

# Notice of the 20<sup>th</sup> Ordinary General Shareholders' Meeting



New way, New value

To be held at 10:00 a.m. on Tuesday,  
June 20, 2023  
Rose Banquet Hall (3F) at Tokyo Kaikan

## Table of Contents

To Our Shareholders .....	01
Message to Shareholders .....	02
<a href="#">Notice of the 20th Ordinary General Shareholders' Meeting</a> .....	04
Guidance for Exercising Voting Rights .....	06
<a href="#">Reference Documents for the General Shareholders' Meeting</a> .....	08
<b>Proposal No. 1: Dividends from Surplus (Year-End Dividends for the 20th fiscal year)</b>	
<b>Proposal No. 2: Election of Nine (9) Directors</b>	
(Reference) Corporate Governance Initiatives .....	26
Business Report .....	44
Consolidated Financial Statements .....	104
Non-consolidated Financial Statements .....	107
Audit Reports .....	109

Deadline for Exercising Voting Rights  
by Postal Mail or the Internet

**No later than 5:30 p.m. on  
Monday, June 19, 2023 (JST)**



## Sojitz Corporation

(Securities code 2768)

The following is an English translation of the Notice of the 20th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz") to be held on June 20, 2023. Sojitz provides this translation for your reference and convenience only. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Sojitz hereby disclaims all representations and warranties with respect to this translation, whether express or implied, including, but not limited to, any representations and warranties with respect to accuracy, reliability or completeness of this translation. Under no circumstances shall Sojitz be liable for any damages of any kind of nature, including, but not limited to, direct, indirect, special, punitive, consequential or incidental damages arising from or in connection with this translation. Also, this document was created for the purpose of providing information to our shareholders that will help them make informed decisions. It was not created to solicit investors to buy or sell Sojitz's shares. The final decision and responsibility for investments rests solely with the reader of this document.



To Our Shareholders,

I would like to express my deep appreciation for your kind support for Sojitz Corporation.

Looking back on FY2022, we see a year of further uncertainty, with Russia's invasion of Ukraine, accelerating inflation, interest rates hikes by the U.S. and other global central banks, and disruptions to supply chain. Even under such circumstances, we have taken the risks associated with diverse changes as opportunities for our own transformation. As a result of our continued investments in new businesses and our efforts to fundamentally reform the profit structure of existing businesses, we have achieved our highest profits since the establishment of our company for two consecutive years.

On the other hand, as a target of the Medium-Term Management Plan 2023, we still have yet to achieve a PBR, which represents our evaluation by the capital market, of 1.0 times or above. We believe that it is important to continue to demonstrate our earning power through our performance by continuing to pursue competitiveness and growth market, including the promotion of DX strategies for value creation, and by continuing to invest in human capital to support these efforts.

Our vision for 2030 is to become a "general trading company that constantly cultivates new businesses and human capital." In order to continue to transform ourselves in these days of change, I communicate to our employees to remove preconceptions regarding general trading companies and to freely come up with new ideas and pursue inventive solutions. We will continue our efforts to link individual growth to the growth of our company and practice sustainable value creation.

We look forward to your continued understanding and support.

May 2023  
Masayoshi Fujimoto  
Representative Director, President & CEO

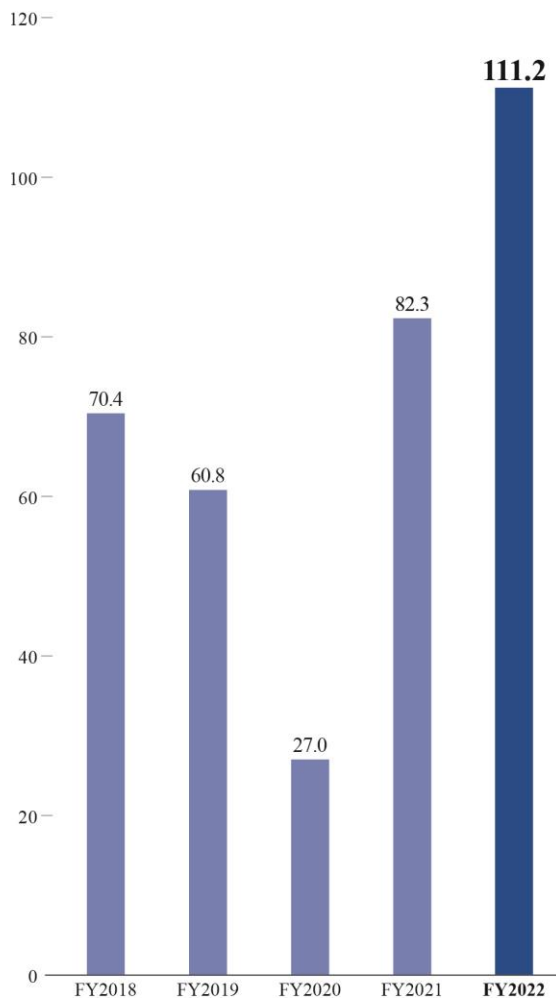
## Message to Shareholders

### We Achieved the Highest Profit since our Establishment for Two Consecutive Years

Profit for the year ended March 31, 2023 was 111.2 billion yen, the highest since Sojitz's establishment for two consecutive years. The Company also plans its record-high annual dividend of 130 yen per share. Further, from April 2023, we will acquire a total of 10 million treasury shares, or an amount up to 30 billion yen's worth of such shares.

#### Profit for the year (attributable to owners of the Company)

(Billions of yen)



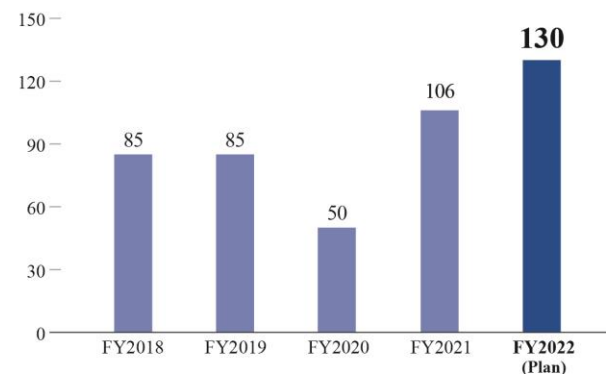
#### ROA/ROE

(%) ● ROA ● ROE



#### Dividends per share (annual)/consolidated payout ratio

(Yen)



Payout ratio	30.2%	34.8%	44.4%	30.1%	27.0%

\* The Company conducted a one-for-five share consolidation of shares of common stock effective October 1, 2021, and the amounts for FY2018 to FY2021 reflect the retroactive effect of the share consolidation.

## We Have Established a Highly Transparent and Effective Management Structure

### ■ Sojitz’s Governance Structure from a Perspective of the Chairman of the Board of Directors

In FY2022, we continued our efforts to strengthen our governance structure and focused on stimulating discussion at Board of Directors meetings.

Our Board of Directors has a diverse membership with a wide range of age groups and various backgrounds. Furthermore, if the proposals for the election of directors are approved by this General Shareholders’ meeting, the composition of the Board of Directors will be such that Outside Directors will constitute the majority. With this, we intend to further strengthen our governance.



Norio Otsuka  
Outside Director  
Chairman of the Board of Directors

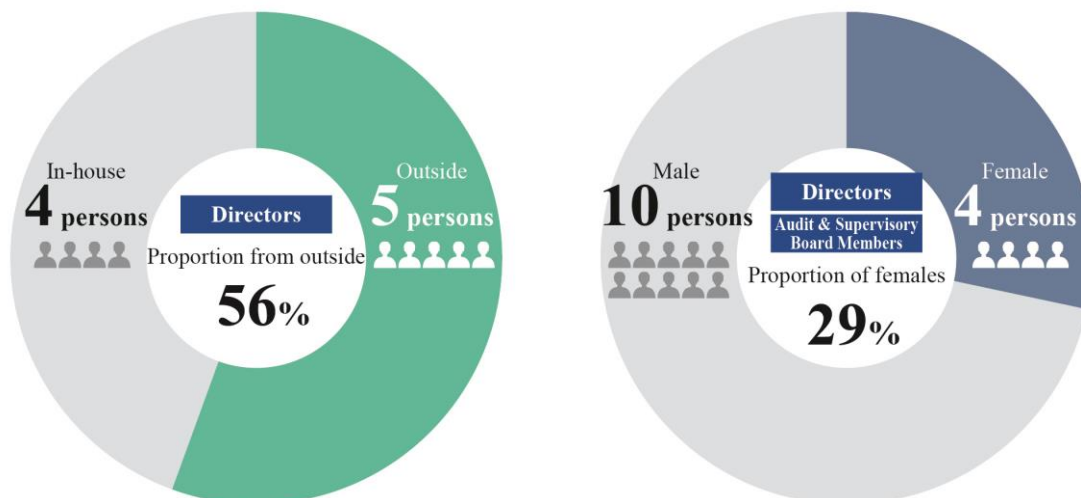
In addition, to ensure that discussions at Board of Directors meetings are constructive and substantive and promote the implementation of medium- to long-term strategies, we are continuously reviewing the criteria for submission of proposals and improving the efficiency of the Board of Directors’ operations.

As a general trading company with global operations, we will continue to support management by providing proactive proposals from various perspectives, not to mention exercising our supervisory function, in order to take on challenges bravely and improve corporate value while assessing risks.

### Structure after the Ordinary General Shareholders’ Meeting on June 20, 2023 (Plan)

Please refer to Skills Matrix of Sojitz’s Board of Directors and Audit & Supervisory Board on pages 24 and 25.

### Structure after the Ordinary General Shareholders’ Meeting on June 20, 2023 (Plan)



May 30, 2023

(Date of commencement of electronic provision measures: May 23, 2023)

To Our Shareholders:

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

**Notice of the 20th Ordinary General Shareholders' Meeting**

The 20th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz") will be held as described below.

In convening this Ordinary General Shareholders' Meeting, Sojitz has taken measures for electronic provision and thus posted the matters subject to electronic provision on the following website on the Internet.

**Sojitz website**

<https://www.sojitz.com/en/ir/stkholder/general/>

In addition to the above website, matters subject to electronic provision are also made available on the website of the Tokyo Stock Exchange (TSE) on the Internet. Please access the website below, enter or search by our "Issue name (company name)" or "Code," and select "Basic information" and "Documents for public inspection/PR information" in that order to find the information.

**TSE website (Listed Company Search)**

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting in person, please review the Reference Documents for the General Shareholders' Meeting included in the matters subject to electronic provision and exercise your voting rights in accordance with the instructions on pages 6 and 7 by no later than 5:30 p.m. on Monday, June 19, 2023 (JST).

<b>Date and Time</b>	<b>10:00 a.m., Tuesday, June 20, 2023</b> (The reception is scheduled to open at 9:00 a.m.)
<b>Place</b>	<b>Rose Banquet Hall (3F) at Tokyo Kaikan</b> 2-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

## Purpose of the Meeting

<b>Matters to be reported:</b>	<p>(1) The 20th fiscal year (from April 1, 2022 to March 31, 2023) business report, the consolidated financial statements, and the audit reports concerning the consolidated financial statements by the Accounting Auditor and the Audit &amp; Supervisory Board</p> <p>(2) The 20th fiscal year (from April 1, 2022 to March 31, 2023) non-consolidated financial statements</p>
<b>Matters to be resolved:</b>	<p><b>Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 20th fiscal year)</b></p> <p><b>Proposal No. 2 Election of Nine (9) Directors</b></p>

- If you exercise your voting rights at the meeting by proxy, you must appoint only one proxy who is a shareholder with voting rights in Sojitz, in accordance with the Articles of Incorporation of Sojitz. In this case, your proxy will be requested to present your letter of proxy, together with your Voting Right Exercise Form at the reception desk upon arrival at the meeting.
- The action taken is subject to change depending on factors including the status of COVID-19's spread and announcements made by the government until the day of the General Shareholders' Meeting. Please be sure to check our website below for information as appropriate.
- A video of the business report for the 20th fiscal year will be posted in advance on the Sojitz website below.
- In accordance with provisions of laws and regulations as well as Article 14 of the Company's Articles of Incorporation, of the matters subject to electronic provision, the following documents are not contained in the paper copies to be delivered to shareholders. Said documents are part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their respective audit reports.
  - [Business Report]
    - Basic Concept and Status of Implementation and Operation of Internal Control System
    - Accounting Auditor
  - [Consolidated Financial Statements]
    - Consolidated Statement of Changes in Equity
    - Notes to the Consolidated Financial Statements
    - (Reference) Consolidated Statement of Profit or Loss and Other Comprehensive Income
  - [Non-consolidated Financial Statements]
    - Non-consolidated Statement of Changes in Net Assets
    - Notes to the Non-consolidated Financial Statements
- In the event of any revisions to the matters subject to electronic provision, the revised information will be posted on the respective websites where such matters are posted.

### Sojitz website

<https://www.sojitz.com/en/ir/stkholder/general/>

In accordance with the amendments to the Companies Act, a system to provide electronic Reference Documents for General Shareholders' Meetings has been implemented. However, this year, Sojitz has uniformly delivered this Notice in writing as before, regardless of whether or not a request for delivery of the documents has been made. Sojitz plans to announce on our website as soon as the delivery form of the Reference Documents for the next and subsequent General Shareholders' Meetings is decided.

## Guidance for Exercising Voting Rights

**Please read the Reference Documents for the General Shareholders' Meeting included in the matters subject to electronic provision, and exercise your voting rights through either of the following methods:**

**<If you are attending the meeting>**

**Date and time of the General Shareholders' Meeting: 10:00 a.m. on Tuesday, June 20, 2023 (JST)**

Please present the enclosed Voting Right Exercise Form at the reception desk upon arrival at the meeting.

**<If you are not attending the meeting>**

### **1. Exercising voting rights by postal mail**

**Deadline for exercising voting rights: To arrive no later than 5:30 p.m. on Monday, June 19, 2023 (JST)**

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

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

### **2. Exercising voting rights by the Internet**

**Deadline for exercising voting rights: No later than 5:30 p.m. on Monday, June 19, 2023 (JST)**

Please access the website designated by Sojitz for exercising voting rights which is at <https://evote.tr.mufg.jp/> through your smartphone or computer, etc., and enter your vote for each proposal according to the instructions on the screen. Please see page 7 for details.

### **Handling of voting rights exercised in duplicate**

- If your voting rights are exercised in duplicate, both via postal mail and via the Internet, the vote made via the Internet will be treated as the valid vote.
- If you exercise your voting rights more than once via the Internet, only the last vote made will be treated as valid.

**<For institutional investors: Electronic Voting Platform>**

Nominal shareholders such as trust banks (including standing proxies) who apply in advance to use the Electronic Voting Platform for foreign and institutional investors operated by ICJ, Inc. may use the platform to exercise their voting rights.

### **Instructions for Exercising Voting Rights by the Internet**

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

#### **Precautions to observe**

#### **Costs incurred from accessing the website for exercising voting rights**

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



## Reference Documents for the General Shareholders' Meeting

### Proposals and References

#### **Proposal No. 1: Dividends from Surplus (Year-End Dividends for the 20th fiscal year)**

Sojitz recognizes paying stable, continuous dividends, together with boosting competitiveness and enhancing shareholder value through the accumulation and effective use of retained earnings as its basic dividend policy as well as a management priority.

Under the Medium-Term Management Plan 2023, the basic dividend policy is set to a consolidated payout ratio of around 30%, with a minimum dividend of 4% of DOE based on market value (\*1) if PBR is less than 1.0 times at the end of each fiscal year, and a minimum dividend of 4% of DOE based on book value (\*2) if PBR is 1.0 times or more.

In light of the financial results for the year ended March 31, 2023 and the adequacy of its total equity, Sojitz hereby proposes Year-End Dividends for this fiscal year of ¥65 per share as follows.

Since Sojitz paid an interim dividend of ¥65 per share on December 1, 2022, the annual dividend per share will be ¥130, and the consolidated dividend payout ratio will be 27.0%. DOE based on market value is 5.7%, exceeding the minimum limit of 4%.

(\*1) DOE based on market value = Annual dividend per share / Share price (Annual average of closing prices for each fiscal year)

(\*2) DOE based on book value = Annual dividend per share / Total equity per share attributable to owners of the Company (At the end of each fiscal year)

#### **(1) Type of Dividend Property**

Cash

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

¥65 per share in common stock of Sojitz

¥15,065,090,235 in total

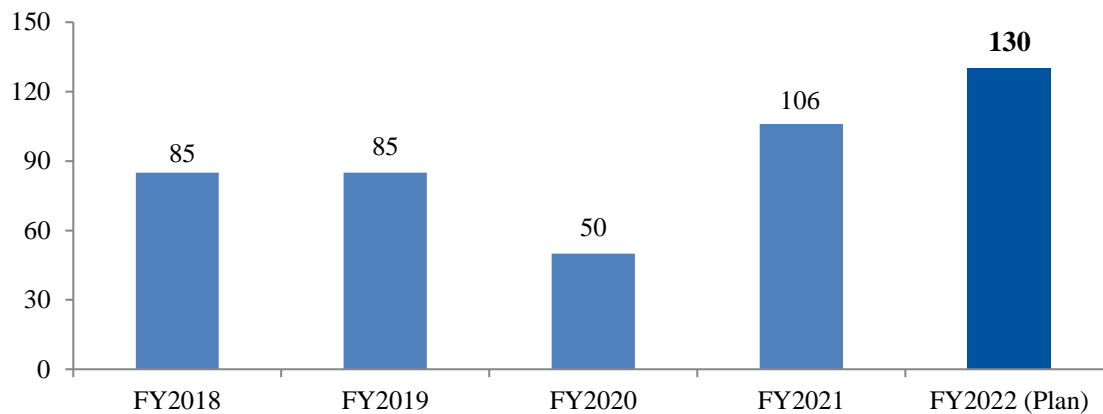
#### **(3) Effective date of Dividends from Surplus**

June 21, 2023

(Reference) Dividends per share (annual)/consolidated payout ratio

(Yen)

## Dividends



Payout ratio	30.2%	34.8%	44.4%	30.1%	27.0%
--------------	-------	-------	-------	-------	-------

(Note) The Company conducted a one-for-five share consolidation of shares of common stock effective October 1, 2021, and the amounts for FY2018 to FY2021 reflect the retroactive effect of the share consolidation.

## Proposal No. 2: Election of Nine (9) Directors

The Board of Directors of Sojitz currently consists of eight (8) Directors including four (4) Outside Directors, all of whose terms terminate as of the conclusion of this General Shareholders' Meeting. Accordingly, Sojitz hereby proposes to increase the number of Outside Directors by one (1) in order to ensure management transparency and further strengthen corporate governance, and proposes the election of nine (9) Directors, including five (5) Outside Directors.

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


Each of the five (5) Outside Director candidates meets the requirements for Independent Director set forth in the listing rules of the Tokyo Stock Exchange, Inc., on which Sojitz is listed, and they will be registered as Independent Directors if their election is resolved.

No.	Name (age), gender	Current position at Sojitz	Attendance at the Board of Directors meetings (for the fiscal year ended March 31, 2023)	Term of office as Director
1	*Masayoshi Fujimoto (65), male <Reappointment>	Representative Director, President & CEO	17/17 (100%)	6 years
2	*Ryutaro Hirai (64), male <Reappointment>	Representative Director, Executive Vice President	17/17 (100%)	3 years
3	*Yoshiki Manabe (60), male <New appointment>	Senior Managing Executive Officer	—	—
4	Masaaki Bito (57), male <Reappointment>	Director, Senior Managing Executive Officer	13/13 (100%)	1 year
5	Norio Otsuka (72), male <Reappointment> <Outside Director> <Independent Director>	Outside Director, Chairman of the Board of Directors	17/17 (100%)	5 years
6	Naoko Saiki (64), female <Reappointment> <Outside Director> <Independent Director>	Outside Director	17/17 (100%)	3 years
7	Ungyong Shu (60), male <Reappointment> <Outside Director> <Independent Director>	Outside Director	17/17 (100%)	2 years
8	Haruko Kokue (64), female <Reappointment> <Outside Director> <Independent Director>	Outside Director	13/13 (100%)	1 year
9	Tsuyoshi Kameoka (66), male <New appointment> <Outside Director> <Independent Director>	—	—	—


- (Notes)
- The age of each candidate is as of the day of the General Shareholders' Meeting.
  - If this proposal is resolved, each person marked with an asterisk (\*) will be appointed as a Representative Director at the Board of Directors meeting to be held after the conclusion of the General Shareholders' Meeting.
  - Mr. Ungyong Shu's name in the family register is Ungyong Shu with the first name recorded in katakana instead of kanji in Japanese.
  - The status of attendance at the Board of Directors meetings for Mr. Masaaki Bito and Ms. Haruko Kokue are based on their attendance record after they assumed the office of Director in June 2022.
  - There is no special interest between any of these Director candidates and Sojitz.
  - Sojitz has a limited liability agreement with Mr. Norio Otsuka, Ms. Naoko Saiki, Mr. Ungyong Shu, and Ms. Haruko Kokue limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan. If this proposal is resolved, Sojitz plans to extend the above limited liability agreement with Mr. Norio


Otsuka, Ms. Naoko Saiki, Mr. Ungyong Shu, and Ms. Haruko Kokue and newly enter into a similar limited liability agreement with Mr. Tsuyoshi Kameoka.


7. Sojitz has concluded a Directors and Officers liability insurance contract with an insurance company, which covers the damages and litigation expenses incurred by the insured, Sojitz's Directors, in the event of a claim for damages arising from their actions (including omissions) in connection with their duties as our officers. Sojitz bears the full amount of insurance premiums. All of Director candidates will be covered as the insured under the insurance contract. Sojitz plans to renew the insurance contract during the term of office of the officers.

No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
1	 <b>Masayoshi Fujimoto</b> (January 9, 1958, 65) <Reappointment>  Term of office as Director: 6 years (as of the conclusion of the Meeting)  Attendance at the Board of Directors meetings: 17/17 (100%)	<p>April 1981 Joined Nissho Iwai Corporation</p> <p>April 2005 General Manager of Automotive Department 3, Sojitz Corporation</p> <p>December 2008 Director President, MMC Automotriz S.A.</p> <p>August 2012 Sojitz Corporation of America Regional General Manager, Machinery Division, Americas</p> <p>October 2014 Corporate Officer Senior General Manager, Corporate Planning, Sojitz Corporation</p> <p>April 2015 Executive Officer</p> <p>October 2015 Managing Executive Officer</p> <p>April 2016 Senior Managing Executive Officer</p> <p>June 2017 Representative Director, President &amp; CEO (current position)</p> <p>[Reasons for the nomination of the candidate for Director]            Since assuming the position of Representative Director, President &amp; CEO of Sojitz in 2017, Masayoshi Fujimoto has been pushing for aggressive investment to increase corporate value, while at the same time building and reviewing the business portfolio. In addition, he formulated policies for achieving a decarbonized society and created a system for developing human resources that can contribute to value creation, building a management foundation that can respond to changes in the external environment. Sojitz has chosen Masayoshi Fujimoto as Director candidate predicated on its judgment that he will continue to best demonstrate his management skills with strong leadership, while Sojitz promotes the Medium-Term Management Plan 2023, in order to maximize corporate value and to achieve Sojitz's goal of becoming a general trading company that constantly cultivates new businesses and human capital.</p>	82,237  (Of which, the number of shares to be delivered under the share remuneration system: 40,117)

(Note) The number of Sojitz's shares owned by each candidate includes the number of shares to be delivered after retirement under the share remuneration system (as of March 31, 2023) as an internal number.


