

# Sojitz Group CSR Report 2009



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Mr. Masaaki Kogure, lead researcher, Ph.D. in sociology Institute of Prosocial Research	

### ■ About This Report's Cover

The cover design represents Sojitz Group engaged in a multitude of activities all over the world, together with our "Global Arrows" group symbol. The Global Arrows are a dynamic depiction of two arrows soaring skyward, extending beyond the earth's horizon, and represent the ideogram "双 so (a pair, both)" in the Sojitz Group's name.

### ■ The Sojitz Group Slogan— "New way, New value"

With this slogan, we declare that every employee will think outside the box to create new value for society.

### ■ Editorial Policy

The Sojitz Group has been publishing a CSR report since fiscal 2006, to acquaint stakeholders with our CSR undertakings and initiate communication, and to also further promote CSR among all group employees. The fiscal 2009 issue describes our recently adopted Sojitz Group CSR Policy and the ideas behind this policy, and the activities we carry out, aiming for sustained growth together with society. In the latter half of the report, the "Management Report," "Social Report" and "Environment Report" detail the Sojitz Group's ideas and policies toward stakeholders in those respective areas and activities being carried out. This year's third party opinion is given by Mr. Masaaki Kogure of the Institute of Prosocial Research.

We look forward to hearing your comments or opinions concerning this report.

### ■ Reporting Period and Scope of Coverage

#### Reporting Period

The period for performance data is fiscal 2008 (April 1, 2008 to March 31, 2009), although descriptions of some activities and projects and some data may be the most recent available.

#### Scope of Coverage

Sojitz Corporation (non-consolidated company) and some Sojitz Group companies

#### Publication Information

Published October 2009 (previous issue: April 2009; next scheduled issue: October 2010)

#### Reference Guidelines

GRI\* Sustainability Reporting Guidelines, Version 3.0 (G3)

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

### ■ Names Used in This Report

"Sojitz" : Refer to non-consolidated company Sojitz Corporation.

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

### ■ Other Reports Published by Sojitz Corporation

*Annual Report 2009* (July 2009)

*Securities Report for Fiscal 2009* (June 2009; Japanese only)

*Corporate Governance Report* (June 2009; Japanese only)

These reports are available on the Sojitz Corporation website.

**URL** ▶ <http://www.sojitz.com/en>

### ■ Please direct comments and inquiries to:

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**Company name :** Sojitz Corporation

**Established :** April 1, 2003

**Capitalization :** 160,339 million yen (as of July 1, 2009)

**President & CEO :** Yutaka Kase

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

**Telephone :** +81-3-5520-5000

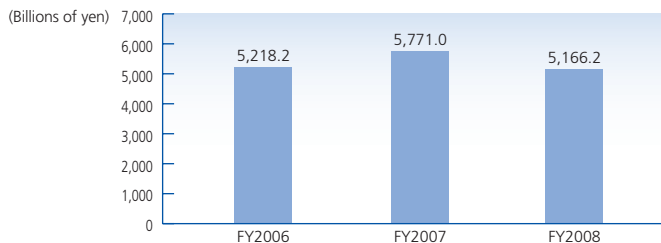
**Fax :** +81-3-5520-2390

**URL :** <http://www.sojitz.com/en>

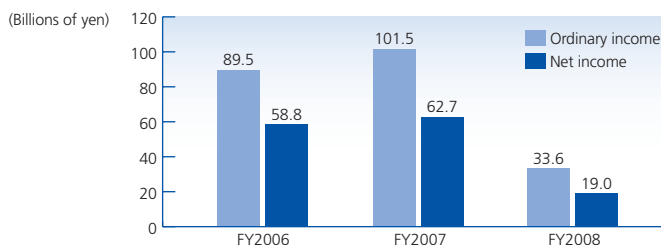
**Organization type :** Company with board of auditors

**Stock exchange listings :** Tokyo, Osaka

### Net Sales (Consolidated)

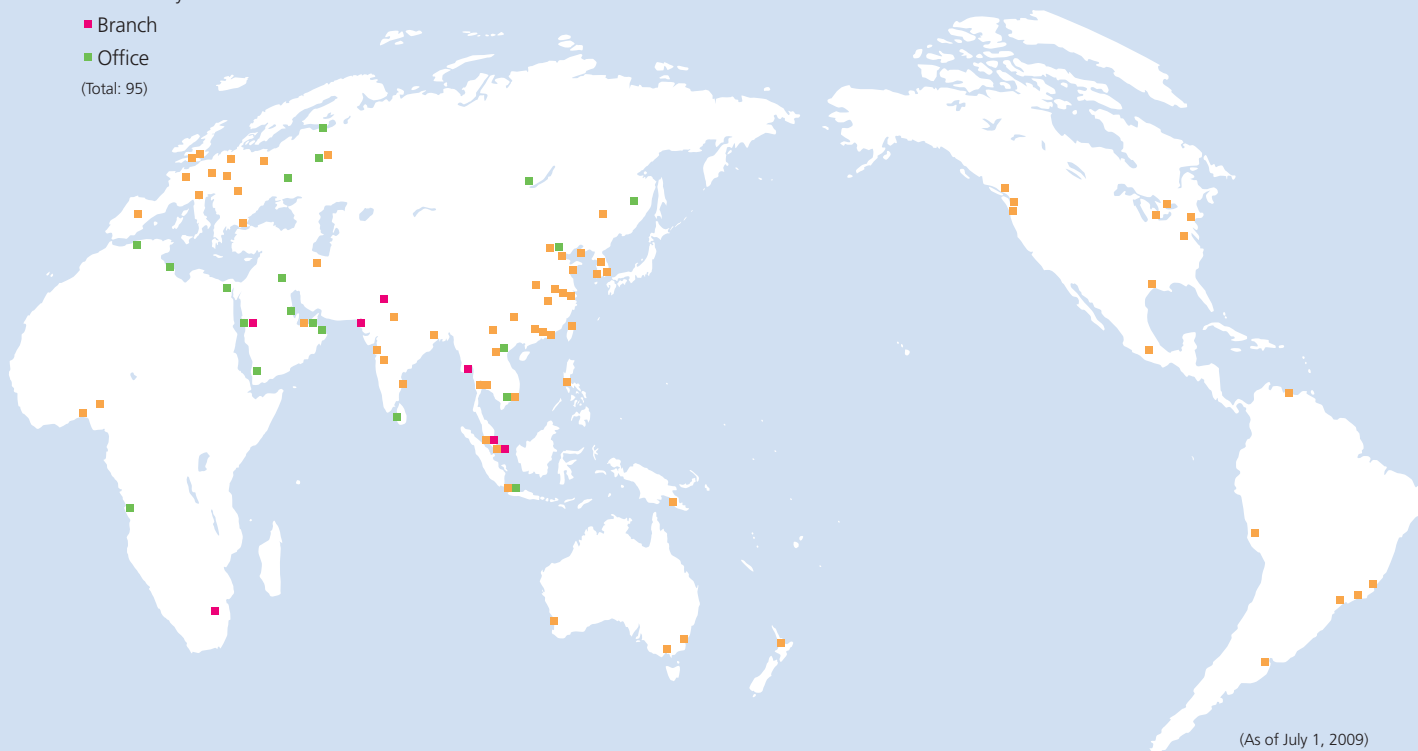


### Ordinary Income/Net Income (Consolidated)



### Overseas Operating Bases

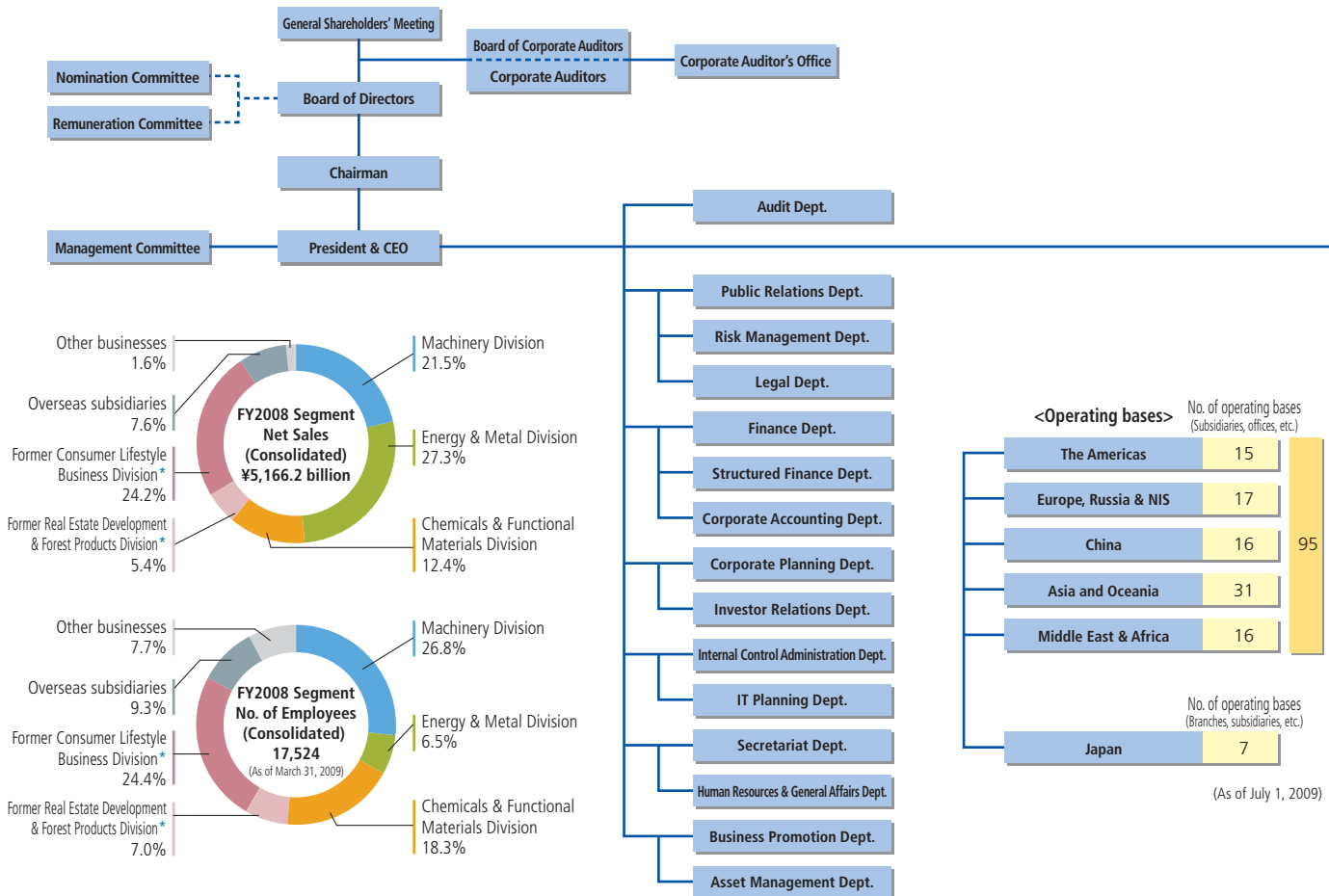
- Subsidiary
  - Branch
  - Office
- (Total: 95)



# Overview of the Sojitz Group

Through its corporate activities, the Sojitz Group creates a value chain through coordination of its various businesses throughout the world, business investment and finance, logistics and trade, and product manufacturing and sales to achieve sustained growth together with society.

