. In August 2018, we declared our endorsement of the final recommendations of the TCFD and are striving to cooperate with a wide range of stakeholders, proactively disclose information, and improve our transparency.

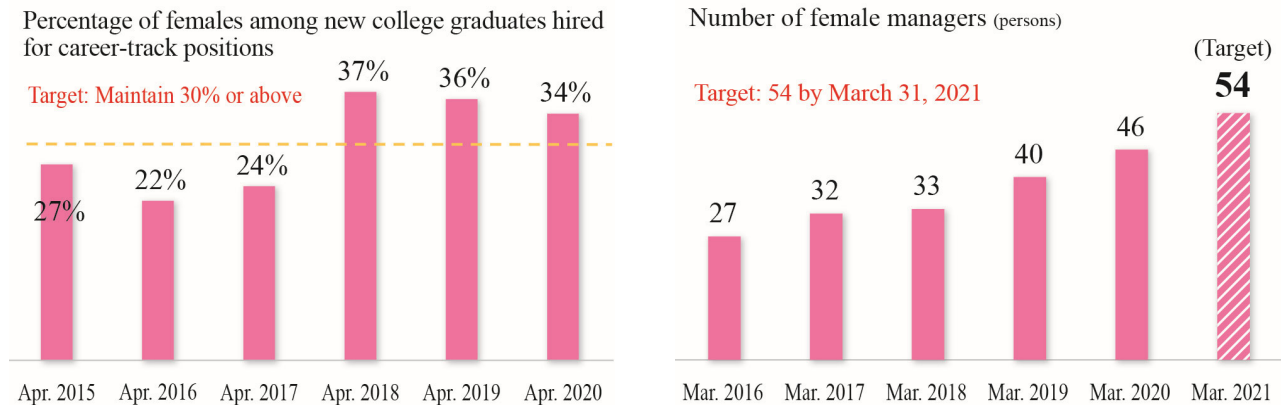
2) Initiatives Targeting Employee Diversity

As we develop our business globally, in order to continue to demonstrate competitiveness over the long term, we are promoting the recruitment, development, and utilization of a diverse set of human resources—regardless of gender, nationality or age. In addition, we are working to improve systems and environments so that such human resources can maximize their individual capabilities and contribute to the results of the organization.

- Empowering women in the workplace

We have established action plans and numerical targets from a medium- to long-term perspective and are working to implement various measures that seek to empower female managers and other women in the workplace such as efforts to improve working environments, including systems to support the balancing of work and childcare, and to raise awareness among employees and their bosses. In addition, the

progress of such efforts is regularly reported to the Management Committee and the Board of Directors. We are also actively relaying messages from management to inside and outside of Sojitz. In October 2018, we announced the “Sojitz IkuBoss Declaration” to increase the number of managers who can utilize diverse human resources to produce organizational results and to promote flexible and highly productive work styles. Moreover, in March 2020, we were selected as a Nadeshiko Brand company (sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange) for four consecutive years in recognition of our efforts to empower women in the workplace.



- Recruitment & development of global talent

With regard to recruitment at Sojitz Tokyo headquarters, we are promoting the employment of foreign new graduates and mid-careers. Additionally, Sojitz’s operating companies overseas not only employ the best local talent, making the most of these employees to further Sojitz’s growth strategies worldwide; the company continues to hold training programs at the Tokyo head office for Sojitz Group employees from abroad, as part of its efforts to develop core management candidates. In terms of developing employees at Tokyo HQ, Sojitz is proactively implementing programs to develop employees with a global perspective, such as by dispatching all employees for training overseas within their first five years, providing language training in the countries where those languages are spoken, and sending the company’s best and brightest to MBA or LLM programs. Commencing FY2019, we have initiated a trainee dispatch system that transcends division boundaries, and, by such trainees making use of their prior division experience to gain experience under the jurisdiction of other divisions, we will work as a whole company to broaden our business experiences.

- Utilizing talent regardless of age

Sojitz ensures employees receive treatment appropriate to their job rank and grade, regardless of age or seniority. The company has also introduced an HR system which enables employees to be promoted at an earlier stage in their careers and is working to create a work environment which fosters high motivation and engagement from each and every employee.

Sojitz’s human resources system also encourages engagement among employees nearing retirement age, enabling them to maximize use of their experience, knowledge, and connections.

- Employing persons with disabilities

In addition to employing persons with disabilities (PWDs) at Tokyo HQ, Sojitz has established a “special associate company” as stipulated by Japanese law. By equipping this special associate company with a

system which breaks down duties in a way appropriate to individuals' disabilities and which enables staff to follow up with employees regarding their lives outside the office, Sojitz has created a working environment tailored to persons with intellectual or mental disabilities, thereby promoting employment of PWDs. As of March 31, 2020, we have achieved the legally-stipulated benchmark for employment of 2.2%, and will continue to work with the special associate company to satisfy PWD employment ratio and promote the employment of PWDs.

- Creating an environment that enables flexible working styles regardless of place or time

As part of work style reforms, in FY2017 we introduced a flextime work system (super flex) with no fixed core hours. In addition, in FY2019, following an internal trial that started in FY2018, we officially introduced a remote work system in January 2020 and have created an environment in which diverse human resources who work autonomously can perform their duties flexibly.

3) Dialogue with Shareholders

Sojitz maintains a basic policy of engaging in constructive dialogue with shareholders. Sojitz continues to provide shareholders with appropriate and timely information on management policy and initiatives to achieve sustained growth and increase corporate value over the medium-to-long term. Shareholders' opinions are then reported to the upper management and reflected in management decisions.

To ensure fair and appropriate disclosure of information to its stakeholders, including shareholders and investors, with respect for the Fair Disclosure Rule, Sojitz has established and observed a set of internal regulations including the "Regulations to Prevent Insider Trading" and the "Information Disclosure Regulations" that stipulate fundamental policies for compliance with laws and regulations, transparency, timeliness, fairness, consistency and confidentiality, and ensure strict compliance by executive officers and employees.

- Providing information to shareholders

Sojitz's basic policy is to communicate information fairly and equally to all shareholders. Information regarding the Medium-Term Management Plan and financial results is publicized via TDnet or the Sojitz website immediately after resolution by the Board of Directors. In addition, to promote the understanding of its business activities and business models, Sojitz has engaged in active disclosure of information, such as publishing Integrated Reports, holding briefings for/meetings with individual shareholders and business activities briefings and distributing videos on the Sojitz website.

- Initiatives with regard to the Ordinary General Shareholders' Meeting

The Notice of Ordinary General Shareholders' Meeting is posted on our website in Japanese and English around four weeks prior to the Ordinary General Shareholders' Meeting and is sent out by mail around three weeks prior to the meeting. In addition, the Notice of Ordinary General Shareholders' Meeting has become compatible with smartphones and tablets as well. Sojitz also aims to make the Ordinary General Shareholders' Meetings as interactive as possible through active measures including holding it at a different time from most other companies in Japan, using Internet voting system, participating in Electronic Voting Platform, which can be utilized by institutional investors in Japan and overseas, and providing a webcast of the Ordinary General Shareholders' Meeting on the Sojitz website after the meeting has been held. In order to prevent the spread of COVID-19, the Ordinary General Shareholders' Meeting to be held on June 18, 2020 will be held with a primary focus on ensuring the safety of shareholders.

- Systems and initiatives for dialogue with shareholders

Sojitz has established a system where Directors play an active role in dialogue with shareholders, with support from the Investor Relations Office as a dedicated body for this purpose.

Parties	Initiatives	Specific activities in the fiscal year ended March 31, 2020
Individual shareholders and individual investors	Hold various briefing sessions to ensure opportunities for the President & CEO and the CFO as the Representative Directors, and others to explain our management strategies and performance trends, etc.	Briefing for/meeting with individual shareholders (Osaka, Nagoya, and Fukuoka) Briefings for individual investors Participation in IR events organized by securities companies
Institutional investors (Japan and overseas)	Ensure to provide opportunities for direct dialogue through various briefings and individual meetings, etc.	Financial results briefings Individual meetings Meeting with Outside Directors Participation in conferences held by securities companies

In addition to the above, securities analysts attended financial results briefings.

Meeting with individual shareholders in Fukuoka (January 2020)



Meeting between Outside Directors and institutional investors (November 2019)



Awarding of Daiwa Investor Relations 2019 Internet IR Grand Prize



(Attachment to the Notice of the 17th Ordinary General Shareholders' Meeting)

Business Report

(From April 1, 2019 to March 31, 2020)

1. Current circumstances of Sojitz Group

(1) Business activities

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

(2) Review of progress and performance in operations

In the year ended March 31, 2020, substantial economic slowdown was seen across the world. Factors behind this slowdown included trade friction between the United States and China, deceleration in the economic growth of China, unclear progress regarding the United Kingdom's withdrawal from the European Union, and conditions in the Middle East. Another major factor was the COVID-19 pandemic, which resulted in massive restrictions being placed on the movement of people and goods. Governments worldwide are taking steps to minimize the impacts of this pandemic and bring about a quick conclusion, including countermeasures for combating the spread of the virus as well as financial and fiscal measures.