No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
2	 <p>Ryutaro Hirai (July 31, 1958, 64)</p> <p>&lt;Reappointment&gt;</p> <p>Term of office as Director: 3 years (as of the conclusion of the Meeting)</p> <p>Attendance at the Board of Directors meetings: 17/17 (100%)</p>	<p>April 1982 Joined Nissho Iwai Corporation</p> <p>October 2003 General Manager, Corporate Planning Department, Nissho Iwai American Corporation</p> <p>April 2009 General Manager, Human Resources &amp; General Affairs Department, Sojitz Corporation</p> <p>April 2013 Executive Officer, Human Resources &amp; General Affairs</p> <p>April 2015 Managing Executive Officer, Secretariat, Human Resources &amp; General Affairs</p> <p>April 2017 Managing Executive Officer, President &amp; CEO for Asia &amp; Oceania</p> <p>April 2019 Senior Managing Executive Officer, Executive Management of Business Group (Automotive, Aerospace &amp; Transportation Project, Machinery &amp; Medical Infrastructure, Energy &amp; Social Infrastructure, Metals &amp; Mineral Resources)</p> <p>April 2020 Executive Vice President, Advisor to the President, Executive Management of Business Group (Automotive, Aerospace &amp; Transportation Project, Machinery &amp; Medical Infrastructure, Energy &amp; Social Infrastructure, Metals &amp; Mineral Resources)</p> <p>June 2020 Representative Director, Executive Vice President (current position)</p> <p>[Current responsibilities] Advisor to the President Executive Management of Business Group (Automotive, Aerospace &amp; Transportation Project, Infrastructure &amp; Healthcare), and East Asia region</p> <p>[Reasons for the nomination of the candidate for Director] Ryutaro Hirai has held important positions, including in machinery-related business and as Executive Officer assigned to Human Resources &amp; General Affairs and President &amp; CEO for Asia &amp; Oceania. He is currently promoting global business development as Executive Officer responsible for the East Asia region and the Executive Management of Business Group (Automotive, Aerospace &amp; Transportation Project, Infrastructure &amp; Healthcare). Sojitz has chosen Ryutaro Hirai as Director candidate predicated on its judgment that he will be able to continue to play a role in the enhancement of Sojitz's corporate value, by utilizing his deep insight and abundant experience developed from having served in these positions as well as knowledge of human resource policies.</p>	<p>40,755</p> <p>(Of which, the number of shares to be delivered under the share remuneration system: 17,775)</p>

No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
3	 Yoshiki Manabe (June 6, 1963, 60) <New appointment>	<p>April 1986 Joined Nissho Iwai Corporation</p> <p>July 2017 CFO &amp; CAO for the Americas CFO &amp; CAO, Sojitz Corporation of America</p> <p>April 2019 Executive Officer, COO, General Accounting Department, Finance Department, Structured Finance Department, IR Office</p> <p>April 2020 Executive Officer, COO, General Accounting Department, Business Accounting Department, Finance Department, IR Office, Controller Office</p> <p>April 2021 Managing Executive Officer, COO, General Accounting Department, Business Accounting Department, Finance Department, IR Office</p> <p>April 2022 Managing Executive Officer, COO, General Accounting Department, Business Accounting Department, Finance Department</p> <p>April 2023 Senior Managing Executive Officer (current position)</p> <p>[Current responsibilities] Executive Management of Corporate Departments</p> <p>[Reasons for the nomination of the candidate for Director] As the COO of General Accounting, Business Accounting, and Finance Departments, as well as IR Office, Yoshiki Manabe has contributed to strengthening Sojitz's financial foundation. Currently, as the Chairperson of the Finance &amp; Investment Deliberation Council, he identifies growth investments, promotes CF/BS management, and is responsible for more broadly overseeing overall corporate affairs. Additionally, he possesses deep insight in corporate governance from his experience in risk management fields during his time as the regional CFO &amp; CAO overseas, and Yoshiki Manabe has therefore been nominated as a Director candidate with the expectation that he will contribute to raising Sojitz's corporate value. In the event that he is elected as a Director, he will be appointed as Representative Director and Senior Managing Executive Officer at the Board of Directors meeting following this General Shareholders' Meeting.</p>	17,832  (Of which, the number of shares to be delivered under the share remuneration system: 9,032)


No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
4	 <p data-bbox="233 622 416 680"><b>Masaaki Bito</b> (July 29, 1965, 57)</p> <p data-bbox="233 712 416 745">&lt;Reappointment&gt;</p> <p data-bbox="212 786 453 891">Term of office as Director: 1 year (as of the conclusion of the Meeting)</p> <p data-bbox="212 920 453 1032">Attendance at the Board of Directors meetings: 13/13 (100%)</p>	<p data-bbox="453 253 1286 286">April 1988 Joined Nissho Iwai Corporation</p> <p data-bbox="453 293 1286 327">July 2003 President, CoalinQ Corporation</p> <p data-bbox="453 333 1286 367">April 2009 Corporate Planning Department, Sojitz Corporation</p> <p data-bbox="453 374 1286 432">October 2010 General Manager, Coal Department, Coal &amp; Non-Ferrous Metals Unit, Energy &amp; Metal Division</p> <p data-bbox="453 439 1286 472">April 2016 COO, Metals &amp; Coal Division</p> <p data-bbox="453 479 1286 537">April 2018 Executive Officer, COO, Metals &amp; Mineral Resources Division</p> <p data-bbox="453 544 1286 602">April 2020 Managing Executive Officer, COO, Metals &amp; Mineral Resources Division</p> <p data-bbox="453 609 1286 667">April 2021 Managing Executive Officer, COO, Metals, Mineral Resources &amp; Recycling Division</p> <p data-bbox="453 674 1286 707">April 2022 Senior Managing Executive Officer</p> <p data-bbox="453 714 1286 772">June 2022 Director, Senior Managing Executive Officer (current position)</p> <p data-bbox="453 779 1286 898">[Current responsibilities] Executive Management of Business Group (Metals, Mineral Resources &amp; Recycling, Chemicals, Consumer Industry &amp; Agriculture Business, Retail &amp; Consumer Service)</p> <p data-bbox="453 904 1286 1254">[Reasons for the nomination of the candidate for Director] After Masaaki Bito handled coal trading and the acquisition of upstream coal interests, by utilizing such knowledge, he has greatly contributed to the company's earnings while simultaneously advancing initiatives towards realizing a decarbonized society as Executive Officer and the Executive Management of Business Groups (Metals, Mineral Resources &amp; Recycling, Chemicals, Consumer Industry &amp; Agriculture Business, Retail &amp; Consumer Service). Additionally, he brings a high level of insight into corporate governance through his experience in the Corporate Planning Department and with Group companies. Sojitz has chosen Masaaki Bito as Director candidate predicated on its judgment that he will be able to continue to play a role in the enhancement of Sojitz's corporate value.</p>	<p data-bbox="1286 622 1479 656">21,120</p> <p data-bbox="1286 674 1479 864">(Of which, the number of shares to be delivered under the share remuneration system: 11,560)</p>





No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
5	 <p>Norio Otsuka (July 5, 1950, 72)</p> <p>&lt;Reappointment&gt; &lt;Outside Director&gt; &lt;Independent Director&gt;</p> <p>Term of office as Director: 5 years (as of the conclusion of the Meeting)</p> <p>Attendance at the Board of Directors meetings: 17/17 (100%)</p>	<p>April 1973 Joined NSK Ltd.</p> <p>December 1999 Deputy Head of Corporate Strategy Division HQ</p> <p>April 2000 Vice President, Head of Corporate Strategy Division HQ</p> <p>June 2002 Director, Senior Vice President, Head of Corporate Strategy Division HQ</p> <p>June 2004 Director, Executive Vice President, Head of Corporate Strategy Division HQ</p> <p>June 2007 Director, Senior Executive Vice President, Head of Corporate Strategy Division HQ</p> <p>June 2009 Director, President and Chief Executive Officer (retired in June 2015)</p> <p>June 2015 Director, Chairperson of the Board of Directors</p> <p>June 2016 President, The Japan Bearing Industry Association</p> <p>March 2017 Outside Director, Showa Shell Sekiyu K. K.</p> <p>June 2017 Honorary Chairman, NSK Ltd.</p> <p>June 2018 Outside Director, Sojitz Corporation (current position) Advisor, NSK Ltd.</p> <p>April 2019 Outside Director, Idemitsu Kosan Co., Ltd.</p> <p>June 2019 External Member of the Board, Taisei Corporation (current position)</p> <p>June 2022 Honorary Advisor, NSK Ltd. (current position)</p> <p>[Significant concurrent occupations or positions at other organizations] External Member of the Board of Taisei Corporation* Honorary Advisor of NSK Ltd.* (* denotes listed company)</p> <p>[Reasons for the nomination of the candidate for Director] Norio Otsuka served as Director, President and Chief Executive Officer, and Chairperson of NSK Ltd., and has abundant experience and deep insight regarding management developed through promoting worldwide growth strategies and strengthening corporate governance. Since 2018, Norio Otsuka has played an appropriate role as Outside Director of Sojitz by supervising business execution as well as providing sound advice from a practical perspective, incorporating business management know-how from other industries. He has been exercising his leadership as the Chairman of the Board of Directors since 2020, and Sojitz has chosen him as Outside Director candidate in the expectation that he will continue to further strengthen the supervisory function of the Board of Directors.</p> <p>[Independence] Norio Otsuka is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Norio Otsuka meets Sojitz's "Independence standards for Outside Directors and Outside Audit &amp; Supervisory Board Members" (please see page 22 and 23), and Sojitz believes that he has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of his appointment as Independent Director.</p> <p>Supplementary information on independence is as follows: · Transactions with NSK Ltd., at which he served as Director, President and Chief Executive Officer until June 2015, were less than 1% of revenue in Sojitz's consolidated financial statements and approximately 1.3% of consolidated sales of said company.</p>	300

No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
6	 <p>Naoko Saiki (October 11, 1958, 64)</p> <p>&lt;Reappointment&gt; &lt;Outside Director&gt; &lt;Independent Director&gt;</p> <p>Term of office as Director: 3 years (as of the conclusion of the Meeting)</p> <p>Attendance at the Board of Directors meetings: 17/17 (100%)</p>	<p>April 1982 Joined the Ministry of Foreign Affairs</p> <p>June 2013 Director-General for Cultural Affairs, Ministry of Foreign Affairs</p> <p>July 2014 Director-General, Economic Affairs Bureau Councillor, Japanese Government's TPP Headquarters, Cabinet Secretariat</p> <p>October 2015 Director-General, International Legal Affairs Bureau</p> <p>July 2017 Director-General, Foreign Service Training Institute</p> <p>January 2019 Retired from the Ministry of Foreign Affairs</p> <p>May 2019 Corporate Advisor, Sojitz Corporation (retired in February 2020)</p> <p>April 2020 Visiting Professor, Graduate School of Public Policy, The University of Tokyo (retired in April 2022)</p> <p>June 2020 Outside Director, Sojitz Corporation (current position) Outside Audit &amp; Supervisory Board Member, Development Bank of Japan Inc. (current position)</p> <p>June 2021 Outside Director, Komatsu Ltd. (current position)</p> <p>June 2022 External Director, Sankyu Inc. (current position)</p> <p>April 2023 Special Assistant to the Minister for Foreign Affairs (current position)</p> <p>[Significant concurrent occupations or positions at other organizations] Outside Audit &amp; Supervisory Board Member of Development Bank of Japan Inc. Outside Director of Komatsu Ltd.* External Director of Sankyu Inc.* (* denotes listed company)</p> <p>[Reasons for the nomination of the candidate for Outside Director and expected roles] Naoko Saiki has had a career at the Ministry of Foreign Affairs in positions such as Director General of the Economic Affairs Bureau and Director General of the International Legal Affairs Bureau. In addition to her skills in economic negotiations, she has a high level of insight into international affairs, international law, economics, and culture. Based on her experience and insight from working at the forefront of diplomacy, she has provided pertinent advice to the Board of Directors of Sojitz from a wide range of perspectives, including international affairs, the environment and society, and human resource development. In addition, as Chairperson of the Nomination Committee, she has contributed to the creation of a system that contributes to the development and strengthening of management personnel. Sojitz has chosen her as Outside Director candidate in the expectation that she will continue to exercise appropriate supervision over management from an independent and objective standpoint by leveraging her extensive experience and contribute to the Sojitz's sustainable growth and enhancement of corporate value.</p> <p>[Independence] Naoko Saiki is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Naoko Saiki meets Sojitz's "Independence standards for Outside Directors and Outside Audit &amp; Supervisory Board Members" (please see page 22 and 23), and Sojitz believes that she has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of her appointment as Independent Director.</p>	0

No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
		Supplementary information on independence is as follows: · Sojitz had entered into a part-time advisory agreement with her for a period of ten months from May 2019 to February 2020, on the assumption that she would become an Outside Director of Sojitz, in order for her to gain an understanding of Sojitz's management situation and operations in advance and for Sojitz to obtain advice on management in general from an independent standpoint. Compensation as Corporate Advisor was paid as consideration for advice within the scope of the Sojitz's "Independence standards for Outside Directors and Outside Audit & Supervisory Board Members."	

No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
7	 <p>Ungyong Shu (October 19, 1962, 60)</p> <p>&lt;Reappointment&gt; &lt;Outside Director&gt; &lt;Independent Director&gt;</p> <p>Term of office as Director: 2 years (as of the conclusion of the Meeting)</p> <p>Attendance at the Board of Directors meetings: 17/17 (100%)</p>	<p>April 1986 Joined Morgan Guaranty Trust Company of New York, Tokyo Office</p> <p>May 2001 Managing Director, J.P. Morgan Securities</p> <p>July 2005 Head of Financial Institutions Division (retired in May 2007)</p> <p>May 2007 Chairman of Financial Institutions Group, Investment Banking Division, Merrill Lynch Japan Securities Limited</p> <p>July 2010 Co-Head of Investment Banking Division</p> <p>July 2011 Vice Chairman (retired in March 2013)</p> <p>November 2013 Representative Director, The Core Value Management, Inc. (current position)</p> <p>June 2015 Outside Director, The Dai-ichi Life Insurance Company, Limited</p> <p>October 2016 Outside Director (Audit and Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (current position)</p> <p>June 2021 Outside Director, Sojitz Corporation (current position)</p> <p>June 2022 Independent Director, Monex Group, Inc. (current position)</p> <p>September 2022 Visiting Professor, Graduate School of Business Administration, Hitotsubashi University (current position)</p> <p>[Significant concurrent occupations or positions at other organizations] Representative Director of The Core Value Management, Inc. Outside Director (Audit and Supervisory Committee Member) of Dai-ichi Life Holdings, Inc.* Independent Director of Monex Group, Inc.* (* denotes listed company)</p> <p>[Reasons for the nomination of the candidate for Outside Director and expected roles] Ungyong Shu has held important positions at J.P. Morgan Securities and Merrill Lynch Japan Securities Limited and has extensive knowledge of M&amp;A strategies and financial and capital policies, as well as extensive experience as a corporate manager at financial institutions and personal connections. As Sojitz implements strategic business investments for sustainable growth, he has contributed to the vitality of discussions at the Board of Directors meetings by providing accurate recommendations, taking advantage of his experience and expertise. In addition, as the Chairperson of the Remuneration Committee, he is leading discussions to formulate an executive remuneration system that will encourage the realization of Sojitz's vision. Sojitz has chosen him as Outside Director candidate in the expectation that he will continue to be able to exercise appropriate supervision over management from an independent and objective standpoint, and contribute to the further development and enhancement of the corporate value of Sojitz.</p> <p>[Independence] Ungyong Shu is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Ungyong Shu meets Sojitz's "Independence standards for Outside Directors and Outside Audit &amp; Supervisory Board Members" (please see page 22 and 23), and Sojitz believes that he has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of his appointment as Independent Director.</p> <p>Supplementary information on independence is as follows: · He was employed by J.P. Morgan Securities, a major shareholder of Sojitz, from May 2001 to May 2007. However, 16 years have passed since his retirement. Sojitz, as a company, recognizes that said company's holding of Sojitz's shares is neither based on a relationship with Sojitz nor is the holding intended to influence Sojitz's management rights through the exercise of voting rights.</p>	0

No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
8	 <p data-bbox="220 887 446 947">Haruko Kokue (January 17, 1959, 64)</p> <p data-bbox="236 981 430 1126">&lt;Reappointment&gt; &lt;Outside Director&gt; &lt;Independent Director&gt;</p> <p data-bbox="212 1173 454 1279">Term of office as Director: 1 year (as of the conclusion of the Meeting)</p> <p data-bbox="212 1308 454 1413">Attendance at the Board of Directors meetings: 13/13 (100%)</p>	<p data-bbox="462 286 1273 689">           April 1981 Joined Mitsui Petrochemical Industries (currently Mitsui Chemicals, Inc.)            April 2006 General Manager, Mitsui Phenols Singapore Pte. Ltd.            April 2011 General Manager, SCM Division, Mitsui Chemicals, Inc.            April 2013 Senior Director, General Manager, CSR Division            April 2016 Senior Director, General Manager, Corporate Communications Division            April 2020 Counselor (retired in March 2021)            June 2020 Outside Director, Toppan Forms Co., Ltd.            May 2021 Corporate Advisor, Sojitz Corporation (retired in January 2022)            June 2022 Outside Director (current position)         </p> <p data-bbox="462 703 1257 824">           [Significant concurrent occupations or positions at other organizations]            Outside Director of KINDEN CORPORATION* (scheduled to be appointed in June 2023)            (* denotes listed company)         </p> <p data-bbox="462 875 1267 1193">           [Reasons for the nomination of the candidate for Outside Director and expected roles]            Haruko Kokue has extensive experience in supply chain management, public relations, investor relations, and international business management in Mitsui Chemicals, Inc. She has provided accurate recommendations from an independent and objective standpoint at the Board of Directors meetings, taking advantage of her dialogue with various stakeholders and high level of insight into supply chains. Sojitz has chosen her as an Outside Director candidate with the expectation that she will continue to supervise management appropriately in light of diversifying risks, and contribute to raising Sojitz's corporate governance and corporate value.         </p> <p data-bbox="462 1238 1262 1469">           [Independence]            Haruko Kokue is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Haruko Kokue meets Sojitz's "Independence standards for Outside Directors and Outside Audit &amp; Supervisory Board Members" (please see page 22 and 23), and Sojitz believes that she has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of her appointment as Independent Director.         </p> <p data-bbox="462 1503 1270 1897">           Supplementary information on independence is as follows:            · Transactions with Mitsui Chemicals, Inc., at which she served as Counselor until March 2021, were less than 1% of revenue in Sojitz's consolidated financial statements and less than 1% of consolidated sales revenue of said company.            · Sojitz had entered into a part-time advisory agreement with her for a period of nine months from May 2021 to January 2022, on the assumption that she would become an Outside Director of Sojitz, in order for her to gain an understanding of Sojitz's management situation and operations in advance and for Sojitz to obtain advice on management in general from an independent standpoint. Compensation as Advisor was paid as consideration for advice within the scope of the Sojitz's "Independence standards for Outside Directors and Outside Audit &amp; Supervisory Board Members."         </p>	0

No.	Name (Date of birth, age)	Career summary, position and responsibilities	Number of shares owned
9	 <b>Tsuyoshi Kameoka</b> (October 18, 1956, 66)  <New appointment> <Outside Director> <Independent Director>	<p>April 1979 Joined Shell Sekiyu K.K. (currently Idemitsu Kosan Co., Ltd.)</p> <p>April 2005 Senior Officer and Kinki Area Manager, Showa Shell Sekiyu K.K. (currently Idemitsu Kosan Co., Ltd.)</p> <p>March 2006 Executive Officer and Kinki Area Manager</p> <p>November 2008 Executive Officer and General Manager, Head Office Sales Division</p> <p>March 2009 Corporate Executive Officer</p> <p>March 2013 Executive Officer, Vice President, Oil Business COO</p> <p>March 2015 President &amp; Representative Director, Group CEO</p> <p>April 2019 Representative Director, Vice Chairman and Executive Officer, Idemitsu Kosan Co., Ltd. (retired in June 2020)</p> <p>June 2020 Special Advisor (retired in June 2022)</p> <p>June 2021 Independent Director, Kawasaki Kisen Kaisha, Ltd. (scheduled to retire in June 2023)</p> <p>April 2022 Trustee and Board Member, Kwansai Gakuin University (current position)</p> <p>June 2022 Outside Director, J-Oil Mills, Inc. (current position)</p> <p>September 2022 Corporate Advisor, Sojitz Corporation (retired in March 2023)</p> <p>[Significant concurrent occupations or positions at other organizations]            Outside Director of J-Oil Mills, Inc.*            (* denotes listed company)</p> <p>[Reasons for the nomination of the candidate for Outside Director and expected roles]            Tsuyoshi Kameoka has served as President &amp; Representative Director, Group CEO of Showa Shell Sekiyu K.K. and brings a wealth of experience and deep insight regarding management from his involvement in overseeing the business integration of Idemitsu Kosan, Co., Ltd. and other events. Sojitz has chosen him as an Outside Director candidate with the expectation that he will be able to exercise appropriate supervision over management from an independent and objective standpoint, taking advantage of his experience and expertise, and will contribute to strengthening Sojitz's corporate governance and raising its corporate value.</p> <p>[Independence]            Tsuyoshi Kameoka is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Tsuyoshi Kameoka meets Sojitz's "Independence standards for Outside Directors and Outside Audit &amp; Supervisory Board Members" (please see page 22 and 23), and Sojitz believes that he has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz will notify Tokyo Stock Exchange, Inc. of his appointment as Independent Director.</p> <p>Supplementary information on independence is as follows:            · Transactions with Idemitsu Kosan Co., Ltd., at which he served as Representative Director, Vice Chairman and Executive Officer, until June 2020, were less than 1% of consolidated sales revenue of said company.            · Sojitz had entered into a part-time advisory agreement with him for a period of seven months from September 2022 to March 2023, on the assumption that he would become an Outside Director of Sojitz, in order for him to gain an understanding of Sojitz's management situation and operations in advance and for Sojitz to obtain advice on management in general from an independent standpoint. Compensation as Corporate Advisor was paid as consideration for advice within the scope of the Sojitz's "Independence standards for Outside Directors and Outside Audit &amp; Supervisory Board Members."</p>	0

(Reference)

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

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

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

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

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

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

such donations or grants are received by an organization, such as a corporation or partnership, this item refers to a member of business personnel of the organization.)

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



(Reference)

In implementing our management strategy, our Board of Directors and Audit & Supervisory Board are required to support swift and decisive decision-making by the executives and to effectively supervise business execution. Therefore, Sojitz believes it is important for the Board of Directors and the Audit & Supervisory Board to have knowledge of international affairs, economics, and culture, as well as a global perspective that allows for dialogue and acceptance of diversity. In addition, knowledge and experience in formulating and implementing management strategies and policies, knowledge and experience in M&A, investment and financing to create opportunities for sustainable growth, and experience in business management to increase business value are considered important.

Sojitz also believes that expertise in risk management, legal affairs, finance and accounting, human resources, and internal controls is necessary to strengthen the business foundation, as well as environmental and social expertise to further promote the realization of a decarbonized, circular economy and the resolution of social issues.

### Skills Matrix of Sojitz's Board of Directors and Audit & Supervisory Board

Directors/Audit & Supervisory Board Members after the Ordinary General Shareholders' Meeting to be held on June 20, 2023

(Plan)



Name	Masayoshi Fujimoto	Ryutaro Hirai	Yoshiki Manabe	Masaaki Bito	Norio Otsuka	Naoko Saiki
Position	Representative Director, President & CEO	Representative Director	Representative Director	Director	Outside Director, Chairman of the Board of Directors  <Outside> <Independent>	Outside Director  <Outside> <Independent>
Global	•	•	•	•	•	•
Business management	•	•			•	
Corporate planning	•	•		•	•	
Legal						•
Risk management			•			
Mergers, acquisitions, investments, loans, and financial markets			•			
Finances and accounting			•		•	
Human resources		•				•
Internal control			•			
Environment and social	•			•		•



Name	Ungyong Shu	Haruko Kokue	Tsuyoshi Kameoka
Position	Outside Director  <Outside> <Independent>	Outside Director  <Outside> <Independent>	Outside Director  <Outside> <Independent>
Global	•	•	•
Business management	•		•
Corporate planning		•	•
Legal			
Risk management	•		
Mergers, acquisitions, investments, loans, and financial markets	•		
Finances and accounting			
Human resources			
Internal control			
Environment and social		•	

Masaaki Kushibiki	Takehiro Honda	Michiko Nagasawa	Kazuhiro Yamamoto	Junko Kamei
Audit & Supervisory Board Member (Full-time)	Audit & Supervisory Board Member (Full-time)	Outside Audit & Supervisory Board Member  <Outside> <Independent>	Outside Audit & Supervisory Board Member  <Outside> <Independent>	Outside Audit & Supervisory Board Member  <Outside> <Independent>
•	•	•	•	•
	•		•	
	•		•	
		•		
•				
•			•	•
•	•			
		•		•

- The skills, careers, and expertise required for the Board of Directors and Audit & Supervisory Board will be reviewed in response to changes in the business environment and management policies.
- Areas of particular attention should be paid to by each officer in supervising management are marked with (●). This is not an exhaustive list of all the skills, careers, and expertise possessed by each officer.
- Digital transformation (DX), such as the creation and transformation of business models using digital technology, is also an important element, and is complemented by having an executive officer with DX skills, career, and expertise as CDO (Chief Digital Officer).



Management Committee, chaired by the president, who is also the chief executive officer. The Management Committee is responsible for the review and approval of important managerial and executive agendas from a group-wide and medium- to long-term viewpoint. In addition, we have established the Finance & Investment Deliberation Council for the review and approval of important investments and loans, the Human Resource Deliberation Council for the review and approval of major human resource matters, and internal committees to handle issues to be addressed from cross-organizational perspectives. All of these bodies report directly to the president. The term of directors and executive officers is set at one year in order to facilitate swift and appropriate responses to rapid changes in the operating environment and clarify responsibilities related to management.

## **2) Monitoring and Supervisory Functions for Management**

We appoint multiple Outside Directors for the purpose of receiving appropriate advice and proposals on management of the Group from an outside, objective standpoint and to reinforce the supervisory function of the Board of Directors. In addition, we ensure appropriateness and transparency with regard to the resolutions made at meetings of the Board of Directors, appointment of Directors and remuneration by having Outside Directors serve as the Chairman of the Board of Directors and the chairpersons of its advisory bodies, the Nomination Committee and the Remuneration Committee.

We are a company with an Audit & Supervisory Board, which independently monitors and audits the operations of the Group.

## **2. Company Institutions**

### **1) Board of Directors**

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

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

In appointing candidates for Directors, we take into consideration the diversity such as gender, international experience or other characteristics, and appoint multiple candidates who possess abundant experience, specialized knowledge and advanced expertise from both inside and outside Sojitz, to ensure decision-making and management supervision appropriate to a general trading company involved in a wide range of businesses. Sojitz's Articles of Incorporation stipulate that the number of members of the Board of Directors shall be no more than ten. As of March 31, 2023, we have eight Directors (six male and two female), consisting of four Executive Directors who have abundant business experience at Sojitz and four Outside Directors who have objective specialist viewpoints and diverse knowledge. The percentage of females is 25.0%.

- **Procedure for Appointing Directors**

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

- Activities of the Board of Directors in FY2022

The Sojitz's Board of Directors meets once a month and as needed, and attendance at the Board of Directors meetings in FY2022 is as follows.

Name	Position	Attendance at the Board of Directors meetings (Total of 17 meetings)	Concurrent advisory committees
Masayoshi Fujimoto	Executive Director	17	Nomination Committee and Remuneration Committee
Seiichi Tanaka	Executive Director	17	—
Ryutaro Hirai	Executive Director	17	—
Masaaki Bito(*)	Executive Director	13	—
Norio Otsuka	Independent Outside Director Chairman of the Board of Directors	17	Nomination Committee and Remuneration Committee
Naoko Saiki	Independent Outside Director	17	Nomination Committee (Chairperson) and Remuneration Committee
Ungyong Shu	Independent Outside Director	17	Nomination Committee and Remuneration Committee (Chairperson)
Haruko Kokue(*)	Independent Outside Director	13	Nomination Committee and Remuneration Committee

(\*) Mr. Masaaki Bito and Ms. Haruko Kokue attended all 13 meetings of the Board of Directors held after they assumed the office of Director in June 2022.

- Matters Deliberated by the Board of Directors

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

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

The following is a summary of the main deliberations of the Board of Directors in FY2022.

	Main Deliberations	
Management Strategies, Sustainability, and Governance (51%)	Medium-Term Management Plan	Progress reports on the Medium-Term Management Plan and business performance
	Sustainability	Sustainability Committee reports
	Officers	Nomination and Remuneration Committees reports, executive personnel and remuneration, business execution reports, D&O insurance, and limited liability agreements with Outside Directors
	Governance	Assessment of effectiveness of the Board of Directors, cross-shareholdings, shareholders' equity costs, and the Board of Directors' annual plan
	Shareholders' Meeting	Matters related to the Shareholders' Meeting
	Human Resources	Personnel policies, new personnel system, and granting of shares to employees
	System, DX	Information and IT Systems Security Committee reports and progress reports on DX
Audit, Internal Control, Risk Management, Finance & Accounting, and Compliance (34%)	Audit	Matters related to the Audit & Supervisory Board and internal audit reports
	Internal Control	Internal Control Committee reports and risk management operation policy
	Risk Management	Quality Management Committee reports
	Finance & Accounting	Matters related to financial closing, budgets, and financial planning and financing
	Compliance	Compliance Committee reports and Security Trade Control Committee reports
	Litigation and Arbitration	Reports on litigation and arbitration
Investments & Loans and Portfolio Revision (15%)		Construction of a rail maintenance depot in India for a high-speed rail project, fishery-related business including The Marine Foods Corporation and TRY Inc., and real estate REIT-related business

Note: The figures in parentheses indicate the percentage of deliberation time spent for each agenda to the total deliberation time of the Board of Directors meetings held during FY2022.