## Organization



## Sojitz Group: Segment Data

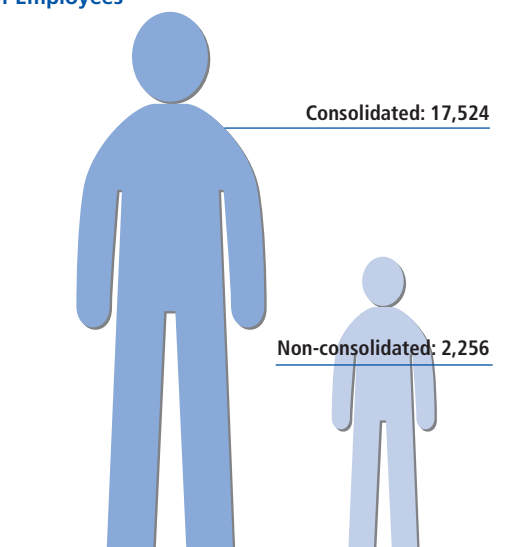
(No. of companies)

Segment		Japan	Overseas	Total
Machinery Division	Subsidiaries	29	103	132
	Affiliates	9	49	58
Energy & Metal Division	Subsidiaries	11	33	44
	Affiliates	7	17	24
Chemicals & Functional Materials Division	Subsidiaries	16	30	46
	Affiliates	9	24	33
Former Real Estate Development & Forest Products Division*	Subsidiaries	32	9	41
	Affiliates	5	4	9
Former Consumer Lifestyle Business Division*	Subsidiaries	18	14	32
	Affiliates	12	24	36
Overseas subsidiaries	Subsidiaries	0	60	60
	Affiliates	0	19	19
Other businesses	Subsidiaries	15	14	29
	Affiliates	4	8	12
<b>Total</b>	Subsidiaries	121	263	384
	Affiliates	46	145	191

(As of March 31, 2009)

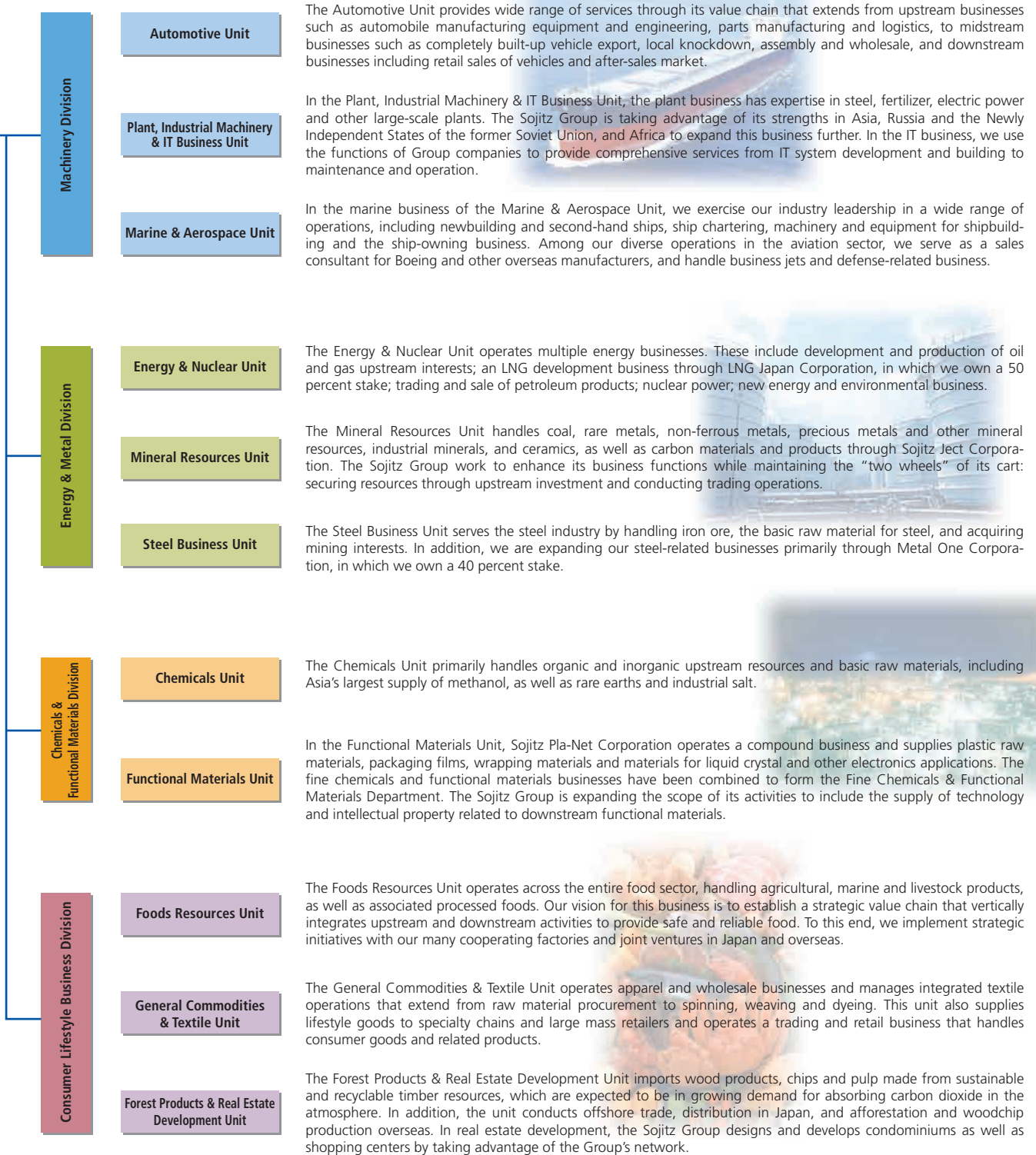
\*The former Real Estate Development & Forest Products Division was merged into the former Consumer Lifestyle Business Division in April 2009, becoming the Consumer Lifestyle Business Division.

## No. of Employees



(As of March 31, 2009)

The Sojitz Group consists of 384 subsidiaries and 191 affiliates, a total of 575 companies (of which 538 are consolidated companies) aiming to maximize value in a broad variety of businesses as an innovating, function-oriented trading company group under the Sojitz brand.



# Aiming to Produce New Sources of Wealth by Steadily Implementing the Sojitz Group Statement

## **Adoption of a CSR Policy by the Sojitz Group**

Since its founding, the Sojitz Group has operated according to the Sojitz Group Statement, which declares that “the Sojitz Group produces new sources of wealth by connecting the world’s economies, cultures and people in a spirit of integrity.” Based on this ethos, in April 2009 we adopted the Sojitz Group CSR Policy and also reflected this CSR policy more clearly in our Management Vision.

The Sojitz Group’s CSR Policy—“We will strive to do business in harmony with society and the environment, consistently honoring the Sojitz Group Statement”—is a declaration that we make CSR the foundation of our management in the various activities of the Sojitz Group throughout the world. This CSR policy was adopted to clarify the direction of our management and to share and practice it throughout the Group.

Following the global financial crises late last year, economic conditions are now very challenging for businesses. In such conditions, the focus is on the quality of business activities. That is why we believe that stronger

sharing of our statement and our CSR policy throughout the entire Sojitz Group and continuing to implement these principles in all of our activities are vital for our Group’s sustained growth and also for the continued growth of society.

## **Aiming for CSR That Can Be Practiced in a Natural Way**

In the Sojitz Group’s CSR activities, we steadily put our Statement into practice. Sincerity and trust are important for this, and we will respond to social needs by turning words into action. I believe that such actions, steadfastly repeated over time, are important for earning trust.

In our corporate activities, we aim for CSR that can be incorporated naturally into all our employees’ work. For example, employees, taking into consideration the broad needs of stakeholders, who ask themselves if they can come up with better suggestions to help their customers or are aware of the impact of their work on customers or society at large—people who bring this approach to their work and make maximum use of the Sojitz Group’s overall functions are practicing CSR and I believe that acting



steadily in this way is indeed CSR that comes naturally.

### **Sustained Growth with Society**

Our new medium-term management plan, “Shine 2011—Toward Sustained Growth,” implemented in April 2009, expands the focus on our resource business to allow us to continue fulfilling our social mission as a general trading company and take advantage of market growth potential. From the medium- to long-term perspective, the plan also highlights new growth areas such as new energy and environment businesses and agribusiness, and boosting our presence in Africa.

These issues are closely connected with social problems such as diminishing resources, climate change, food issues and poverty. We hope to create businesses, building on the many capabilities we have developed through our activities, which will contribute to solving these problems and achieving sustainability for local communities and sustained growth for our Group. I believe this is the role that society expects the Sojitz Group to play. And because of our shared objective of working

toward sustainability, we have also joined the United Nations Global Compact.

We will continue to enhance communication with society and incorporating the feedback we receive to improve our activities. We invite readers of this report to share their views with us.

**Yutaka Kase**

President & CEO, Sojitz Corporation

#### **Participation in the United Nations Global Compact**

In April 2009, Sojitz joined the United Nations Global Compact, in support of that organization's initiatives. The United Nations Global Compact, espousing 10 principles in the areas of human rights, labor standards, the environment and anti-corruption, calls for businesses to act as good citizens and work toward achieving a sustainable society by providing responsible, creative leadership.





# The Sojitz Group's CSR

## —Making the Sojitz Group Statement a Reality

As a member of society, the Sojitz Group aims to continue creating the “new sources of wealth” noted in the Sojitz Group Statement. Creating “new sources of wealth” means contributing to raising living standards for people around the world while respecting diverse cultures and values and in harmony with society and the environment.

### Sojitz Group Statement

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

### Sojitz Group CSR Policy

We will strive to do business in harmony with society and the environment, consistently honoring the Sojitz Group Statement.

### The Sojitz Group's Basic Approach to CSR



The Sojitz Group's CSR (corporate social responsibility) refers to activities undertaken to make the Group Statement a reality. We believe it is important for all of us to practice CSR in a natural way in all our activities.

### Sojitz Group Compliance Code of Conduct

#### 1. Business Activities in Consideration of Corporate Social Responsibility

- (1) Sojitz, as a member of international society and as a good corporate citizen, must actively contribute to the achievement of a sustainable society with due consideration for the spirit of cooperation and harmony in international business activities and corporate social responsibility.
- (2) Sojitz will hand over a rich and bright future on the earth to the next generation, by continuously conducting our activities for the preservation of the global environment, and by actively engaging in the resolution of issues of poverty and violations of human rights.
- (3) Sojitz must respect the spirit of fairness in every occasion of business activities, and oppose any discriminatory practices or treatment against, inter alia, race, nationality, religion or sex.

(In the above, "Sojitz" refers to the Sojitz Group.)

To ensure that CSR is practiced in our daily activities, Article 1 of the Sojitz Group Compliance Code of Conduct sets out

regulations for Business Activities in Consideration of Corporate Social Responsibility, which are known and observed throughout the Sojitz Group.

### CSR Committee

The CSR Committee reports directly to the president & CEO and its activities are reported to the Management Committee. The CSR Committee makes recommendations pertaining to CSR to management, draws up basic policies and a framework for promoting CSR, and discusses issues such as community-based social contribution activities and others.

#### CSR Committee Members (as of July 2009)

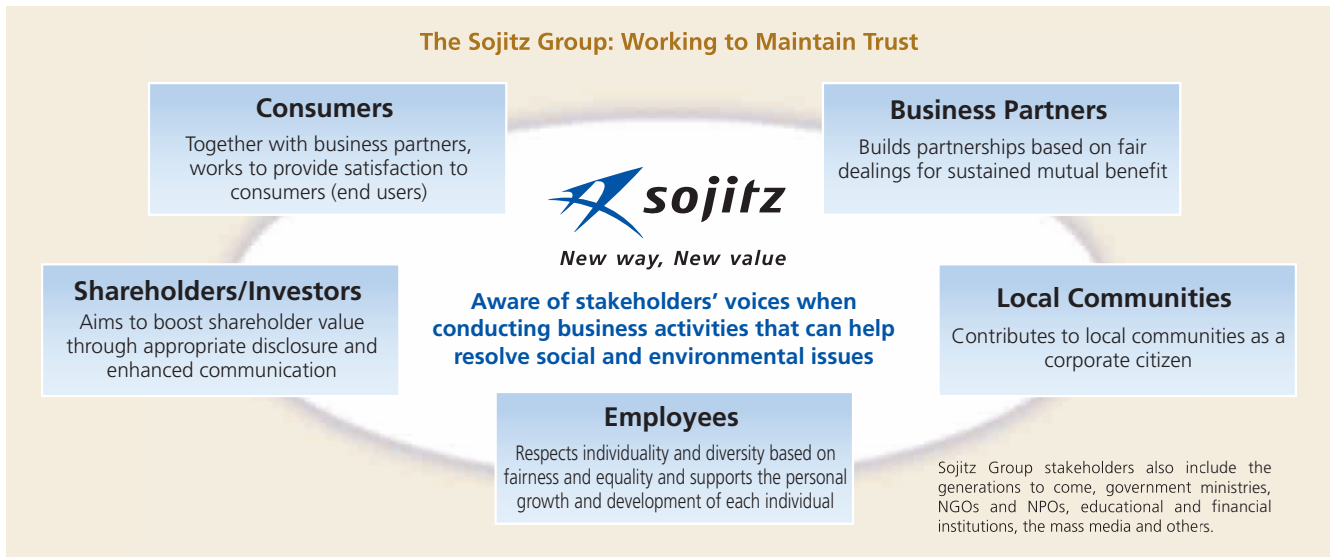
Committee Chairman	Senior Managing Executive Officer, Public Relations Department
Members	Executive Vice President (Corporate Management) Executive Vice President (Business Group) Managing Executive Officer, Corporate Planning Department Executive Officer, Human Resources & General Affairs Department
Secretariat	CSR & Environment Team, Public Relations Department



## Sojitz Group Stakeholders

The Sojitz Group is engaged in various kinds of activities all over the world. Those activities are made possible by relationships with many stakeholders.