Despite the anticipated recovery of growth in the United States in light of factors such as a trade agreement with China, a sharp dip was seen in the growth of the U.S. economy as the COVID-19 pandemic brought consumption and corporate activities to a halt.

Meanwhile, Europe faces mounting uncertainty with regard to the outlook for both economic and political trends. Economic growth struggled due to sluggish demand from China and other countries outside of the region and the uncertainty surrounding the United Kingdom's withdrawal from the European Union. Meanwhile, the sense of cohesion within the European Union was diminished in the face of the COVID-19 pandemic.

In China, economic slowdown became more pronounced, with the GDP growth rate dropping into the negative for the first time. This outcome was a result of the COVID-19 pandemic, which halted production and other supply-side activities while diminishing demand by restricting the movement of people.

Growth in Asia has previously been supported by exports and private consumption. However, there is now a sense of concern regarding the possibility of future growth being stifled by global economic slowdown, supply chain disruptions, and limited consumer spending as the COVID-19 pandemic affects countries throughout the region.

Japan, meanwhile, experienced a modest growth trend. However, the Japanese economy took a quick downturn after the COVID-19 pandemic resulted in sluggish external demand and limited consumer spending.

Sojitz Group Performance

Sojitz Corporation's consolidated business results for the year ended March 31, 2020 are presented below. ^(Note)

(Note) Sojitz adopts the International Financial Reporting Standards (hereinafter referred to as

“IFRS”) in preparing the consolidated financial statements.

Revenue	Revenue was down 5.5% year on year, to ¥1,754,825 million, due to lower revenue in the Chemicals Division, a result of declines in the transaction volumes of plastic resins and in the price of methanol, and in the Metals & Mineral Resources Division, a result of fall in sales prices in overseas coal businesses.
Gross profit	Gross profit decreased ¥20,462 million year on year, to ¥220,494 million, due to decrease in revenue.
Profit before tax	Profit before tax decreased ¥19,354 million year on year, to ¥75,528 million, as the declines in gross profit and share of profit of investments accounted for using the equity method outweighed the benefits of the improved balance of other income and expenses stemming from the sale of thermal coal interests.
Profit for the year	After deducting income tax expenses of ¥10,954 million from profit before tax of ¥75,528 million, profit for the year amounted to ¥64,573 million, down ¥10,646 million year on year. Profit for the year (attributable to owners of the Company) decreased ¥9,598 million year on year, to ¥60,821 million.

Comprehensive income for the year

Comprehensive loss for the year was recorded ¥2,361 million, decreased ¥57,309 million year on year, compared with comprehensive income for the year of ¥54,948 million in the previous fiscal year, following a decline in financial assets at fair value through foreign currency translation differences for foreign operations and other comprehensive income along with lower profit for the period.

Comprehensive loss for the year (attributable to owners of the Company) was recorded, ¥4,220 million decreased ¥55,158 million year on year, compared with comprehensive income for the year (attributable to owners of the Company) ¥50,938 million in the previous fiscal year.

Sojitz Group's main products and services, operating performance and overview of business conditions by business segment are as follows.

Automotive Division

Main products and services

Trading of completed automobiles; assembly and sales; retail; automobile and motorcycle parts, simply parts assembly; supply chain management; automotive parts quality inspection operations; financing; sales and service operations incorporating digital technologies

Operating performance

Revenue was down 7.1% year on year, to ¥225,276 million, as the acquisition of domestic and overseas automobile dealership businesses were counterbalanced by lower sales volumes in overseas automobile distributor businesses. Profit for the year (attributable to owners of the Company) decreased ¥4,029 million, to ¥2,380 million, following a decline in the net of other income and expenses in reaction to the sale of automobile-related company in the previous fiscal year.

Overview of business conditions

During the year ended March 31, 2020, in our core business of automobile sales, market conditions deteriorated in regions including Thailand, Russia, and the Philippines in the latter half of the year, and we were unable to achieve plan targets. However, we are working to expand new business areas through M&A in promising markets. We are working to increase the value of our business by strengthening our community-based sales and marketing capabilities and after-sales services, as well as strengthening functions that incorporate advanced digital technologies. We are also actively working to strengthen our financing business and build new service businesses that incorporate advanced digital technologies.

Aerospace & Transportation Project Division

Main products and services

Aero business (Commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business, airport business); Transformation and social infrastructure projects (transformation projects; airport, port, and other social infrastructure projects); Marine business (New building, second-hand ships, ship chartering, ship equipment, ship owning)

Operating performance

Revenue was up 28.1% year on year, to ¥35,631 million, as a result of higher income in aircraft-related transactions. Profit for the year (attributable to owners of the Company) decreased ¥2,168 million, to ¥1,794 million, due to a decline in other income stemming from impairment losses on Company-owned ships.

Overview of business conditions

In the year ended March 31, 2020, we were unable to achieve plan targets

mainly due to impairment losses on Company-owned ships. However, based on our excellent track record acting as distributor for commercial aircraft in Japan, we are not only importing, exporting, and selling machinery related to the aerospace and defense industries, but also actively engaged in business jet services, as well as in our part-out business in which we sell second-hand parts from decommissioned and aged aircraft to airlines and aircraft maintenance companies. In addition, beginning with the participation in the operation of the Kumamoto Airport in the year ended March 31, 2020, we are developing airport management business in Japan and overseas, and are aiming to develop airport-based peripheral businesses. In the transportation infrastructure business, we are developing businesses in areas that support regional transportation infrastructure, such as the construction of a dedicated freight railway between Delhi and Mumbai in India, and railway-related businesses in North America. With regard to marine vessels, we are developing our business focused on handling all sorts of marine vessels, including new and secondhand vessels, as well as the marine equipment sales business.

Machinery & Medical Infrastructure Division

Main products and services

Plant Projects (Fertilizer & chemical, energy, infrastructure and environmental projects); Industrial Machinery (Industrial machinery, surface-mounting machines, start-ups); Forefront Industry businesses; Bearings; Medical Infrastructure (Hospital PPP, Medical-related service, healthcare new technology)

Operating performance

Revenue was up 15.6% year on year, to ¥123,725 million, as a result of an increase in industrial machinery transactions. Profit for the year (attributable to owners of the Company) rose ¥1,804 million, to 4,567 million, due to higher gross profit and an increase in share of profit of investments accounted for using the equity method.

Overview of business conditions

In the year ended March 31, 2020, although the bearing and plant businesses struggled, due to the contributions of the progress made by the hospital PPP project in Turkey, overall performance generally progressed as planned. In addition to handling industrial machinery and bearings, we are working to establish a revenue model that includes facility management services in our Public-Private Partnership (PPP) hospital management project, and creating businesses in the related healthcare field. In the plant business, we are focusing on recycling and environment-related projects, with the collaboration with an engineering company in Thailand, in which we have a financial stake, as a core. In anticipation of the arrival of the 5G era, we are working on businesses that make full use of biometric authentication technology in the field of advanced industry, and in telemedicine and nursing care in the medical field.

Energy & Social Infrastructure Division

Main products and services

Infrastructure & Environment (Renewable energy, IPP projects); Power-related projects (IPP and IWP projects, power plant EPC business); Energy (Oil and gas; petroleum products; LNG and LNG-related business); Nuclear power related business (nuclear fuels; nuclear power related equipment and machinery); Social infrastructure projects (telecommunications infrastructure projects; energy management; next-generation infrastructure projects utilizing IoT, AI, and big data); Sales and maintenance of communications and IT equipment; systems integration, software development and sales, cloud services, and managed services

Operating performance

Revenue was up 9.7% year on year, to ¥82,009 million, as a result of an increase in income from overseas gas-fired power generation businesses. Profit for the year (attributable to owners of the Company) rose ¥3,846 million, to ¥9,632 million, as an increase in gross profit counteracted the impacts of a decline in other income due to impairment losses on oil and gas interests.

Overview of business conditions

During the year ended March 31, 2020, profit increased year on year due to the commencement of solar power generation business and the gain on the transfer of a portion of equity interest. We are working on an energy supply business with a low environmental impact with the aim of realizing a sustainable society. Integrated business from LNG procurement to management of receiving terminals and power generation plants is being promoted in emerging countries, and a shift from coal-fired electricity generation to state-of-the-art gas-fired generation is being promoted in the United States. In the field of renewable energy, we are steadily building up revenue from solar power generation at 15 locations around the world, as well as from on-shore wind power in Europe and the United States, off-shore wind power in Taiwan, and biomass power generation in Japan. In the field of social infrastructure, we are participating in a telecommunication tower project in Myanmar, and will continue to develop the infrastructure business to meet the increasing demand for data transmission and processing.