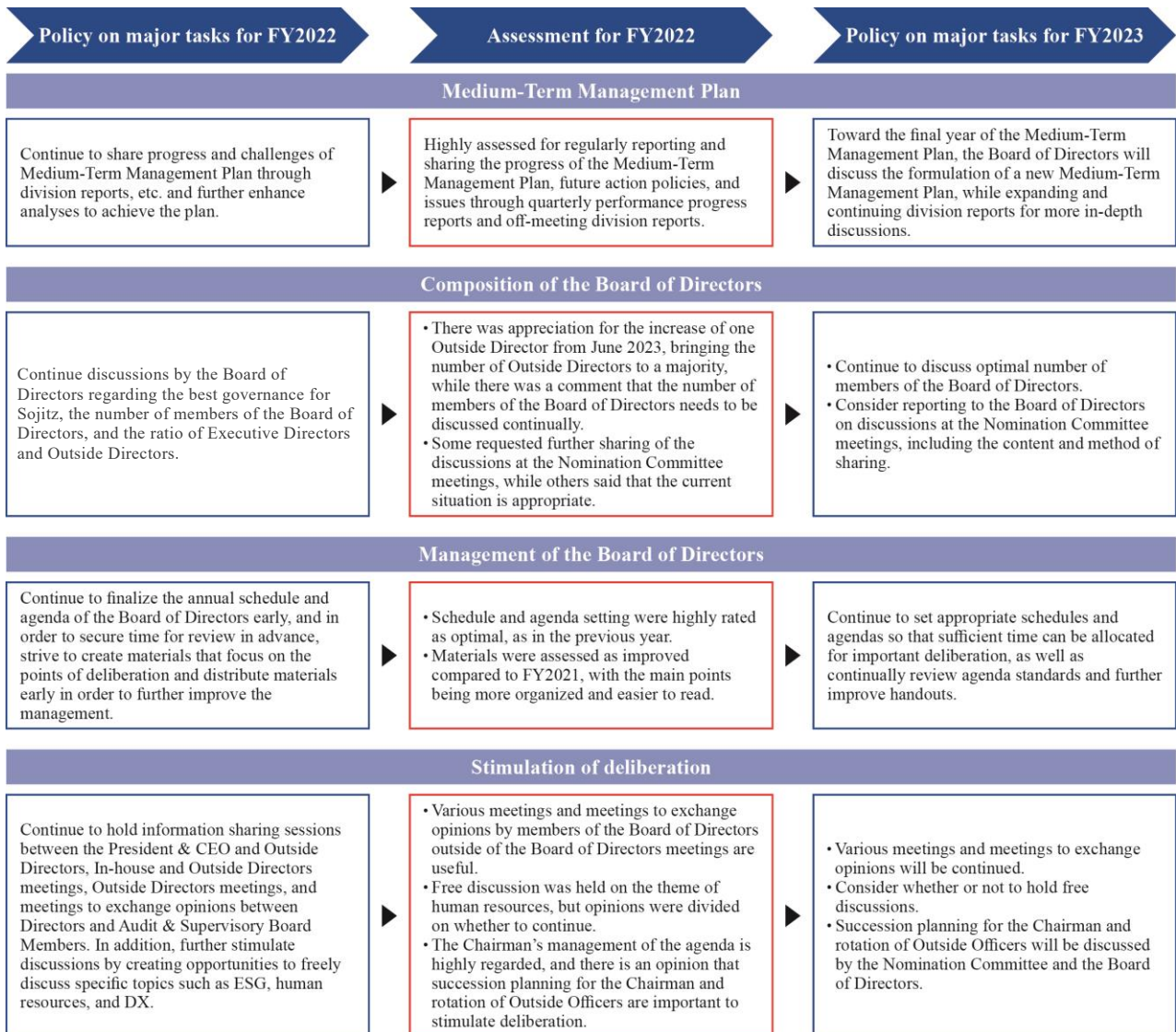
- Support System for Directors
  - The Board Meeting Operation Office has been established as an organization which is comprised of four full-time staff (as of March 31, 2023), who support the Directors by reporting to, providing information to, and communicating with Directors in a timely and appropriate manner.
  - Pre-briefings for the Board of Directors meetings are held at least 2 business days prior to the meeting to ensure that the Board of Directors has a good understanding of the agenda. Materials for the Board of Directors meeting are distributed at least 5 business days prior to the pre-briefing to allow sufficient time for review.
  - Directors are provided with PCs or tablet terminals so that they can access materials of the Board of Directors meetings and related documents stored in cloud storage at any time and any place.
  - Materials from Management Committee meetings and Finance & Investment Deliberation Council meetings, statutory disclosure materials, shareholder newsletters, reports by securities analysts, and internal newsletters are shared with Outside Directors, who are also given opportunities to participate in Finance & Investment Deliberation Council meetings as observers.
  - Information sharing meetings between Executive Directors and Outside Directors (12 times a year), off-site meetings between Executive Directors and Outside Directors, Outside Directors meetings, meetings and opinion exchanges between Outside Directors, full-time Audit & Supervisory Board Members, and Outside Audit & Supervisory Board Members (twice a year each), and visits to business offices by Outside Directors are held to promote communication and mutual understanding among Directors and Audit & Supervisory Board Members and to facilitate constructive discussions at the Board of Directors meetings.

- Analysis/assessment of effectiveness of the Board of Directors

Each year, we analyze and assess the effectiveness of the Board of Directors as a whole in order to improve its functions. The results of the FY2022 assessment, as well as the method of analysis and assessment used are as follows.

Assessment Method	<p>The Board of Directors deliberated on the assessment method, including whether or not an assessment by a third-party assessment organization was necessary, and decided to conduct a self-assessment in the following manner.</p> <p>(December 2022) The Board of Directors deliberates on assessment methods, including the formulation of survey items</p> <p>(January 2023) A written survey is conducted for all Directors and Audit &amp; Supervisory Board Members (anonymous response)</p> <p>(February 2023) An individual interview by the Secretariat of the Board of Directors is conducted for all Directors and Audit &amp; Supervisory Board Members</p> <p>(April 2023) The Board of Directors discusses future initiatives based on analysis and assessment of the results of survey responses and individual interviews</p>
Survey	<p>(1) Survey items For FY2022, dialogue with shareholders, human resource strategies, and sustainability matters were added.</p> <p>(Items) Roles and responsibilities of the Board of Directors; composition of the Board of Directors; management of the Board of Directors; decision-making process of the Board of Directors; supervision by the Board of Directors; support system for the Board of Directors; advisory committees; items concerning Outside Directors; dialogue with shareholders; human resource strategies; sustainability; management issues to be discussed; and suggestions for improving effectiveness, etc.</p> <p>(2) Method of survey Each of survey items was rated on a 4-point scale, with additional comments written in an open-ended column. For management issues to be discussed and recommendations for improving effectiveness, comments were written in an open-ended column.</p>
Outline of Effective Assessment Results	<p>The Board of Directors discussed the results of the survey and individual interviews, and confirmed that the effectiveness of the Company's Board of Directors has been ensured.</p> <p>The main matters that were assessed are as follows.</p> <p>(Medium-Term Management Plan) The quarterly performance progress reports and reports from the COOs on progress and issues, both quantitative and qualitative, are good initiatives, and in particular, the reports from the COOs were assessed as easier to understand than in FY2021.</p> <p>(Management) The annual schedule and agenda setting were assessed as adequate, and the materials were evaluated as easier to read with improved contents compared to FY2021.</p> <p>(Dialogue with shareholders, human resources, and sustainability) IR activities, including those for individual shareholders, were highly appreciated by shareholders, and reports on human resources and sustainability were appropriately and regularly made, all of which received generally high assessments.</p> <p>Including the above, the assessment for initiatives in FY2022 and the policy for initiatives in FY2023 based on the assessment are shown on the next page.</p>





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

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

	Nomination Committee	Remuneration Committee
Roles	Discusses and proposes the standards and methods for selecting Director and Executive Officer candidates and considers candidate proposals.	Discusses and proposes remuneration levels for Directors and Executive Officers and various systems related to evaluation and remuneration.
Members*	Four Outside Directors and one Executive Director	Four Outside Directors and one Executive Director
	Naoko Saiki (Chairperson/Outside Director) Norio Otsuka (Outside Director) Ungyong Shu (Outside Director) Haruko Kokue (Outside Director) Masayoshi Fujimoto (Representative Director, President & CEO)	Ungyong Shu (Chairperson/Outside Director) Norio Otsuka (Outside Director) Naoko Saiki (Outside Director) Haruko Kokue (Outside Director) Masayoshi Fujimoto (Representative Director, President & CEO)

\* As of March 31, 2023

- Activities in FY2022

In FY2022, the Nomination Committee and Remuneration Committee held a total of 10 and 5 meetings, respectively. The attendance of each member of both the Nomination Committee and Remuneration Committee was as follows.

Name	Attendance at the Nomination Committee meetings (a total of 10 meetings)	Attendance at the Remuneration Committee meetings (a total of 5 meetings)
Norio Otsuka	10	5
Naoko Saiki	10	5
Ungyong Shu	10	5
Haruko Kokue(*)	9	4
Masayoshi Fujimoto	10	5

(\*) Ms. Haruko Kokue attended all 9 meetings of the Nomination Committee and all 4 meetings of the Remuneration Committee held after she became a committee member on June 17, 2022.

- Main deliberations at each committee in FY2022

	Main Deliberations
Nomination Committee	Selection of candidates for Directors and Executive Officers for FY2023
	Strengthen and deepen the operation of the President (CEO) Succession Plan
	FY2023 Skills Matrix of Directors and Audit & Supervisory Board Members
	Nomination Committee report of activities for FY2022 and plan of activities for FY2023
Remuneration Committee	Establishment of performance targets, etc. to be used in calculating performance-linked remuneration (short-term) for Executive Officers in FY2022
	Evaluation method and progress evaluation of ESG-related indicators of performance-linked remuneration (medium-to long-term) for Executive Officers in FY2021.
	Revision of the Regulations on Remuneration of Directors and the Internal Regulations on the Appointment of Advisors
	Remuneration Committee report of activities for FY2022 and plan of activities for FY2023

### 3) Audit & Supervisory Board

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

- Composition of the Audit & Supervisory Board

The Audit & Supervisory Board consists of five members (three males, two females), including two full-time Audit & Supervisory Board Members with abundant practical and management experience within Sojitz and its invested companies and three Outside Audit & Supervisory Board Members with objective perspectives and diverse expertise based on specialist knowledge. (As of March 31, 2023)

- Support System for Audit & Supervisory Board Members

The Audit & Supervisory Board Members' Office exists as a dedicated body to support the Audit & Supervisory Board Members, comprised of four full-time staff as of March 31, 2023. It provides information to, reports to, and communicates with Audit & Supervisory Board Members in a timely and appropriate manner.

### 4) Training policy for Directors and Audit & Supervisory Board Members

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

- We provide newly appointed Directors and Audit & Supervisory Board Members with opportunities to participate in or take training programs such as lectures on the medium-term management plan, the

internal control, risk management structure, IR and sustainability initiatives, and lectures by lawyers on legal duties and responsibilities of Directors and Audit & Supervisory Board Members.

- In order for Directors and Audit & Supervisory Board Members to deepen their understanding of our extensive business activities, each of the COO hold business and initiative briefing sessions, and in order for them to deepen their understanding of the latest macroeconomic conditions, our research institute holds monthly briefing sessions. In addition, we provide other necessary information on an ongoing basis.
- We offer Directors and Audit & Supervisory Board Members opportunities to attend seminars, etc. held by external organizations.

### **5) Policies on appointment and standards for independence of Outside Officers**

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

For the Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members, please refer to page 22.

### **3. Business Executing Bodies**

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

#### **1) Management Committee**

The Committee consists of Executive Directors and Chief Operation Officers (COOs) of business divisions and corporate department supervisors. It reviews and approves management policies, management strategies and management administrative matters among the Group from Group-wide and medium-to-long-term viewpoints. The Committee meetings are held twice a month in principle and as needed.

A total of 27 meetings were held in FY2022, with a total of 11 members (nine males and two females). In FY2022, the Committee mainly discussed and reviewed the progress of the Medium-Term Management Plan, efforts to realize growth in the second half of the Plan (including initiatives to strengthen the ability to create value through business investment, etc.), human resource policies (establishing a new type of management, spreading a culture of a thoroughly person-to-person approach, organizing concepts related to human resource development, etc.) for over the next medium to long term, and other important sales and corporate projects.

In FY2023, the Committee consists of a total of 12 members (ten males and two females).

#### **2) Finance & Investment Deliberation Council**

The Council consists of Executive Directors and corporate department supervisors. It discusses and resolves important investment and loan proposals from Group-wide viewpoints. The Council meetings are held twice a month in principle, and a total of 23 meetings were held in FY2022.

#### **3) Human Resource Deliberation Council**

The Council consists of Executive Directors and corporate department supervisors, and discusses and resolves important issues pertaining to human resources from Group-wide viewpoints. The Council meetings are held twice a month in principle, and a total of 19 meetings (3 of which were held in writing) were held in FY2022.

#### 4) Internal Committees

In order to enhance corporate value, we have established the following internal committees (as of March 31, 2023) that act as executing bodies under the direct supervision of the President & CEO to advance management initiatives that need to be handled across the organization. Each internal committee regularly reports on its activities to the Board of Directors and the Management Committee. The frequency and number of meetings of each committee held in FY2022 were as follows.

	Roles	Frequency of meetings (Number of meetings held in FY2022)
Internal Control Committee	The Internal Control Committee formulates policies to maintain and improve our internal control system based on the Companies Act and the Financial Instruments and Exchange Act, and monitors this internal control system and its enforcement among the Group.	Once a quarter in principle (5 meetings)
Compliance Committee	The Compliance Committee examines and formulates fundamental policies and measures to ensure compliance.	Once a quarter in principle (4 meetings)
Sustainability Committee	Based on the Sustainability Challenge, the Sustainability Committee examines and formulates various policies and measures, focusing on the realization of a decarbonized society and respect for human rights in the supply chain. In FY2022, the Committee mainly discussed and reviewed the measurement and scope of measurement of CO <sub>2</sub> emissions in the supply chain (Scope 3), high-risk business areas and risk assessment related to environment and human rights, and efforts to respect human rights in individual areas, as well as the disclosure of sustainability information.	Once a quarter in principle (4 meetings)
Security Trade Control Committee	The Security Trade Control Committee expedites responses to changing security trade control issues associated with Sojitz Group and establishes appropriate trade control systems.	In addition to the annual meeting, convened as needed (2 meetings)
Quality Management Committee	The Quality Control Committee builds and maintains a company-wide quality control system and studies and formulates measures to develop business (B to C business) from a market-oriented perspective and to increase corporate value.	Once a quarter in principle (7 meetings)
DX Promotion Committee	The DX Promotion Committee monitors the overall picture of DX promotion aimed at improving corporate value, and shares the progress and status of efforts, and verifies their effects, with the goal of realizing increased corporate value through business transformation and enhanced competitiveness, while pursuing reforms in business models, human resources, and operational processes by utilizing digitalization. In FY2022, the Committee discussed and shared examples of the use of data and implementation of technology in the businesses being worked on in each of the business divisions, as well as the development of digital human resources.	Once a month in principle (11 meetings)

Information and IT Systems Security Committee	Information and IT Systems Security Committee promotes task setting, the formulation of action plans, and the implementation of countermeasures relating to the security of company-wide information assets and IT systems to improve corporate value, while grasping the focus and importance of risks that arise in business where digital data and IT are utilized in conjunction with the accelerated promotion of DX.	Once a quarter in principle (4 meetings)
---	--	--

Furthermore, we have established the Business Continuity Management Working Group and the Disclosure Working Group, which discuss and review the practices and initiatives for specific themes from cross-organizational perspectives. We will continue to make necessary reviews and upgrade our corporate structure to build a system that contributes to increasing our corporate value.

#### 4. Corporate Audits, Accounting Audits and Internal Audits

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

##### 1) Audits by Audit & Supervisory Board Members

Pursuant to the Corporate Audit Standards, audit plans and task assignments established by the Audit & Supervisory Board, Audit & Supervisory Board Members oversee and audit the operations of Sojitz Group by performing audits using the following main activities and other methods.

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

In FY2022, Audit & Supervisory Board Members conducted audits while having sufficient communication with domestic and overseas consolidated subsidiaries. In addition to the continued implementation of remote audits using the web conference system, on-site audits were carried out for overseas consolidated subsidiaries in some countries and regions where COVID-19 related restrictions have been relaxed.

Main Activities of Audit & Supervisory Board Members	Task Assignments	
	Full-time	Outside
Attendance at the Board of Directors meetings	○	○
Attendance at important meetings (Management Committee, Finance & Investment Deliberation Council, Internal Control Committee, Compliance Committee, Sustainability Committee, Security Trade Control Committee, Quality Management Committee, Information and IT Systems Security Committee, Internal Audit Committee)	○	△ (*1)
Meetings with Executive Directors	○	○ (*2)
Meetings with Outside Directors	○	○
Meetings with executive management officers, COOs, COOs of function divisions, Presidents and CEOs of overseas operations	○	△
On-site audit of domestic and overseas group companies (including remote audits)	○	△
Meetings with full-time auditors of group companies	○	—
Held reporting meetings and interviews with the Accounting Auditor	○	○
Attendance at pre-audit briefings and audit review meetings of the Internal Audit Department and submission of written opinion	○	—
Review of important documents relevant to major business decisions	○	—

A “○” mark indicates a task, and a “△” mark indicates a partial or voluntary task.

(\*1) Outside Audit & Supervisory Board Members attended the Finance & Investment Deliberation Council meetings as observers.

(\*2) At least one Outside Audit & Supervisory Board Member attended.



## 2) Internal Audits

Based on an audit plan adopted by the Board of Directors and under the supervision of the Internal Audit Committee established as a subordinate body of the Board of Directors, the Internal Audit Department (comprising 25 people as of March 31, 2023) conducts audits covering the business divisions, corporate departments, and consolidated subsidiaries as follows.

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

In addition, the following are initiatives taken by Sojitz to ensure the effectiveness of internal audits.

- The Internal Audit Department reports audit policies directly not only to the President and Representative Director, but also to the Board of Directors and the Audit & Supervisory Board.
- The Internal Audit Department reports audit results directly not only to the President and Representative Director, but also to the Board of Directors and the Audit & Supervisory Board once a quarter in principle.
- Deliberations and assessments of the Internal Audit Department's organizational performance, as well as individual evaluations of the General Manager of the Internal Audit Department, are conducted by the Internal Audit Committee, ensuring the independence of the Internal Audit Department.

## 3) Accounting Audits

Sojitz has appointed the independent auditing firm KPMG AZSA LLC to conduct accounting audits in accordance with the Companies Act, as well as audits of financial statements, quarterly reviews and internal control audits in accordance with the Financial Instruments and Exchange Act. Their executive officers and assistant staff involved in audits for Sojitz in FY2022, are as follows.

(Designated Limited Liability Partners, Engagement Partners)

Hiroaki Sugiura, Ryohei Tomita, Tsugunobu Hikishikibayashi

(Assistant staff working for our accounting audit)

19 CPAs and 33 assistant CPAs

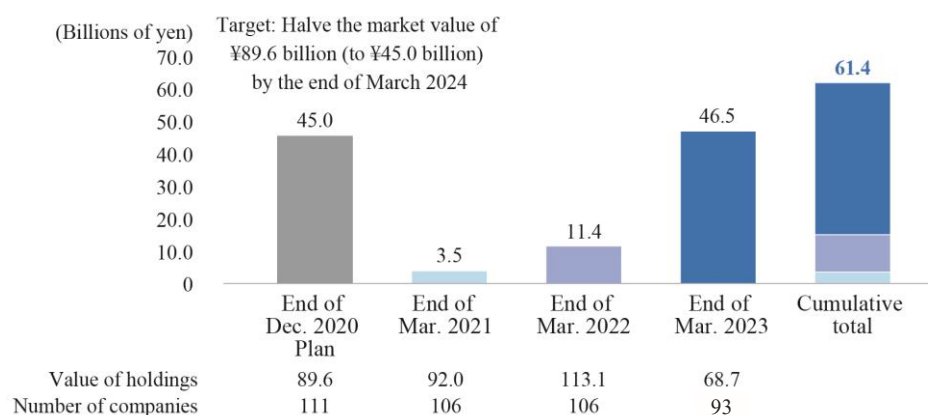


## 5. Policies for Holding Listed Shares

### 1) Policies for Reducing Cross-Shareholdings of Listed Shares under Medium-Term Management Plan 2023

Under Medium-Term Management Plan 2023, Sojitz decided to proceed further with reducing listed shares held as part of our shareholding policy. We intend to achieve a 50% reduction (reduction of ¥45.0 billion) by the end of March 2024 based on the value of listed shares held on a consolidated basis as of December 31, 2020 (¥89.6 billion). We formulated a specific divestiture plan including timing and sold ¥61.4 billion worth of shares by March 31, 2023.

<Sale status of listed shares on a consolidated basis>



The ratio of Sojitz's holdings on a non-consolidated basis to total equity on a consolidated basis (plan and results) is indicated below, showing steady progress in reducing cross-shareholdings.

<Holding status of listed shares and unlisted shares on a non-consolidated basis>

	March 31, 2024 Plan	March 31, 2021 Results	March 31, 2022 Results	March 31, 2023 Results
(1) Book value of shares held on a non-consolidated basis (Billions of yen)	-	95.7	118.7	76.5
Listed shares (Billions of yen)	-	77.4	98.8	55.3
Unlisted shares (Billions of yen)	-	18.3	20.0	21.2
(2) Total equity on a consolidated basis (billions of yen)	-	654.7	763.9	876.6
(3) Ratio to total equity on a consolidated basis (%) (1) ÷ (2)	Under 10%	15%	16%	9%

### 2) Policies for Shareholdings

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

The results of the assessments conducted in FY2022 are as follows.

- Regarding the listed shares that we continue to hold as cross-shareholdings, we confirmed that, for the shares held as a whole, the profit realized from these holdings exceeds Sojitz's cost of capital.
- For each company, we assessed whether the profit realized from the holdings exceeded Sojitz's cost of capital and whether the holdings would lead to enhancement of Sojitz's corporate value.
- For those shares which are deemed to lack significant value, we set a deadline to improve their value, or examine the possibility of divestiture.

### **3) Exercise of Voting Rights**

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

## **6. Dialogue with Shareholders**

Sojitz maintains a basic policy of engaging in constructive dialogue with shareholders. Sojitz continues to provide shareholders with appropriate and timely information on management policy and initiatives, as well as clear explanations using understandable words and logic to achieve sustained growth and improve corporate value over the medium-to-long term. Shareholders' opinions are then reported to the upper management and reflected in management decisions.

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

### **1) Providing information to shareholders**

Sojitz's basic policy is to communicate information fairly and equally to all shareholders. Information regarding the Medium-Term Management Plan and financial results is publicized via TDnet or the Sojitz website immediately after resolution by the Board of Directors. In addition, to promote the understanding of its management philosophy, vision, business activities and business models, Sojitz has engaged in active disclosure of information, such as publishing Integrated Reports, holding business activities briefings and Sojitz IR Day, holding briefings for individual shareholders, participating in briefings for individual investors, and distributing videos on the Sojitz website featuring the President & CEO's visit to Sojitz's operating companies.

### **2) Initiatives with regard to the General Shareholders' Meeting**

The Notice of Ordinary General Shareholders' Meeting is posted on our website in Japanese and English around four weeks prior to the Ordinary General Shareholders' Meeting and is sent out by mail around three weeks prior to the meeting. In addition, the Notice of Ordinary General Shareholders' Meeting has become compatible with smartphones and tablets as well. Sojitz is also engaged in active efforts to promote the participation to the General Shareholders' Meeting and exercise of voting rights by as many shareholders as possible, through active measures including holding the Ordinary General Shareholders' Meeting at a different time from most other companies in Japan, using Internet voting system, participating in Electronic Voting Platform, which can be utilized by institutional investors in Japan and overseas, accepting questions in advance, distributing business briefing videos to shareholders in advance, and livestreaming of the General Shareholders' Meeting.

### 3) Systems and initiatives for dialogue with shareholders

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

Parties	Initiatives
Individual shareholders and individual investors	Briefings for individual investors are regularly held and archived videos are available. In addition, Sojitz strives to maintain and strengthen information disclosure for individual shareholders by holding shareholder briefings for individual shareholders several times a year in multiple cities to provide opportunities for direct dialogue with the Sojitz management, issuing shareholder newsletters, and posting videos on the Sojitz website featuring the President & CEO's visit to Sojitz's operating companies.
Analysts and Institutional investors	In addition to holding regular briefings on financial results and individual businesses, as well as dialogues through individual interviews, Sojitz IR Day was held in FY2022 with a program of business strategy, DX strategy, and a panel discussion by Outside Directors.
Overseas investors	Direct dialogue with overseas investors was conducted through individual meetings (in person or online) with investors in North America, Europe, Hong Kong, Singapore, etc., as well as through participation in conferences hosted by securities companies.

## **Business Report**

(From April 1, 2022 to March 31, 2023)

### **1. Current circumstances of Sojitz Group**

#### **(1) Business activities**

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

#### **(2) Review of progress and performance in operations**

In the year ended March 31, 2023, since the start of Russia's ongoing military invasion of Ukraine, the global economy felt strong downward pressure from the monetary tightening measures implemented to combat inflation. Meanwhile, financial agencies took swift action to prevent rises in credit uncertainty in response to the collapse of a notable U.S. bank and concern regarding the management of banks in Europe.

In the United States, the Federal Reserve Board has implemented multiple interest rate hikes since March 2022, but high rates of inflation have persisted nonetheless. Given the consistent commodity prices and employment levels, it can be expected that measures for combating inflation in this country will continue. However, there is a need to carefully monitor the potential economic impacts of the increased burden of interest payments in both the public and private sectors.

In Europe, the European Central Bank continues to raise interest rates with the stabilization of commodity prices as its top priority. At the same time, unreliability in energy supplies persists and the pace of economic recovery is expected to remain slow as a result.

In China, the December 2022 reversal of the zero-COVID policy accelerated the economic recovery of this country, which is now expected to see real GDP growth of around 5% in 2023. Meanwhile, at the meeting of the National People's Congress held in March 2023, Xi Jinping was elected to serve his third term as president, an event that is expected to continue to draw attention to China's directives for economic development and international relations.