What we value most is building trust with everyone, through business activities reflecting our awareness of stakeholders' views.

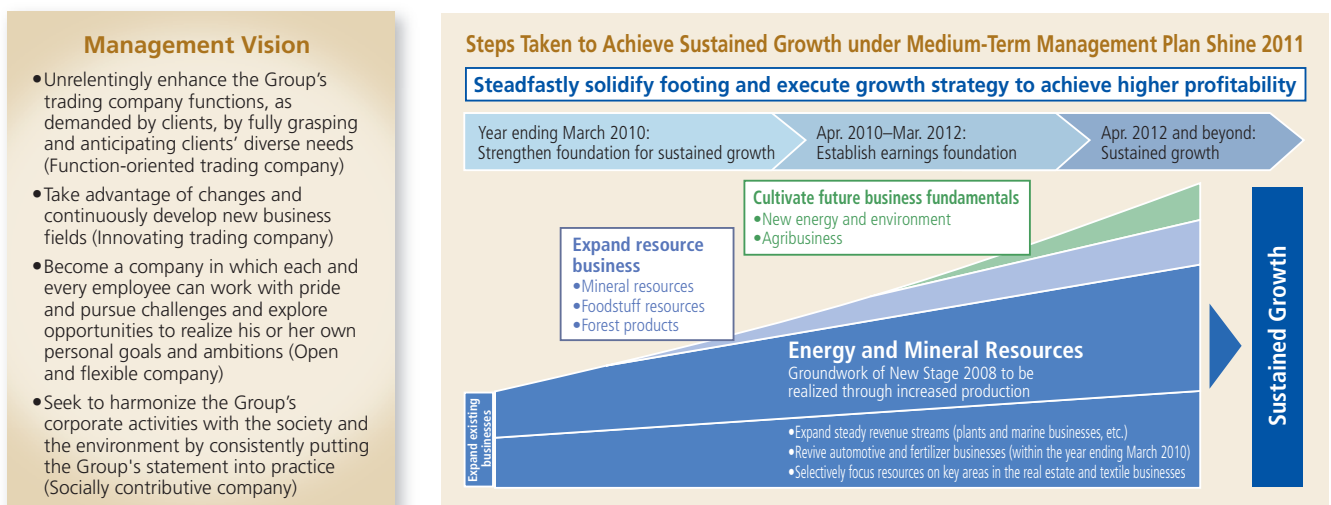


## Management Vision and Medium-term Management Plan "Shine 2011"

The ideas of the Sojitz Group CSR Policy are also clearly enunciated in the Group's Management Vision.

The medium-term management plan "Shine 2011—Toward Sustained Growth," which based on the Management Vision, lays out the Group's strategies for the resource business from the viewpoints of the Group's social mission and market growth potential, for expanded activities in the new energy and environment businesses and agribusiness with a view to building an earnings base from the medium- and long-term perspective, and a regional strategy focusing on Africa.

(Please see pp. 12–16, "Special Feature 2: Building Businesses for Sustained Growth Together with Society" for details.)



# Putting CSR into Practice in Our Work

Employees organized a round-table discussion to reexamine what CSR means to them and to the Sojitz Group and to give CSR more thought. The lively discussions that took place are reported below.



The round-table discussion was held over two days, June 3 and 4, 2009.

## What CSR Means for the Sojitz Group

The round-table discussion was held for the purpose of having all employees think of what CSR means for Sojitz. Ten Group employees from various departments participated. Their first topic of discussion was why CSR is an important issue for the Sojitz Group today. Many participants commented on the change in attitude among customers and society overall, among which "it is now considered unacceptable for enterprises not to be aware of CSR." It was clear from the discussion that employees broadly share the awareness that "no company can survive nowadays that is interested only in pursuing profit."

### CSR for Making the Sojitz Group Statement a Reality

On the other hand, participants pointed out that compared to manufacturers whose CSR initiatives, such as developing environment-friendly products and the like, make their products more competitive, it is difficult for a general trading company like Sojitz, which has relatively little contact with individual customers, to get a real feeling of the significance of CSR. Even so, they indicated that they had a renewed awareness of the importance of CSR, saying "unless local communities closely connected to our business activities can grow, we won't have opportunities for new business" or "The Sojitz Group Statement talks about 'producing new source of wealth.' CSR is one way of making that possible."

## Practicing CSR through Business: The Issues

Discussions then moved on to the main theme—"how to put CSR into practice through each employee's daily activities." Many agreed with one participant's comment that "the very work of a general trading company, which can contribute to local growth through its business activities, is a form of CSR." Several participants also noted that each individual's attitude is important for making CSR a reality—"in the end, everyone has to be conscious that the work we do should ultimately be something that people are grateful for" and "first, it's important to take the other person's view into consideration."

### Coexistence, Mutual Prosperity and Sustained Growth for All Stakeholders

But several people noted that it is hard to strike the right equilibrium between corporate profit-seeking and CSR and all agreed that it's important to run business affairs with awareness of coexistence, mutual prosperity and sustained growth for the sake of all stakeholders. After the round-table discussion had ended, several participants remarked that the discussion had helped them focus their minds on CSR once more or that it provided a good opportunity to learn about CSR. The Sojitz Group intends to continue similar activities in the future, holding discussions or training seminars to heighten awareness of CSR among all employees.

## Yoshiaki Tanemura

Plant Project Department 2, Plant, Industrial Machinery & IT Business Unit, Machinery Division

"I think that in the case of a trading company like Sojitz, which provides solutions to local problems through its business, the work itself can be considered CSR. Right now I'm working on solar power generation, but I feel that even though we don't manufacture equipment directly, we can contribute to society through investment for business promotion. Rather than simply preaching that we practice CSR through our work, the best outcome would be for our hard work in our jobs to ultimately translate into CSR in a natural way."



## Kenji Mizuguchi

Nuclear & Sustainable Energy Department, Energy & Nuclear Unit, Energy & Metal Division

"To my mind, a trading company's CSR means helping developing countries fulfill their potential and improving the lives of the people who live there. In that sense, the CSR perspective will become even more important as a standard for deciding the kinds of business Sojitz will go into. I think that this also ultimately leads to business opportunities for us."

## Shunsuke Otsuka

Advanced Materials Department, Sojitz Pla-Net Corporation, Chemicals & Functional Materials Division

"I strongly feel that the Sojitz Group needs to develop a corporate entity aware of social values that are changing so much today. In keeping with the 'spirit of integrity' mentioned in the Sojitz Group Statement, we must continue meeting customers' needs. Specifically, we should work hard on our solar panel business, and I'd like to encourage spreading the word about solar panels in newly developed and developing countries where there are no government subsidies or other incentives to promote use of this technology."



## Reiko Inagaki

Forest Products & Plantation Department, Forest Products & Real Estate Development Unit, Consumer Lifestyle Business Division

"We have been able to continue operating our plantation and woodchip business in Vietnam for over 15 years thanks to our positive relations with local people. Although a project may be a 'business' at the start, in the end it brings wealth to various stakeholders, not just customers but also employees and local residents. Every employee should be fully aware that no business can continue unless there is coexistence with stakeholders."

## Takasei Kato

Human Resources & General Affairs Department

"As part of my job conducting hiring interviews, I often hear people say they want to contribute to society through their work. I believe it's important to build on this sincere desire on the part of individuals and on the corporate culture at Sojitz that offers broad leeway for people to do their jobs in their own way, so that individuals' awareness or caring can encourage practicing CSR. I always want to do my part so that employees can feel pride in what Sojitz does in the area of CSR."



**Koji Okumura** Automotive Department 3, Automotive Unit, Machinery Division

“While on assignment in China, I saw a happy-looking family riding in a car made by a company that Sojitz has invested in. That scene really brought home to me that my work is helping people make their dreams come true. Sojitz’s CSR is about a trading company that is the people who work for it. Therefore, it’s vital that each and every employee have a strong sense of ethics. I want to work in a business that the local community will appreciate, by working according to ethical principles.”



**Naoto Kinoshita** New Energy & Environmental Business Development Office, Energy & Metal Division

“The Sojitz Group’s numerous business activities of all kinds all over the world are closely connected with society and the environment in various ways. When I was in charge of developing a wind energy project, I had many opportunities to brief residents of areas neighboring the proposed construction site about the project. This experience made me very aware that in our business we need to think not just of our customers directly but also of local communities and many other parties involved, so I am determined to work in a way that will inspire trust among stakeholders.”



**Takashi Noda** Corporate Planning Department, Sojitz Pla-Net Corporation, Chemicals & Functional Materials Division

“Frankly, up to now the reason for our initiatives to promote obtaining ISO certification or other accreditations had been that our business partners required it. But I feel that most employees are CSR-conscious even if they aren’t aware of it, so the Group’s policy of promoting CSR can help open those people’s eyes. If all employees can share the spontaneous awareness that customers want CSR-conscious products, I am sure that will present new business opportunities.”



**Masashi Wada** Quality Assurance Office, Foods Resources Unit, Consumer Lifestyle Business Division

“The Quality Assurance Office was created by the Sojitz Group to ensure that the food products we handle are safe and reliable. The aim of all duties of this office, from plant audits to labeling management, is to protect the Sojitz brand and to avoid having to recall and scrap products unnecessarily. This is a CSR activity that contributes to the environment too. Companies are members of society, and it seems to me that the most important thing is to act in the manner that’s expected of us as a corporate citizen as a matter of course.”



**Hiroyuki Taguchi** Secretariat Department

“We are no longer in a world where it’s acceptable for companies to operate according to the ‘winner takes all’ philosophy. We have an obligation to consider the interests of local communities and the natural environment, and we should practice CSR through our daily activities that add value to that obligation and contribute to local economic development. Our jobs feel rewarding and give us pride when people appreciate our work and express gratitude. This improves our mental outlook, with the result that both individuals and the company can grow and develop.”





# Building Businesses for Sustained Growth Together with Society

The Sojitz Group, engaged in a wide range of business activities throughout the world, is creating sustainable businesses with the aim of achieving mutual coexistence and prosperity with society and the environment. Here is a sampling of some initiatives we are engaged in through our businesses.

## Environment and New Energy—Diversifying Energy

### Environment and New Energy Business Development Committee ▶ P.13

Three teams or subcommittees—the Solar Business Development Team, the Water Resource Business Subcommittee and the Environmental Business Subcommittee—have been created to promote company-wide environment and new energy initiatives.

### Solar Power Business ▶ P.13

We are creating an upstream-to-downstream value chain for solar power business.

### Storage Batteries ▶ P.13

We import and export raw materials and ingredients for lithium ion batteries and develop and manufacture lithium ion capacitors.

### Biofuels ▶ P.13

In Brazil, which has the world's most competitive raw materials, we are building a biofuel supply chain encompassing all steps of the process from sugar cane cultivation to manufacturing and selling bioethanol and bio-ETBE.

### Afforestation and Woodchip Manufacturing Businesses

To ensure a stable supply of woodchips, the ingredient for paper, we have afforestation and woodchip manufacturing businesses in southern Vietnam, South Africa and Mozambique.

### CoC Certification

We have obtained CoC\* certification for handling log, lumber and woodchips. We deal in products certified by the Forest Stewardship Council (FSC), an international forestry certification system.

\*CoC (Chain-of-Custody) certification: Certification that processing and distribution of forestry products are carried out according to specified standards.

### Spark Plasma Sintering (SPS) Technology

Energy-efficient spark plasma sintering (SPS) technology developed by the Sojitz Group's SPS SYNTEX Inc. is used for research and development in nano materials and other areas.



## Resources—Ensuring Stable Supplies

### Mineral Resources (CCT/CCS)

We conduct leading-edge initiatives in CCT (clean coal technology) and CCS (CO<sub>2</sub> capture and storage).

### Water Resources (Membrane Separation Technology) ▶ P.14

We have invested in Sepro Membranes, Inc., a U.S. company, and are promoting manufacture and sales of membranes using their unique separation technology.

### Water Resources (China) ▶ P.14

We founded a company in Hebei Province that manufactures and sells drainage pipes and are going to spread superior Japanese water-related technology abroad.

### Marine Resources (Tuna Farming in Japan) ▶ P.15

Sojitz is the first general trading company in Japan to go into the tuna farming business, to relieve worldwide shortages of tuna.



## Agribusiness—Farming for a New Era

### Farming Business ▶ P.15

Sojitz is involved in "farming for a new era," handling all types of activities from manufacture and sales of fertilizer through producing and distributing crops.