Metals & Mineral Resources Division

Main products and services

Coal; iron ore; ferroalloys (nickel, chromium, nickel), ores, alumina, aluminum, copper, zinc, tin, precious metals, ceramics and minerals; coke; carbon products; infrastructure businesses; steel-related business

Operating performance

Revenue was down 8.5% year on year, to ¥350,519 million, as a result of fall in sales prices in overseas coal businesses. Profit for the year (attributable to owners of the Company) decreased ¥10,359 million, to ¥20,104 million, as the declines

in gross profit and share of profit of investments accounted for using the equity method outweighed the benefits of the improved balance of other income and expenses stemming from the sale of thermal coal interests.

Overview of business conditions

In the year ended March 31, 2020, we were unable to achieve plan targets due to a decline in the coal market and lower steel demand. We are focusing our efforts on trading and upstream investments in metal resources such as coal, iron ore, base metals, rare metals and industrial minerals, as well as transforming our asset portfolio and creating and promoting businesses to establish a stable revenue base that is resilient to market conditions. In particular, for coal, in order to achieve sustainable growth and address the growing global environmental awareness, we are proceeding with the sell-off of thermal coal interests in Indonesia and Australia, and are building a balanced portfolio of coking coal interests, including the acquisition of the Gregory Crinum coal mine in Australia. We also have global reach in sales, processing and distribution of steel products through Metal One, one of the world's largest steel trading companies.

Chemicals Division

Main products and services

Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; healthcare and natural products; rare earths; commodity resins; advanced resins; environmentally friendly resins; packaging materials for industry and foodstuffs; advanced film; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; printed circuit board electronics materials; fiber materials and products for use in industrial supplies

Operating performance

Revenue was down 11.6% year on year, to ¥446,429 million, as a result of lower transaction volumes of plastic resins and declines in the price of methanol. Profit for the year (attributable to owners of the Company) increased ¥285 million, to ¥9,269 million as the decline in gross profit was compensated for by lower selling, general and administrative expenses.

Overview of business conditions

In the year ended March 31, 2020, we were unable to achieve plan targets due to a slump in foreign trading, especially involving China, resulting from market conditions for our primary products and decline in the number of automobiles manufactured. In the methanol business, which is one of Sojitz's major business activities, we trade around 2 million tons of methanol in Asia and Europe, while operating based on the continuing stable operation of KMI (Indonesia), as well as taking advantage of experience at KMI to create a new gas chemical business. In the plastic resins business, we deal with more than 1 million tons of plastic resins for our mainstay automotive-related and packaging materials concerns, through our global sales and procurement network centered on Sojitz Pla-Net. We are also

focusing on handling environment-related products. In addition, we are involved in the trade and investment of inorganic chemicals and industrial minerals such as C5 resin, which is a hydrocarbon-based resin, industrial salt, and rare earths.

Foods & Agriculture Business Division

Main products and services

Grains; flour; oils and fats; oil stuff; feed materials; marine products; processed seafood; sweets; raw ingredients for sweets; coffee beans; sugar; other foodstuffs and raw ingredients; compound chemical fertilizers

Operating performance

Revenue was down 10.2% year on year, to ¥115,219 million, following lower transactions volumes in overseas fertilizer businesses. Profit for the year (attributable to owners of the Company) decreased ¥915 million, to ¥1,365 million, as a result of a decline in gross profit and impairment loss of fixed assets on domestic marine products business.

Overview of business conditions

In the year ended March 31, 2020, we were unable to achieve plan targets due to impairment loss on domestic marine products business, in addition to inclement weather and poor sales in overseas fertilizer business. We operate market-leading fertilizer businesses in Thailand, the Philippines, and Vietnam for many years as part of our agribusiness operations, and are utilizing this expertise to develop business in Myanmar and other surrounding countries. For our foodstuffs business, in addition to supplying raw materials in Japan and overseas, we are involved in processing businesses, in areas such as milling, sugar refining, confectionery, and bread making, as well as conducting sales of food products. In 2017, we participated in a flour milling company in the Philippines, and established a flour sales and wholesale company and a packaged bread company. In Vietnam, we are promoting development in food and agriculture-related fields by partnering with leading local businesses.

Retail & Lifestyle Business Division

Main products and services

Cotton and synthetic fabrics; knitted fabrics and products; clothing; medical material; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; housing materials; manufacture and sale of wood chips; imported tobacco; livestock and aquaculture products; processed livestock and aquaculture products; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; sugar; other foodstuffs and raw ingredients; administration of shopping centers; bedclothes and home fashion-related products; general commodities; household- and industrial-use paper; processing and production of prepared food; wholesale food; convenience store business

Operating performance

Revenue was down 2.2% year on year, at ¥310,274million, as the impacts of lower lumber and textile transactions were heavier than the gains from higher meat transactions. Profit for the year (attributable to owners of the Company) increased ¥239 million, to ¥5,963 million as an increase in other income due to the sale of real estate counteracted the impacts of a decline in gross profit.

Overview of business conditions

In the year ended March 31, 2020, we were unable to achieve plan targets due to deteriorated market conditions and weak sales in the paper-manufacturing business in Vietnam and building materials business in Japan. We are developing a wide range of businesses that enrich everyday life and offer greater convenience, with customers at the heart of the business. This includes the retail business, management of shopping centers, processed meat business, and forest products, textiles, and general commodities business. Above all, we are working on expanding businesses and strengthening the functions in the ASEAN region, which is experiencing continued economic growth, and other emerging countries. Particularly, in Vietnam, we are engaged in a wide range of businesses related to the domestic and international consumer market, including building a food distribution platform, strengthening supply bases for trading of forest products and textiles, and manufacturing containerboard and household paper. By utilizing the network of lifestyle businesses that we have cultivated, and by expanding into new regions, we will respond to the demand for improvement in lifestyle foundations and modernization.

Industrial Infrastructure & Urban Development Division

Main products and services

Real estate development, consignment sales, rent, administration and management businesses (industrial park, housing, office, etc.)

Operating performance

Revenue was up 3.6% year on year, to ¥34,480 million, because of an increase in real estate transactions. Profit for the year (attributable to owners of the Company) increased ¥387 million, to ¥1,474 million, as a result of an increase in share of profit of investments accounted for using the equity method.

Overview of business conditions

In the year ended March 31, 2020, although the domestic business performed poorly, sales exceeded the plan as a result of an increase in sales in the overseas industrial park business. Internationally, the industrial park business in Deltamas City in Indonesia continued to perform well, while we also promoted the development of smart city and other comprehensive urban infrastructure, such as opening schools for Japanese people overseas and developing housing with Japanese companies. In Japan, we worked to expand each business with an awareness of the value chain, including asset management for J-REITs, warehousing bridge funds, and property management.

(3) Financial Position

Consolidated Balance Sheet

Total assets on March 31, 2020, stood at ¥2,230,285 million, down ¥66,774 million from March 31, 2019. This decrease was primarily a result of a decline in trade and other receivables under current assets associated with tobacco and chemical product receivables, which offset the increase in usage right assets stemming from the application of IFRS 16—Leases.

Total liabilities at March 31, 2020, amounted to ¥1,608,387 million, down ¥27,064 million from March 31, 2019, largely due to a decline in trade and other payables under current liabilities associated with tobacco and chemical product transactions, a factor that counterbalanced an increase in lease liabilities following the application of IFRS 16—Leases.

Total equity attributable to owners of the Company was ¥579,123 million on March 31, 2020, down ¥39,172 million from March 31, 2019. This decline was largely due to a decrease in other components of equity resulted primarily from foreign exchange rate and stock price fluctuations as well as to acquisition of treasury stock.

Sojitz consequently, on March 31, 2020, the current ratio was 161.4%, the long-term debt ratio was 79.1%, and the equity ratio* was 26.0%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥613,174 million on March 31, 2020, ¥28,463 million increase from March 31, 2019. This resulted in Sojitz's net debt equity ratio* equaling 1.06 times at March 31, 2020. Lease liabilities have been excluded from aforementioned total interest-bearing debt.

(*) The equity ratio and net debt equity ratio are calculated based on total equity attributable to owners of the Company.

(4) Consolidated Cash Flows

In the year ended March 31, 2020, operating activities provided net cash flow of ¥40,510 million, investing activities used net cash of ¥35,669 million, and financing activities used net cash of ¥12,164 million. Sojitz ended the year with cash and cash equivalents of ¥272,651 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥40,510 million, consisted of business earnings and dividends received, etc. It was down ¥55,966 million year on year.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥35,669 million, down ¥6,531 million year on year. Investment outflows for the acquisition of coking coal interests in Australia and investment for telecommunication infrastructure business in Myanmar exceeded inflows from the sales of investments.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥12,164 million, largely as a result of dividends paid and purchase of treasury stock. It was down ¥62,743 million year on year.