Japan saw a rise in economic activity following the alleviation of certain restrictions related to the COVID-19 pandemic. However, the recovery of the production and exports of major industrial products was sluggish due to stagnant demand stemming from high commodity prices and economic slowdown overseas. Accordingly, caution is warranted with regard to risks of downturns in external demand. At the Bank of Japan's monetary policy meeting held in March 2023, it was decided that existing monetary easing policies would be continued. Japan thus maintains its monetary easing approach with Kazuo Ueda acting as Governor of the Bank of Japan, a position he took up in April 2023. This approach is contributing to a widening gap in interest rates between Japan and the United States, creating a need for caution with regard to future monetary policies and foreign exchange rates.

Meanwhile, the economies of other Asian countries recovered from the impacts of the COVID-19 pandemic, and real GDP growth of around 5% is thus expected to be seen in Asia in 2023. Growth in internal demand was witnessed in India and in ASEAN and other emerging countries as economic activity returned to normal. Regardless, these countries face risks of economic downturn from currency devaluation, rising international debt, and growing deficits amid high inflation, challenging financing conditions created by monetary tightening, and ongoing interest rate hikes in the United States.

## Sojitz Group's assets, profits and losses

Sojitz Group's assets, profits and losses in FY2022 and the past three fiscal years are as outlined below.

(Note) Sojitz adopts the International Financial Reporting Standards (hereinafter referred to as "IFRS") in preparing the consolidated financial statements.

(Millions of yen, unless otherwise specified)

Item \ FY	FY2019 17th fiscal year	FY2020 18th fiscal year	FY2021 19th fiscal year	FY2022 20th fiscal year (fiscal year under review)
Revenue	1,754,825	1,602,485	2,100,752	<b>2,479,840</b>
Profit before tax	75,528	37,420	117,295	<b>155,036</b>
Profit for the year (attributable to owners of the Company)	60,821	27,001	82,332	<b>111,247</b>
Total comprehensive income for the year (attributable to owners of the Company)	(4,220)	59,111	142,429	<b>138,434</b>
Basic earnings per share (attributable to owners of the Company) (Note 2) (yen)	48.91	112.53	352.65	<b>481.94</b>
Total assets	2,230,285	2,300,115	2,661,680	<b>2,660,843</b>
Total equity attributable to owners of the Company	579,123	619,111	728,012	<b>837,713</b>
Total equity per share attributable to owners of the Company (Note 2) (yen)	474.97	2,581.58	3,153.90	<b>3,629.34</b>
Return on Assets (ROA) (%)	2.7	1.2	3.3	<b>4.2</b>
Return on Equity (ROE) (Note 3) (%)	10.2	4.5	12.2	<b>14.2</b>
Equity Ratio (Note 4) (%)	26.0	26.9	27.4	<b>31.5</b>
Net DER (times)	1.06	0.99	1.06	<b>0.75</b>
Consolidated payout ratio (%)	34.8	44.4	30.1	<b>27.0</b>

- (Note) 1. Figures are rounded down to the nearest million yen.  
2. The Company conducted a one-for-five share consolidation of shares of common stock effective October 1, 2021. Figures for basic earnings per share (attributable to owners of the Company) and total equity per share attributable to owners of the Company are calculated based on the assumption that this stock consolidation was conducted with an effective date of April 1, 2020.  
3. ROE is return on total equity attributable to owners of the Company.  
4. Equity ratio is the ratio of total equity attributable to owners of the Company.

## Sojitz Group Performance

Sojitz Corporation's consolidated business results for the year ended March 31, 2023 are presented below.

Revenue	Revenue was up 18.0% year on year, to ¥2,479,840 million, mainly due to higher revenue in the Retail & Consumer Service Division, a result of acquisition of aquaculture food product manufacturing company; in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal; in the Chemicals Division, a result of rising market prices for various chemical products.
Gross profit	Gross profit was up ¥66,248 million year on year to ¥337,567 million, due to higher revenue in the Metals, Mineral Resources & Recycling Division, a result of higher prices for coal; in the Chemicals Division, a result of rising market prices for various chemical products; in the Retail & Consumer Service Division, a result of acquisition of aquaculture food product manufacturing company.
Profit before tax	Profit before tax was up ¥37,741 million year on year, to ¥155,036 million, mainly due to an increase in gross profit, despite increases in selling, general and administrative expenses associated with the acquisition of new consolidated subsidiaries and decreases in share of profit of investments accounted for using the equity method in offshore wind power generation business in Taiwan.
Profit for the year	After deducting income tax expenses of ¥39,211 million from profit before tax of ¥155,036 million, profit for the year amounted to ¥115,824 million, up ¥30,353 million year on year. Profit for the year (attributable to owners of the Company) increased ¥28,915 million year on year, to ¥111,247 million.
Comprehensive income for the year	Comprehensive income for the year of ¥145,803 million was recorded, down ¥2,785 million year on year, following a decrease in financial assets at fair value through other comprehensive income along with more beneficial foreign currency translation differences for foreign operations. Comprehensive income for the year (attributable to owners of the Company) was ¥138,434 million, a decrease of ¥3,995 million.

## Sojitz Group's business segment

Sojitz Group's operating performance, overview of business conditions, and growth strategy by business segment are as follows.

Effective April 1, 2022, the Company reorganized its Consumer Industry & Agriculture Business and Retail & Consumer Service segments and changed its reporting segment classification method.

(Hereinafter, profit for the year refers to profit attributable to owners of the Company.)

### Automotive Division

#### Business description

- Distributorships
- Dealerships
- Auto-financing
- Service (quality inspection services, etc.)  
etc.

#### Operating performance

Revenue was up 22.9% year on year to ¥298,801 million, mainly due to improvement in foreign exchange rate and profitability in overseas automobile operations. Profit for the year (attributable to owners of the Company) decreased by ¥1,070 million year on year, to ¥6,013 million, as a result of an increase in selling, general and administrative expenses associated with foreign exchange rate, despite an increase in gross profit.

#### Growth strategy

With automotive assembly and wholesale and retail sales as its core businesses, the Automotive Division develops its operations in growing markets, such as Asia and Latin America, as well as in mature markets, such as Japan and the United States. The division is expanding the scope of its operations in promising markets and working to increase business value through enhancement of local-based sales & marketing capabilities and after-sales services and the strengthening of functions through utilization of digital technologies. In addition, the division is actively enhancing its auto-financing business while developing automotive-related services that meet the needs of the changing times to contribute to a prosperous mobility society.



## Aerospace & Transportation Project Division

### Business description

- Aircraft sales agencies (commercial aircraft, defense systems)
  - Aircraft leasing
  - Part-out of retired and aging aircraft
  - Business jet services
  - Airport management
  - Transportation infrastructure, North American railways
  - Marine vessels
- etc.

### Operating performance

Revenue was down 1.4% year on year to ¥69,025 million, mainly due to the lower revenue in aircraft-related transactions. Profit for the year (attributable to owners of the Company) increased ¥1,702 million year on year, to ¥6,389 million, as a result of an increase in gross profit, due to the steady growth in business jet charter and vessels.

### Growth strategy

In addition to efforts to build upon the global partnership with Boeing, the Aerospace & Transportation Project Division is strengthening aircraft-related businesses such as business jet services and is pursuing expansion of earnings of the airport management business. The division is also engaged in the North American railways business, transportation infrastructure business in emerging-market countries, and marine vessels business. The division will create solutions integrating people and things moving from and to airports and ports. At the same time, the division will vigorously apply “co-creation and sharing” in business with external partners to enhance value.

## Infrastructure & Healthcare Division

### Business description

- Renewable energy
- Gas-fired thermal power generation
- Gas-related business
- Telecommunications infrastructure
- Urban infrastructure and industrial park businesses
- Healthcare
- Energy conservation
- etc.

### Operating performance

Revenue was up 66.1% year on year, to ¥102,632 million, mainly due to the acquisition of energy conservation business in the U.S. Profit for the year (attributable to owners of the Company) increased ¥894 million year on year, to ¥7,518 million, mainly due to an increase in gross profit, share of profit of investments accounted for using the equity method in LNG businesses and in other income (expenses) by a partial sale of domestic solar power generation business, despite a decrease in share of profit of investments accounted for using the equity method in offshore wind power generation business in Taiwan.

### Growth strategy

By combining Sojitz's unique functions and ideas, the Infrastructure & Healthcare Division provides new solutions to create value. Specific areas of operation include energy, telecommunications, urban infrastructure, and healthcare. Businesses are developed in response to global social issues, including the rising demand for infrastructure and healthcare due to economic growth in emerging countries, climate change, digitalization, and the diversification of values.

---

## Metals, Mineral Resources & Recycling Division

### Business description

- Metal resources
- Metal products
- Circular economy
- etc.

### Operating performance

Revenue was up 15.2% year on year, to ¥645,668 million, mainly due to higher prices for coal. Profit for the year (attributable to owners of the Company) increased ¥28,636 million year on year, to ¥62,704 million, as a result of an increase in gross profit.

### Growth strategy

In addition to upstream investment and trading in metal resources and ferrous materials, the Metals, Mineral Resources & Recycling Division has made a full-scale entry into the circular economy field, which includes recycling businesses, and this division is working to create and promote new businesses that respond to social needs. Viewing the shift in recent years toward a carbon-free and recycling-oriented society as an opportunity, the division is working to establish a framework ensuring stable supply of metals and mineral resources over the long term by promoting reform of resource-related businesses and strengthening initiatives in the recycling field.

---

## Chemicals Division

### Business description

- Chemical products
- Methanol
- Rare earths
- Plastic resins
- Environment and life science
- Recycling
- etc.

### Operating performance

Revenue was up 15.7% year on year, to ¥622,884 million, mainly due to growth in plastic resin transactions. Profit for the year (attributable to owners of the Company) increased ¥5,843 million year on year, to ¥18,473 million, as a result of rising market prices for various chemical products.

### Growth strategy

The Chemicals Division conducts a wide variety of trading and businesses, ranging from methanol and other basic chemical products, to functional materials focusing on plastic resins as well as inorganic chemical products like industrial salts and rare earths. The division is also developing new environmental business. While growing businesses in which the division has strengths, it will step up initiatives to realize a carbon-free, recycling-oriented society, expanding excellent business assets.

---

## Consumer Industry & Agriculture Business Division

### Business description

- Fertilizer
- Foodstuffs, feeds and livestock
- Forest resources
- Papermaking
- Decarbonization (biomass, carbon credit)
- Agriculture & regional business development  
etc.

### Operating performance

Revenue was up 19.0% year on year, to ¥340,089 million, mainly due to higher prices in fertilizer. Profit for the year (attributable to owners of the Company) increased ¥38 million year on year, to ¥6,398 million, as a result of an increase in share of profit of investments accounted for using the equity method, despite a decrease in lumber prices.

### Growth strategy

With a focus on sustainable consumption and production, the Consumer Industry & Agriculture Business Division is strengthening existing businesses in the areas of agribusiness, foodstuffs, feeds and livestock, and forest resources in Southeast Asia and other rapidly growing regions and is also working to expand peripheral businesses. Based on the theme of creating value by addressing social issues, the division is also engaged in regional revitalization in Japan and is expanding excellent business assets.

---

## Retail & Consumer Service Division

### Business description

- Food and consumer products distribution (production, wholesale, distribution, retail)
- Marine food products (procurement of raw materials, aquaculture, processing and wholesale, sales)
- Brand and consumer products
- Shopping center management
- Domestic real estate
- etc.

### Operating performance

Revenue was up 39.1% year on year, to ¥306,975 million, mainly due to the acquisition of aquaculture food product manufacturing company. Profit for the year (attributable to owners of the Company) increased ¥2,425 million year on year, to ¥7,435 million, due to an increase in gross profit and in other income (expenses) by a sale of a REIT asset management company.

### Growth strategy

The Retail & Consumer Service Division is engaged in a diverse range of businesses that respond to consumer needs both in Japan and overseas, including food and consumer products distribution, processing and sales of marine food products, shopping center management, and real estate, with a consumer- and customer-driven business model in mind. While reforming existing business models in emerging-market countries with high growth potential, such as Vietnam and India, the division seeks to create new businesses that will enrich and bring convenience to people's lives. By strengthening businesses in the domestic retail field, the division aims to diversify sources of revenue and achieve sustainable growth.

### **(3) Financial Position**

#### Consolidated Balance Sheet

Total assets on March 31, 2023, were ¥2,660,843 million, down ¥837 million from March 31, 2022, mainly due to the decrease in trade and other receivables under current assets associated with aircraft-related transactions, despite an increase in inventories of coal and automobile in addition to the impact of yen depreciation.

Total liabilities on March 31, 2023, amounted to ¥1,784,266 million, down ¥113,536 million from March 31, 2022, mainly due to the decrease in interest-bearing debt as a result of repayment of borrowings, despite an increase in trade and other payables under current liabilities associated with coal and tobacco in addition to the impact of yen depreciation.

Total equity attributable to owners of the Company was ¥837,713 million on March 31, 2023, up ¥109,701 million from March 31, 2022, mainly due to the accumulation of profit for the year (attributable to owners of the Company).

Consequently, on March 31, 2023, the current ratio was 162.0%, the long-term debt ratio was 81.0%, and the equity ratio was 31.5%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥629,426 million on March 31, 2023, down ¥140,865 million from March 31, 2022. This resulted in the Company's net debt equity ratio\* equaling 0.75 times at March 31, 2023.

(\* ) The equity ratio and net debt equity ratio are calculated based on total equity attributable to owners of the Company. Lease liabilities have been excluded from aforementioned total interest-bearing debt.

### **(4) Consolidated Cash Flows**

In the year ended March 31, 2023, operating activities provided net cash flow of ¥171,639 million, investing activities provided net cash flow of ¥29,157 million, and financing activities used net cash flow of ¥230,367 million. Sojitz ended the period with cash and cash equivalents of ¥247,286 million, reflecting foreign currency translation adjustments related to cash and cash equivalents and other elements.

(Cash flows from operating activities)

Net cash provided in operating activities amounted to ¥171,639 million, an increase of ¥106,555 million year on year, mainly as a result of business earnings and dividends received.

(Cash flows from investing activities)

Net cash provided in investing activities amounted to ¥29,157 million, up ¥167,976 million year on year, despite cash out for recycling project of household appliances and electronic devices and office building development project in the Philippines, as a result of sale of cross-shareholding and partial sale of domestic solar power generation business.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥230,367 million, up ¥277,265 million year on year, mainly as a result of repayment of borrowings and dividends paid.

### (5) Funding, etc.

Under the Medium-Term Management Plan 2023, the Sojitz Group continues to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has been endeavoring to maintain a stable financial foundation by keeping the long-term debt ratio at a certain level and by holding sufficient liquidity as a buffer against changes in the economic or financial environment.

Even though Sojitz did not issue straight bonds, as one source of long-term funding, in the year ended March 31, 2023, Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional issues whenever the timing and associated costs prove advantageous. As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥100.0billion long-term yen commitment line (which remains unused) and long-term commitment line totaling US\$2.575 billion (of which US\$0.774 billion has been used).

### (6) Major creditors and borrowed amounts (As of March 31, 2023)

(Billions of yen)

Creditor	Amount outstanding
MUFG Bank, Ltd.	177.0
Development Bank of Japan Inc. (Note 3)	47.0
Mizuho Bank, Ltd. (Note 3)	46.1
Shinkin Central Bank	32.5
Sumitomo Mitsui Trust Bank, Limited (Note 3)	30.5
Nippon Life Insurance Company	28.2
The Norinchukin Bank	20.5
Resona Bank, Limited (Note 3)	16.0
JA HYOGO SHINREN	10.5
Japan Bank for International Cooperation	10.3

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

### (7) Capital expenditure

In the year ended March 31, 2023, plant and equipment decreased because of the sale of the logistics terminal business for petrochemicals and other products.



**(8) Business outlook and issues to be addressed**

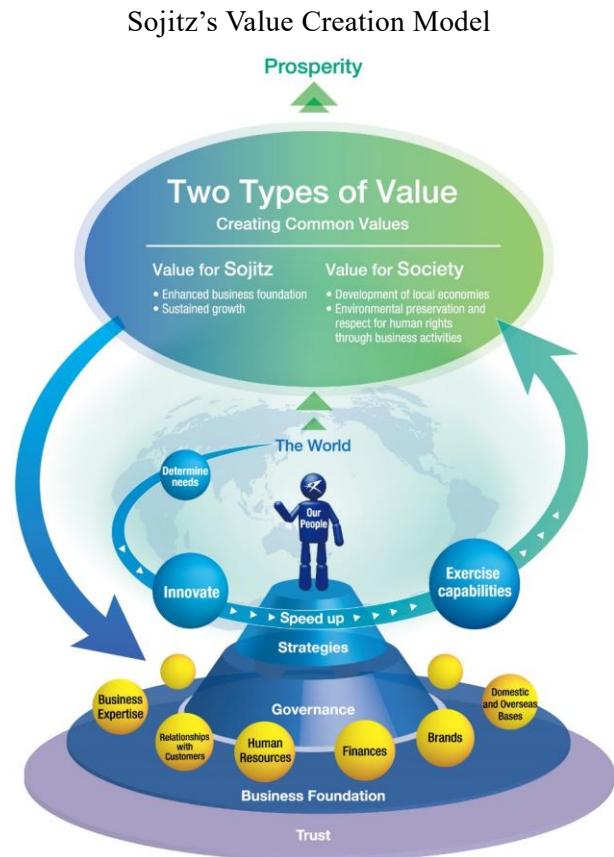
1) Fundamental Policy

In accordance with the Sojitz Group Statement and the Sojitz Group Slogan, to create prosperity as in our corporate statement, the Sojitz Group is committed to maximizing two types of value – “value for Sojitz“ and “value for society”. “Value for Sojitz” refers to enhancements to its business foundation contributions and to sustained growth. “Value for society” pertains to contributions to the development of local economies, respect for human rights, and environmental preservation.

**Sojitz Group Statement**

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

**Sojitz Group Slogan  
New way, New value**



In order to create a prosperity and two types of values, Sojitz considers human resources to be our most important management resource, which Sojitz describes as "human assets", and place them at the center of our value creation model. The source of Sojitz’s value creation is to understand the needs of the world and to enhance our human resource capabilities to create value.

Based on highly effective strategies and robust corporate governance systems, always guided by new ideas, Sojitz exercises our capabilities through trading, investments in interests, and business investments as we quickly expand our business while managing risk based on the uncertainty seen in the operating environment.

Moreover, Sojitz’s sustained growth is supported by the solid operating foundation, it has built over the years. This foundation is comprised of our global network of operating bases and partners and the trusting relationships with customers and strong brand image we have fostered over the years in the regions Sojitz serves.

As Sojitz creates “value for society”, Sojitz earns the trust of our stakeholders. Meanwhile, the value we create enhances our business foundation through the development of human resources and the accumulation of business expertise as “Value for Sojitz”, thereby bolstering our competitiveness and granting us access to a wider range of business opportunities. In this manner, our value creation cycle drives ongoing improvements to corporate value.

2) Medium-Term Management Plan (MTP) 2023 ~Start of the Next Decade~

Amid the current rising uncertainty in global trends, corporate activities are expected to feel the effects of recent megatrends to an increasingly strong degree. Examples of these megatrends include the accelerated pace of digitization; the growing awareness of environment, social, and governance (ESG) trends; and diversifying values and needs. Against this backdrop, Sojitz is keenly aware of the need to build solid earnings foundations while also transforming itself by perceiving this situation as an opportunity.

Under MTP 2023 ~Start of the Next Decade~, Sojitz has defined its vision for 2030 as becoming a general trading company that constantly cultivates new businesses and human capital. Sojitz will continue to create value by pursuing higher levels of competitiveness and growth through an intensely market-oriented initiative, collaborate proactively, and strive for speed while transforming organizations and human resources as necessary.

**Corporate Statement :**

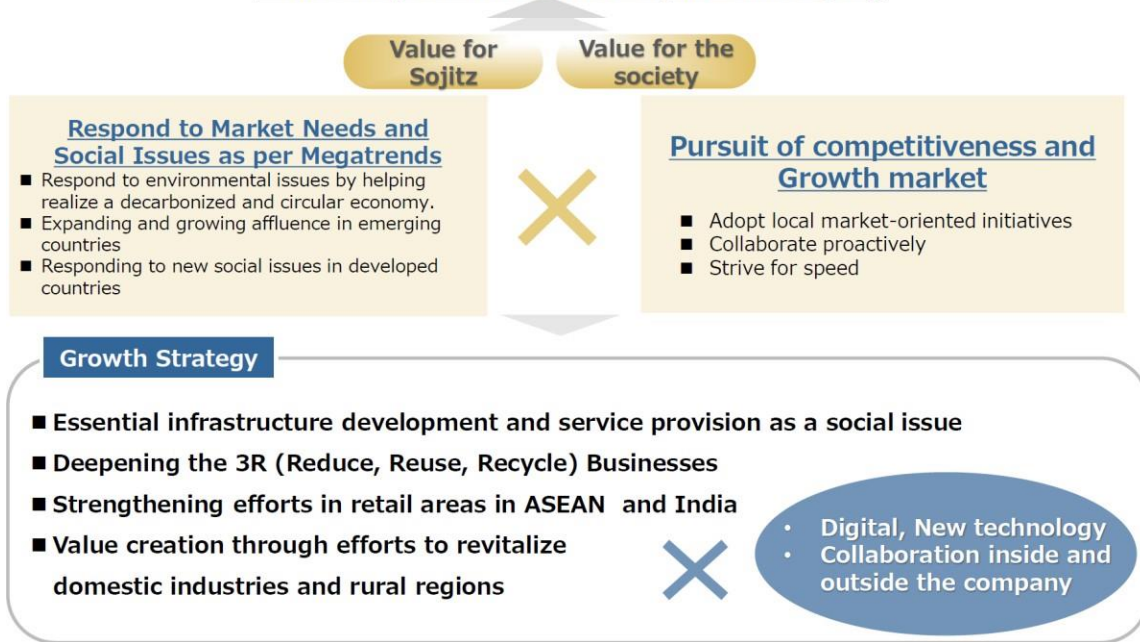
**The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.**



i. Growth Strategies and Focus Areas

MTP 2023 lays out a growth strategy of concentrating management resources in fields in which we can pursue competitiveness and growth markets based on sustainability. Specifically, we have defined four initiatives for this growth strategy - Develop essential infrastructure and services to alleviate social issues, Expand “3R” (reduce, reuse, recycle) businesses, Strengthen retail efforts in ASEAN and India, and Create value by revitalizing domestic industries and rural regions. Alongside these initiatives, we will utilize digital and new technologies and practice co-creation and sharing methodologies with partners inside and outside the Company to achieve our goals.

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



Creating value for shareholders will require us to proactively invest in projects that boast substantial profitability and scale. Based on this recognition, Sojitz is pursuing growth through new investments of substantive scale backed by strategies in focus areas (see table below) under MTP 2023. We will thus pursue the steady improvement of corporate value through the execution of investments in growth and new fields, to be identified based on megatrends, totaling ¥330.0 billion over the three-year period of the plan (¥30.0 billion of which is to be directed toward non-financial investments in human resources and organizational reforms). These investments shall be conducted while practicing continued discipline in cash flow management.

**Based on growing fields to be identified according to megatrends, resource(human/capital) is concentrated into three focus areas**

**Infrastructure & Healthcare**

Current steady growth

- #Growth in emerging countries
- #Environmental issues
- #population growth, population aging
- Essential Infrastructure & Healthcare

**Growth market**  
**× Market-oriented initiative**

Capture growth from a growing market

- #Growth in emerging countries
- #Environmental and food shortage issues
- #Digitization
- Retail business in ASEAN and Indian market
- Fertilizer (Including agriculture)

**Materials & Circular economy**

Reformation of conventional business model

- #Environmental issues
- #Resource recycling
- #Technology including digitals
- Recycle and new material

ii. Sustainability Management

Under MTP 2023, sustainability initiatives are placed among the top priorities for corporate management. In accordance with its philosophy of creating two types of value - value for Sojitz and value for society - Sojitz has formulated the Sustainability Challenge, its long-term vision for 2050, based on its Key Sustainability Issues (Materiality). In addition, MTP 2023 is guiding the implementation of measures based on the overarching themes of helping achieve a decarbonized society and promoting respect for human rights.

In its human resource strategies, Sojitz emphasizes developing a team of diverse, autonomous individuals and linking the growth of autonomous individual to the growth of their team, their organization, and subsequently the Company. Accordingly, we practice management emphasizing human capital with the goal of fostering human resources who excel at creating value. Furthermore, as part of our DX strategy, we position digital as a prerequisite for linking customer and social needs to value creation, as a common language that all employees should have and as a means to transform our business and strengthen our competitiveness, and we will contribute to value creation by promoting reform of business models, human resources, and business processes.

### iii. Management Targets and Progress Toward Targets

MTP 2023 puts forth quantitative targets from the two perspectives of “creation of shareholder value” and “growth and financial discipline”. To accomplish these targets, we will seek to create value for shareholders by pursuing growth in scale and improvements in profitability by steadily generating earnings from new investments and implementing drastic earnings structure reforms in existing businesses.

Target	FY2021 Results	FY2022 Results	FY2023 Forecast
--------	----------------	----------------	-----------------

#### Increased Shareholder Value (Three-year average)

Return on equity	10% or above	12.2%	14.2%	11.1%
Profit for the year (attributable to owners of the Company)	Approx. ¥65.0 bn	¥82.3 bn	¥111.2 bn	¥95.0 bn
Core operating cash flow*1	Approx. ¥80.0 bn	¥128.7 bn	¥145.2 bn	¥115.0 bn
Consolidated payout ratio	Approx. 30%	30.1%	27.0%	30.6%

#### Growth and Financial Discipline

Investments	¥330.0 bn (including ¥30.0 bn in non-financial investments)	¥150.0 bn	¥93.0 bn	¥250.0 bn
Core cash flow*2	Positive (Aggregate total over period encompassing MTP 2020 and MTP 2023)	¥10.5 bn	¥136.0 bn	¥(75.0) bn
Net debt equity ratio	Approx. 1.0 times	1.06 times	0.75 times	0.75 times
Return on assets	3% or above (final year of MTP 2023)	3.3%	4.2%	3.5%

Price-to-book ratio	1.0 times or above	0.64 times	0.76 times	-
---------------------	--------------------	------------	------------	---

\*1 Core operating cash flow = Cash flow after deducting changes in working capital from operating cash flow calculated for accounting purposes

\*2 Core cash flow = Core operating cash flow (excluding changes in working capital) + Post-adjustment net cash provided by (used in) investing activities – Dividends paid – Purchase of treasury stock  
(Post-adjustment net cash provided by (used in) investing activities is net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

Under MTP 2023, Sojitz has set a target of three-year average return on equity (ROE) of 10% or above based on consideration of the level of approximately 8% for shareholders' equity costs. In addition, we have introduced cash return on invested capital (CROIC) as a new internal management indicator.