### Food Industrial Complex ▶ P.16

In Vietnam we are creating a value chain to produce safe, reliable food centering on a food industrial complex.



## Africa—Businesses for Growth Together with Africa

### Chairmanship of Nippon Keidanren's Committee on Sub-Saharan Africa ▶ P.16

Sojitz chairman of the board Akio Dobashi became chairman of Nippon Keidanren (Japan Business Federation)'s Committee on Sub-Saharan Africa.

### Stable Supply of Resources and Infrastructure Building ▶ P.16

Sojitz endeavors to ensure stable supplies for resources while promoting infrastructure construction and other projects for the economic development of resource-rich countries.



**Environment and New Energy**

**Diversifying Energy**

To solve global warming and other environmental problems, energy must be diversified. Sojitz has created the Environment and New Energy Business Development Committee, a body spanning all business divisions, which is responsible for company-wide undertakings in the environment and new energy area.

**Solar Power Business Building a Value Chain in the Solar Power Business**

The Sojitz Group places special emphasis on photovoltaic power generation. The reason for this is that photovoltaic power generation, which uses the inexhaustible energy of the sun, produces no greenhouse gases and must become more widespread for the sake of environmental preservation. Furthermore, making solar power more widely available requires the business development functions across different industries and the global business network capabilities of a general trading company.

This led to the creation of Sojitz's Solar Business Development Team, to create an integrated value chain for the solar power business from upstream (investment and supply of raw materials, etc.) to midstream (sales of solar systems, parts, etc.) and downstream (design, installation, power generation business) and related equipment expand this business on a global scale.

One concrete result of this initiative has been entry into the solar power business in South Korea. Sojitz and Sojitz Pla-Net Corporation have invested in Taihan Techren Co., Ltd., South Korea's largest solar power generation system integrator. South Korea is an advanced country in this field, ranking fourth in the world after Germany, the United States and Spain in market size for solar power business. In addition to supplying all solar photovoltaic panels, inverters and other materials which Taihan Techren procures from abroad, the Sojitz Group is also involved, through Taihan Techren, in building solar power business stations and installing solar power systems in energy-efficient homes. Further, using these initiatives in South Korea as a foothold, the Group plans to enter the market for large-scale solar power business in the United States and Europe and to expand its business in countries and regions where solar power generation can be expected to spread through the Cool Earth Partnership.\*

**Storage Batteries Stable Supply of Raw Materials for Lithium-ion Batteries to Support the Future of Electric Power**

Solar power generation has numerous benefits. One drawback, however, is that power can only be generated in the daytime. A solution to this problem and to using electricity more efficiently is electricity storage technology, which will support the future of electricity. One device attracting particularly close attention is the lithium-ion battery. Today, this type of battery is used mainly in laptop computers and mobile phones, but the market is expected to grow quickly as this battery becomes more widely used as a storage device in hybrid vehicles and electric vehicles and for solar power. Sojitz is one of the major trading companies engaged in the importing lithium compounds, the raw material for lithium-ion battery materials, from South America, which is supplied to a Japanese cathode manufacturers of positive electrode material. Sojitz has also invested in Advanced Capacitor Technologies, Inc., a manufacturer of lithium-ion capacitors, which have a promising future as a new electricity storage device.

**Biofuels Building a Biofuel Supply Chain in Brazil**

One of Sojitz's initiatives to reduce dependence on fossil fuels is to establish a supply chain of environmentally friendly bioethanol fuel.

So-called "biogasoline" is regular gasoline containing bioethanol derived from renewable sources (sugar cane) and bio-ETBE (ethyl tertiary-butyl ether) synthesized with isobutene, a petroleum product. Since this gasoline contains a high ratio of renewable ingredients, it is a substitute for conventional fossil gasoline and greatly contributes to reducing CO<sub>2</sub> thanks to the carbon-neutral effect.\*



Solar power generating system delivered to Taihan Techren Co., Ltd. by Sojitz Pla-Net Corporation

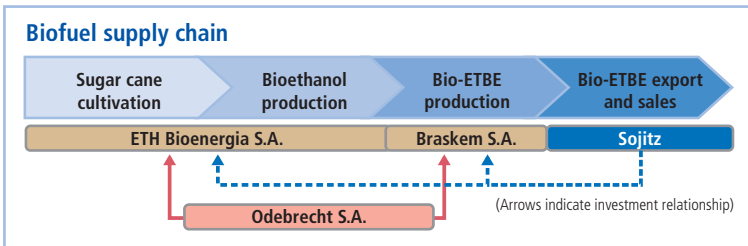
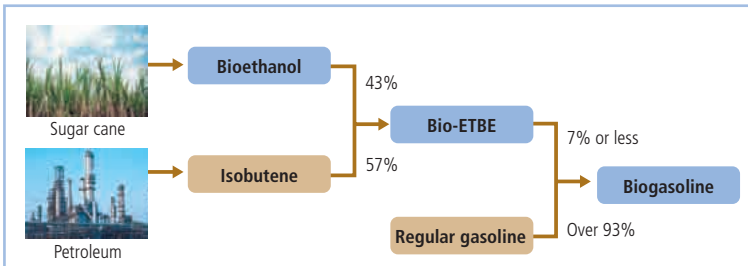
\*Mechanism for supplying funding totaling US\$10 billion over 5 years for climate change measures, announced by then-prime minister Yasuo Fukuda at the January 2008 World Economic Forum.



Braskem S.A.'s Bio-ETBE production site, Brazil

\*Based on the idea that since plants, the raw materials for biofuels, absorb CO<sub>2</sub> through photosynthesis, burning biofuels will not increase the total amount of CO<sub>2</sub> in the atmosphere.

In Brazil, Sojitz invests in large-scale production of bioethanol, the raw material for bio-ETBE and this “biogasoline,” together with major local conglomerate. Sojitz is working to establish a biofuel supply chain engaged in all aspects from sugar cane cultivation, production of bioethanol and bio-ETBE for export and domestic sale, to ensure a stable supply. Our exports of bio-ETBE to Japan began in 2009.



### Topics Together with Business Partners —a Trainee from Vietnam’s CECO

To promote further growth together with business partners, Sojitz accepts trainees from partner companies.

Sojitz, which has signed a strategic partnership memorandum with VINACHEM, a state company under Vietnam’s Ministry of Commerce and Industry, welcomed trainee Tran Dang Thai (pictured here), employed at Chemical Industry Engineering Joint Stock Company (CECO), a VINACHEM subsidiary.



Mr. Thai, who spent February to June 2009 in Japan, came to study the Sojitz Group’s decision-making guidelines and implementation methods for business investment, in order to promote the growth and development of the chemical industry in Vietnam. At the end of the training period, Mr. Thai commented that “Through this training, I was able to acquire all kinds of knowledge and experience that are not available in Vietnam.”

## Resources

### Ensuring Stable Supplies

The resources we need are not limited to energy or minerals. Water, agricultural, forestry and marine products, and recycled resources are important too. Sojitz believes that its social mission as a general trading company is to have a presence in regions all over the world and to use its multiple capabilities, including information-gathering capacity and its broad customer base, to secure and ensure stable supplies. To this end, Sojitz pursues strategies for the stable supply of various types of resources.

#### Water Resources

#### Solutions for Water Problems the World Over

Rapid population growth and economic development in developing countries are factors contributing to severe water shortages and water pollution problems today. Some even say that “water will be to the 21st century what oil was to the 20th century.”

One promising solution to water problems is membrane separation technology, which uses membranes to carry out advanced filtration and desalination. This technology can be used, for example, to create potable water by purifying river or underground water or by desalinating seawater, or for high-level treatment of wastewater, and is an essential component of measures to secure water resources.

Sojitz entered the business of manufacturing and selling membranes in 2008 by investing in U.S. company Sepro Membranes, Inc. Compared to the conventional water treatment process using settling tanks, water treatment using membranes lowers treatment costs, improves safety and saves space. These advantages have led to quick expansion of the membrane filter market and the Sojitz Group is planning to expand sales of Sepro’s sheet membranes and its filter modules in Japan and the Southeast Asian market, where rapid growth is expected.

Sojitz is also involved in a water-related business in China, having established a company to manufacture and sell drainage pipes in the Caofeidian Industrial Zone (Tangshan, Hebei Province) in June 2008. The company’s metal-plastic multilayer pipes are strong yet light and flexible. They prevent wastewater from leaking into the soil, which can cause water and soil pollution, and may be used for the pipe networks that China will lay for wastewater treatment. Using manufacture and sales of this product as a foothold, the Sojitz Group hopes to further expand its water circulation business in China.



Using membranes makes the water treatment process less expensive and safer.



Metal-plastic multilayer pipes produced in China



The Global Water Recycle System Association, a grouping of 38 Japanese private sector companies working to solve water issues on a global scale, was put together to spread superior Japanese water-related technology abroad. Sojitz, the leader of the Association's Asia/China working group, in cooperation with the concerned government ministries and other Japanese companies, hopes to build a new waste water treatment and recycling model based on Japanese elemental technology in China and elsewhere, to contribute to water resource measures all over the world.

### Marine Resources **Moving into the Domestic Tuna Farming Business**

Among agricultural, forestry and marine resources, Sojitz focuses particularly on marine resources, undertaking initiatives for ensuring a stable source of supply.

Where marine resources are concerned, international fishing quotas are being imposed on catches of tuna fish. Meanwhile, demand for fish and shellfish is growing in Europe, the U.S. and China, and given that tuna will be scarcer over the medium to long term, there are concerns as to whether stable supply can be maintained.

Against this background, in 2008 Sojitz became the first major trading company to invest directly in tuna farming by establishing a tuna farming company in Nagasaki Prefecture and going into the bluefin tuna farming business. On Takashima Island (Matsuura, Nagasaki Prefecture), where blowfish farming was an already established industry, Sojitz, together with the local fishing cooperative, founded the Sojitz Tuna Farm Takashima Co., Ltd. to make good use of the know-how available locally, revitalize the industry and provide employment, with the aim of ensuring stable supplies of tuna. Shipments of tuna to the domestic market are scheduled to start at the end of 2010.



Large fish pen with dimensions of 30 m per side (Matsuura, Nagasaki Prefecture)

### Agribusiness

## Farming for a New Era

In 2050, the world's population will total nearly nine billion people. In order for everyone to live in a preserved environment, fundamental reforms of society's relationship with agriculture and food—crop cultivation using less water, fertilizer with less negative impact on the soil, a distribution system that minimizes waste due to spoilage, waste recycling, etc.—are needed. The Sojitz Group's agribusiness is working toward making such farming a reality for a new era.

### Farming Business **Building a Value Chain from Manufacture and Sales of Fertilizer to Crop Production and Distribution**

Sojitz established an Agribusiness Department in April 2009. The Sojitz Group's aims include: (1) creating farming businesses in Japan using new technologies and business models; (2) developing overseas farming businesses for oil seeds and animal feed grains to ensure a stable supply of food resources; (3) producing and processing vegetables and fruits in China and Southeast Asia to supplement shortages of domestically-grown products; and (4) investing in and starting businesses for new cultivation technologies, technologies for renewable farming and development of business models. Our goal is to develop farming that will contribute to enriching Japan and the world through new technologies and business models and by offering training and support for people engaged in farming. In Thailand, Vietnam and the Philippines, we aim to create a farming value chain encompassing all stages from businesses manufacturing and selling advanced chemical fertilizer, where we hold the top share of 40–60 percent, to crop production and distribution.

One example of a specific initiative is an experimental project for growing tomatoes in the desert started by Sojitz and Mebiol Inc., a Japanese bio-venture company, with a view to commercializing tomato-growing in the United Arab Emirates (UAE). The cultivation method developed by Mebiol involves using sheets made of a special film that makes it possible to grow vegetables without soil and with only a minimum amount of water. We aim to develop this into a business by spreading it first in the Middle East, where water resources are scarce.



Experimental tomato growing in the UAE

## Food Industrial Complex Project in Vietnam for the Stable Supply of Safe, Reliable Food

The Sojitz Group aims to further reinforce its existing capability for ensuring stable supplies of food raw materials. An example of this is the development of Vietnam's first food industrial complex and port infrastructure construction and creation of a value chain based on this complex.