(5) Funding, etc.

Under Medium-Term Management Plan 2020, the Sojitz Group continued to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has been endeavored to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level.

As one source of long term funding, Sojitz issued straight bonds in the amount of 10 billion in November 2019. Sojitz will continue to closely monitor interest rates and market conditions and will consider additional issues whenever the timing and associated costs prove advantageous.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥100 billion long-term yen commitment line (which remains unused) and long-term commitment line totaling US\$1.6 billion (of which US\$0.26 billion has been used).

(6) Major creditors and borrowed amounts (As of March 31, 2020)

(Billions of yen)

Creditor	Amount outstanding
MUFG Bank, Ltd.	183.1
Mizuho Bank, Ltd. (Note 3)	58.1
Development Bank of Japan Inc. (Note 3)	51.4
Sumitomo Mitsui Trust Bank, Limited (Note 3)	45.0
The Norinchukin Bank	43.5
Nippon Life Insurance Company	27.8
Sumitomo Mitsui Banking Corporation (Note 3)	27.0
Resona Bank, Ltd. (Note 3)	26.0
Shinkin Central Bank	22.5
THE SHIZUOKA BANK, LTD.	11.0

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

(7) Capital investments

During the year ended March 31, 2020, there were changes in facilities including the sale of a portion of the solar power generation business in Aomori, the completion of power generation facilities for the solar power generation business in Chile, and additional investment in related facilities for Australian coking coal interests.

(8) Assets, profits and losses

(a) Sojitz Group's assets, profits and losses

Sojitz Group's assets, profits and losses in FY2019 and the past three fiscal years are as outlined below.

(Millions of yen, unless otherwise specified)

Item \ FY	FY2016 14th fiscal year	FY2017 15th fiscal year	FY2018 16th fiscal year	FY2019 17th fiscal year (fiscal year under review)
Revenue	1,555,349	1,816,459	1,856,190	1,754,825
Profit before tax	57,955	80,343	94,882	75,528
Profit for the year (attributable to owners of the Company)	40,760	56,842	70,419	60,821
Total comprehensive income for the year (attributable to owners of the Company)	40,289	47,430	50,938	(4,220)
Basic earnings per share (attributable to owners of the Company) (yen)	32.58	45.44	56.34	48.91
Total assets	2,138,466	2,350,351	2,297,059	2,230,285
Total equity attributable to owners of the Company	550,513	586,464	618,295	579,123
Total equity per share attributable to owners of the Company (yen)	440.06	468.81	494.94	474.97

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

(b) Sojitz's assets, profits and losses

Sojitz's assets, profits and losses in FY2019 and over the past three fiscal years on a non-consolidated basis are as outlined below.

(Millions of yen, unless otherwise specified)

Item \ FY	FY2016 14th fiscal year	FY2017 15th fiscal year	FY2018 16th fiscal year	FY2019 17th fiscal year (fiscal year under review)
Net sales	2,297,451	2,626,996	2,515,998	2,411,526
Ordinary income	19,519	36,652	34,633	37,474
Net income	11,448	23,326	36,883	32,116
Net income per share (yen)	9.15	18.65	29.51	25.82
Total assets	1,483,021	1,639,804	1,545,974	1,492,438
Net assets	368,931	384,754	407,073	391,634
Net assets per share (yen)	294.91	307.56	325.86	321.20

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

(9) Business outlook and issues to be addressed

Management Policies

Based on the articles of Sojitz Group Statement and the Sojitz Group Slogan, the Sojitz Group is committed to maximizing two types of value: “value for Sojitz,” which contributes to the fortification of our business foundation and to ongoing growth, and “value for society,” which contributes to economic development on regional and national scales and to human rights and environmental awareness.

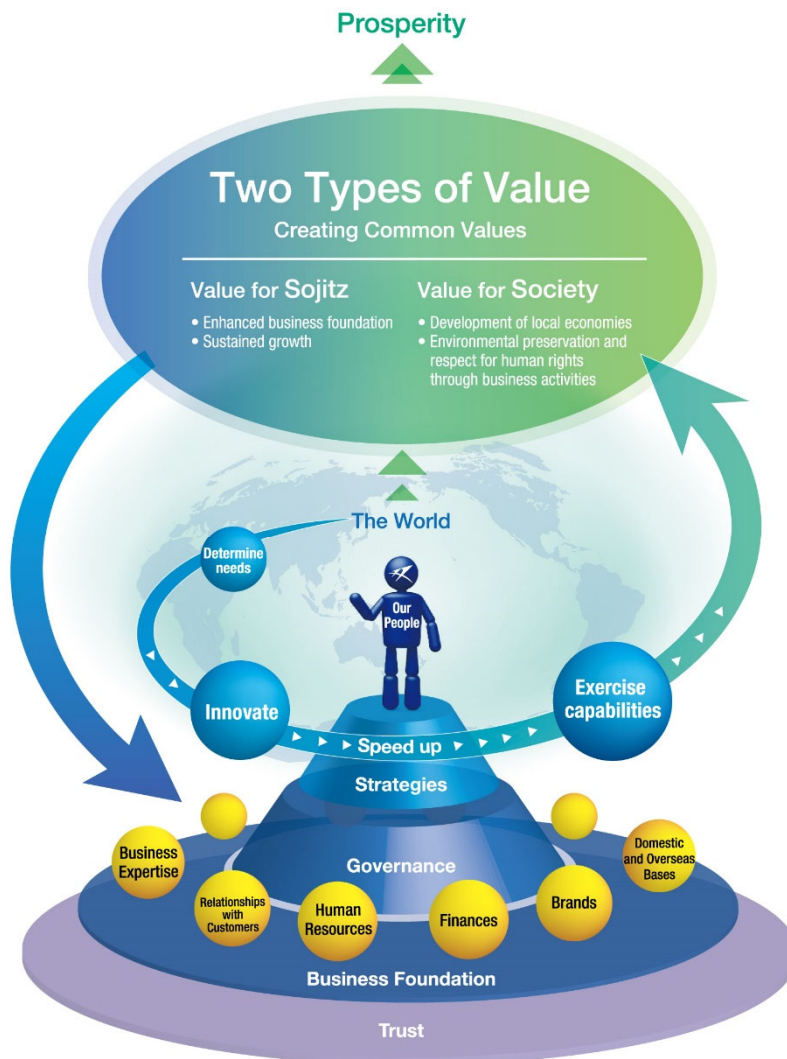
Sojitz Group Statement

The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.

Sojitz Group Slogan

New way, New value

Sojitz’s Value Creation Model



Medium-Term Management Plan 2020

Medium-Term Management Plan 2020—Commitment to Growth—is the three-year plan established by the Sojitz Group started in April 2018. Initiatives are currently being implemented to accomplish the goals of this plan.

Under this plan, the Sojitz Group will pursue steady growth by increasing the value of its assets while managing cash flows to continue conducting disciplined investments and loans (total of ¥300.0 billion over the three-year period of the medium-term management plan). Our target for profit for the year in the final year of the plan is ¥75.0 billion or more, which is to be achieved through average annual growth of approx.10% over the plan period from the previous year.

More information on Medium-Term Management Plan 2020 can be found on Sojitz’s corporate website (<https://www.sojitz.com/en/>).

Medium-Term Management Plan 2020 ~ Commitment to Growth ~

Under Medium-Term Management Plan 2020, we will endeavor to link prior initiatives to growth while engaging in ambitious undertakings to achieve steady growth going forward.



The targeted performance indicators in Medium-Term Management Plan 2020 are as follows.

Performance Indicator	Target
ROA	3% or above
ROE	10% or above
Net D/E ratio	1.5 times or lower
Dividend payout ratio	Approximately 30%

Based on Sojitz's shareholders equity costs of approximately 7% to 8%, targets for the management indicator of return on equity (ROE) have been set. In addition, Companywide targets have been formulated for return on assets (ROA) along with segment ROA targets for the final year of the medium-

term management plan to facilitate efforts to achieve the ROE targets.

In the year ended March 31, 2020, the second year of Medium-Term Management Plan 2020, economic growth in developed countries continues to decelerate as a result of the trade friction between the United States and China, and the economic slowdown in China. Furthermore, the global COVID-19 pandemic that began in 2020 has diminished demand and greatly reduced sales in various industries, thus having a massive impact on the economy. In this environment, profit for the year (attributable to owners of the Company) amounted to ¥60.8 billion in the year ended March 31, 2020. This outcome was due to lower sales in the Chemicals Division, a result of reductions in plastic resin transactions and in methanol prices, and in the Metals & Mineral Resources Division, a result of falling sales prices in overseas coal businesses. Another factor was sluggish sales in automotive and retail businesses.