CROIC indicates core operating cash flow as a ratio of return on invested capital. Each division has set targets for the minimum level of CROIC as value creation guideline figures for the period of MTP 2023. In the year ended March 31, 2023, ROE came to 14.2%. In addition, profit for the year (attributable to owners of the Company) amounted to ¥111.2 billion, compared with the target of ¥65.0 billion for the three-year average over the period of the MTP. Factors behind this increase included rises in product selling prices, improved coal market conditions, and stable growth in non-resource businesses.

In this manner, Sojitz posted a new record high for profit for the year (attributable to owners of the Company) for the second consecutive year, underscoring the improvements to the Company's earning power resulting from consistent success in value creation activities and ongoing investment. Resource businesses have been generating earnings, and steady progress has been made in investments in non-resource fields. These successes will form the foundation for Sojitz's transition to a new earnings stage under the next MTP.

#### iv. Investment Progress

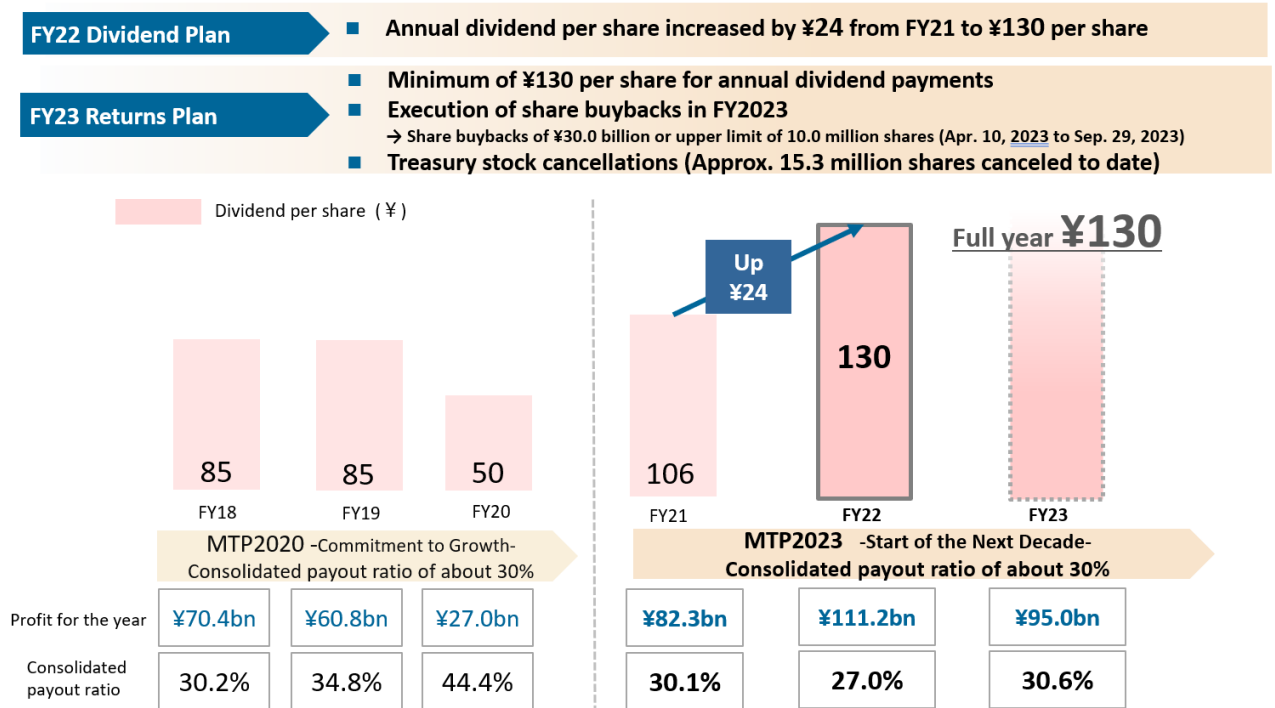
Sojitz invested ¥150.0 billion in the year ended March 31, 2022, and ¥93.0 billion in the year ended March 31, 2023, making for total investment of ¥243.0 billion during the period of the MTP thus far. These investments included energy conservation business companies in the United States, a solar power generation business in Australia, a telecommunications tower business in the Philippines, and other infrastructure and healthcare field investments as well as retail field investments in growth markets like Southeast Asia and India such as the acquisition of full ownership of aquaculture food product manufacturing company, The Marine Foods Corporation, and collaboration with the Vinamilk Group, a major Vietnamese dairy product manufacturer. In addition, we are strengthening our efforts in the materials and circular economy areas in Japan and overseas, such as the home appliance and electronics recycling business in Canada and the fluorine compound manufacturing business in Kitakyushu City, Fukuoka Prefecture, etc. In the year ending March 31, 2024, Sojitz, in April, acquired full ownership of Try Inc., a major frozen tuna processing and sales company, which enhanced the capabilities of the Group's seafood value chain in the retail field. We will continue with new investments while practicing disciplined cash flow management to realize steady improvements in corporate value.



## v. Shareholder Returns

It is Sojitz's basic policy to pay stable, continuous dividends while enhancing shareholder value through the accumulation and effective use of retained earnings. In accordance with this policy, we are targeting a consolidated payout ratio of approximately 30% under MTP 2023. The consolidated payout ratio was 27.0% in the year ended March 31, 2023.

A lower limit of ¥130 per share has been set for annual dividend payments in the year ending March 31, 2024.



Note: The Company conducted a five-for-one share consolidation of common shares of stock effective October 1, 2021. The dividend figures for FY18 to FY21 have been restated to reflect the share consolidation.

The positive core cash flow generated over the period of MTP 2020 and in the first two years of MTP 2023 was directed, in part, toward growth investments. In addition, the Company announced the cancellation of 15,299,900 shares of treasury stock (effective April 7, 2023) and share buybacks with an upper limit of 10 million shares, or ¥30.0 billion on March 31, 2023. These moves are meant to direct a portion of the aforementioned cash flow to shareholder returns and improve capital efficiency.

vi. Initiatives in Final Year of MTP 2023

The operating environment is expected remain volatile in the final year of MTP 2023. Factors behind this volatility will include the impacts of geopolitical risks, such as Russia's invasion of Ukraine, which continues from the year ended March 31, 2022, as well as monetary tighten measures affecting major currencies and the resulting fluctuations in the value of the currencies of emerging countries. Amid this volatility, Sojitz will endeavor to effectively manage the risks arising from diverse changes while also framing the challenging environment as an opportunity to evolve as it aspires to create new value. At the same time, we will seek to bolster our competitiveness and grow our business by advancing initiatives for achieving our vision for 2030 and by adopting local market-oriented initiatives, collaborating proactively, and striving for speed. Another focus will be ongoing efforts to transform the organization as necessary and raise the value of our human resources. This is the approach Sojitz will take toward growing and continuously creating value.

Furthermore, as a general trading company that constantly cultivates new businesses and human capital, Sojitz will promote human capital management, and as a DX strategy, will work to make digital technologies a common skill in which all employees are proficient and to utilize these technologies to drive business portfolio reforms. In this manner, digital transformation and the cultivation of DX-Expert employees will be positioned as a cornerstone of corporate value improvement measures. By bolstering internal and external communication and disclosure pertaining to these initiatives, we hope to foster anticipation for Sojitz's future growth and achieve a price-to-book ratio (PBR) of 1.0 times or above.

For more information on MTP 2023, please refer to Sojitz's corporate website (<https://www.sojitz.com/en/>).



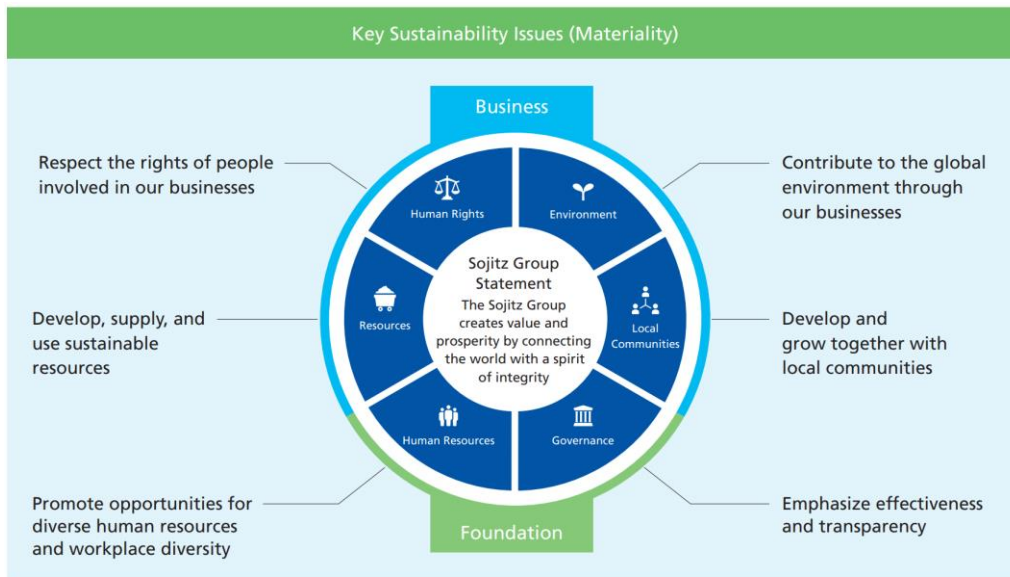
### 3) Sustainability Policies and Initiatives

For the Sojitz Group, the pursuit of sustainability involves working toward sustainable growth for both society and Sojitz by partnering with stakeholders based on the Sojitz Group Statement to maximize two types of value - value for Sojitz and value for society - through its business.

To guide its efforts to maximize its two types of value, Sojitz has defined Key Sustainability Issues (Materiality) to focus in on its business over the medium- to long-term. Referencing the United Nations Sustainable Development Goals (SDGs), the Paris Agreement, and other international standards, the Sojitz Group identified universal issues that need to be tackled if the Company is to achieve sustainable growth together with society. This process led Sojitz to define the Key Sustainability Issues of human rights, environment, resources, local communities, human resources, and governance.

The Sustainability Challenge, Sojitz's long-term vision for 2050, identifies specific challenges in relation to the Key Sustainability Issues. Specifically, this vision calls on us to help achieve a decarbonized society through our business activities and to respond to human rights issues, including those within our supply chains. This long-term vision formed the foundation for setting the growth strategies of the Medium-Term Management Plan 2023.

In formulating its response toward these issues, Sojitz sought to develop an understanding of the risks and opportunities it faced through engagement with stakeholders. Based on this understanding, we established policies related to decarbonization, human rights, and other matters, and reflected these policies in the Medium-Term Management Plan 2023 to guide concrete action. In addition, the Sojitz Group announced its endorsement of the final recommendations of the Task Force on Climate-related Financial Disclosures in August 2018, and we have since been practicing proactive disclosure and improving transparency based on the recommended framework.



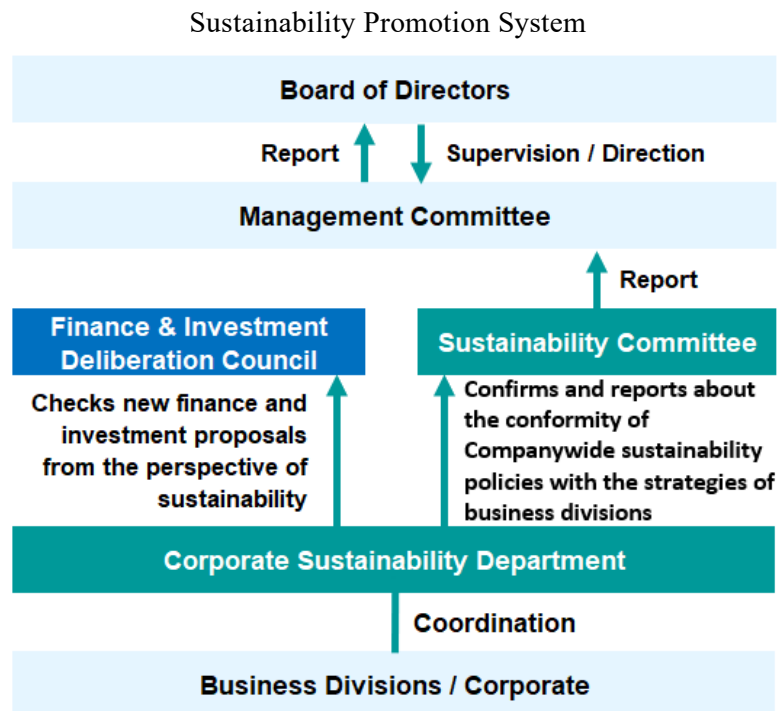
Identification of More Granular Themes

**Sustainability Challenge—Long-Term Vision for 2050**

Decarbonization Initiatives	Respect for Human Rights within Supply Chains
<p>Sojitz is involved with a number of supply chains that entail the release of CO<sub>2</sub> emissions. Accordingly, the transition to a decarbonized society presents a risk to the Company. Conversely, contributing to the reduction of CO<sub>2</sub> emissions throughout society represents an opportunity to create new businesses and an opportunity we are striving to seize.</p>	<p>Addressing human rights issues requires cooperation from all stakeholders involved in supply chains. As Sojitz engages with a number of supply chains, human rights issues are a matter of requiring ongoing attention.</p>

## Governance

The Sustainability Committee, chaired by the President (CEO), meets at least four times a year. Policies and issues discussed and debated by the Sustainability Committee are submitted to or reported to the Management Committee and the Board of Directors, which regularly oversees this process and issues instructions for action as necessary.



## Risk Management

The Sustainability Committee assesses and identifies CO<sub>2</sub> emission risks in each of the Sojitz Group's businesses. In addition, the risks of individual businesses are confirmed during the deliberation process at the Finance & Investment Deliberation Council, and the discussions at these meetings are shared with each business division. We also discuss and confirm the impact of climate change-related "risks" and "opportunities" on our business in our annual stakeholder dialogues.

i. Contributions to a Decarbonized Society

**Strategy**

●Reduction of Scope 1 and Scope 2 Emissions

CO<sub>2</sub> emissions are a risk, and Sojitz views reducing CO<sub>2</sub> emissions as an obligation toward achieving a decarbonized society. Accordingly, the Sojitz Group is accelerating efforts to reduce its own CO<sub>2</sub> emissions, represented by Scope 1 and Scope 2, in order to become a company that is better suited to a decarbonized society. Meanwhile, we view the process of transitioning to this society as an opportunity, based on which we are developing new businesses in a wide range of fields.

In addition, Sojitz formulated decarbonization policies in March 2021 to guide action based on the Sustainability Challenge while also setting targets for reducing Scope 1 and Scope 2 emissions (see below for more information).

●Measurement and Identification of Scope 3 and Scope 4 Emissions

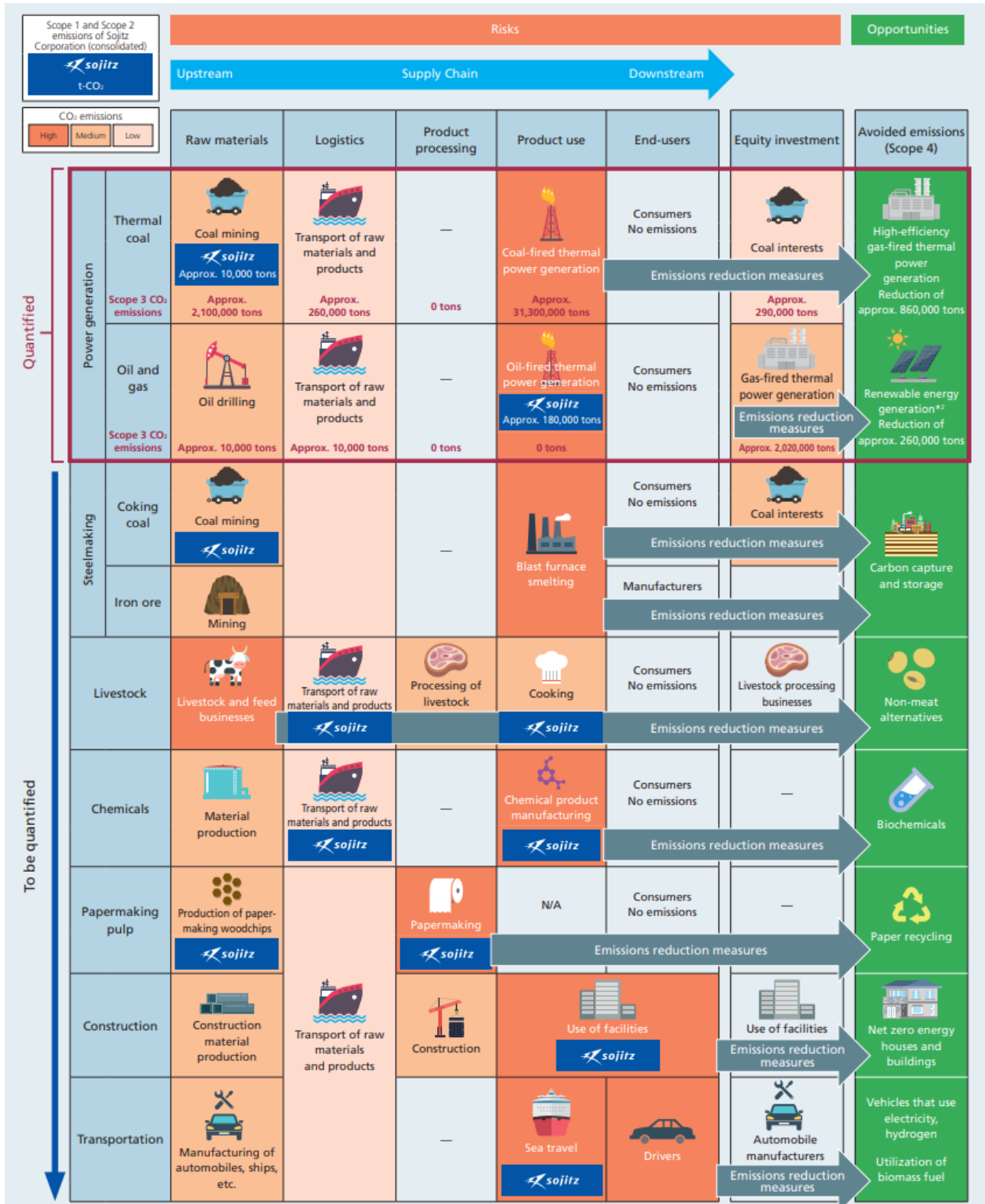
If we are to realize a decarbonized society, it will be important for us to address CO<sub>2</sub> emissions across the supply chain, as represented by Scope 3, in addition to our own emissions, represented by Scope 1 and Scope 2. Industries and stages of the supply chain responsible for large quantities of Scope 3 emissions have been designated as risks in light of them being a source of significant pressure for reducing CO<sub>2</sub> emissions and the potential for this pressure to increase in the future. Accordingly, these areas are identified and measured as such.

Specifically, the services of external specialists were employed to identify stages of the supply chains of industries in which the Sojitz Group does business that are responsible for large quantities of Scope 3 emissions. Areas that have high risks or that are expected to feature high risks in the future were analyzed to produce the following diagram. The vertical axis of this diagram represents industries in which the Sojitz Group does business with generally high CO<sub>2</sub> emissions whereas the horizontal axis displays the stages of each supply chain. This diagram was used to qualitatively analyze the risks faced by the Sojitz Group. In addition, quantitative assessments are performed with regard to the power generation sector, which has been judged to have a particularly large impact on the Sojitz Group.

Although supply chain stages with high Scope 3 CO<sub>2</sub> emissions represent a risk for the Sojitz Group, the potential to create new businesses that contribute to reductions of emissions is viewed as an opportunity. We are approaching this opportunity through initiatives for achieving growth, and the contributions to emissions reductions through such initiatives will be defined as Scope 4 emissions and tracked and measured accordingly.

<b>Risks (Scope 3)</b>	<p>The darkness of the orange-colored squares indicates how large the quantity of CO<sub>2</sub> emissions for which the given stage of the supply chain is responsible. Large-quantity stages are generally understood to face the potential to become sources of increasingly large pressure for reducing CO<sub>2</sub> emissions and are also susceptible to transition risks in the form of stricter decarbonization-related regulations, policy changes, demand fluctuation, and disruption by new technologies.</p>
<b>Opportunities (Scope 4)</b>	<p>The rightmost column on the horizontal axis represents areas where new projects are expected to contribute to CO<sub>2</sub> emission reductions by replacing existing CO<sub>2</sub>-intensive projects. The Sojitz Group will seek to generate earnings by offering alternatives to existing and competing products and services through carbon-free or low-carbon energy businesses, energy conservation businesses, and recycling-related products and services. Another approach to be taken toward generating earnings will be to secure a competitive position in newly created markets and segments.</p>

## Analysis of CO<sub>2</sub> Emissions Across the Supply Chain



Note: The above chart is based on a simplified version of the 15 Scope 3 categories defined by the GHG Protocol.

For more details on specific categories, please refer to [https://www.sojitz.com/en/csr/Sojitz\\_esg/e/deta.php](https://www.sojitz.com/en/csr/Sojitz_esg/e/deta.php).

\*1 Scope 4 emission = (Average global power generation efficiency by 2030 based on Net Zero Emissions by 2050 Scenario [global warming of 1.5°C above pre-industrial levels] of Internal Energy Agency [545 g/kWh] – Sojitz’s power generation CO<sub>2</sub> emissions coefficient) x Power generation volume

\*2 Renewable energy generation refers to generation of solar power.

\*3 Above was disclosed in FY2022.

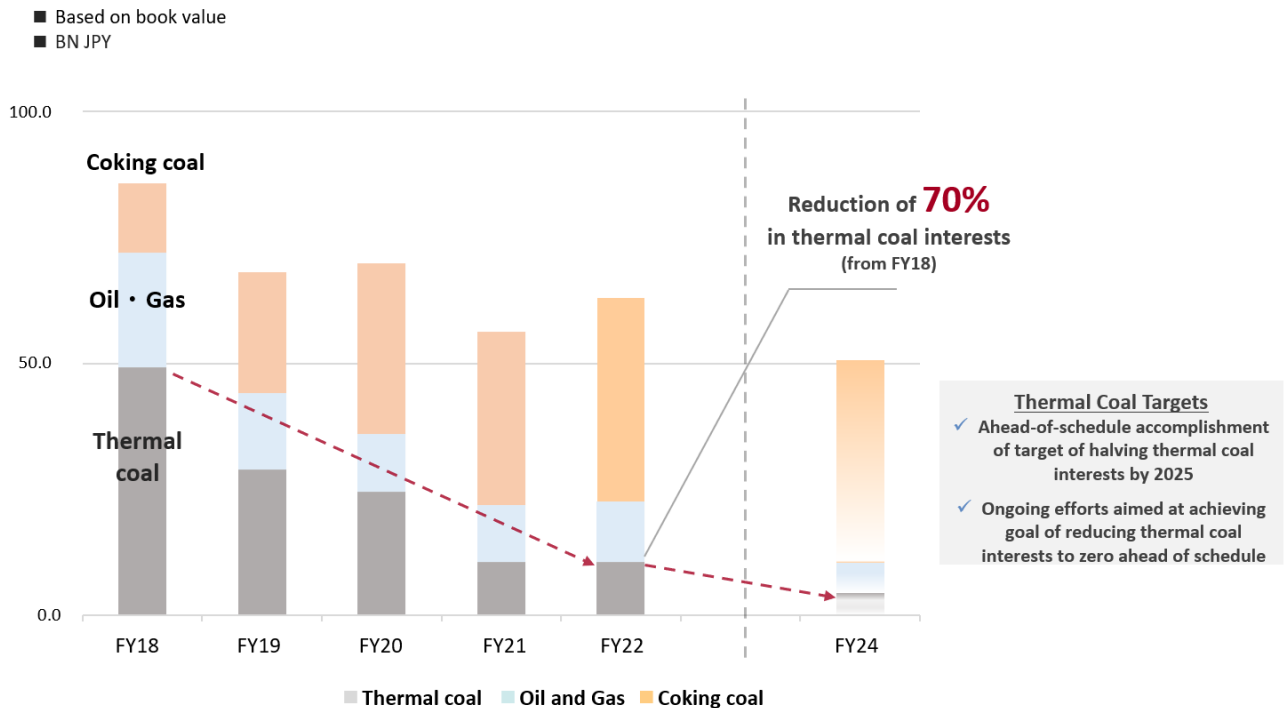
## Indicators and Targets

Sojitz has formulated decarbonization policies that include indicators and targets for assessing and managing the aforementioned climate change-related transition risks and opportunities.

	Targets	Progress
Existing businesses	<b>Scope 1/2</b> Reduce emissions by 60% by 2030; achieve net zero emissions by 2050* 1 (Net zero emissions by 2030 for Scope 2* 1 ) Note: Coal-fired power generation: No current projects nor future projects planned	Confirmation of measures and timetables with high-emissions Group companies and commencement of partial renewable energy introduction to accomplish targets by 2030
	<b>Scope 3</b> Natural Resource Interest Reduction Targets Thermal coal interests: Reduce interests to half or less by 2025 Zero interests by 2030* 2 Oil interests: Zero interests by 2030 Coking coal interests: Zero interests by 2050	Target of halving thermal coal interests by 2025 accomplished ahead of schedule Qualitative assessment of Groupwide Scope 3 emissions and commencement of quantitative measurements beginning with power generation sector, which has high CO2 emissions and a large impact on Sojitz's business, and later expanding the scope of measurement to other sectors
New businesses	Formulation of business-specific decarbonization policies and net zero emissions by 2050	
Contributions to a decarbonized society	Expansion of relevant businesses and initiatives framing situation as an opportunity Measurement of contributions to reductions in society's CO2 emissions (Scope 4) and advancement of related business activities	Commencement of Scope 4 measurements for renewable energy, energy conservation, and other power generation sector businesses

\*1 FY2019 serves as the base year with non-consolidated and consolidated subsidiaries included in the scope. Initiatives include certificate and other CO2 emissions reduction activities. Internal carbon pricing schemes are being considered to facilitate the acceleration of initiatives.  
 \*2 FY2018 serves as the base year and targets are based on the book value of interest assets.