Interflour Vietnam Limited (IFV), Vietnam's second-largest flour milling company, has a plant on the outskirts of Ho Chi Minh City. Sojitz has acquired a 20 percent stake in IFV, and centering on IFV's existing plant, has built and expanded the port infrastructure and grain silos. It also plans to build a manufacturing plant for feed, oils and fats, livestock, etc. on neighboring land. Sojitz has also acquired a 25 percent stake in Huong Thuy Manufacture Service Trading Corporation, Vietnam's largest food wholesaler. Through a value chain ranging from import of food resources to ingredient processing, product processing and distribution, Sojitz has started a business to ensure the stable supply of food and spread highly regarded Japanese food safety and reliability practices throughout the world.



IFV flour milling plant and port infrastructure (Vietnam)

### Topics Ensuring Food Safety and Reliability—Initiatives of the Quality Assurance Office

In April 2008, Sojitz became the first general trading company in Japan to set up a Quality Assurance Office. This office, together with a sub-office in Dalian, China, oversees Group-wide food safety and reliability. Its main initiatives are auditing overseas plants to which production is outsourced, directing improvements, analyzing and dealing with complaints, managing labeling and so on. The Quality Assurance Office also focuses on training Group employees, as it is necessary that they have a high standard of knowledge and awareness regarding quality and risk.

## Africa

### Businesses for Growth Together with Africa

The Sojitz Group is developing a regional strategy focusing on Africa. Based on its relationships with customers and its business network developed over long years in this market, it is pushing stronger initiatives in various business areas.

In June 2008, Sojitz chairman of the board Akio Dobashi became chairman of Nippon Keidanren (Japan Business Federation)'s Committee on Sub-Saharan Africa. Mr. Dobashi had opportunities to deepen relationships with leaders and ministers from many African countries who visited Japan to attend the Tokyo International Conference on African Development (TICAD IV) and/or the G8 Toyako Summit in Hokkaido. In addition, Sojitz was part of a trade and investment promotion mission organized by Japan's Foreign Affairs and Economy, Trade and Industry ministries as a follow-up to TICAD IV. In these Japanese initiatives toward Africa, Sojitz plays a leading role as a private sector company.

### Stable Supply of Resources and Infrastructure Building Growing Together with African Countries

Africa is richly endowed in energy and mineral resources, and there is strong interest in putting these resources to good use. On the other hand, resource-rich countries eager to achieve growth by exporting resources. Therefore, in the resources business it is essential to propose projects that will also promote growth in those countries, which have strong expectations of general trading companies with regard to their ability to meet resource-rich countries' varied needs in a comprehensive way.

The initiatives of Sojitz in Angola are one example of this. Angola is one of Africa's largest oil-producing countries, but due to a long-running civil war (a ceasefire was declared in 2002) and its aftermath, the country still has very little infrastructure. Sojitz cooperated to build a cement-producing plant there as a centerpiece of infrastructure creation. Construction of this plant, the largest in Angola and with the capacity to meet 25 percent of the country's yearly demand for cement, is expected to be completed in 2011. Sojitz has also proposed several other projects, including construction of a steel plant, to stimulate industry and create employment. In addition, taking a comprehensive view of industry that includes so-called "soft" infrastructure—creation of a vocational training school to train workers to work in those plants and other initiatives, Sojitz's proposals start with a master plan designed to bring growth to both Angola and Sojitz.



With the then-president of South Africa Thabo Mbeki (second from right)



Luanda, capital of Angola, where many buildings are under construction

# Corporate Governance

The Sojitz Group considers it important to maintain a relationship of trust with stakeholders, in order to maximize corporate value and conduct management appropriately. To strengthen corporate governance, the Group takes steps to clarify management responsibility and accountability and establish a highly transparent management structure and auditing functions.

## Corporate Governance System

### Strengthening Management and Executive Functions

The Sojitz have separated managerial decision-making and business execution functions, to clarify authority and responsibilities and speed up decision-making and execution.

- We have introduced an executive officer system.
- To respond rapidly and appropriately to sudden changes in the business environment and to clarify management responsibilities, the tenure of directors and executive officers has been set at one year.
- The Board of Directors is composed of seven directors, two of whom are outside directors, appointed at the general

shareholders' meeting. The Board is responsible for determining basic policies and other important matters related to the Group's management and to oversee execution of business decisions by directors. Independent corporate auditors and a Board of Corporate Auditors also audit the performance of directors.

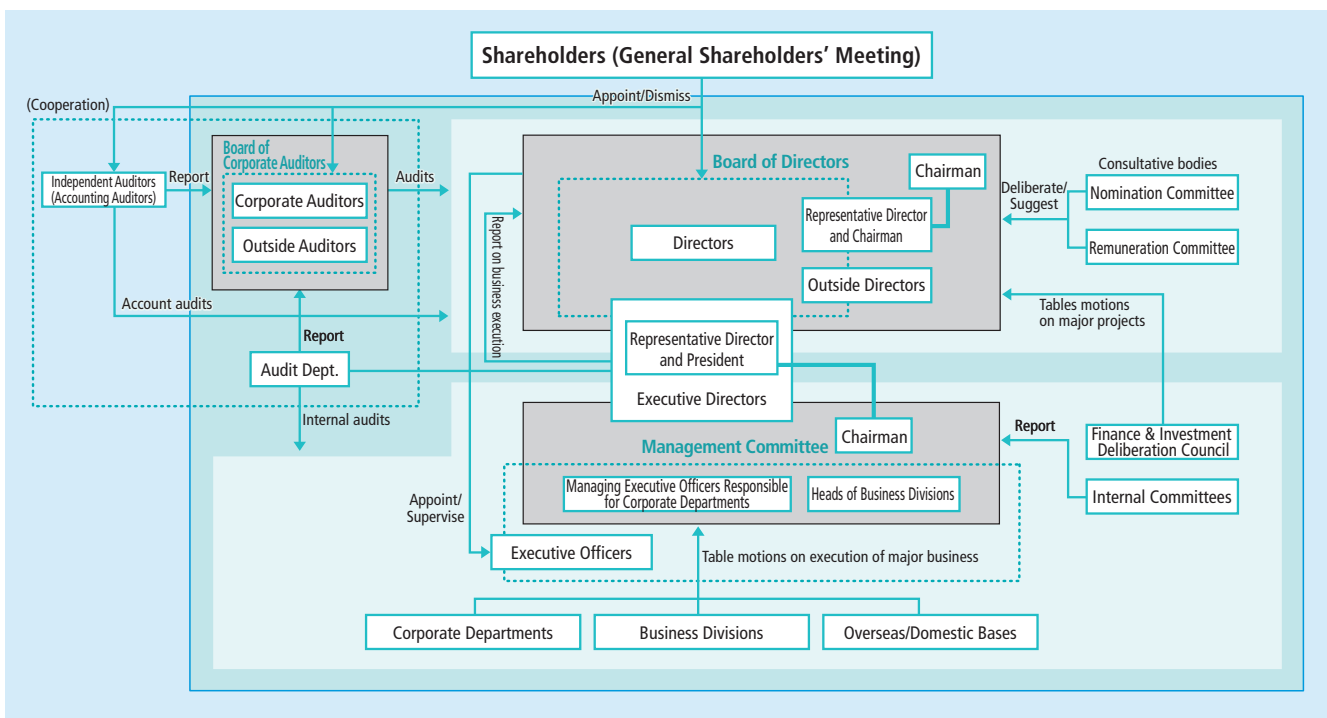
- The Board of Directors is chaired by a representative director & chairman rather than by the president & CEO. The post of vice chairman was created in June 2008 to further enhance the board's auditing function.

### Ensuring Appropriate and Transparent Management

We have taken the following measures to monitor executives in the performance of their duties and ensure appropriate, transparent management.

- The Company's Board of Corporate Auditors, required by the Company Law of Japan, is composed of five members (three of whom are full-time auditors) including three outside auditors. Independent from the Board of Directors, the corporate auditors audit the business performance of directors. In carrying out their respective duties, the Company's corporate auditors, independent auditors and

## Corporate Governance Framework



internal auditors exchange information collaboratively to improve the efficiency of audits.

- Two outside directors are appointed to bring an outside perspective to the Company's management and to further strengthen the audit function. These directors also chair the Nomination Committee and the Remuneration Committee that act as consultative bodies to the Board of Directors, to ensure the appropriateness and transparency of director appointments and remuneration. At meetings of the Board of Directors, the outside directors also offer appropriate advice regarding the Group's management from an objective viewpoint.

### Handling of Company-wide Management Issues —Other Management and Business-execution Bodies

- The Management Committee deliberates and decides important management issues and oversees business execution.
- The Finance & Investment Deliberation Council rapidly and appropriately deliberates and decides important investment and loans matters.
- The Company also has four internal committees—the Internal Control Committee, the Compliance Committee, the CSR Committee and the Portfolio Management Committee—to handle management issues that affect the Company across organizational boundaries.

#### No. of Internal Committee Meetings Held (Fiscal 2008)

Committee name	Committee chairman and content of meeting	No. of times held
Internal Control Committee	Chairman: President & CEO (monitoring progress on internal control and deciding policies)	5
Compliance Committee	Chairman: Chief Compliance Officer (discussing and issuing instructions regarding compliance-related policies and measures)	3
CSR Committee	Chairman: Senior Managing Executive Officer, Public Relations Department (discussing and issuing instructions regarding CSR)	4
Portfolio Management Committee (created April 2009)	Chairman: Executive Vice President & CFO (discussing and making recommendations regarding creation of the most appropriate asset portfolio)	—

### Initiatives Taken in Fiscal 2008

While finance and investment were promoted worldwide by all business divisions and business by overseas Group companies under direct management of business divisions expanded, we are aware that this raises governance issues. Accordingly, we began building a stronger governance system more actively involving the corporate departments in monitoring compliance by overseas companies and risk management.

## Internal Control

We are working to implement and promote an internal control system for more effectiveness, efficiency and transparency in the Group's overall management, by ensuring the appropriateness of its business and the reliability of its financial reports.

### Initiatives Taken

November 2005	Internal Control Committee set up, chaired by the President & CEO
May 2006	Basic Policies for Establishing a System to Ensure Proper and Ethical Business Operations (Internal Control System)* resolved by the Board of Directors (partially revised in April 2008)
April 2008	Basic Principles for Internal Control over Financial Reporting* resolved by the Board of Directors

\*The complete text is contained in the Corporate Governance Report (Japanese only), available at the URL below.

URL ▶ <http://www.sojitz.com/jp/corporate/governance/pdf/090701.pdf>

### Basic Policies for Establishing a System to Ensure Proper and Ethical Business Operations (Internal Control System) (Excerpts and commentary)

(Resolved at the May 2006 Board of Directors meeting)

1. Compliance by Directors and Employees (Laws, Regulations and the Articles of Incorporation)  
(Sets down provisions for thorough compliance, avoiding relationships with antisocial forces, observance of laws, etc.)
2. Retention of Information relating to the Execution of Directors' Duties
3. Rules and Systems for Managing Risk for Losses  
(Sets down provisions for risk management)
4. Efficiency in Execution of Directors' Duties
5. Proper and Ethical Business Operations in the Sojitz Group  
(Sets down provisions for auditing, compliance and internal control in the Sojitz Group)
6. Employees Assisting Corporate Auditors and Their Independence from Directors
7. Reports to Corporate Auditors
8. Other Arrangements to Ensure Efficient Auditing by the Corporate Auditors

### Initiatives Taken in Fiscal 2008

In fiscal 2008, the internal control reporting system's first year, the Board of Directors adopted a resolution regarding the Company's Basic Principles for Internal Control over Financial Reporting. Management executives then assessed the status of the internal control system for financial reporting and its operation and concluded that the Sojitz Group's internal control system for financial reporting does not have any material weaknesses.

## Risk Management

As a general trading company, the Sojitz Group is engaged in a wide and diverse range of businesses globally. Due to the nature of its businesses, the Group is exposed to a variety of risks including market risk, business investment risk, credit risk and country risk. We believe that it is important to upgrade and enhance risk management for the Group and maintain a high-quality portfolio by accurately identifying and managing those risks.

In compliance with its General Standard of Corporate Risk Management, the Sojitz Group defines and categorizes risk. Specifically, we balance quantifiable risks to assess and manage risk in accordance with the risk asset index obtained.

Non-quantifiable risks such as legal, compliance, environmental and other risks are managed using the PDCA cycle for reporting the status of risk to management, based on the Risk Management Policy and Plan formulated by the executive officer responsible for managing that risk.

### Initiatives Taken in Fiscal 2008

In addition to setting up a risk management system, we are carrying out the following promotion activities to impart awareness of risk management to all Group employees using the risk management rules.

- Risk management awareness is promoted through liaison

conferences between the Risk Management Department and the business division

- Training for groups of pre-managerial level employees (around 400 people take the training). Including training for managers at Group companies, a total of approximately 700 individuals were trained (as of March 2009).