In order to achieve the sustainable growth described in Medium-Term Management Plan 2020, the Sojitz Group will continue to adhere to its policy of conducting approximately 300.0 billion of new investments and loans. By enacting this policy, we will surely accumulate quality assets. Investments and loans in the year ended March 31, 2020, amounted to around ¥80.0 billion. Targets of this investment included automobile consumer finance companies; solar power, offshore wind power, and other renewable energy projects; communications towers and other infrastructure; airports; and shopping centers.

Furthermore, the Sojitz Group is advancing initiatives targeting future growth. For example, a corporate venture capital fund was established to invest in start-ups in countries around the world and measures are being implemented to create innovation and acquire and reinforce functions.

Through the implementation of the Medium-Term Management Plan, Sojitz seeks to accomplish the goals of the Sojitz Group Statement and achieve ongoing growth. To this end, we are increasing our focus on sustainability in management and furnishing foundations and systems based on our six Key Sustainability Issues (Materiality) and on our policy of incorporating the resolution of environmental and social issues into Sojitz's business. In addition, sustainability challenges have been established as a long-term vision to define the Sojitz Group's stance toward long-term initiatives for addressing climate change, human rights, and other global social issues. (For more information on Sustainability, please refer to page 36.)

For the year ending March 31, 2021, Sojitz projects profit for the year (attributable to owners of the Company) of ¥40.0 billion, ROA of 1.8%, and ROE of 6.8%. This forecast is based on the assumption that the global economy will experience slowdown as a result of the COVID-19 pandemic and that the current conditions will continue until the end of June, 2020.

In this situation, Sojitz intends to conduct investments and loans in promising projects with the potential to generate significant earnings in the year ending March 31, 2021 and beyond. These investments and loans will be carried about while being mindful of the need to control cash flows and to diversify business portfolio risk on a Companywide basis. At the same time, Sojitz will endeavor to increase the values of businesses and assets in which investments and loans have already been executed. In this manner, it will conduct investments and loans and accumulate a portfolio of quality assets in pursuit of ongoing growth.

(10) Business locations of Sojitz Group and the number of employees (As of March 31, 2020)

(a) Business locations of Sojitz Group

<Domestic>

HQ	Chiyoda-ku, Tokyo
Branches, etc.	Hokkaido Branch (Sapporo), Tohoku Branch (Sendai), Nagoya Branch (Nagoya), Kansai Office (Osaka) and Kyushu Branch (Fukuoka)*

(*) The Kyushu Branch closed on March 31, 2020.

<Overseas>

Branches, etc.	MEA Office (Dubai), Singapore Branch, Kuala Lumpur Branch, Yangon Branch, Jeddah Branch, Johannesburg Branch Besides the above, 13 liaison offices and sub-branches of liaison offices and overseas branches
Overseas Subsidiaries	26 Overseas Subsidiaries, including Sojitz Corporation of America, Sojitz Europe plc, Sojitz (China) Co., Ltd. and Sojitz Asia Pte. Ltd. (Singapore) Besides the above, 36 branches and offices, etc., of overseas subsidiaries

(b) Number of Employees

Segment	Number of employees
Automotive	4,319
Aerospace & Transportation Project	419
Machinery & Medical Infrastructure	928
Energy & Social Infrastructure	1,386
Metals & Mineral Resources	770
Chemicals	1,658
Foods & Agriculture Business	2,192
Retail & Lifestyle Business	4,010
Industrial Infrastructure & Urban Development	1,257
Others	1,900
Total	18,839

(c) Employees of Sojitz

Number of employees	Change from the previous year	Average age	Average years of service
2,460	50 (increase)	41.7 years old	15.8 years

(Notes) 1. The above figures do not include 103 locally hired employees in overseas offices.

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

(11) Major Subsidiaries (As of March 31, 2020)

(a) Major consolidated subsidiaries and equity method associates

Consolidated Subsidiaries (Millions of yen, unless otherwise specified)

Company	Capital	Controlling share (%)	Major business activities
Sojitz Corporation of America	US\$365,671,383	100.00	Trading business
Sojitz Europe plc	13,240 GBP26,618,500	100.00	Trading business
Sojitz Asia Pte. Ltd.	US\$136,507,474	100.00	Trading business
Sojitz Autrans Corporation	301	100.00	Automobile/two-wheeled parts business and sales of tires
Sojitz Aerospace Corporation	1,410	100.00	Import/export and sales of aerospace- and defense-related equipment
Sojitz Marine & Engineering Corporation	800	100.00	Sales, purchase, charter, and brokerage of ships; import/export and domestic sales of marine-related equipment and materials, etc.
Sojitz Machinery Corporation	1,500	100.00	Import/export and sales of general industrial machinery
Nissho Electronics Corporation	14,336	100.00	IT systems and network services
Sojitz Ject Corporation	460	100.00	Trading of coke, coal products, industrial minerals
Sojitz Pla-Net Corporation	3,000	100.00	Trading and sales of plastic raw materials and products
Pla Matels Corporation	793	(Note) 46.55	Trading and sales of plastic raw materials and products
Sojitz Building Materials Corporation	1,039	100.00	Sales of construction materials and related products including lumber and construction planning, research, design, supervision and contracting, etc.
Sojitz Foods Corporation	412	100.00	Sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed foodstuffs; and other foodstuff
Sojitz Fashion Co., Ltd.	100	100.00	Planning, production and sales of cotton, synthetic and knit fabrics, etc.
Sojitz New Urban Development Corporation	3,000	100.00	Development and consignment sales of condominiums, real estate brokerage, development and ownership of rental condominiums, sale of residential-related products
Sojitz Kyushu Corporation	500	100.00	Domestic regional company

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

Equity Method Associates

(Millions of yen)

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

(b) Result of Mergers

1. Sojitz Group now has 300 consolidated subsidiaries and 130 equity method associates.
2. For the business performance of Sojitz Group in FY2019, please refer to “(2) Review of progress and performance in operations.”

2. Sojitz's Shares (As of March 31, 2020)

(1) Total number of shares authorized to be issued

Common stock 2,500,000,000 (As of March 31, 2019: 2,500,000,000)

(2) Total number of shares issued and outstanding

Common stock 1,251,499,501 (As of March 31, 2019: 1,251,499,501)

(Note) The total number of outstanding shares of common stock includes the number of treasury stock (As of March 31, 2020: 30,537,046 shares). The number of treasury stock does not include the number of Sojitz shares held by the trust account for the Board Incentive Plan (BIP) Trust (As of March 31, 2020: 1,667,211 shares).

(3) Number of Shareholders

Common stock 199,481

(4) Major Shareholders

Common Stock

Shareholder	Investment in Sojitz	
	Shares held (in thousands)	Shares outstanding (%)
Japan Trustee Services Bank, Ltd. (Note 2)	150,003	12.29
ICHIGO TRUST PTE. LTD.	123,634	10.13
The Master Trust Bank of Japan, Ltd. (Note 3)	72,356	5.93
JP MORGAN BANK LUXEMBOURG S.A. 1300000	31,816	2.61
SSBTC CLIENT OMNIBUS ACCOUNT	27,347	2.24
JP MORGAN CHASE BANK 385151	21,372	1.75
Trust & Custody Services Bank, Ltd. (Note 4)	18,712	1.53
JAPAN SECURITIES FINANCE CO., LTD.	18,228	1.49
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	17,673	1.45
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	14,041	1.15

- (Notes)
1. Numbers of shares less than 1,000 are rounded down and the figures of shares outstanding are rounded to the nearest second decimal place.
 2. The number of shares held by Japan Trustee Services Bank, Ltd. includes 144,646 thousand shares held in trust accounts.
 3. The number of shares held by The Master Trust Bank of Japan, Ltd. includes 65,699 thousand shares held in trust accounts.
 4. The number of shares held by Trust & Custody Services Bank, Ltd. includes 17,044 thousand shares held in trust accounts.
 5. The shares outstanding are calculated excluding the number of shares of treasury stock.