## Breakdown of Resource Interests

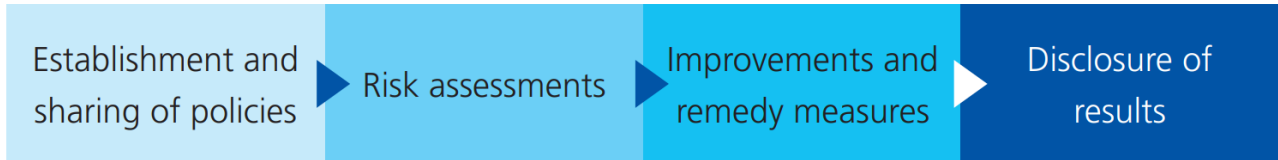


The targets indicated above are based on projections made at the time of the preparation of this document. We will take a flexible stance toward revising targets in response to changes resulted from social trends or technological progress.

ii. Supply Chain Human Rights Initiatives

The Sojitz Group develops businesses around the world and is thus committed to promoting respect for human rights in all of the countries and regions touched by the supply chains of these businesses. In this regard, the Sojitz Group supports the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We are promoting respect for human rights in accordance with the UN Guiding Principles on Business and Human Rights.

Process Described in UN Guiding Principles on Business and Human Rights



**Establishment and Sharing of Policies**

The Sojitz Group Human Rights Policy and the Sojitz Group CSR Action Guidelines for Supply Chains have been established based on the Ten Principles of the United Nations Global Compact. We share these guidelines with our suppliers and Group companies and ask for their understanding and compliance with all policies.

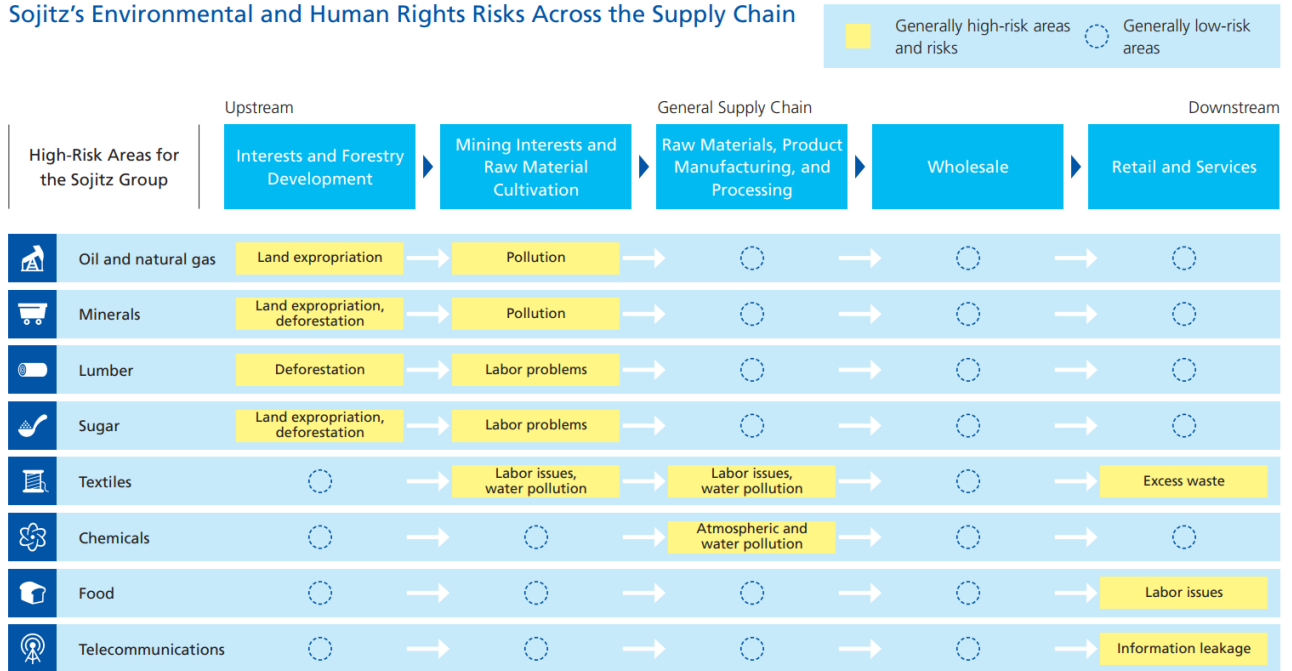
Ensuring respect for human rights across the supply chain requires the awareness and understanding of frontline employees. Based on this recognition, we request that Group companies submit documentation to confirm that they are effectively promoting understanding regarding human rights and raising awareness among frontline employees. In addition, the Corporate Sustainability Department (the secretariat for the Sustainability Committee) practices direct communication with the management of Group companies in order to verify the extent to which policies and initiatives have been communicated throughout the company in question, confirm the status of on-site measures, and promote greater levels of awareness and understanding in relation to respect for human rights.

**Risk Assessments**

The Sojitz Group develops its operations on a global scale, taking part in a wide range of businesses and being involved in areas of various supply chains spanning from the upstream to the downstream portions. The Business & Human Rights Resource Centre, an NGO based in the United Kingdom, maintains a database with examples of human rights risks. Adopting a risk-based approach, we use this database to identify areas of the Sojitz Group businesses in which risks are particularly high and to analyze and confirm the areas of the supply chain in which human rights risks are generally most likely to appear.

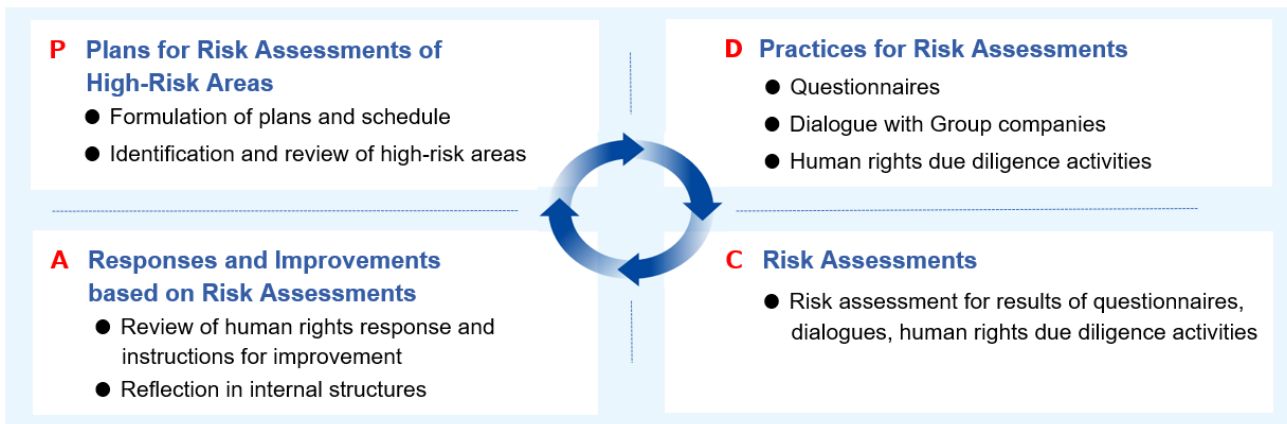


## Sojitz's Environmental and Human Rights Risks Across the Supply Chain



The following PDCA (plan-do-check-act) cycle is used to confirm the high-risk areas identified in the table above.

### ● Risk Assessment PDCA Cycle



### ● Onsite Due Diligence

Sojitz understands the importance of due diligence activities conducted at the sites of individual transactions and businesses in investigating and confirming human rights risks. For example, we have implemented the Sojitz Wood Procurement Policy, which contains provisions regarding legality, environmental consideration, and social consideration\* as it pertains to the procurement of import wood products. One way we enact this policy is by directly visiting suppliers to conduct surveys that include meetings with managers, local NGOs, government agencies, and community representatives.

\* In view of logging's potential to adversely impact human rights, we will seek to mitigate any negative impact associated with wood procurement.



**Improvements and Remedy Measures and Disclosure of Results**

In accordance with the established policies, risk assessments are conducted and human rights initiatives are advanced across our supply chains and in other areas. Sojitz thereby strives to ensure respect for human rights as described in the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights.

Risk assessments of high-risk areas performed in the year ended March 31, 2023, found no issues with the measures taken at the Sojitz Group companies or across the Group’s supply chains. Ongoing improvements through a PDCA cycle as well as timely and appropriate disclosure will be pursued in relation to these areas while incorporating input from external specialists.

Moreover, wood to be imported from overseas is assessed to confirm traceability back to the place of origin and the suitability of forest management measures with consideration for environment and social (human rights) factors in accordance with the Sojitz Wood Procurement Policy. Based on these assessments, wood is categorized into one of the following four levels.

Level A: Wood confirmed to be certified wood\*

Level B: Wood which has not been certified, but for which we have verified both traceability and suitability of forest management (i.e. that the forest is subject to environmentally and socially conscious forest management)

Level C: Traceable wood

Level D: Wood lacking traceability

\* Wood certified under FSC®, PEFC, etc.

FY2025 Target	100% of transaction volume accounted for by Level A and Level B wood by the year ending March 31, 2026
---------------	--

Level		FY2016 Survey	FY2017 Survey	FY2018 Survey	FY2019 Survey	FY2020 Survey	FY2021 Survey	FY2022 Survey	FY2025 Target
Imported wood	A+B	50%	59%	70%	78%	92%	95%	94% *	100%
	C	26%	35%	30%	22%	8%	5%	6%	0%
	D	24%	5%	0%	0%	0%	0%	0%	0%

\* We have narrowed our evaluation criteria for Level A wood each year. Beginning with the survey conducted in the year ended March 31, 2021, we have been limiting the category to only wood that has been officially certified. In the survey conducted in the year ended March 31, 2023, Level A wood accounted for 22% of all wood surveyed. Moreover, Level A and B wood together accounted for 94.5% of all wood surveyed in the year ended March 31, 2022, and 94.4% in the year ended March 31, 2023, a decrease of 0.1 percentage point.

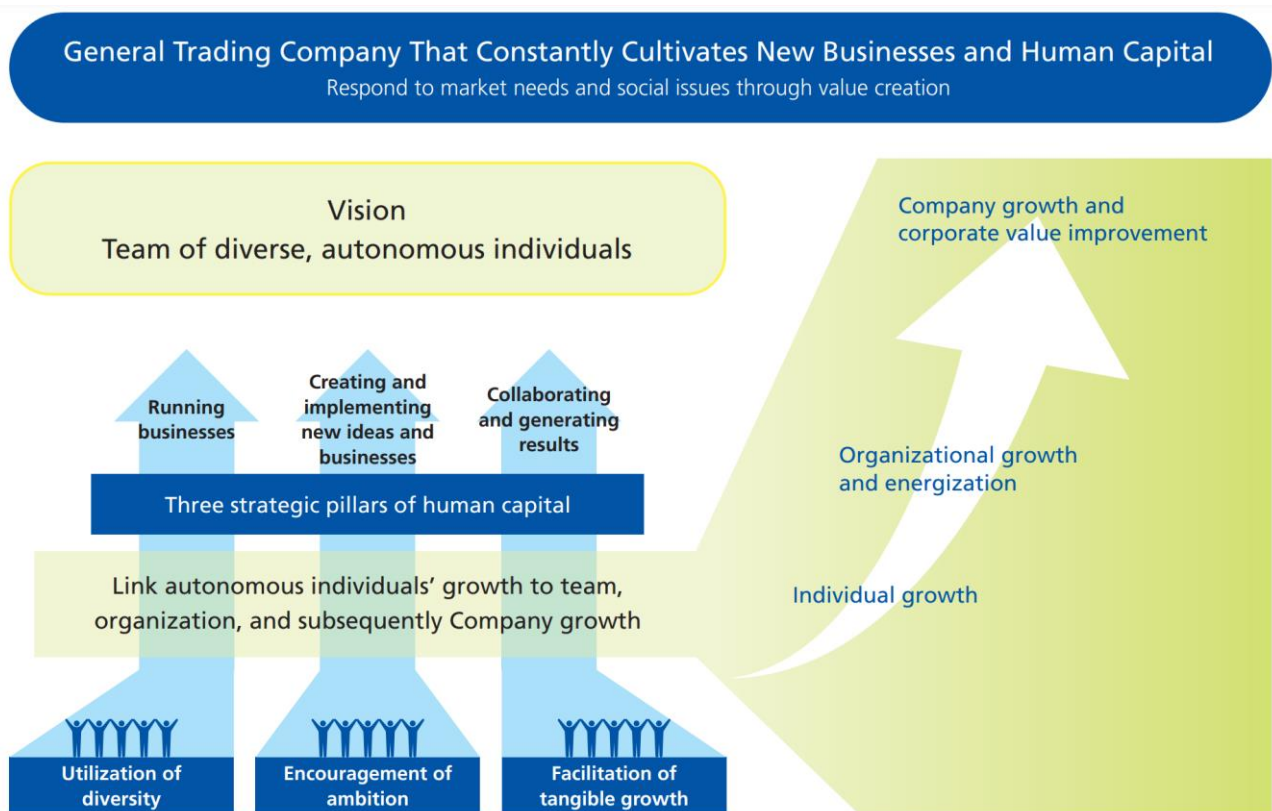
Note: Levels A through D were determined based on evaluations conducted by Sojitz using WWF Japan's Responsible Purchasing Checklist for Forest Products. Percentages in the above table were calculated by dividing the cost of procured (imported) wood in each level by the total cost of all imported wood included in the survey. Due to the amount of time required to select and analyze suppliers, each year's survey uses data from two years prior. According, the survey conducted in the year ended March 31, 2023, uses the total cost of all wood imported in the year ended March 31, 2021. We have acquired third-party assurance since FY2020.

For more information on the Sojitz Wood Procurement Policy and the related targets and performance, please refer to the Sojitz's corporate website (information updated as appropriate).

<https://www.sojitz.com/en/csr/supply/lumber/>

### iii. Basic Human Resource Development Policy

Sojitz’s vision for 2030 is defined as becoming a general trading company that constantly cultivates new businesses and human capital. Guided by the belief that the growth of a team of diverse, autonomous individuals is a source of value creation, we have defined three strategic pillars of human capital: utilization of diversity, encouragement of ambition, and facilitation of tangible growth. Measures are being advanced in accordance with these pillars. In accordance with the theme of transforming diversity into competitiveness, we are capitalizing on the diverse backgrounds of our employees to uncover market needs from a multitude of perspectives. Sojitz provides its employees with various opportunities for tackling new challenges, such as the Hassojitz Project, and we are committed to generating a cycle of tangible growth through the implementation of the overseas trainee program, which enables people to experience overseas training outside of their assigned division, and other programs that serve as opportunities for gaining new experience. In this manner, Sojitz is developing frameworks that link the growth of its employees to the growth of the Company.



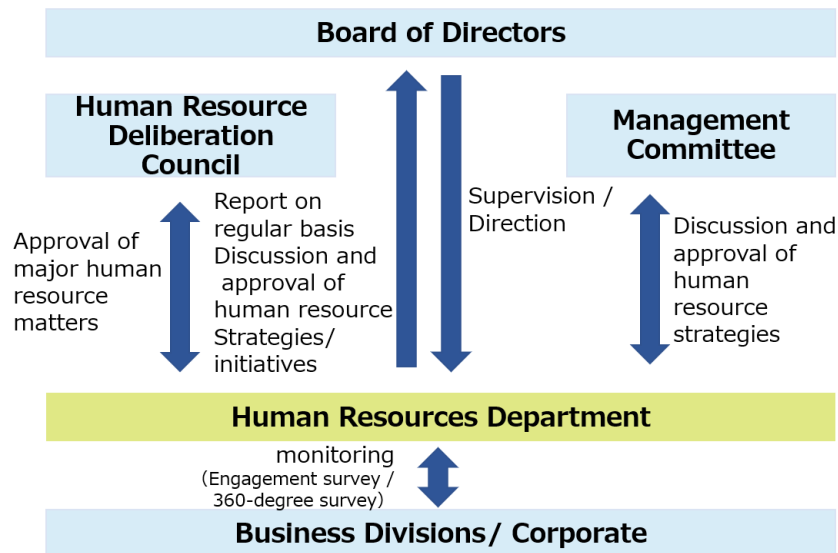
For more information on human resource measures, please refer to the Sojitz’s corporate website.  
<https://www.sojitz.com/en/csr/employee/>

Human resources are the most important asset and a driver of value creation for trading companies. We therefore put emphasis on human capital in management for continuous value creation under the following promotion system through maximizing the capabilities of human resources and forming a group of individuals who can transform themselves and create new value.

**Governance**

As a practical application of human capital management, after we examine the measures from a managerial perspective at the Board of Directors, major human resource matters are approved at the Human Resource Deliberation Council which chair is served by the president (CEO). Progress on initiatives such as human capital KPIs or effectiveness and issues on human resource measures are discussed within the Management Committee and the Board of Directors on a regular basis. To quickly detect and respond to the risks, we have established systems for monitoring using engagement surveys and 360 -degree survey. To gather opinions from our employees, we have established compliance hotlines and internal suggestion box. Through these initiatives, we aim to enhance our capability to pursue the ongoing creation of corporate value.

Human Capital Management Promotion System



## Risk Management

By approaching each important issues from both offensive and defensive perspectives – the “risks” of human capital value and the “opportunities” for value enhancement- we commit to the improvement of corporate value. To accomplish Sojitz’s vision for 2030, we continue to tackle not only immediate issues but also those that need to be addressed now with an eye to the future.

Risks and Opportunities for Improvements to Value		Sojitz’s Approach
Compliance	<ul style="list-style-type: none"> <li>• Loss of trust in Sojitz caused by compliance-related violations</li> <li>• Deterioration of work environment caused by harassment</li> </ul>	<ul style="list-style-type: none"> <li>✓ Establishment of Sojitz Group Code of Conduct and Ethics, e-Learning by universal teaching materials</li> </ul>
Labor practices	<ul style="list-style-type: none"> <li>• Decline in productivity due to long working hours</li> </ul>	<ul style="list-style-type: none"> <li>✓ Establishment of Sojitz Group Human Rights Policy, respect for human rights</li> <li>✓ Promotion of flexible work style through reforms</li> </ul>
Health / Safety	<ul style="list-style-type: none"> <li>• Decline in labor force due to employee’s physical/mental illness/injury and work-related accident</li> </ul>	<ul style="list-style-type: none"> <li>✓ Health management based on Sojitz Healthy Value</li> </ul>
Diversity	<ul style="list-style-type: none"> <li>• Bias in decision-making due to lack of diversity</li> <li>• Creation of innovation through the cross-fertilization of knowledge</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promotion of diverse human resources, such as women, mid-career recruits, and locally hired employees</li> <li>✓ Setting KPIs as key indicators</li> </ul>
Liquidity	<ul style="list-style-type: none"> <li>• Increase in turnover rate</li> <li>• Attraction of diverse human resources through flexible work arrangements</li> </ul>	<ul style="list-style-type: none"> <li>✓ Achieving flexible work styles and co-creation and sharing within an inclusive Sojitz Group such as establishment of Sojitz Professional Share</li> </ul>
Engagement	<ul style="list-style-type: none"> <li>• Decrease in productivity due to lower engagement</li> <li>• Challenges and growth through increased motivation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Engagement surveys with unique questions revealed our unique issue identification and fixed-point observation to monitor and improve penetration of measures</li> </ul>
Training	<ul style="list-style-type: none"> <li>• Obsolescence of skills and knowledge due to changing times</li> <li>• Development of human resources capable of realizing business strategies and creating value</li> </ul>	<ul style="list-style-type: none"> <li>✓ Introduction of unique digital human resource development programs and support for reskilling programs to develop human resources capable of creating value in response to the needs of the times</li> </ul>
Consolidated management	<ul style="list-style-type: none"> <li>• Expansion of Sojitz Group strength through new business investment</li> <li>• Value creation through co-creation and sharing with Sojitz Group</li> </ul>	<ul style="list-style-type: none"> <li>✓ Accumulation of know-how and human resource development in new business investment</li> <li>✓ Expansion of human resource pool through planned recurrent education</li> </ul>
Succession plan	<ul style="list-style-type: none"> <li>• Lack of human resources capable of responding to changes in the external and internal environment</li> <li>• Sustained creation of human resources that embody a Sojitz identity</li> </ul>	<ul style="list-style-type: none"> <li>✓ Systematic training of candidates for line manager posts</li> <li>✓ Forming a talent pool and systematically train candidates</li> </ul>
Increase in productivity	<ul style="list-style-type: none"> <li>• Expand earnings by strengthening per capita earning power</li> </ul>	<ul style="list-style-type: none"> <li>✓ Visualization of human resources and operations to ensure the right person is in the right place at the right time</li> <li>✓ Implementation of organizational improvement project based to survey results</li> </ul>

“Risk” management perspective

“Value enhancement” perspective

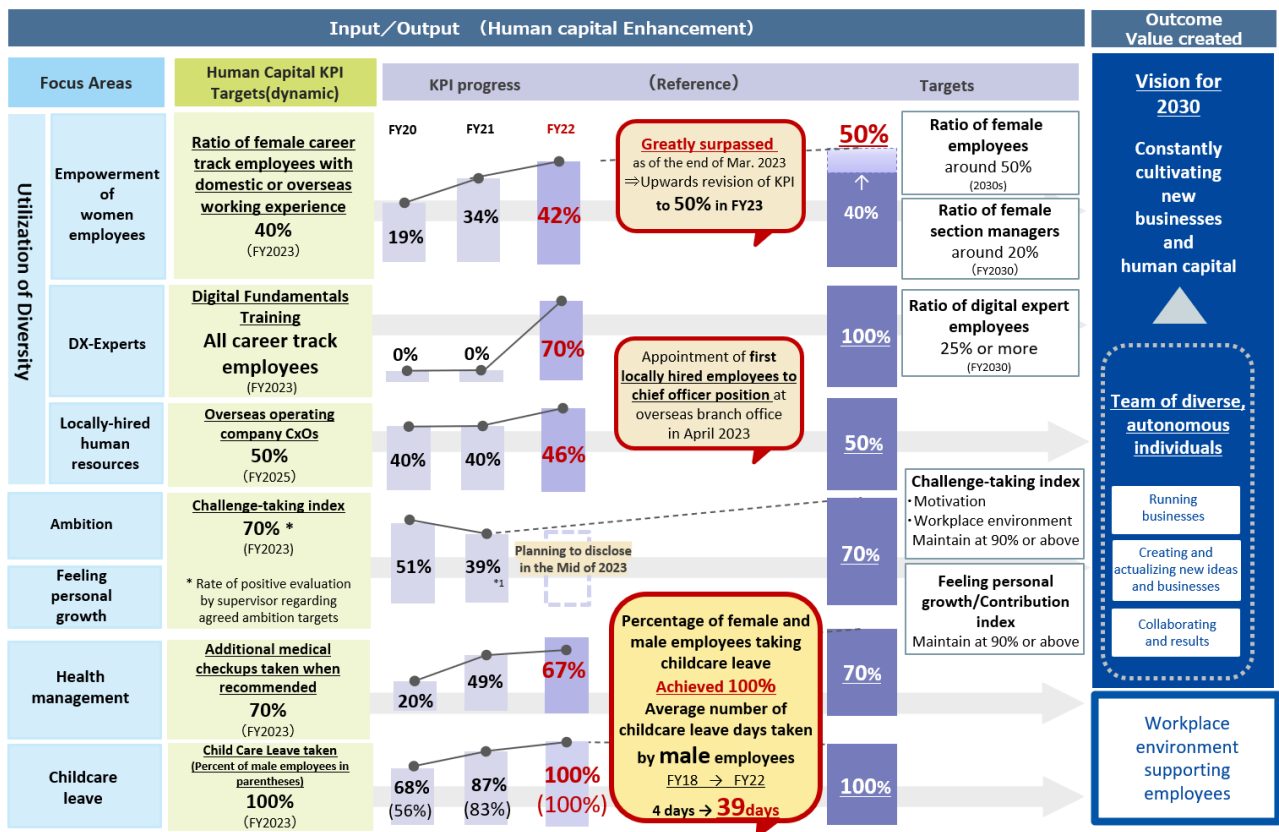
Unique perspective that embodies Sojitz identity for 2030

## Indicators and Targets

### ●Dynamic Human Resource KPIs

In June 2021, Sojitz has established the following human capital key performance indicators (KPIs) for use in quantitative measurements of the degree of dissemination of human resource measures as we advance human resource development initiatives. With dynamic and flexible KPIs that can be revised based on operating environment trends and the degree of dissemination of human resource measures, we are implementing monitoring systems while adjusting measures as necessary. The status and progress of human resource measures are reported to the Management Committee and the Board of Directors every six months in order to facilitate discussion among management.

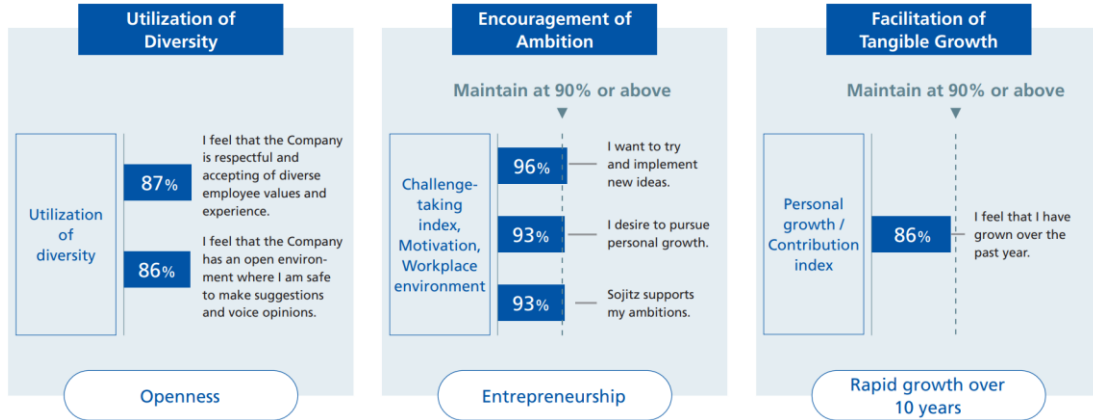
### Dynamic Human Resource KPIs and FY2022 Performance



\*1 Ambition targets used in annual evaluation processes set on a voluntary basis in FY2020 (prior to establishment of human capital KPIs) but required of all career track employees from FY2021

Employee engagement surveys are a viable tool for guiding management with an emphasis on human capital in a manner that is distinctively Sojitz. Questions related to our corporate culture have revealed truths about the essence of Sojitz’s culture of supporting the ambitions of diverse employees. The results of these surveys have been reflected in human capital KPIs and officer compensation to promote management emphasizing human capital.