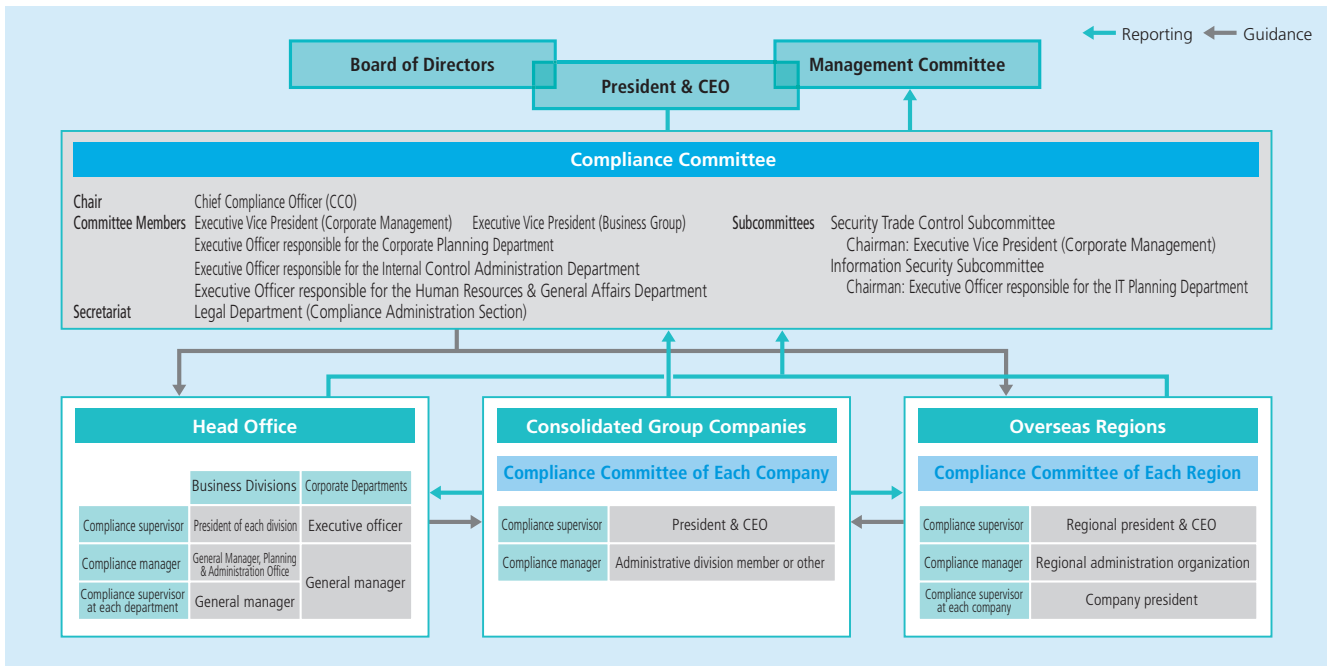
## Compliance

Companies must work to develop their businesses while conducting themselves in accordance with social norms, and endeavor to make a contribution to society. The Sojitz Group therefore recognizes that thoroughgoing compliance is essential to living up to these requirements. For the Group, compliance involves adhering to Japanese and international law and Company regulations, but it also entails abiding by the standards of corporate ethics—the moderation and good sense required of a corporation. The Group as a whole strives in good faith to maintain compliance based on this understanding.

### Sojitz Group Compliance Code of Conduct

“Business Activities in Consideration of Corporate Social Responsibility,” Article 1 of the Sojitz Group Compliance Code of Conduct,\* sets out standards for overall CSR from a broad perspective. The Code of Conduct and case examples have been compiled in a booklet distributed to all employees

## Compliance Framework





of Sojitz and concerned Group companies to ensure that everyone is aware of the standards.

\*Please see p. 7, "The Sojitz Group's CSR" for an excerpt of the Sojitz Group Compliance Code of Conduct.

## Establishing a Compliance Framework for Overseas

In each of the Group's five regions, the regional president & CEO is responsible for compliance and a Compliance Committee for Each Region has been created, which work together with Sojitz to promote compliance awareness.

## The Sojitz Compliance Hotlines

The Company has established a hotline providing access to the Chief Compliance Officer (CCO) and outside legal counsel and to the Compliance Committee Secretariat.

## Initiatives Taken in Fiscal 2008

**Training** The Company conducted various job category-based training and programs regularly to raise awareness of compliance-related issues and compliance training for all employees using e-Learning. A Compliance Code of Conduct was also drawn up for the five overseas regions, and e-Learning training will begin at local subsidiaries in the Americas and Europe to raise compliance awareness among all personnel, including locally-hired employees. In the Asia region, compliance training is carried out in lecture format.

### Overall compliance review (December 2008–January 2009)

Our Group (including overseas subsidiaries and Group affiliates) conducted an overall compliance review to ascertain the current status of compliance and identify problem areas.

### Acquisition of authorized exporter approval (December 2008)

Sojitz received approval from Tokyo Customs as an authorized exporter, a status granted to exporters with excellent security management and compliance, based on the Authorized Economic Operators (AEO) Program.

### Efforts to ensure consumer product safety

The Sojitz Group adopted a Basic Policy for Product Safety. Based on this policy, the Group will work to establish and strengthen a framework for product safety including collecting, communicating and disclosing information on product incidents. The Sojitz Group will work together to ensure consumer product safety.

## Compliance Training at Sojitz Group Companies (Japan)

■ **Training using visual materials** (32 companies) Program of 20 mini-dramas explaining compliance. Compliance awareness surveys, or group discussions of case studies and workplace issues and improvement.

■ **Training via e-Learning** Carried out using Sojitz's "Compliance Study" materials

■ **Individualized Training** (6 companies) Through programs designed to match individual companies' businesses

(Carried out at 36 companies a total of 48 times, from March 2007 to March 2009)

## Topics Compliance Training at Sojitz Energy Corporation

### Sadao Ezaki

President and Head of the Compliance Committee, Sojitz Energy Corporation



At Sojitz Energy Corporation, we are carrying out thorough compliance training after receiving basic compliance study materials from Sojitz. Although our business model ranges from retail to wholesale, we see many problems

particularly in our retail network of 73 service stations throughout Japan. With this in mind and with the cooperation of Sojitz, we have prepared training materials incorporating elements of front line training, which we used to conduct our own training and education program in study sessions at service stations. In addition, we offer training focusing on specific themes, such as "What is compliance?" "safety first" and "fraud prevention." We have also developed this training into an employee training program based on our business philosophy of "customer first" and in the belief that promoting compliance will improve our business quality, and we offer two compliance training sessions yearly. This training has changed our employees' awareness, resulting in fewer compliance infractions and improved on site working practices and work fundamentals.

## Information Management and Information Security

The Sojitz Group, aware of the importance of information security, takes steps to ensure the appropriate protection, use and management of information assets. In order to proceed them, the Information Security Subcommittee within the Compliance Committee and information security leaders appointed by each division and group company organize a management system.

Maintaining Group IT Security Policy, Information Management Regulation and other related regulations, the Subcommittee directs to strengthen measures against unauthorized access, information leakage, computer failure or disasters and carries out employee training through e-Learning.

## Personal Information Protection

The Sojitz Group is fully aware of the importance of protecting personal information and has established a Privacy Policy\* for the protection of personal information. Our group endeavors to manage personal information appropriately according to Personal Information Protection Regulation and appointing administrators handling personal information.

\*The complete text of Sojitz's privacy policy is available at the URL below.

URL ▶ <http://www.sojitz.com/en/privacy/policy.html>

# With Shareholders and Investors

Sojitz practices appropriate disclosure toward its stakeholders, centering on shareholders and investors, and endeavors to enhance communication. We reflect shareholders' opinions in our management strategies and work to achieve sustained growth and enhance corporate and shareholder value.

## Shareholders and Investors Communication

### General Shareholders' Meeting and Shareholder Receptions

To make it possible for as many shareholders as possible to attend, Sojitz avoids scheduling its general shareholders' meeting on a date when most other companies' shareholder meetings are held. We send the Notice of Convocation to shareholders early, to give them sufficient time to review the agenda topics. We have also adopted Internet-based electronic voting to facilitate voting by shareholders. A video of the shareholders' meeting proceedings is also available on our website (Japanese only) for the benefit of shareholders who were unable to attend.

We also hold shareholder receptions once or twice a year.



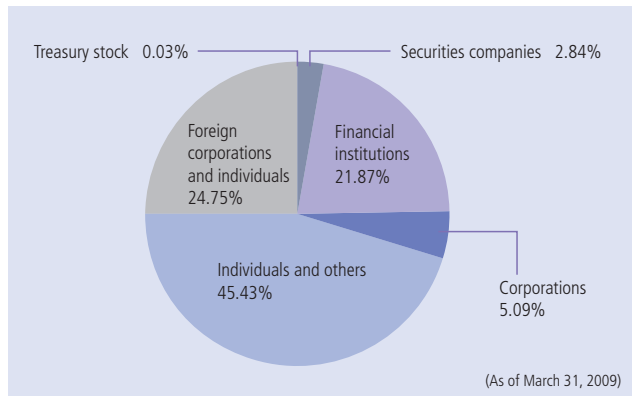
The 6th ordinary general shareholders' meeting

### Media for Communication

To enhance communication with shareholders and investors, we use various methods for investor relations communication.

In the "Investor Relations" section of the Sojitz website,

#### Composition of Shareholders (By number of shares)



we disclose information required by shareholders and investors in a timely manner. Our website also has a "For Individual Shareholders and Investors" page (Japanese only), where information needed by individual shareholders and investors is presented in a clear, easy to understand format.



The "For Individual Shareholders and Investors" page presents information that individual shareholders and investors need to know clearly

We publish our *Annual Report* in Japanese and English.

We also publish a *Shareholder Newsletter* (Japanese only) as a more accessible means of communication, particularly for individual shareholders.

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

### Activities for Institutional Investors

Coordinated with the announcement of our financial results every quarter, we hold meetings for Japanese institutional investors to review those results in depth. The Company president and/or the executive vice president/CFO attend these meetings to go over the outline of the results, describe our business activities and brief participants on future management strategies.

Regarding communication with overseas institutional investors, in addition to one-on-one interviews with investors who visit the Company, we organize road shows overseas where senior management, including the president and the executive vice president/CFO, go over our management strategy and business results.

## Shareholder Dividends

Sojitz considers the stable, continuous payment of dividends to shareholders one of the most important management issues. An equally important issue is the need to enhance competitiveness and shareholder value by increasing retained earnings and using them effectively.

We have set a consolidated payout ratio of 20 percent as our target, and have decided the appropriate level of dividends after comprehensively considering such factors as progress with the medium-term management plan, capital structure and shareholders' equity, and funding requirements for investments to grow profits.

For the year ended March 31, 2009, performance fell far below our initial forecast (consolidated ordinary income of 100 billion yen and consolidated net income of 60 billion yen), but based on our policy of stable, continuous payment of dividends to shareholders, we paid annual cash dividend of 5.50 yen per share of common stock. The consolidated payout ratio for common stock was 35.7 percent.



# Sojitz Group and Its Employees

The Sojitz Group depends on its employees for growth and development. The Group implements various personnel and employee development systems to make it a rewarding company to work for, so that everyone can use their abilities to make the Sojitz Group Statement a reality.



## Personnel Evaluation System

The Sojitz personnel evaluation system places importance on stimulating employees' enthusiasm, making work interesting and enabling them to use their talents in the company's business. Evaluation is fair and impartial and emphasizes communication between evaluator and evaluatee. The system aims to boost organizational strength by providing meaningful feedback.

Each person's role within the organization is clarified at the beginning of the year. Next, each individual is assigned goals appropriate to his or her role, with remuneration determined according to evaluation of results. Both results achieved and the processes and actions taken to produce those results are emphasized.

## Personnel Hiring and Training

### Hiring and Training Policies

Operating according to the keyword "different individuals," Sojitz hires diverse human resources and implements personnel training to polish their knowledge, their creativity, their ability to translate ideas into reality and their human skills. After they are hired, employees go through various training programs, OJT and job rotation. Sojitz endeavors to develop managers, entrepreneurs and internationally-minded individuals who can create added value in a global business environment and make the Sojitz Group Statement a reality.