3. Sojitz's Directors and Audit & Supervisory Board Members

(1) List of Directors and Audit & Supervisory Board Members (As of March 31, 2020)

Name	Position	Responsibilities	Important concurrent position
Takashi Hara	Representative Director, Chairman of the Board		
Masayoshi Fujimoto	Representative Director, President & CEO	CEO	
Seiichi Tanaka	Representative Director, Executive Vice President	CFO Executive Management of General Accounting, Finance, Structured Finance, Investor Relations, M&A Management Office, Controller Office	
Shigeru Nishihara	Representative Director, Senior Managing Executive Officer	COO, Corporate Planning Department, Corporate Sustainability Office, CCO	
Kayoko Naito	Director (Part-time)		Counsel, Oh-Ebashi LPC & Partners Member of The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry Supervisory Officer, Tokyo Infrastructure Energy Investment Corporation
Norio Otsuka	Director (Part-time)		Advisor, NSK Ltd. Outside Director, Idemitsu Kosan Co., Ltd. External Member of the Board, TAISEI CORPORATION
Junichi Hamatsuka	Audit & Supervisory Board Member		
Takayuki Ishige	Audit & Supervisory Board Member		
Mikinao Kitada	Audit & Supervisory Board Member (Part-time)		Special Counsel, Mori Hamada & Matsumoto Outside Audit & Supervisory Board Member, Oji Holdings Corporation Outside Audit & Supervisory Board Member, ASKUL Corporation Outside Director, Yokogawa Bridge Holdings Corporation
Kazunori Yagi	Audit & Supervisory Board Member (Part-time)		Outside Audit & Supervisory Board Member, Yokogawa Bridge Holdings Corporation Outside Director, TDK Corporation
Hyo Kambayashi	Audit & Supervisory Board		Chairman & Senior Managing

Name	Position	Responsibilities	Important concurrent position
	Member (Part-time)		Director, Protiviti LLC Outside Director (Audit and Supervisory Committee Member), Murata Manufacturing Co., Ltd.

- (Notes)
1. Kayoko Naito and Norio Otsuka are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
 2. Takayuki Ishige, Mikinao Kitada, Kazunori Yagi and Hyo Kambayashi are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
 3. Junichi Hamatsuka has a substantial knowledge of finance and accounting, having been engaged in operations such as finance, accounting and risk management, etc. at Sojitz and holding important positions including CFO for the Americas.
Takayuki Ishige has a substantial knowledge of finance and accounting, having been responsible for accounting, financial and auditing operations, etc. at Kao Corporation, and also has experience of serving as an Audit & Supervisory Board Member at the same company.
Kazunori Yagi has substantial knowledge of finance and accounting, having been responsible for finance, accounting, and business planning at Yokogawa Electric Corporation and holding important positions including the General Manager of Administration Headquarters.
Hyo Kambayashi is a certified public accountant. He has substantial knowledge of finance and accounting developed through his experience in accounting audit operations in an audit firm and his experience as representative director of a consulting company which is involved in operations such as internal audit services.
 4. Sojitz has appointed Kayoko Naito, Norio Otsuka, Takayuki Ishige, Kazunori Yagi and Hyo Kambayashi as independent Outside Officers, and submitted a notification of their appointment to Tokyo Stock Exchange, Inc.
 5. There are no special relationships (such as business operators having a specified relationship) between Sojitz and Tokyo Infrastructure Energy Investment Corporation, NSK Ltd., Idemitsu Kosan Co., Ltd., TAISEI CORPORATION, Oji Holdings Corporation, ASKUL Corporation, Yokogawa Bridge Holdings Corporation, TDK Corporation, Protiviti LLC and Murata Manufacturing Co., Ltd., where Outside Officers of Sojitz have concurrent positions.

(2) Remuneration of Directors and Audit & Supervisory Board Members

(Millions of yen)

	Number of persons to be paid	Basic remuneration		Performance-linked remuneration		Total
		Monetary (*1 and *2)	Share (*3)	Monetary (*1)	Share (*3)	
Directors (Total)	7	306	30	51	22	411
Directors (Internal)	5	282	30	51	22	387
Outside Directors	2	24	—	—	—	24
Audit & Supervisory Board Members (Total)	5	106	—	—	—	106
Audit & Supervisory Board Members (Internal)	1	37	—	—	—	37
Outside Audit & Supervisory Board Members	4	68	—	—	—	68

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

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

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

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

¥150 million per year

*3. System of performance-linked share remuneration, etc. for Directors, etc. (hereinafter the "System"): Resolved at the Ordinary General Shareholders' Meeting held on June 19, 2018

Persons eligible for Delivery of the Sojitz Shares	- Directors (excluding Outside Directors and non-residents in Japan) - Executive Officers (excluding non-residents in Japan)
Upper limit of cash contributed by Sojitz	¥700 million in total for three fiscal years
Upper limit of the number of Sojitz shares subject to Delivery to Directors	The upper limit of points to be granted to Directors shall be 3 million points (equivalent to 3 million shares) for three fiscal years.

The total amount of the aforementioned share remuneration represents the amount reported as expenses for fiscal 2019 associated with the share delivery points regarding the System (Board Incentive Plan (BIP) Trust). Basic remuneration (share) refers to the "fixed portion" with no link to business performance within the remuneration to be paid under the System.

● Outline of the remuneration system for company officers

(Decision policy, etc., for determining the remuneration for Directors)

The remuneration for Directors is decided by resolution of the Board of Directors through deliberations at the Remuneration Committee, which is an advisory body of the Board of Directors and is chaired by an Outside Director, with reference to benchmark data such as the remuneration level at other companies in the same industry and the business performance of Sojitz.

• Composition of the remuneration for Directors (excluding Outside Directors; hereinafter, the same shall apply)

At the 15th Ordinary General Shareholders' Meeting held on June 19, 2018, Sojitz introduced the System as a remuneration system for Board Members, which is closely linked to Sojitz's business performance and will

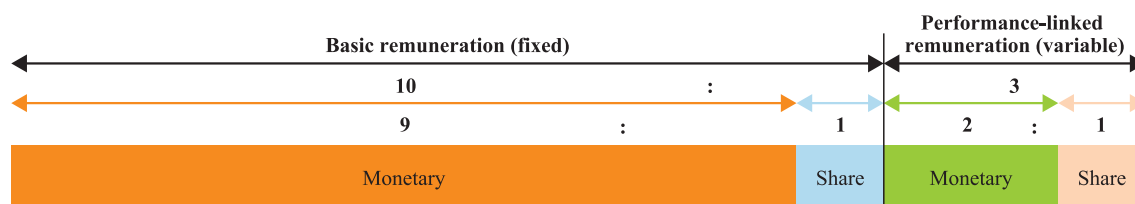
ensure transparency and objectivity for the purpose of encouraging contributions to the improvement in Sojitz's performance and corporate value over the medium-to-long term. The performance-linked remuneration shall be linked to profit for the year attributable to owners of Sojitz (hereinafter referred to as "Consolidated Net Profit for the year") in each fiscal year based on the rank of Directors.

As a result of the implementation of the System, the remuneration for Directors consists of "basic remuneration (monetary)" and "basic remuneration (share)," both of which form the fixed portion not linked to business performance, as well as "performance-linked remuneration (monetary)" and "performance-linked remuneration (share)."

Basic remuneration is used for the delivery and granting of cash and a certain number of share delivery points based on the rank of Directors. Performance-linked remuneration is used for the delivery and granting of cash and share delivery points, both of which are linked to the amount of Consolidated Net Profit for the Year in each fiscal year during the Applicable Period based on the rank of Directors. For share remuneration, the total number of Sojitz shares to be delivered (at the rate of one Sojitz share per share delivery point) will be ascertained after a Director has retired.

<Breakdown of remuneration>

The System is designed to make performance-linked remuneration account for approximately 30% of basic remuneration if the Consolidated Net Profit for the Year in each fiscal year reaches the amount of the targeted Consolidated Net Profit for the Year in each fiscal year. Meanwhile, as for basic remuneration, the ratio of basic monetary remuneration against basic share remuneration is designed to become approximately 9 to 1, whereas performance-linked monetary remuneration against performance-linked share remuneration is to become 2 to 1.



<Content of basic remuneration (monetary)>

Fixed amount determined based on the rank of each Director

<Calculation method of basic remuneration (share)>

Fixed share delivery points = (Basic share remuneration by rank) ÷ (Monthly average closing price of Sojitz shares at the Tokyo Stock Exchange in July 2018)

(Basic share remuneration by rank: Amount determined based on the rank of each Director)

<Calculation of performance-linked remuneration (monetary)>

Individual performance-linked monetary remuneration = ((Consolidated Net Profit for the year in each fiscal year) × β% (Note 1) × (Aggregate sum of rank-based points for all Directors eligible) ÷ 539) × ((Rank-based points for each Director) (Note 2) ÷ (Aggregate sum of rank-based points for all Directors eligible)) (any fraction less than ¥1,000 shall be rounded down)

<Calculation method of performance-linked remuneration (share)>

Performance-linked share delivery points = ((Consolidated Net Profit for the year in each fiscal year) × α% (Note 1) × (Aggregate sum of rank-based points for all Directors eligible) ÷ 539) × ((Rank-based points for each Director) (Note 2) ÷ (Aggregate sum of rank-based points for all Directors eligible)) ÷ (Monthly average closing price of Sojitz shares at the Tokyo Stock Exchange in July 2018)

(Note 1) The value of coefficients α and β shall be adjusted according to the targeted Consolidated Net Profit for the Year in each fiscal year, and shall be disclosed along with

such targeted Consolidated Net Profit for the Year after being resolved by the Board of Directors. Note that for fiscal 2019, the value of α and β shall be set to 0.068 and 0.136, respectively.