### Results of Employee Engagement Survey Instituted in August 2022



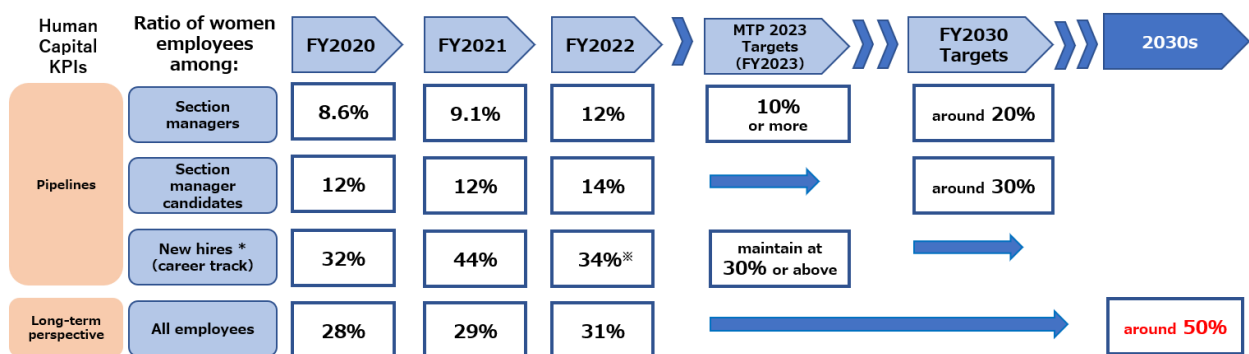
### 1) Human Capital Strategic Pillar 1: Utilization of Diversity

Sojitz utilizes diversity to respond to market volatility and generate the organizational capabilities that underpin the swift generation of value. In this undertaking, we have continued to proactively recruit and appoint diverse talent, including women, non-Japanese individuals, and people with a wide range of career backgrounds. At the same time, we have proceeded with the development of a workplace environment that will allow us to fully capitalize on the traits and skills of such individuals while complementing these efforts with training for management. We thereby aim to make the Company a place in which the fresh ideas and opinions of diverse employees can be effectively incorporated in a multifaceted manner in order to create value.

#### ● Empowerment of Female Employees

Sojitz has established a dedicated diversity management organization that works together with the Human Resources Department to advance various diversity promotion initiatives. Moreover, the empowerment of female employees has been defined as a top priority for human resource strategies given its importance in linking diversity to competitiveness in the form of innovation. We have set the target of achieving a ratio of female employees to all employees of 50% in 2030, and efforts are being advanced from a medium- to long-term perspective to develop a workplace environment in which contributions by women are commonplace. Sojitz is bolstering its human resource pipelines among all age groups while helping employees gain experience. We are also taking steps to eliminate gender gaps in work experience and help women continue working even while undergoing life events. These efforts are aimed at increasing the representation of women in management decision-making. Moreover, the ratio of female career track employees with working experience at domestic or overseas group companies has been defined as a KPI for these efforts, and we have also set targets for indicators such as the ratio of female section managers.

Women's Empowerment Targets and Progress



\* Joined Sojitz on April 1, 2023

- Female new graduate recruitment ratio of 30% or more for career track positions maintained since the year ended March 31, 2019 (ratio of women among new career track employees joining in April 2023 of 34%)
- Target for ratio of female section managers of 10% or more set for the year ending March 31, 2024, achieved a year ahead of schedule in the year ended March 31, 2023, with a ratio of 12%
- Target for ratio of female career track employees with domestic or overseas working experience of 40% set for the year ending March 31, 2024, achieved a year ahead of schedule in the year ended March 31, 2023, with a ratio of 42% on March 31, 2023. (Upward revision of KPI to 50% for the year ending March 31, 2024)
- (Reference) Women represent two of eight directors and two of five Audit & Supervisory Board members (ratio of female officers of 31% on March 31, 2023)



- (Reference) Two female executive officers (as of March 31, 2023) appointed through internal promotion and external recruitment of individuals with applicable experience and specialized expertise

Sojitz endeavors to ensure that employees are able to balance their work with child-rearing, regardless of their gender. We recognize the importance of fostering a workplace environment that encourages organization-wide understanding and support of employees raising children in enabling women to continue their careers even while undergoing life events. For this reason, we have set a target of 100% for the human resource KPI of child leave taken for the year ending March 31, 2024. It is our hope for Sojitz to be a company and to offer workplaces and organizations in which everyone is able to contribute, regardless of their gender. For this reason, we are committed to pursuing increases in work efficiency and team management capabilities. We are also helping employees balance their work with child-rearing through support for early returns to work and the promotion of flexible workstyles.

- Rate of 100% for childcare leave taken achieved in the year ended March 31, 2023
- Measures implemented for empowering female employees
  - Training on supporting employees raising children provided to all division/section managers, confirmation of endorsement of Sojitz Commitment to IkuBoss
  - Career discussion forums led by female directors
  - Small meetings between employees and female executive officers
  - Mentorship programs for mid-ranked female employees, etc.

Relevant Links:

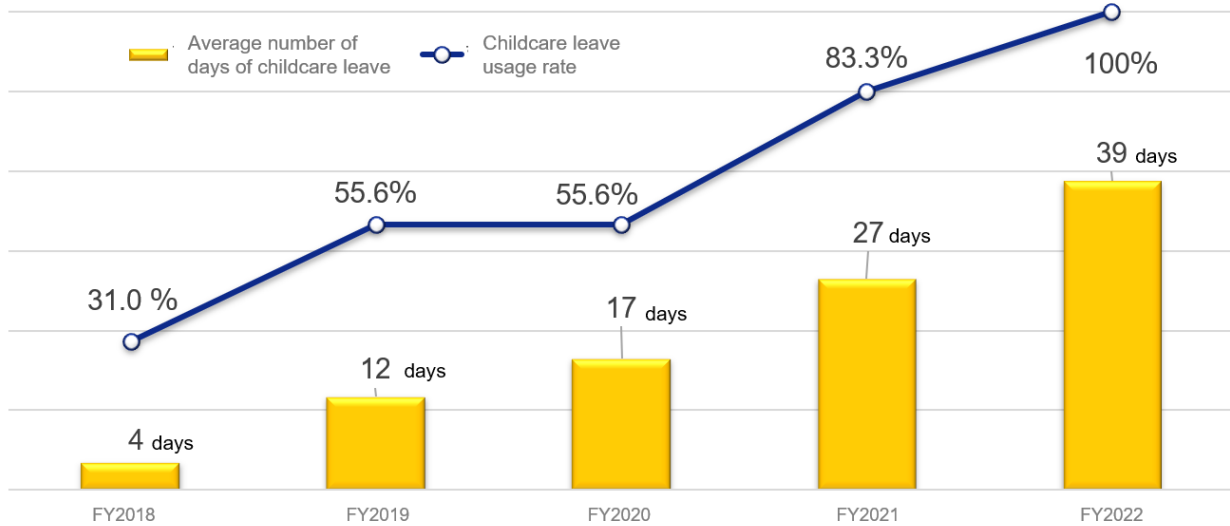
Sojitz Selected as “Nadeshiko Brand” for Seventh Consecutive Year (news release issued on March 22, 2023)

<https://www.sojitz.com/en/news/2023/03/20230322.php>

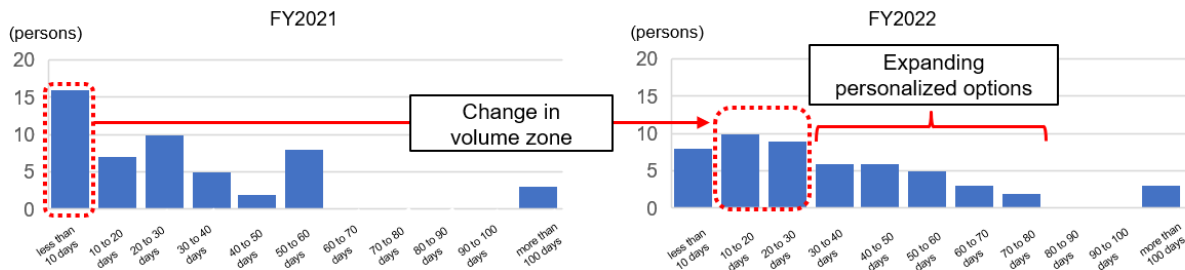
General Employer Action Plan established in Act on Promotion of Women’s Participation and Advancement in the Workplace

[https://www.sojitz.com/en/csr/employee/pdf/kodo2021\\_en.pdf](https://www.sojitz.com/en/csr/employee/pdf/kodo2021_en.pdf)

### Number of childcare leave days taken by male employees



### Changes in number of childcare leave days taken by male employees



#### ● Encouragement of Contributions from Mid-Career Recruits

Sojitz is devoting efforts to the recruitment of mid-career individuals in order to bolster the diversity of its staff, in relation to women, non-Japanese, and other individuals, and to secure people with management, digital transformation, other specialized expertise. We intend to maintain our target of having mid-career recruits represent 30% of new hires in any given year, and we aim to have 50% of said recruits be women.

- 21% of management positions and 35% of officer positions filled by mid-career recruits (as of March 31, 2023)
- Mid-career recruits accounting for 31% of new hires in the year ended March 31, 2023
- Woman recruited from outside of the Company appointed to position as executive officer and CDO (chief digital officer) in December 2021\*

\* Appointed to position of managing executive officer, CDO, and CIO on April 1, 2023

- Utilization of Non-Japanese Human Resources

Sojitz is increasing the number of chief officer positions filled by non-Japanese employees with the goal of better entrenching its operations, centered on overseas operating companies, into local networks in order to expand its business domain and co-create new businesses. In the year ended March 31, 2022, the ratio of overseas chief officer positions filled by locally hired employees was 40%, and we look to raise this ratio above 50% by the year ending March 31, 2026. Moreover, we aim to bolster information sharing in overseas regions in order to facilitate market-oriented initiatives, seize new business opportunities, and promote co-creation and sharing. To this end, the Company has established an advisory board membered by the locally hired leaders of overseas operating companies and appointed locally hired directors. At a meeting of the advisory board held in the United States, Sojitz Corporation President Masayoshi Fujimoto joined in a lively debate about the growth strategies to be implemented going forward with the chief officers of operating companies in the Americas. Through such exchanges, Sojitz aims to promote co-creation and sharing and thereby drive the creation of new value.

- Ratio of overseas chief officer positions filled by locally hired employees of 46% as of March 31, 2023

## 2) Human Capital Strategic Pillar 2: Encouragement of Ambition

The current era of volatility, characterized by advancing digitalization, rising ESG awareness, and diversifying values and needs, requires employees with fresh perspectives for producing unique ideas and responsibility and conviction for giving form to one's ideas. Sojitz actively encourages the ambitions of individuals with the inquisitiveness and independence required to see their ambitions through. We are committed to fostering human resources with the ability to transcend existing business frameworks and preconceptions to create value and thereby drive the ongoing growth and eventually the rapid evolution of the Company. Realizing our vision will require us to transform our culture and how we think and understand matters. We believe that thorough communication and an open dialogue can unlock individuals' potential and spur the growth of the Company. Moreover, Sojitz sees ambition as the quality of never becoming complacent and instead exercising autonomy in transforming to improve corporate value and productivity while inspiring those around oneself.

### ● Hassojitz Project

The Hassojitz Project is a new business creation project launched in 2019 with the aim of fostering employees' abilities to plan for the future and to practice strategic thinking by providing an opportunity to contemplate Sojitz's future growth. In the year ending March 31, 2023, the fourth year of the Hassojitz Project, we set the theme of passion and commitment, based on which we arranged a number of events to accelerate the creation of new businesses founded on fresh ideas. These events included pitch meetings and discussion forums with experts and Sojitz alumni and dispatch to an incubation program provided by Phoenixi Co Ltd. The Hassojitz Project has already led to success in creating new businesses as teams who participated in the project in the year ended March 31, 2021, have since gone on to found companies to give form to their e-sports and fast-growing tree sapling ambitions.

### ● Sojitz Alumni

Sojitz Alumni is a platform for expanding our business scope through networking among current members of Sojitz as well as former members who continue business or social contribution activities even after leaving the organization. Through this platform, we aim to build an inclusive the Sojitz Group in order to promote the creation of new business opportunities and to facilitate open innovation in a manner that extends beyond the boundaries of existing businesses. In 2022, we celebrated the one-year anniversary of the establishment of Sojitz Alumni. This platform continues to provide opportunities for exchanges between members, both current and past employees of Sojitz, through regular events. In addition, Sojitz Alumni members act as judges for the Hassojitz Project and otherwise utilize their external insight and networks to contribute to the creation of new businesses.

### ● Support System for Entrepreneurs and Independent Businesses

Sojitz has introduced a support system for entrepreneurs and independent businesses that provides employees pursuing such ventures access to Sojitz's resources (funding, informational resources, and networks). Through this system, we aim to support the entrepreneurial endeavors of employees. Moreover, this system helps facilitate the commercialization, independent growth, and establishment of businesses based on ideas proposed via the Hassojitz Project. As a general trading company that constantly cultivates new businesses and human capital, we aim to support the career paths of employees seeking to engage in entrepreneurship or develop independent businesses while recruiting and cultivating human resources with an entrepreneurial spirit and fostering a corporate culture conducive to these activities.

- Sojitz Professional Share

In the coming era, it will be important to abandon prior conventions such as seniority based on length of service and lifetime employment to ensure that employees with diverse values and career ambitions can maintain high levels of motivation. Sojitz Professional Share Co., Ltd., is a company that functions as a platform supporting the diverse career and life plans of employees over 35. This company allows employees to work until the age of 70, has no restrictions on workplace or time, and authorizes side businesses and entrepreneurial ventures to support every employee in making ongoing contributions on new career paths. There have been instances of members of Sojitz Professional Share working as part-time university professors or supporting businesses as consultants to rural small and medium-sized enterprises while still performing their duties for Sojitz, demonstrating how this company is providing a venue through which individuals can use their accumulated insight to contribute in a wider range of areas.

- Cultivation of DX-Experts (see page 88)

### 3) Human Capital Strategic Pillar 3: Facilitation of Tangible Growth

Sojitz has fostered an open culture in which employees feel safe to fail. With this culture, we are creating a virtuous cycle through which we encourage employees to tackle ambitious challenges and thereby facilitate tangible growth in order to foster diversity within our employee base. We believe the ability to tangibly feel that one is growing and contributing is itself a reward, and we are therefore developing an environment in which employees and the Company choose each other and spur their own mutual growth.

- Trainee Programs

Sojitz has in place training systems for cultivating management staff, including an overseas trainee program, a system for dispatching employees to Master of Business Administration programs, and self-learning programs for language acquisition. One particularly unique program is a trainee program that allows employees to gain experience at organizations with missions that differ from that of their own. The program thus provides an opportunity to grow by broadening one's perspective through new experience and by expanding their base of knowledge and inter-personal connections.

- Employees (of which 31% were women) dispatched to 26 countries via overseas trainee program in the year ended March 31, 2023

- Training Programs

Sojitz has prepared a variety of training programs with the goal of fostering human resources who can think, act, and persevere on their own to create new value on the global stage. Training opportunities like the DX-Expert development program are provided to employees of all ages and ranks. We also supply training matched to specific age groups and ranks, including training for new employees, managers, and officers. Through these programs, we aim to link the growth of individuals to the growth of the team and the organization. We are also focused on selective training programs for cultivating future leaders. These programs are designed to improve the resilience of the organization and systematically foster candidates for future managerial positions by building a robust pool of human resources and developing succession plans. Moreover, experts are employed to provide coaching to help individuals gain the fundamental knowledge required of a manager, acquire sophisticated management skills, and build networks with managerial personnel at other companies. The Company also dispatches human resources to cross-industry training events.

- Guidance system and mentor system
- Job rotation system and internal elective system

#### 4) Systems Supporting Diverse Human Resources

The Sojitz Group believes that its growth is prefaced on the growth of its employees. We are therefore committed to developing a workplace environment that ensures that all employees with diverse values and career ambitions can maintain high levels of motivation by growing and chasing their ambitions.

- Health and Productivity Management

At the Sojitz Group, we consider our employees to be our greatest asset. We thus feel it is our responsibility to create a safe, comfortable, and rewarding work environment that contributes to the mental and physical well-being of our staff and of their families. In March 2018, we established the Sojitz Healthy Value charter to guide efforts to protect and improve employee health. This move was based on our belief that when highly-motivated employees are able to realize their full potential, Sojitz will be able to enhance its capabilities as an organization. Another consideration was our commitment to creating value and prosperity. Guided by this charter, we are strengthening the capabilities of the Health Support Office and implementing various measures to help prevent illnesses and promote health and to enable employees to continue working even while undergoing treatment. Meanwhile, Sojitz has maintained a 100% rate of employees undergoing initial health examinations while the rate of applicable employees undergoing follow-up health examinations has been defined as a human capital KPI for the purpose of preventing and quickly detecting illnesses. On March 31, 2023, the rate of applicable employees undergoing follow-up health examinations was 67%. Furthermore, a health strategy map was prepared in the year ended March 31, 2023, to provide a visual representation of the health and productivity management challenges we face and the steps to be taken in tackling these challenges, and Sojitz has been selected as a Certified Health and Productivity Management Organization.

Relevant Links:

Health Strategy Map <https://www.sojitz.com/en/csr/employee/pdf/strategymap.pdf>

- Health support for empowering female employees
  - Expansion of range of ages applicable for cervical cancer and breast cancer screenings
  - Positioning of contract gynecologist specialists on Company premises and establishment of in-house infertility treatment consultation desks
  - Regular online learning sessions on women’s health led by physicians and specialists
  - Discount vouchers for infertility treatment and various examinations

- Other Measures

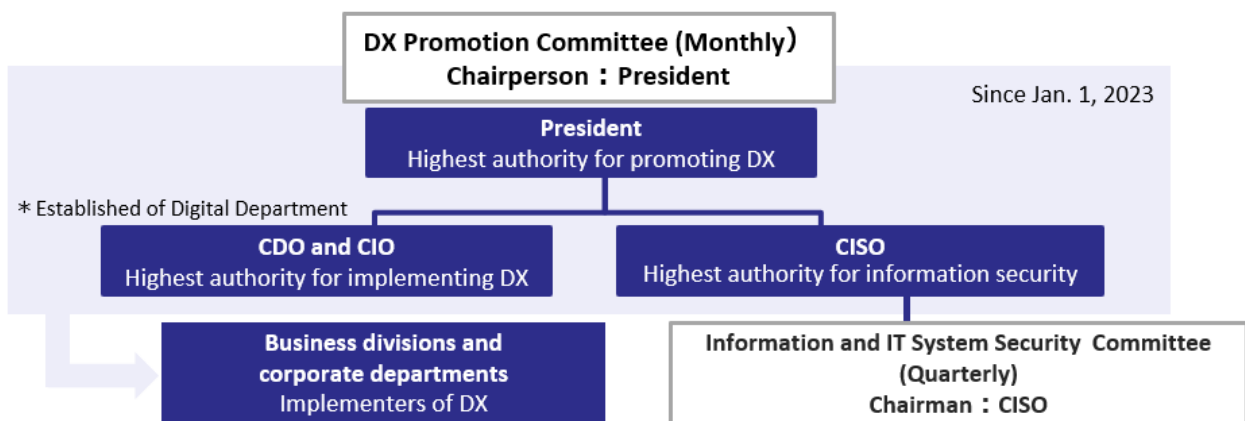
In February 2023, Sojitz resolved to grant 100 shares of common stock to employees who are members of the Shareholding Association as special incentives. At present, around 90% of Sojitz employees are members of the Shareholding Association. Through this measure, Sojitz aims to foster employee awareness about the sustainable improvement of corporate value.

iv. Digital Transformation Initiatives

● Reinforcement of Governance Systems

To further Sojitz’s evolution toward becoming a general trading company that constantly cultivates new businesses and human capital, the president is leading a movement to make digital technologies a common skill in which all employees are proficient and to utilize these technologies to drive business portfolio reforms. Moreover, we look to promote digital transformation and foster DX-Experts. In this manner, we will pursue higher business value.

One facet of these efforts is the acceleration of data usage and technology implementation in existing businesses for increasing value and creating new value. The president himself chairs the DX Promotion Committee, and, in this capacity, he actively discusses how to apply digital technologies to our businesses together with the heads of business divisions and corporate departments as part of a framework for swift decision-making. In addition, effective April 1, 2023, the CDO Office, the General Affairs & IT Operation Department, and the ERP Transition Office were reorganized to form Digital Department 1 and Digital Department 2. This reorganization has served to consolidate our digital technology-related functions and personal, granting greater flexibility in positioning human resources and poising us to achieve higher levels of speed and quality in digital transformation of businesses, the fostering of DX-Experts, reinvention of enterprise resource management systems, and the maintenance and innovation of other IT systems. In addition, a CISO (chief information security officer) has been appointed as the highest authority for information security. This individual oversees efforts to strengthen information security through the acceleration of digital transformation and data utilization in order to promote the digitalization of both new and existing businesses.





● Development and Expansion of DX-Experts

We will be utilizing digital transformation to further our evolution in terms of business models and processes and in order to fuel value creation. Sojitz refers to human resources capable of utilizing internal and external data and digital technologies to transform business models and processes as DX-Experts, and we are dedicating efforts to cultivating such human resources. We have formulated systematic programs for developing DX-Experts with the aim of enabling many employees to make full use of data and digital technology in their work. Skill levels are classified into entry, basic, and practical application levels. The practical application level is further classified into experienced, expert, and thought leader levels. In addition to the content for the basic level, which emphasizes both offense (DX) and defense (information security), we launched training programs for the practical application level in summer 2022.

Furthermore, we began cultivating in-house certified developers of low-code tools in 2022 with the goal of endowing employees with the ability to create the apps they need (citizen development) for their respective business activities in order to accelerate improvements to operational efficiency.

- National IT Passport certification acquired by 92% of career track employees and 63% of administrative workers through entry level program (as of March 31, 2023)
- Completion of basic level program by 1,380 (70%) of employees (as of March 31, 2023)
- Completion of experienced level program by 159 employees (as of March 31, 2023)
- Acquisition of internal developer certification by 100 employees (as of March 31, 2023)

Note: Figures exclude employees working overseas.

Skill Level		Expected Role / Position	Target
Practical Application	Level 5: Thought Leader	Guidance and oversight of experts and leadership in transforming organizations and businesses with data and digital technologies	Small number of employees
	Level 4: Expert	Resolution of issues, creation of businesses, and improvement of value as leaders in the use of data and digital technologies	40 employees Progress:33%
	Level 3: Experienced	Support for analyzing data and developing applications under the guidance of experts	300 employees Progress:53%
Level 2: Basic		Examination of application of IT to business activities using basic knowledge (IT literacy, digital marketing, data science, information security)	All career track employees Progress:70%
Level1 : Entry		Action based on the entry-level knowledge required of all employees that deal with IT (acquisition of national IT Passport certification)	All employees Progress:86%
Practical Application-Level Skill Areas	Data Analysis	Resolution of issues through data analysis	
	Business Design	Improvement of value of existing businesses and creation of new businesses through use of digital technologies	

**(9) Business locations of Sojitz Group and the number of employees (As of March 31, 2023)**

**(a) Business locations of Sojitz Group**

<Domestic>

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

<Overseas>

Total 87 locations: Sojitz Corporation of America, Sojitz Asia Pte. Ltd. (Singapore), Sojitz Corporation of Europe B.V. (Netherlands), Sojitz (China) Co., Ltd., MEA Office (Dubai), and other subsidiaries, branches, liaison offices and sub-branches

**(b) Number of employees**

Segment	Number of employees
Automotive	5,154
Aerospace & Transportation Project	1,180
Infrastructure & Healthcare	1,610
Metals, Mineral Resources & Recycling	807
Chemicals	1,617
Consumer Industry & Agriculture Business	3,751
Retail & Consumer Service	4,038
Others	2,512
Total	20,669

**(c) Employees of Sojitz**

Number of employees	Change from the previous year	Average age	Average years of service
2,523	35 (decrease)	41.7 years old	15.4 years

- (Notes) 1. The above figures do not include 70 locally hired employees in overseas offices.  
 2. The average years of service is calculated including the length of service at the former Nichimen Corporation and Nissho Iwai Corporation.

**(9) Major Subsidiaries (As of March 31, 2023)**

**(a) Major consolidated subsidiaries and equity method associates**

Consolidated Subsidiaries		(Millions of yen, unless otherwise specified)	
Company	Capital	Controlling share (%)	Major business activities
Sojitz Corporation of America	US\$337,937,090	100.00	Trading business
Sojitz Europe plc (UK)	13,240 GBP26,618,500	100.00	Investment management
Sojitz Corporation of Europe B.V.	EUR10,000	100.00	Investment management
Sojitz Asia Pte. Ltd.	US\$136,507,474	100.00	Trading business
Sojitz Aerospace Corporation	1,410	100.00	Import/export and sales of aerospace- and defense-related equipment
Nissho Electronics Corporation	14,336	100.00	IT systems and network services
Sojitz Ject Corporation	460	100.00	Trading of coke, coal products and industrial minerals
Sojitz Pla-Net Corporation	3,000	100.00	Trading and sales of plastic raw materials and products
Pla Matels Corporation	793	100.00 (Note)	Trading and sales of plastic raw materials and products
Sojitz Building Materials Corporation	1,039	100.00	Sales of construction materials and related products including lumber and construction planning, research, design, supervision and contracting, etc.
Sojitz Foods Corporation	412	100.00	Sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed foodstuffs; and other foodstuff
The Marine Foods Corporation	1,833	100.00	Manufacturing and sale of processed marine food products, and import and sale of marine product raw materials
Sojitz Fashion Co., Ltd.	200	100.00	Planning, production and sales of cotton, synthetic and knit fabrics, etc.
Sojitz New Urban Development Corporation	3,000	100.00	Development and consignment sales of condominiums, real estate brokerage, development and ownership of rental condominiums, sale of residential-related products
Sojitz Machinery Corporation	1,480	100.00	Import/export and sales of general industrial machinery, bearing, automobile and two-wheel vehicle parts, and marine-related equipment
Sojitz Kyushu Corporation	500	100.00	Domestic regional company

(Note) Pla Matels Corporation is a 100.00%-owned subsidiary of Sojitz Pla-Net Corporation.

**Equity Method Associates**

(Millions of yen)

Company	Capital	Controlling share (%)	Main business activities
Metal One Corporation	100,000	40.00	Import/export and domestic and offshore sales of steel-related products
LNG Japan Corporation	8,002	50.00	LNG business and related investments and loans
JALUX Inc.	2,558	22.22 (Note)	Logistics and services operations related to airlines and airport retail, lifestyle and customer service sectors

(Note) Sojitz Group's controlling share of JALUX Inc. is 46.05%, including 23.83% of indirect ownership by associates.

**(b) Result of mergers**

1. Sojitz Group now has 290 consolidated subsidiaries and 132 equity method associates.
2. For the business performance of Sojitz Group in FY2022, please refer to "(2) Review of progress and performance in operations."