#### Training Programs

- Prospective employee training, new employee training, new employee follow-up training
- Training for mid-career hires
- Basic training, mandatory training
- Mandatory training for middle-ranking employees and management training
- Self-development training
- Next generation leader training (study abroad programs for MBA, law school or language training, study at business school in Japan, etc.)
- Others

No. of persons receiving training	2,598 in total
No. of hours of training	1,093 in total

(Actual figures for fiscal 2008)

### Topics Manager Training Seminar, for the Next Generation of Leaders

The Manager Training Seminar is an initiative headed by the president & CEO begun in fiscal 2008 to train the next generation of leaders. The aim of the seminar is to teach participants to think from the viewpoint of the message they would communicate if they were heading the company and to encourage them to develop a broad outlook through discussions on management, ethics, the environment and other themes with fellow participants and outside experts.

#### Voice Participating in the Manager Training Seminar

##### Hirofumi Takeda

Senior Vice President, Consumer Lifestyle Business Division & Senior General Manager, Foods Resources Unit

Along with 14 colleagues, I took part in the first Manager Training Seminar. I was wary at first as I did not know what to expect, but it was a rewarding experience for all of us. We had the opportunity to hear stimulating lectures in person from leaders in various fields, participate in lively discussions, read numerous books to keep up with the lectures, and give serious thought to the role that the company should play. Now it's up to us to put into practice what we learned from this valuable training.



### Global Human Resources Strategy/Group Human Resources Strategy

In September 2008, a Global Human Resources Team and a Group Human Resources Team were created within the Human Resources & General Affairs Department. Through initiatives to nurture human resources among executives and employees of Sojitz overseas operating bases and domestic affiliates, these teams endeavor to bolster human resources and maximize corporate value on a global, Group-wide basis.

### Global Human Resources Strategy

**Global HR Representatives** Sojitz assigns a resident employee to serve as a global HR Representatives in each of its five overseas regions—the Americas (New York), Europe/Russia and the NIS (London), China (Beijing), Asia and Oceania (Singapore), Middle East and Africa (Dubai). These global representatives are the contact staff for overseas and are in charge of promoting Sojitz's global human resources strategy locally, handling various personnel issues in the overseas regions. A human resources world meeting was held in November 2008, where the representatives exchanged views concerning issues and goals in their respective regions.

**Initiatives** Internal documents are being translated from Japanese to English, and we are actively hiring bilingual employees (individuals with strong language and intercultural communication skills).

Furthermore, to promote communication within the Group, training is conducted for locally hired overseas employees to teach them about the Sojitz Group Statement and also about Sojitz's history and corporate culture.

### Group Human Resources Strategy

**Training** To teach employees the basic knowledge they need to become "Sojitz people," mandatory training for Sojitz employees in trading basics, accounting, and law, security export control, and compliance is also provided to Group employees.

Risk management training is offered to Group company managers. By fiscal 2008, over 300 persons from 30 companies had undergone this training, and we plan to offer similar training to pre-managerial level employees as well.

**Trainee system** Under the trainee system, Group company employees undergo six months to one year of OJT at Sojitz as part of Group company corporate staff development in order to strengthen and enhance the corporate functions of each company. This system went into effect in fiscal 2009 and has begun with training in the Risk Management Department.

#### **Voice** Human Resources Are the Source of Sustained Business Creativity—Sojitz Corporation of America

##### Jacqueline Fagan

Vice President & General Manager, Sojitz Corporation of America

Each year, we make strides in developing our human capital. Our focus continues to be on recruiting the brightest individuals with the greatest potential, developing them through formal and experiential training, and retaining them through rewarding job opportunities across the company. Our keen ability to understand the necessary skills and characteristics to be successful is essential in making sure that we have the appropriate resources being groomed for the next position.

Setting our company apart from the rest is simply a matter of looking at our employees. They have opportunities throughout the world and are provided the skills to make them successful. This in turn, creates sustainable business for the Sojitz Group as move into the future.



#### **Voice** Risk Management Training under the Trainee System

##### Naoki Kano

Legal and Credit Department, Sojitz Building Materials Corporation

Unlike classroom seminars, in the trainee system training is based on evaluating actual cases of investment and finance or credit. This complicates training but has the advantage that trainees can learn risk management operations directly on the front lines. It's my responsibility to see that trainees will put to good use the risk management instinct and methods acquired through this training in risk management at Sojitz Building Materials Corporation.



## Creating a Fulfilling Workplace Environment

The Sojitz Group has adopted various initiatives to promote the creation of a workplace environment where employees feel peace of mind and can continue working.

### Support for a Diverse Work Force

The Sojitz Group considers individuals' values and diversity important for putting the Sojitz Group Statement into practice. A Diversity Promotion Section was created in April 2008 to make the most of diverse values without regard to race, nationality, religion, sex or disability and translate this into a driving force for our business activities. The Group endeavors to maintain an environment (workplace, systems and corporate culture) in which individual employees can make the most of their abilities.

### Employee Health Management

Sojitz has an Employee Health Clinic to help employees stay healthy. In the mental health area, stress checks (which all employees can undergo online) are conducted to prevent or reduce stress, and specialists and counselors are on duty at the clinic regularly. A Health Care Room opened in February 2009, where employees can receive massages to relieve stress or recover from fatigue. In this and other ways, Sojitz provides support for prevention, early detection and treatment of various health problems.



Health Care Room on company premises

## **Voice** Working from Home

### Yoshiki Kunishige

HR Recruitment Section, Human Resources & General Affairs Department

Due to illness, I became unable to commute, so I left my sales job with an IT company. I was introduced to a job I could do at home for Sojitz through a support group. My work consists of information-gathering about hiring and diversity and maintaining Sojitz's internal website on these topics. I work four days a week in a home office that Sojitz readied for me, and I feel grateful and motivated in my work.



### Reemployment System

As a result of several cases of women employees leaving employment at Sojitz to follow their spouses in overseas postings, Sojitz created a new reemployment system for such women in May 2008. This system makes it possible for former employees to become part of Sojitz again when they return to Japan after completion of their spouses' overseas assignments.

### Child Care and Nursing Care Systems

Sojitz offers various systems to help employees meet child care and nursing care responsibilities and to make it easier to continue working.

As part of measures to promote work-life balance, we made revisions to our child care system in July 2009, including extending child care leave until the child is aged two years and six months, at the maximum. A system of shortened work hours for employees raising children was also introduced.

Other systems include paid maternity leave, child care leave and paid nursing care leave. If a family member needs nursing care, employees can choose to use flextime, nursing care leave or take a leave of absence.

#### Employees Using Child Care Leave (no. of persons, by fiscal year)

FY2006	FY2007	FY2008
5	12	8

## Labor-management Relations

Based on the awareness that good labor-management relations are a prerequisite for growth, the Sojitz Group makes various efforts to encourage open communication between Sojitz and the Sojitz Employees Union. As part of the Company's efforts to inculcate its management policies and vision and promote internal communication, Sojitz and the union regularly hold meetings of the President's Labor-Management Council, the President of Division Council and the Results Briefing Council.

### Work-life Balance Committee

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

# Social Contribution Activities

As a member of the community and as a corporate citizen, the Sojitz Group is involved in various social contribution activities that respect local cultures and create a richer society. Both individual employees and the Group take part in locally based activities.

## Social Contribution Activities

### Grassroots Social Contribution Activities

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

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

#### Results of Collection Drive Activity (FY2008)

Used prepaid cards	Approx. 3,300 cards
Postage stamps, meter stamps	Approx. 7.5 kg



Sorting the collected items, which will be donated to social welfare organizations active throughout the world.

### Donating Books to the Japanese Language Department, University of Da Nang, Vietnam

VIJACHIP Corporation, which operates afforestation and produces woodchips in Vietnam, came up with the idea of donating books (dictionaries, etc.) no longer being used in Japan to the students at the Japanese Language Department of the College of Foreign Languages, University of Da Nang. Shipping for the books was provided courtesy of a business partner, and 159 books collected from Sojitz Group employees between November and December 2008 were donated. The students who are learning Japanese highly appreciate this gift.



President Matsumoto of VIJACHIP Corporation (second from left), receiving a commemorative plaque from Dr. Hai, vice rector, College of Foreign Languages, University of Da Nang (second from right)

### Street Cleanup in Akasaka

Greenbird is a NPO that conducts street cleanups throughout Japan based on the idea that "A clean town also makes people's hearts and minds cleaned." In December 2008, Sojitz began calling on Group employees to take part in twice-monthly street cleanups organized by Greenbird in Akasaka, where the Sojitz head office is located.

Between December 2008 and June 2009, a total of 76 Group employees had taken part in the street cleanups.



Street cleanup in Akasaka between 8:30 and 9:30 in the morning

### Disaster Relief Activities

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

#### Main Disaster Relief Activities (Fiscal 2008)

Disaster (Time of occurrence)	Main Contributions <sup>1</sup>
Myanmar cyclone damage (May 2008)	<ul style="list-style-type: none"> <li>• Donated US \$30,000</li> <li>• Funds raised by Group executives and employees totaled ¥456,519 (Sojitz provided matching funds of ¥460,000)</li> </ul>
Earthquake in Sichuan Province, China (May 2008)	<ul style="list-style-type: none"> <li>• Donated US \$50,000</li> <li>• Provided relief supplies equivalent to ¥2 million</li> <li>• Funds raised by Group executives and employees totaled ¥726,847<sup>2</sup></li> </ul>
Wildfires in Victoria State, Australia (February 2009)	<ul style="list-style-type: none"> <li>• Donated A\$20,000</li> </ul>

1. Cash donations and relief goods are given to the Red Cross in each country and to NPOs working in the disaster areas.  
2. Funds were raised separately by executives and employees at our China subsidiary.



## The Sojitz Foundation

The Sojitz Foundation was established in 1988 for the purpose of promoting international understanding by providing support for academic research, education and promoting international exchange activities. Since its establishment, the Foundation has provided grants and scholarship totaling approximately 585 million yen. Sojitz supports the Foundation's aims and continues to make contributions.

Grants are awarded in three major areas. The first is support for academic research to foster better understanding between Japan and the countries of the world. The second is scholarships for privately-financed foreign students studying at universities in Japan. The third is grants for various international exchanges and programs to promote understanding of Japan.

More detailed information of the Sojitz Foundation is available at the URL below.

**URL** ▶ <http://www.sojitz-zaidan.or.jp/> (Japanese only)



Scholarship grant activity/Friendship gathering for scholarship students

## The Nagaoka Zen Training Center

The Nagaoka Zen Training Center (Nagaoka Zen Juku) was established in 1936 by Katsujiro Iwai, the founder of Iwai & Co. Ltd., one of Sojitz's predecessor companies, for the purpose of promoting a Zen-based background to education and providing scholarships. Numerous students and working people active in many fields have partaken of Zen teachings at the center. As a member of the Saishokai Group, which is the corporate group of Iwai & Co., Ltd., Sojitz will continue to support the center and carry on the spirit in which it was founded.

More detailed information of the Nagaoka Zen Center is available at the URL below.

**URL** ▶ <http://www1.ocn.ne.jp/~zenjuku/> (Japanese only)



The Nagaoka Zen Training Center



### Topics Contributing to Local Communities through Fabric Remnants —Daiichibo Co., Ltd.

Daiichibo Co. Ltd., which is in the business of manufacturing and selling textiles, undertakes various activities contributing to the local community.

One of those activities involves putting fabric remnants to good use. At their plant in Arao (Kumamoto Prefecture, Japan), they provide fabric remnants, which they used to scrap, to a community volunteer group where they come to life as materials for hand knitting. Remnants donated to a nearby junior high school are also used for crafts projects by the students as part of environmental education.

Throw rugs, floor cushions and cushion covers created by local residents using donated remnants

# Environment Initiatives

The Sojitz Group Compliance Code of Conduct includes rules relating to conservation of the global environment, and the Group promotes environmental conservation activities throughout the organization. Specifically, Sojitz and a number of Group companies have obtained ISO14001 certification, the international standard for environmental management, and operate their environment management systems in accordance with ISO provisions.

## Sojitz's Environment Policies

Sojitz undertakes environmental conservation in accordance with the policies enunciated below.