(Note 2) Rank-based points for each Director

	Executive rank	Rank-based points
Directors	Director and Chairman	86
	Director and Vice Chairman	73
	Director and President	100
	Director and Executive Vice President	73
	Director and Senior Managing Executive Officer	67

The upper limit of the individual monetary remuneration for the respective Directors shall be as follows:

(Millions of yen)

Director and Chairman	37
Director and Vice Chairman	31
Director and President	43
Director and Executive Vice President	31
Director and Senior Managing Executive Officer	28

The upper limit of the performance-linked share delivery points that are granted to the respective Directors shall be as follows:

Director and Chairman	54,000 points
Director and Vice Chairman	46,000 points
Director and President	63,000 points
Director and Executive Vice President	46,000 points
Director and Senior Managing Executive Officer	42,000 points

• Remuneration for Outside Directors

Performance-linked remuneration is not introduced for Outside Directors from the viewpoint of ensuring independence. Outside Directors are, therefore, subject only to basic remuneration (monetary), and the remuneration therefor is decided by resolution of the Board of Directors through deliberations at the Remuneration Committee.

(Remuneration for Audit & Supervisory Board Members)

Performance-linked remuneration is not introduced for Audit & Supervisory Board Members in view of their role in supervising Directors. Audit & Supervisory Board Members are, therefore, subject only to basic remuneration (monetary), and the remuneration therefor is determined, in principle, through consultations by the Audit & Supervisory Board.

(3) Main activities of Outside Officers

Name	Position	Number of attendance to the Board of Directors meetings	Number of attendance to the Audit & Supervisory Board meetings	Main activities
Kayoko Naito	Outside Director	100% (18/18)	—	Kayoko Naito provides valuable advice from an independent and objective perspective based on her advanced and professional knowledge in international and corporate legal affairs.
Norio Otsuka	Outside Director	100% (18/18)	—	Norio Otsuka provides valuable advice from an independent and objective perspective based on his abundant knowledge and experience in top management.
Takayuki Ishige	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Takayuki Ishige provides valuable advice from an independent and objective perspective based on his abundant experience in finance, accounting and management audits etc., and in serving as an Audit & Supervisory Board Member.
Mikinao Kitada	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Mikinao Kitada provides valuable advice from an independent and objective perspective based on his experience in the judicial field by holding important posts as a public prosecutor and as an attorney, as well as in serving as an Outside Director and Outside Audit & Supervisory Board Member at various companies.
Kazunori Yagi	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Kazunori Yagi provides valuable advice from an independent and objective perspective based on his abundant experience in finance, accounting and management administration etc., and in serving as an Outside Director and Audit & Supervisory Board Member at various companies.
Hyo Kambayashi	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Hyo Kambayashi provides valuable advice from an independent and objective perspective based on his wide range of knowledge and abundant experience, which have been accumulated through his experience in key positions in auditing firms and consulting companies.

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

Sojitz has concluded limited liability agreements with Outside Directors (Kayoko Naito and Norio Otsuka) and Audit & Supervisory Board Members (Junichi Hamatsuka, Takayuki Ishige, Mikinao Kitada, Kazunori Yagi and Hyo Kambayashi) limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.

Financial Statements

Consolidated Financial Statements

Consolidated Statements of Financial Position

(Millions of yen)

Items	As of March 31, 2020	(Reference) As of March 31, 2019	Items	As of March 31, 2020	(Reference) As of March 31, 2019
Assets			Liabilities and equity		
Current assets			Liabilities		
Cash and cash equivalent	272,651	285,687	Current liabilities		
Time deposits	7,433	2,922	Trade and other payables	481,768	582,296
Trade and other receivables	638,207	690,678	Lease liabilities	15,317	—
Derivatives	5,055	2,060	Bonds and borrowings	186,767	149,695
Inventories	213,385	220,621	Derivatives	5,257	2,511
Income tax receivables	3,956	6,714	Income tax payables	6,572	10,775
Other current assets	64,455	58,965	Provisions	1,956	1,026
Subtotal	1,205,145	1,267,650	Other current liabilities	56,716	60,793
Assets as held for sale	12,318	—	Subtotal	754,354	807,098
Total current assets	1,217,464	1,267,650	Liabilities directly related to assets held for sale	1	—
Non-current assets			Total current liabilities	754,356	807,098
Property, plant and equipment	157,995	192,902	Non-current liabilities		
Usage rights assets	74,136	—	Lease liabilities	63,666	—
Goodwill	66,496	66,198	Bonds and borrowings	706,491	723,625
Intangible assets	43,366	49,145	Trade and other payables	9,738	12,563
Investment property	18,602	20,875	Derivatives	763	2,693
Investments accounted for using the equity method	413,740	424,152	Retirement benefits liabilities	22,077	22,139
Trade and other receivables	78,352	84,145	Provisions	31,102	36,292
Other investments	140,975	173,066	Other non-current liabilities	8,943	11,235
Derivatives	173	46	Deferred tax liabilities	11,247	19,802
Other non-current assets	11,680	12,683	Total non-current liabilities	854,030	828,353
Deferred tax assets	7,300	6,192	Total liabilities	1,608,387	1,635,451
Total non-current assets	1,012,821	1,029,409	Equity		
Total assets	2,230,285	2,297,059	Share capital	160,339	160,339
			Capital surplus	146,756	146,645
			Treasury stock	(10,901)	(865)
			Other components of equity	49,777	107,576
			Retained earnings	233,151	204,600
			Total equity attributable to owners of the Company	579,123	618,295
			Non-controlling interests	42,774	43,312
			Total equity	621,898	661,607
			Total liabilities and equity	2,230,285	2,297,059

Consolidated Statements of Profit or Loss

(Millions of yen)

Items	FY2019 (From April 1, 2019 to March 31, 2020)	(Reference) FY2018 (From April 1, 2018 to March 31, 2019)
Revenue		
Sale of goods	1,651,592	1,749,319
Sales of service and others	103,233	106,870
Total revenue	1,754,825	1,856,190
Cost of sales	(1,534,330)	(1,615,233)
Gross profit	220,494	240,956
Selling, general and administrative expenses	(173,243)	(173,433)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	10,274	1,764
Impairment loss on fixed assets	(2,833)	(509)
Gain on sale of subsidiaries/associates	3,415	8,039
Loss on reorganization of subsidiaries/associates	(545)	(3,099)
Other operating income	5,800	5,113
Other operating expenses	(8,580)	(8,832)
Total other income/expenses	7,530	2,476
Financial income		
Interests earned	6,565	7,084
Dividends received	4,228	5,167
Other financial income	—	143
Total financial income	10,794	12,395
Financial costs		
Interest expenses	(14,908)	(15,290)
Other financial costs	(47)	—
Total financial cost	(14,956)	(15,290)
Share of profit (loss) of investments accounted for using the equity method	24,908	27,779
Profit before tax	75,528	94,882
Income tax expenses	(10,954)	(19,662)
Profit for the year	64,573	75,219
Profit attributable to:		
Owners of the Company	60,821	70,419
Non-controlling interests	3,752	4,799
Total	64,573	75,219

(Reference) Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2019 (From April 1, 2019 to March 31, 2020)	FY2018 (From April 1, 2018 to March 31, 2019)
Cash flows from operating activities		
Profit for the year	64,573	75,219
Depreciation and amortization	33,106	21,297
Impairment loss of fixed assets	2,833	509
Finance (income) costs	4,162	2,895
Share of (profit) loss of investments accounted for using the equity method	(24,908)	(27,779)
(Gain) loss on sale of fixed assets, net	(10,274)	(1,764)
Income tax expenses	10,954	19,662
(Increase) decrease in trade and other receivables	66,718	77,093
(Increase) decrease in inventories	901	(39,968)
Increase (decrease) in trade and other payables	(94,951)	(74,708)
Changes in other assets and liabilities	(12,389)	54,962
Increase (decrease) in retirement benefits liabilities	(628)	(179)
Others	(2,241)	(543)
Subtotal	37,857	106,696
Interests earned	4,362	5,163
Dividends received	26,194	23,951
Interests paid	(14,370)	(15,138)
Income taxes paid	(13,533)	(24,197)
Net cash provided (used) by/in operating activities	40,510	96,476
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,665)	(30,832)
Proceeds from sale of property, plant and equipment	9,009	5,963
Purchase of intangible assets	(6,903)	(7,113)
(Increase) decrease in short-term loans receivable	(391)	5,899
Payment for long-term loans receivable	(251)	(7,802)
Collection of long-term loans receivable	1,943	7,740
Proceeds from (payments for) acquisition of subsidiaries	(4,809)	(3,753)
Proceeds from (payments for) sale of subsidiaries	3,251	1,468
Purchase of investments	(20,998)	(32,721)
Proceeds from sale of investments	9,794	17,393
Others	(1,646)	1,556
Net cash provided (used) by/in investing activities	(35,669)	(42,200)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	32,786	24,999
Proceeds from long-term borrowings	384,500	82,636
Repayment of long-term borrowings	(383,777)	(162,353)
Proceeds from issuance of bonds	9,940	—
Redemption of bonds	(10,019)	(42)
Repayment of lease liabilities	(12,747)	—
Payment for acquisition of subsidiary's interests from non-controlling interests	(115)	(1,195)
Proceeds from non-controlling interest holders	3,408	3,873
Sales of treasury stock	6	—
Purchase of treasury stock	(10,059)	(691)
Dividends paid	(22,517)	(16,888)
Dividends paid to non-controlling interest holders	(3,662)	(3,139)
Others	91	(2,106)
Net cash provided (used) by/in financing activities	(12,164)	(74,907)
Net increase (decrease) in cash and cash equivalents	(7,324)	(20,631)
Cash and cash equivalents at the beginning of the year	285,687	305,241
Effect of exchange rate changes on cash and cash equivalents	(5,711)	1,076
Cash and cash equivalents at the end of the year	272,651	285,687