### Environmental Policy

#### Fundamental Philosophy

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

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

#### Basic Policy

##### 1. Environmental awareness

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

##### 2. Compliance with environmental laws and regulations

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

##### 3. Implementation and continual improvement of an environmental management system

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

##### 4. Promotion of environmental protection activities

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

##### 5. Promoting environmentally friendly businesses

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

##### 6. Promoting awareness of our environmental policy

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

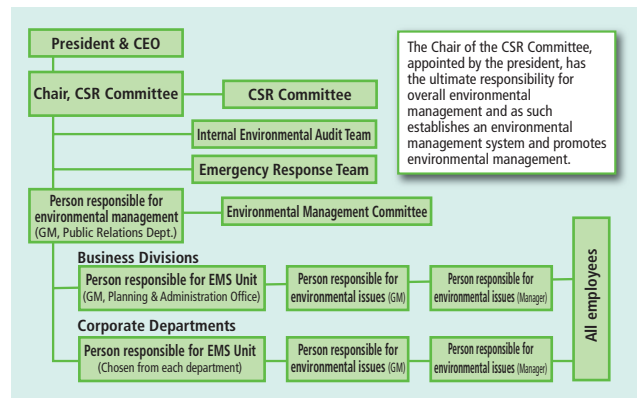
Yutaka Kase, President & CEO, Sojitz Corporation  
July 2, 2007

To make its environmental policies a reality, Sojitz has set the objectives of promoting environmentally friendly businesses, managing the Sojitz Group's compliance with environmental laws and regulations and carrying out environment-friendly activities together with business partners, etc. The Company implements these objectives using the PDCA cycle.

Sojitz conducts internal environmental audits every year to ensure proper implementation and promote ongoing improvement of its environmental management system (EMS). The Company is also participating in the trial imple-

mentation of an integrated domestic market for emissions trading, which the Japanese government launched in October 2008, to realize a low-carbon society.

## Environmental Management System



## Consolidated Subsidiaries with ISO14001 Accreditation (As of April 2009)

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

## Environmental Risk Management

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

**Compliance with environmental laws and regulations** Sojitz maintains an understanding of not only the laws and regulations that it must comply with directly, but also those that affect the Company indirectly, and regularly checks to make sure it is in compliance.

**Environmental impact assessments for new business investment** When proposing new business investments, the department submitting the proposal is required to prepare a project analysis sheet from an environmental perspective to assess the environmental impact.

**Environmental auditing of Group companies** Sojitz Group companies with manufacturing or processing facilities undergo audits of environmental aspects such as environmental management systems and compliance with environmental regulations at the same time as regular audits.

## Environmental Education and Training

To ensure that its environmental management system runs smoothly, Sojitz has offered regular education and training to improve employees' knowledge of the system and of the environment since 2004. This includes environmental impact assessment training for persons responsible for dealing with environment issues, environment education for new and veteran employees, and training for internal environmental audit personnel, as well as e-learning-based environmental education. Steps are also being taken to share information by placing our environmental policies and documents related to our environmental management system on the company intranet.



Additionally, as part of activities to raise environmental awareness, 29 persons from the Energy & Metal Division volunteered for forestry work to thin a forest. After hearing from a forestry instructor why forests need to be thinned, participants agreed that this experience made them realize how difficult it is to keep a forest thriving.

## Topics Environmental Management System Initiatives—Sojitz Machinery Corporation

**Tadayuki Sakai** Administration Group, Sojitz Machinery Corporation

Sojitz Machinery Corporation acquired ISO14001 certification in December 2006 and the company has continued promoting environmental management system (EMS) activities since then. Know-how developed through EMS is also being applied by writing down the rules or creating manuals for other areas of business. In addition to these activities, since fiscal 2008 the company has adopted "environment-friendly management" as its motto and we focus on business that can contribute to preventing global warming, the biggest problem humanity faces today.

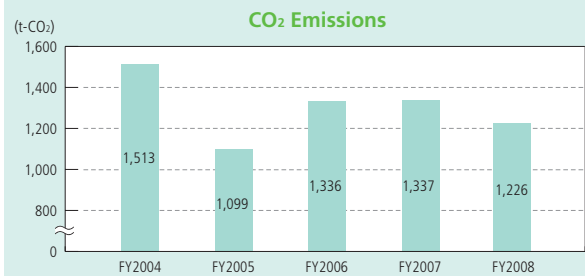


EMS training for employees

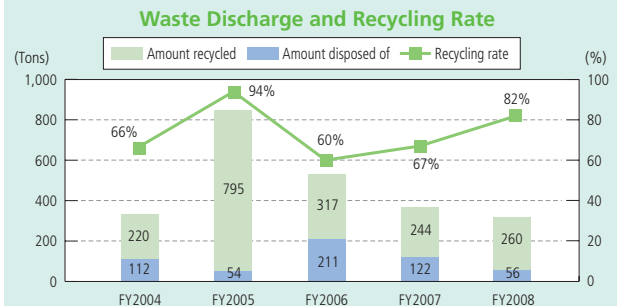
## Initiatives in Our Offices

Sojitz promotes energy conservation, resource efficiency, waste reduction, recycling and green procurement, involving all employees in reducing the Company's environmental load. As a member of "Team Minus 6%," a national campaign to help stop global warming, the Company works to cut CO<sub>2</sub> emissions and reduce energy consumption at its offices by participating in the "Cool Biz" and "Warm Biz" programs, turning off lights during lunch break and at the end of the work day, and turning off office equipment when they are not in use. Employees are reminded to take these measures through loudspeaker announcements in their offices. Thanks to these initiatives, in fiscal 2008 we were able to reduce CO<sub>2</sub> emissions by eight percent compared to the previous year.

### Office Environmental Load



Note 1: Figures used for CO<sub>2</sub> emissions from electric power are those indicated by the Federation of Electric Power Companies of Japan. The coefficient varies depending on the year. Offices concerned: Tokyo Head Office, Osaka Office. Branches (Hokkaido, Tohoku, Nagoya) were added starting in FY2008.



### Total Office Floor Area (Thousand sq. meters)

Fiscal Year	FY2004	FY2005	FY2006	FY2007	FY2008
Total Office Floor Area (Thousand sq. meters)	25.66	26.12	30.16	27.66	26.81

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

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

Note 4: Due to higher tabulation accuracy, some previous-year figures have been revised.



# Environment- and Society-friendly Products in Daily Life

This section introduces various environment- and society-friendly products familiar to people in their daily lives which are provided by the Sojitz Group.

## Mallage Shobu Wins Awards for Environment-friendly Design

The three large Mallage shopping malls operated by the Sojitz Group in Japan incorporate a variety of community-oriented and environment-friendly features. Mallage Shobu (located in Shobu Town, Minami-Saitama-gun, Saitama Prefecture), won a Outstanding Facility Award of the Lighting Diffusion Awards sponsored by the Illuminating Engineering Institute Japan in May 2009. The award was given for the facility's use of LED in spotlights, turning down brightness in common spaces and relying instead on mall stores' design lighting for illumination, and other energy-saving measures which contributed to a 20 percent reduction in power consumption compared to ordinary shopping malls. Mallage also uses heat pump-type air-conditioners that store thermal energy during the night, for which it has received a certificate of appreciation from the Heat Pump & Thermal Storage Technology Center of Japan.



Relying on stores' design lighting for illumination plays up design flair and comfort and allows for dimmer lighting in common areas

## Environment-friendly Reef Brand Products

Reef beach sandals are the top-selling brand in the U.S., the fashion leader in beach sandal trends. Sojitz General Merchandise Corporation (Sojitz GMC), which deals in consumer products, obtained exclusive rights and a master license to sell Reef products on the Japanese market and began selling beach sandals, casual shoes, swimwear, T-shirts, beach pants and other items in January 2009. Reef incorporates environment-friendly touches in a number of its products, using discarded tires for part of its sandal insoles, chrome-free leather, jute, organic cotton and other natural materials. The brand also donates one percent of sales from some of its product series to environmental organizations.



## Green Roofs and Walls Contribute to Energy Savings

Over more than 35 years in the real estate business, Sojitz has put approximately 80,000 condo units onto the market. It has always been a progressive force known for coming up with the most up-to-date living ideas for their day. In recent years, Sojitz has taken the lead in "greening" condo roofs and walls. Adding greenery to buildings has a strong insulating effect that helps cut down on heating and cooling costs. Rooftop gardens absorb rain, reducing the amount of sewer runoff, and also help mitigate the "heat island" effect common in urban areas. In addition to rooftop and wall greenery, other energy-saving amenities that Sojitz adopts for its condos today include all-electric facilities, double-insulated glass for windows and insulated bathtubs.



Rooftop garden and wall greenery at Tokyo Suite Residence, (Koto-ku, Tokyo)



## Back-to-basics Cosmetics—Simplism

Sojitz Cosmetics Corporation, the Sojitz Group's cosmetics planning and sales company, carries a broad line of skin care and makeup products "for the healthy beauty of everyone in the family." In particular, its Simplism series focuses on simplicity, as the name implies.

The Amino & Collagen Gel in this series is a four-in-one product that works as a toner, creamy lotion, beauty serum and makeup base. It is all that's needed for skin care after washing. It is not just a plain and simple product; it also reduces packaging, etc. by three-quarters compared to conventional cosmetics.

### Simplism



# Third-party Opinion

## Masaaki Kogure

Lead researcher, Ph.D. in sociology  
Institute of Prosocial Research



Graduated the School of Letters, Arts and Sciences I, Waseda University. Obtained a master's degree from the Graduate School of Sociology, Kansai University. Previously editor of *Kurashi no techo*, head of the executive secretary department, Daiei Corporation, and president of Hyogo FM Radio Broadcasting Corporation (now Kiss-FM KOBE). Currently lead researcher at the Institute of Prosocial Research, which studies the sociology of altruistic behavior in business enterprises, NPOs and other organizations.

In every company, priority is given to meeting immediate goals such as sales targets and other objectives, and employees tend to lose sight of whether the work they are doing really matches the company's goals and what they are working for. At times like those, they need a light shining ahead to show them the path they should take.

That is what a corporate mission statement is for. According to page 3 of this report, the Sojitz Group has 17,524 employees and 95 operating bases throughout the world. In the case of manufacturing or other industries, people work in the same plants making the same products, making it easier for them to share the same goals and values. In an organization like a general trading company, on the other hand, employees are scattered throughout the world, working alone or in small groups toward different goals. This makes it particularly important to have a corporate statement.

The Sojitz Group Statement states that "The Sojitz Group produces new sources of wealth by connecting the world's economies, cultures and people in a spirit of integrity." This statement is the motto that gives stakeholders and employees of the Group all over the world a purpose and a role.

The adoption of the Sojitz Group CSR Policy in April 2009, which says that "We will strive to do business in harmony with society and the environment, consistently honoring the Sojitz Group Statement," is also very important. Putting an idea into practice always involves specific actions, and those actions often tend to deviate from the idea and take on a life of their own.

The CSR Policy is not simply a rallying cry. It is a code of conduct governing the actions of every one of the Group's 17,524 employees, as the president and CEO, Yutaka Kase,

says in his "Message from the President & CEO" (page 5), as follows:

"The Sojitz Group's CSR policy...is a declaration that we make CSR the foundation of our management in the various activities of the Group throughout the world. This CSR policy was adopted to clarify the direction of our management and to share and practice it through the Group."

This declaration is a vital statement. Along with participation in the United Nations Global Compact (page 6), this CSR Policy is a public declaration that the Sojitz Group will act with integrity right to the farthest reaches of the Group and its supply chains to preserve the environment, respect human rights, manage labor fairly, protect resources and prevent corruption.

As long as the Sojitz Group continues to act with integrity and fairness under the Sojitz Group Statement and CSR Policy, it will be an enterprise that will be trusted and welcomed everywhere in the world.

The crux of the matter, of course, is implementation. Will every single one of the Group's employees, spread all over the world, truly understand these policies and act according to their tenets?

Reading the "Employee Round-table Discussion" (pp. 9–11), in fact, I felt that each of them realized that their work was contributing to society and local communities and that they were proud of this. It is likely that the employees who participated in this discussion do not represent the views of everyone at Sojitz. Nevertheless, their comments indicate that Sojitz's various businesses do follow the Sojitz Group Statement, and that the statement motivates employees and is reflected in their daily work. I felt that it is the employees who are mastering CSR Policy on the front lines.

## Comment on Third-party Opinion



**Shinichi Taniguchi**  
Senior Managing Executive Officer  
CSR Committee Chairman  
Sojitz Corporation

I thank Mr. Kogure for his commentary on the expectations that the Sojitz Group will carry out its activities with integrity, based on the Sojitz Group Statement and CSR Policy, and how difficult it is to actually do so.

As Mr. Kogure notes, given the wide range of businesses of a general trading company, it is not easy to have every single employee incorporate the statement and CSR Policy into his or her work. However, we hope to further enhance the quality of

our activities by continuing to practice CSR, based on educating everyone in the Sojitz Group regarding why we adopted our CSR Policy and joined the United Nations Global Compact, and by communicating with our stakeholders.

Mr. Kogure also commented that he felt that Sojitz Group employees are proud of their work. We will concentrate on creating an open corporate culture and continue steadily practicing our statement so that all employees can work with pride.



*New way, New value*



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