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

Items	As of March 31, 2020	(Reference) As of March 31, 2019	Items	As of March 31, 2020	(Reference) As of March 31, 2019
Assets			Liabilities		
<u>Current assets</u>	615,317	661,765	<u>Current liabilities</u>	464,334	518,545
Cash and deposits	157,147	172,306	Notes payable-trade	7,833	7,859
Notes receivable-trade	9,350	9,710	Accounts payable-trade	199,915	247,548
Accounts receivable-trade	167,854	180,958	Short-term loans payable	138,449	137,806
Merchandise	178,840	202,491	Current portion of bonds	10,000	10,000
Advance payments-trade	14,674	17,924	Income taxes payable	1,674	3,223
Short-term loans receivable	45,697	37,622	Advances received	9,369	13,449
Other	41,977	41,005	Deposits received	78,304	75,511
Allowance for doubtful accounts	(224)	(253)	Provision for bonuses	3,727	3,945
			Other	15,058	19,200
<u>Noncurrent assets</u>	876,874	883,958	<u>Noncurrent liabilities</u>	636,470	620,355
<u>Property, plant and equipment</u>	8,392	7,884	Bonds payable	80,000	80,000
Buildings	3,379	3,023	Long-term loans payable	536,855	521,722
Land	3,085	3,085	Provisions for retirement		
Other	1,928	1,775	benefits	9,622	9,262
<u>Intangible assets</u>	6,912	5,448	Provision for delivery of		
Software	2,691	2,069	shares	249	132
Goodwill	2,096	2,990	Other	9,743	9,237
Other	2,123	387			
<u>Investments and other assets</u>	861,569	870,625	Total liabilities	1,100,804	1,138,901
Investment securities	96,409	121,060	Net assets		
Stocks of subsidiaries and associates	642,095	638,098	<u>Shareholders' equity</u>	379,306	379,742
Investments in capital of subsidiaries and associates, etc.	47,088	37,414			
Long-term loans receivable	40,831	42,949	<u>Capital stock</u>	160,339	160,339
Bad debts	70,582	72,203	<u>Capital surplus</u>	155,271	155,271
Deferred tax assets	14,436	8,997	Legal capital surplus	152,160	152,160
Other	14,533	14,237	Other capital surplus	3,110	3,110
Allowance for doubtful accounts	(61,921)	(61,849)	<u>Retained earnings</u>	74,596	64,997
Allowance for investment loss	(2,487)	(2,487)	Other retained earnings		
<u>Deferred assets</u>	247	250	Retained earnings brought forward	74,596	64,997
Bond issuance cost	247	250	<u>Treasury stock</u>	(10,901)	(865)
			<u>Valuation and translation</u>		
			<u>Adjustments</u>	12,328	27,331
			Valuation difference on available-for-sale securities	18,981	33,831
			Deferred gains or losses on hedges	(6,653)	(6,500)
Total assets	1,492,438	1,545,974	Total net assets	391,634	407,073
			Total liabilities and net assets	1,492,438	1,545,974

Non-consolidated Statements of Income

(Millions of yen)

Items	FY2019 (From April 1, 2019 to March 31, 2020)	(Reference) FY2018 (From April 1, 2018 to March 31, 2019)
Net sales	2,411,526	2,515,998
Cost of sales	2,361,949	2,463,861
Gross profit	49,576	52,137
Selling, general and administrative expenses	59,257	60,143
Operating income (loss)	(9,680)	(8,006)
Non-operating income		
Interest income	3,862	4,485
Dividends income	45,927	50,067
Gain on valuation of derivatives	1,008	56
Other	11,665	5,515
Total non-operating income	62,464	60,124
Non-operating expenses		
Interest expenses	9,539	11,139
Foreign exchange losses	829	1,460
Other	4,940	4,883
Total non-operating expenses	15,309	17,483
Ordinary income	37,474	34,633
Extraordinary income		
Gain on sales of noncurrent assets	2	126
Gain on sales of subsidiaries and associates' stocks, etc.	2,770	6,310
Gain on sales of investment securities, etc.	953	1,442
Total extraordinary income	3,726	7,879
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	24	7
Impairment loss	4	3
Loss, and provision for loss, on dissolution of subsidiaries and associates	6,192	5,072
Loss on sales of investment securities, etc.	5	16
Loss on valuation of investment securities, etc.	6,032	4,433
Total extraordinary losses	12,259	9,533
Income before income taxes	28,941	32,979
Income taxes-current	(2,354)	(874)
Income taxes-deferred	(820)	(3,029)
Total income taxes	(3,175)	(3,903)
Net income	32,116	36,883

Independent Auditors' Audit Report

May 13, 2020

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC

Tokyo Office

Designated Limited Liability Partner
Engagement Partner

Iwao Hirano

Certified Public Accountant
Designated Limited Liability Partner
Engagement Partner

Kentaro Onishi

Certified Public Accountant
Designated Limited Liability Partner
Engagement Partner

Daisuke Yamada

Certified Public Accountant

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Sojitz Corporation (the "Company") for the fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the above consolidated financial statements, prepared with the omission of some disclosure items required under the International Financial Reporting Standards in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Independent Auditors' Audit Report

May 13, 2020

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC

Tokyo Office

Designated Limited Liability Partner Iwao Hirano
Engagement Partner

Certified Public Accountant
Designated Limited Liability Partner Kentaro Onishi
Engagement Partner

Certified Public Accountant
Designated Limited Liability Partner Daisuke Yamada
Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Sojitz Corporation (the "Company") for the 17th fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report

With respect to the Directors' performance of their duties during the 17th fiscal year (from April 1, 2019 to March 31, 2020), the Audit & Supervisory Board has prepared this audit report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby report as follows:

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

- (1) The Audit & Supervisory Board has established the audit policies, assignment of duties, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the accounting auditors regarding the status of performance of their duties, and requested explanations as necessary.
- (2) In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies, audit plans, and assignment of duties, etc., each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, the internal audit division and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and performed audits using the following methods.
 - (i) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective businesses as necessary.
 - (ii) Each Audit & Supervisory Board Member regularly received reports on the status of the system and performance from the Directors and other employees and, as necessary, requested explanations for and expressed opinions on the status of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the business report complied with all laws, regulations and the Articles of Incorporation of Sojitz and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of the corporate group consisting of a joint stock company (kabushiki kaisha) and its subsidiaries, and the systems (internal control systems) based on such resolutions.
 - (iii) Each Audit & Supervisory Board Member monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Rules of Corporate Accounting) in accordance with, among other things, the "Quality Control Standards for audit" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

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

2. Results of Audit

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

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

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

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

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

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

(3) Results of audit of the consolidated financial statements

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

May 13, 2020

Sojitz Corporation Audit & Supervisory Board

Audit & Supervisory Board Member (Full-time)

Outside Audit & Supervisory Board Member (Full-time)

Outside Audit & Supervisory Board Member

Outside Audit & Supervisory Board Member

Outside Audit & Supervisory Board Member

Junichi Hamatsuka

Takayuki Ishige

Mikinao Kitada

Kazunori Yagi

Hyo Kambayashi

In order to prevent the spread of COVID-19, we strongly request that you refrain from attending the Ordinary General Shareholders' Meeting this year.

Please exercise your voting rights in advance either in writing or on the Internet.

To maintain social distance at the venue, the number of seats will be very limited. Please be aware that not all wishing to attend the meeting may be able to enter the meeting site.

Neither souvenirs nor drinks will be provided for shareholders attending the meeting.