## 2. Sojitz's Shares (As of March 31, 2023)

### (1) Total number of shares authorized to be issued

Common stock 500,000,000 (As of March 31, 2022: 500,000,000)

### (2) Total number of shares issued and outstanding

Common stock 250,299,900 (As of March 31, 2022: 250,299,900)

(Note) The total number of outstanding shares of common stock includes the number of treasury stock (As of March 31, 2023: 18,529,281 shares). The number of treasury stock does not include the number of Sojitz shares held by the trust account for the Board Incentive Plan (BIP) Trust (As of March 31, 2023: 953,699 shares).

### (3) Number of Shareholders

Common stock 195,118

### (4) Major Shareholders

#### Common Stock

Shareholder	Investment in Sojitz	
	Shares held (in thousands)	Shares outstanding (%)
The Master Trust Bank of Japan, Ltd. (Note 2)	34,546	14.91
ICHIGO TRUST PTE. LTD.	20,726	8.94
Custody Bank of Japan, Ltd. (Note 3)	14,883	6.42
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	4,638	2.00
STATE STREET BANK WEST CLIENT – TREATY 505234	4,342	1.87
JAPAN SECURITIES FINANCE CO., LTD.	3,997	1.72
STATE STREET BANK AND TRUST COMPANY 505103	3,727	1.61
THE BANK OF NEW YORK MELLON 140044	3,363	1.45
JPMorgan Securities Japan Co., Ltd.	2,619	1.13
SSBTC CLIENT OMNIBUS ACCOUNT	2,472	1.07

- (Notes) 1. Numbers of shares less than 1,000 are rounded down and the figures of shares outstanding are rounded to the nearest second decimal place.
2. The number of shares held by The Master Trust Bank of Japan, Ltd. includes 32,996 thousand shares held in trust accounts.
3. The number of shares held by Custody Bank of Japan, Ltd. includes 13,848 thousand shares held in trust accounts.
4. The shares outstanding are calculated excluding the number of shares of treasury stock.

**(5) Status of Shares Allotted to Officers of the Company as a Remuneration for Business Execution During the Fiscal Year**

	Class of shares and number of shares	Number of recipients
Directors (excluding Outside Directors)	Common stock of Sojitz: 19,709 shares	2

- (Notes) 1. Under the performance-linked share remuneration system that utilizes the trust system adopted by Sojitz, those eligible are shares from the established trust equivalent to 70% of the Sojitz's shares corresponding to the points granted. However, number of shares less than one unit are converted within the trust and the cash equivalent to the conversion price is granted. The remaining 30% is converted into cash within the trust and the cash equivalent to the conversion price will be granted. The number of shares converted and granted as cash through this procedure is included in the above table.
2. The above shares were allotted to retired officers of the Company.

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

#### (1) List of Directors and Audit & Supervisory Board Members (As of March 31, 2023)

Name	Position	Responsibilities	Important concurrent position
Masayoshi Fujimoto	Representative Director, President & CEO	CEO	
Seiichi Tanaka	Representative Director, Executive Vice President	CFO Executive Management of General Accounting, Business Accounting, Finance, IR, Financial Solutions	
Ryutaro Hirai	Representative Director, Executive Vice President	Advisor to the President, Executive Management of Business Group (Automotive, Aerospace & Transportation Project; Infrastructure & Healthcare), East Asia region	
Masaaki Bito	Director, Senior Managing Executive Officer	Executive Management of Business Group (Metals, Mineral Resources & Recycling, Chemicals, Consumer Industry & Agriculture Business, Retail & Consumer Service)	
Norio Otsuka	Outside Director		External Member of the Board of Taisei Corporation Honorary Advisor of NSK Ltd.
Naoko Saiki	Outside Director		Outside Audit & Supervisory Board Member of Development Bank of Japan Inc. Outside Director of Komatsu Ltd. External Director of Sankyu Inc.
Ungyong Shu	Outside Director		Representative Director of The Core Value Management, Inc. Outside Director (Audit and Supervisory Committee Member) of Dai-ichi Life Holdings, Inc. Independent Director of Monex Group, Inc.
Haruko Kokue	Outside Director		
Masaaki Kushibiki	Audit & Supervisory Board Member (full-time)		
Takehiro Honda	Audit & Supervisory Board Member (full-time)		

Name	Position	Responsibilities	Important concurrent position
Michiko Nagasawa	Outside Audit & Supervisory Board Member		Partner of The Tokyo-Marunouchi Law Offices  Outside Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD.
Kazuhiro Yamamoto	Outside Audit & Supervisory Board Member		
Junko Kamei	Outside Audit & Supervisory Board Member		External Director of Mitsubishi Kakoki Kaisha, Ltd.

- (Notes)
- Norio Otsuka, Naoko Saiki, Ungyong Shu and Haruko Kokue are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
  - Michiko Nagasawa, Kazuhiro Yamamoto and Junko Kamei are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
  - Masaaki Kushibiki has a substantial knowledge of finance and accounting, having been engaged in operations such as accounting, tax, and risk management, etc. at Sojitz and holding important positions including person in charge of risk management and human resources and general affairs. Kazuhiro Yamamoto has substantial knowledge of finance and accounting, having being responsible for finance, accounting, and business planning at Teijin Limited and holding important positions including CFO.  
Junko Kamei has a wealth of experience and a high level of expertise as a certified accountant from her many years of experience engaging in auditing work at auditing firms as well as knowledge of finance and accounting, which she has cultivated through her work experience at a securities company.
  - Sojitz has appointed Norio Otsuka, Naoko Saiki, Ungyong Shu, Haruko Kokue, Michiko Nagasawa, Kazuhiro Yamamoto and Junko Kamei as independent Outside Officers, and submitted a notification of their appointment to Tokyo Stock Exchange, Inc.
  - There are no special relationships that affects business execution by the Outside Officers between Sojitz and the companies where Outside Officers of Sojitz have concurrent positions (stated in the above “Important concurrent position”).
  - Audit & Supervisory Board Member Kazunori Yagi resigned at the conclusion of the 19th Ordinary General Shareholders’ Meeting held on June 17, 2022.



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

### (a) Total amount of remuneration by officer classification, total amount of remuneration by type of remuneration and number of company officers subject to payment

(Millions of yen)

	Number of persons to be paid	Basic remuneration	Performance-linked remuneration		Total
		Monetary	Monetary (short-term)	Share (medium- to long-term) (*1)	
Directors (Total)	10	319	138	71	529
Executive Directors	5	265	138	71	475
Outside Directors	5	54	—	—	54
Audit & Supervisory Board Members (Total)	6	106	—	—	106
Audit & Supervisory Board Members (full-time)	2	73	—	—	73
Outside Audit & Supervisory Board Members	4	32	—	—	32

- (Notes)
1. The performance-linked remuneration (medium- to long-term) is a share remuneration system based on the Board Incentive Plan (BIP) Trust. The total amount of the aforementioned share remuneration represents the amount reported as expenses for FY2022 associated with the share delivery points regarding the BIP Trust, including the persons who are scheduled to retire in FY2022.
  2. As of the end of FY2022, there were eight Directors and five Audit & Supervisory Board Members. The total amount of remuneration of Directors and Audit & Supervisory Board Members includes that for two Directors who retired due to expiration of their terms of office and for one Audit & Supervisory Board Member who retired due to resignation at the conclusion of the Ordinary General Shareholders' Meeting held on June 17, 2022.
  3. The Board of Directors confirmed that the amounts of remuneration for individual Directors for FY2022, including the target of each evaluation indicator, based on the Executive Remuneration Policy, basic remuneration (fixed remuneration) by rank, the calculation method for performance-linked remuneration (short-term), and the calculation method for performance-linked remuneration (medium- to long-term), were consistent with the determination policy described in (c) below and judged that details of such remuneration were in line with the policy.
  4. Figures are rounded down to the nearest million yen.

**(b) Details of the resolution**

The maximum amount of remuneration of Sojitz's Directors and other matters were resolved as described below.

Position	Type of remuneration		Maximum remuneration		Resolution of Ordinary General Shareholders' Meeting	Number of company officers at the time of resolution
Executive Directors	Basic remuneration	Monetary remuneration	¥550 million per year		June 27, 2007	Seven Directors (including one Outside Director)
	Performance-linked remuneration	Monetary remuneration (short-term)				
		Share remuneration (medium- to long-term) Eligible persons: Excluding non-residents in Japan • Directors (internal) • Executive Officers	Upper limit of cash contributed by Sojitz	¥1,800 million in total for three fiscal years	June 18, 2021	Eight Directors (including four Outside Directors)
Outside Director	Basic remuneration	Monetary remuneration	Upper limit of the number of Sojitz shares subject to delivery to Directors	The upper limit of points to be granted to Directors shall be 6 million points (equivalent to 1.2 million shares) for three fiscal years.		
			¥100 million per year			
Audit & Supervisory Board Member	Basic remuneration	Monetary remuneration	¥150 million per year		June 27, 2007	Five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members)

**(b) Policy for determination of the amounts of remuneration for company officers and the calculation method therefor**

As the remuneration system for company officers, Sojitz formulated the Executive Remuneration Policy (Sojitz’s policy for determination of the details of the remuneration for individual Directors and other matters) at the meeting of the Board of Directors held on April 30, 2021. Details are as described below.

<Executive Remuneration Policy>

Basic view	<p>Sojitz’s basic view on remuneration for Directors and Executive Officers (the “Officers”) is based on the following two considerations.</p> <ul style="list-style-type: none"> <li>• Remuneration shall offer incentives to pursue ongoing growth and medium- to long-term increases in corporate value in order to facilitate the creation and provision of two types of value—value for Sojitz and value for society.</li> <li>• Remuneration systems shall be structured to drive us toward our vision for 2030 of becoming a general trading company that constantly cultivates new businesses and human capital.</li> </ul>
Basic policies	<ul style="list-style-type: none"> <li>• Remuneration systems shall be linked to medium- to long-term performance and corporate value improvements as well as to short-term performance.</li> <li>• Remuneration systems shall be linked to the new value Sojitz creates and provides in the digital society as it practices ESG management.</li> <li>• Remuneration systems shall be linked to the shareholder value of Sojitz.</li> <li>• Remuneration systems shall provide a sufficient level of remuneration to recruit and retain globally competitive personnel.</li> <li>• Remuneration shall be determined through a process with a high degree of transparency and objectivity.</li> </ul>
Breakdown of remuneration	<ul style="list-style-type: none"> <li>◆ Level of remuneration In line with the basic policies, the level of remuneration shall stay attractive commensurate with job responsibilities of each of the Officers. The level of remuneration shall be determined in consideration of factors such as other general trading companies, surveys conducted by third parties on executive remuneration at listed corporations both in Japan and abroad, along with the level of employee salary. The level of Sojitz’s executive remuneration shall be subject to review as appropriate depending on the changes in external business environment.</li> <li>◆ Structure of remuneration Sojitz’s remuneration consists primarily of basic remuneration and performance-linked remuneration. Medium- to long-term performance-linked remuneration applies a “pay for mission” approach, which takes into consideration factors such as the fulfillment of corporate philosophy and the creation and provision of the two types of value. <ul style="list-style-type: none"> <li>- Basic remuneration (fixed remuneration): Monetary remuneration determined by the individual’s rank, commensurate with job responsibilities</li> <li>- Performance-linked remuneration (short-term): Monetary remuneration linked to corporate performance in a single year as well as the progress made with the Medium-Term Management Plan</li> <li>- Performance-linked remuneration (medium- to long-term): Share remuneration linked to the achievement of the Medium-Term Management Plan and the</li> </ul> </li> </ul>

	<p>increase in corporate value (in terms of ESG and share price)*</p> <p>◆ Remuneration mix [Executive Officers (including those concurrently serving as Directors)]</p> <table border="1"> <thead> <tr> <th>Basic remuneration</th> <th>Performance-linked remuneration (short-term)</th> <th>Performance-linked remuneration (medium- to long-term)</th> </tr> </thead> <tbody> <tr> <td>54% - 66%</td> <td>21% -26%</td> <td>13% - 20%</td> </tr> </tbody> </table> <p>[Outside Directors] Remuneration consists wholly of basic remuneration, while special allowance shall be paid separately to the Chairman of the Board of Directors, and the chairpersons of the Nomination Committee and the Remuneration Committee.</p> <p>◆ Timing of the payment of remuneration</p> <ul style="list-style-type: none"> <li>- Basic remuneration: Paid monthly</li> <li>- Performance-linked remuneration (short-term): Paid once a year at a certain time</li> <li>- Performance-linked remuneration (medium- to long-term): After the retirement*</li> </ul>	Basic remuneration	Performance-linked remuneration (short-term)	Performance-linked remuneration (medium- to long-term)	54% - 66%	21% -26%	13% - 20%
Basic remuneration	Performance-linked remuneration (short-term)	Performance-linked remuneration (medium- to long-term)					
54% - 66%	21% -26%	13% - 20%					
Determination method of performance-linked remuneration	Determined based on factors such as the level of achievement of targets, progress made with the Medium-Term Management Plan and individual contribution to corporate performance.						
Forfeiture of remuneration (claw back clause, malus clause)	If a resolution is passed by the Board of Directors for a post-closing correction of accounts due to serious accounting errors or fraud, or if a wrongdoing by an Officer is confirmed by the Board of Directors, Sojitz may restrict the payment of performance-linked remuneration or request the refund of the remuneration the Officer has received.						
Governance over remuneration	Amount of remuneration of each of the Officers shall be determined by the Board of Directors, after deliberations at the Remuneration Committee chaired by an Outside Director, with the majority of committee members being Outside Directors.						

Note: For share remuneration, after retirement of Directors, based on the confirmation that they meet the beneficiary requirements, they shall receive delivery of the number of Sojitz shares equivalent to the accumulated share delivery points calculated at the rate of one Sojitz share per share delivery point (0.2 Sojitz share per share delivery point after the share consolidation on October 1, 2021). The beneficiary requirements shall be determined as necessary to achieve the purpose of the share remuneration system.

## 1) Breakdown of remuneration

In order to ensure that the executive remuneration system is closely linked to Sojitz's business performance and is highly transparent and objective, the target of each indicator was determined by resolution of the Board of Directors after deliberation by the Remuneration Committee, reflecting the targets for the final year of Medium-Term Management Plan 2023.

Type of remuneration			Outline	Performance-linked indicators (KPIs)	Evaluation weight	Variation in remuneration	Timing of payment	Target	Results vs target
Basic remuneration	Fixed	Cash (54-66%)	Determined by the individual's rank, commensurate with job responsibilities	-	-	-	Monthly	-	-
		Performance-linked remuneration	Short-term	Cash (21-26%)	Linked to corporate performance in a single year as well as progress made with the Medium-Term Management Plan	Consolidated net profit (Note 1) (level of achievement of single-year targets)	35%	0-150% (Note 2)	Once a year, at a certain time
Consolidated net profit (Note 1) (progress made toward cumulative targets of the Medium-Term Management Plan)	35%					¥138.0 billion	(FY2021-22 cumulative total) ¥193.5 billion		
ROE	20%					11.4%	(FY2022) 14.2%		
Core operating cash flow (level of achievement of single-year targets)	5%					¥113.0 billion	(FY2022) ¥145.2 billion		
Core operating cash flow (progress made toward cumulative targets of the Medium-Term Management Plan)	5%					¥184.0 billion	(FY2021-22 cumulative total) ¥273.9 billion		
Medium-to-long-term	Shares (13-20%)		Linked to the achievement of the Medium-Term Management Plan and the increase in corporate value (in terms of ESG and share price)	Accumulated consolidated net profit (Note 1) in the three-year period	60%	60-200%	Shares allotted after retirement	¥195.0 billion	-
				Sojitz share growth rate (Note 3)	30%			110%	
		ESG (environmental, social and governance)-related criteria (Note 4)		10%	See below				

ESG areas	Evaluation indicators	Evaluation standards
Decarbonization	1. Reduction in direct energy use by the Company 2. Reduction in thermal coal, coking coal, and oil field interests	Amount for reduction from March 31, 2021
Social issues	Initiatives for addressing social issues based on two types of value 1. Initiatives for contributing to a recycling-oriented society 2. Essential infrastructure development and related service provision 3. Regional economy invigoration initiatives in Japan	Status of company-wide and division initiatives described on the left
Corporate governance	1. Company-wide initiatives by division 2. Index evaluations, etc.	1. Improvements in and reinforcement of corporate governance through reports to the Compliance Committee and the Internal Control Committee 2. Evaluations from third-party institutions
Human capital	1. Empowerment of female employees 2. Childcare leave acquisition 3. Improvement in major employee awareness survey items	1. Increases in ratios and numbers of female career track employees with overseas experience 2. Improvement of childcare leave acquisition rates 3. Degree of improvement in items of employee awareness survey instituted in March 2021

- (Notes)
- Refers to profit for the year attributable to owners of the Company.
  - If actual results for each criterion fall below 40% of the targets, no remuneration shall be paid for such criterion.
  - Evaluation shall be made based on a relative comparison between total shareholder return (TSR) of Sojitz and TOPIX (including dividends).
  - Level of achievement of the ESG targets is evaluated by the Remuneration Committee.

## 2) Remuneration system for Audit & Supervisory Board Members

Regarding remuneration for Audit & Supervisory Board Members, performance-linked remuneration is not introduced for Audit & Supervisory Board Members in view of their role in auditing Directors' execution of their duties. Audit & Supervisory Board Members are, therefore, subject only to basic remuneration (monetary).

### (3) Main activities of Outside Officers

Name Position (underlined)	Number of attendance at the Board of Directors/ Audit & Supervisory Board meetings	Main activities
<p>Norio Otsuka</p> <p><u>Director/ Independent</u></p> <p><u>Chairman of the Board of Directors</u></p>	<p>Board of Directors 100% (17/17)</p> <hr/> <p>Audit &amp; Supervisory Board —</p>	<p>From an objective perspective based on his abundant experience and deep insight regarding management acquired through his service as Director, President and Chief Executive Officer, and Chairperson of NSK Ltd., and through promoting worldwide growth strategies and strengthening corporate governance, Norio Otsuka has provided practical advice and recommendations. As the Chairman of the Board of Directors of Sojitz, he has made efforts to improve the effectiveness of the Board of Directors by actively participating in its operation of the Board of Directors.</p> <p>In addition to the above, as a member of the Nomination Committee and the Remuneration Committee, he attended all 15 meetings of these two committees held during FY2022. As a member of the Nomination Committee, he was involved in the deliberation for the selection of candidates for Outside Directors and Outside Audit &amp; Supervisory Board Members as well as the appointment of company officers, and the promotion of reinforcement and enhancement of the operation of succession plans. As a member of the Remuneration Committee, he was involved in the deliberation on setting indicators used for calculation of performance-linked remuneration for Executive Officers and their evaluation. Providing sound advice based on his expertise and knowledge from an independent and objective standpoint, he is endeavoring to improve the corporate value of Sojitz.</p>
<p>Naoko Saiki</p> <p><u>Director/ Independent</u></p> <p><u>Chairperson of the Nomination Committee</u></p>	<p>Board of Directors 100% (17/17)</p> <hr/> <p>Audit &amp; Supervisory Board —</p>	<p>Based on her experience and a high level of insight into international affairs, international laws, economics, and culture and experience gained through her career at the Ministry of Foreign Affairs in positions such as Director-General of the Economic Affairs Bureau and Director-General of the International Legal Affairs Bureau, and working at the forefront of diplomatic negotiations, Naoko Saiki has played an active role, by providing valuable advice on a wide range of fields such as world affairs, environment and society, and personnel development. In addition to the above, as a member of the Nomination Committee and the Remuneration Committee, she attended all 15 meetings of these two committees held during FY2022. As the chairperson of the Nomination Committee, she led the deliberation for the selection of candidates for Outside Directors and Outside Audit &amp; Supervisory Board Members as well as the appointment of company officers, and the promotion of reinforcement and enhancement of the operation of succession plans. As a member of the Remuneration Committee, she was involved in the deliberation on setting indicators used for calculation of performance-linked remuneration for Executive Officers and their evaluation. Providing sound advice based on her expertise and knowledge from an independent and objective standpoint, she is endeavoring to improve the corporate value of Sojitz.</p>

<p>Ungyong Shu</p> <p><u>Director/Independent</u></p> <p><u>Chairperson of the Remuneration Committee</u></p>	<p>Board of Directors</p> <p>100%</p> <p>(17/17)</p>	<p>Ungyong Shu held important positions at J.P. Morgan Securities and Merrill Lynch Japan Securities Limited, has extensive knowledge of M&amp;A strategies and financial and capital policies, as well as extensive experience as a corporate manager at financial institutions and personal connections. As Sojitz implements strategic business investments for sustainable growth, he has provided accurate recommendations to the Board of Directors and contributed to vitalization of discussions of the Board of Directors. In addition to the above, as a member of the Nomination Committee and the Remuneration Committee, he attended all 15 meetings of these two committees held during FY2022. As the chairperson of the Remuneration Committee, he led the deliberation on setting indicators used for calculation of performance-linked remuneration for Executive Officers and their evaluation. As a member of the Nomination Committee, he was involved in the deliberation for the selection of candidates for Outside Directors and Outside Audit &amp; Supervisory Board Members as well as the appointment of company officers, and the promotion of reinforcement and enhancement of the operation of succession plans. Providing sound advice based on his expertise and knowledge from an independent and objective standpoint, he is endeavoring to improve the corporate value of Sojitz.</p>
	<p>Audit &amp; Supervisory Board</p> <p>—</p>	
<p>Haruko Kokue</p> <p><u>Director/Independent</u></p>	<p>Board of Directors</p> <p>100%</p> <p>(13/13)</p>	<p>Haruko Kokue has extensive experience in supply chain management, public relations, investor relations, and international business management at Mitsui Chemicals, Inc. Taking advantage of her abundant business experience and high level of insight into supply chains and dialogue with various stakeholders, she provided appropriate advice and recommendations in view of diversified risks from an independent standpoint and objective perspective. In addition to the above, as a member of the Nomination Committee and the Remuneration Committee, she attended all 13 meetings of these two committees held during FY2022 after her appointment. As a member of the Nomination Committee, she was involved in the deliberation for the selection of candidates for Outside Directors and Outside Audit &amp; Supervisory Board Members as well as the appointment of company officers, and the promotion of reinforcement and enhancement of the operation of succession plans. As a member of the Remuneration Committee, she was involved in the deliberation on setting indicators used for calculation of performance-linked remuneration for Executive Officers and their evaluation. Providing sound advice based on her expertise and knowledge from an independent and objective standpoint, she is endeavoring to improve the corporate value of Sojitz.</p>
	<p>Audit &amp; Supervisory Board</p> <p>—</p>	
<p>Michiko Nagasawa</p> <p><u>Audit &amp; Supervisory Board Member/Independent</u></p>	<p>Board of Directors</p> <p>100%</p> <p>(17/17)</p>	<p>As an attorney, Michiko Nagasawa has advanced and professional knowledge in the field of corporate legal affairs, held key positions in the field of justice, and has experience as an outside director at other companies. Based on her expertise and deep insight, she has provided valuable advice from an independent standpoint and an objective perspective. In addition to the above, she regularly meets Directors, Chief Operation Officers (COOs), COOs of corporate departments, etc. and conducts on-site audits of consolidated subsidiaries in Japan and overseas to grasp the situation in the field.</p>
	<p>Audit &amp; Supervisory Board</p> <p>100%</p> <p>(19/19)</p>	



Kazuhiro Yamamoto  <u>Audit &amp; Supervisory Board Member/Independent</u>	Board of Directors 100% (17/17)	Kazuhiro Yamamoto held a number of key positions at Teijin Limited, including General Manager of the Pharmaceutical and Medical Care Business Management Department, as well as President & Representative Director, CEO and CFO of Infocom Corporation, a listed subsidiary of Teijin Limited. Based on his high level of insight in the fields of management, information and telecommunications, and home healthcare, etc., and his knowledge of finance and accounting, which he has cultivated through his experience, he has provided valuable advice from an independent standpoint and an objective perspective. In addition to the above, he regularly meets Directors, Chief Operation Officers (COOs), COOs of corporate departments, etc. and conducts on-site audits of consolidated subsidiaries in Japan and overseas to grasp the situation in the field.
	Audit & Supervisory Board 100% (19/19)	
Junko Kamei  <u>Audit &amp; Supervisory Board Member/Independent</u>	Board of Directors 100% (13/13)	As a certified accountant, Junko Kamei brings years of audit experience and expertise from her time at what is now Ernst & Young ShinNihon LLC. Additionally, she has worked for a securities company and possesses financial and accounting knowledge from this background. Based on her cultivated expertise and knowledge, she has provided valuable advice from an independent standpoint and an objective perspective. In addition to the above, she regularly meets Directors, Chief Operation Officers (COOs), COOs of corporate departments, etc. and conducts on-site audits of consolidated subsidiaries in Japan and overseas to grasp the situation in the field.
	Audit & Supervisory Board 100% (14/14)	

(Note) The number of attendance at the Board of Directors meetings and the Audit & Supervisory Board meetings for Haruko Kokue and Junko Kamei is based on their attendance record after they assumed the office of Director or Audit & Supervisory Board Member on June 17, 2022.

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

Sojitz has concluded limited liability agreements with Outside Directors (Norio Otsuka, Naoko Saiki, Ungyong Shu and Haruko Kokue) and Audit & Supervisory Board Members (Masaaki Kushibiki, Takehiro Honda, Michiko Nagasawa, Kazuhiro Yamamoto and Junko Kamei) limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.

#### (5) Details of Directors and Officers Liability Insurance Contract

Sojitz has concluded a Directors and Officers liability insurance contract with Directors and Audit & Supervisory Board Members of Sojitz and its subsidiaries as the insured. This insurance policy covers the damages and litigation expenses incurred by the insured in the event of a claim for damages arising from their actions (including omissions) in connection with their duties as officers of Sojitz. However, this policy does not cover damages, etc. of company officers who have intentionally committed criminal acts such as bribery or illegal activities, and thus ensures that the appropriateness of business execution of company officers, etc. is not impaired. Sojitz will bear the full amount of insurance premiums.



**Financial Statements**  
**Consolidated Financial Statements**

**Consolidated Statement of Financial Position**

(Millions of yen)

Items	As of March 31, 2023	(Reference) As of March 31, 2022	Items	As of March 31, 2023	(Reference) As of March 31, 2022
Assets			Liabilities and equity		
Current assets			Liabilities		
Cash and cash equivalent	247,286	271,651	Current liabilities		
Time deposits	6,991	10,782	Trade and other payables	579,252	545,963
Trade and other receivables	794,898	791,466	Lease liabilities	17,305	17,427
Derivatives	4,642	10,743	Bonds and borrowings	167,775	231,216
Inventories	280,982	232,788	Derivatives	5,480	8,614
Income tax receivables	11,002	1,051	Income tax payables	20,633	19,007
Other current assets	59,991	68,382	Provisions	2,437	4,137
Subtotal	1,405,796	1,386,867	Other current liabilities	79,676	71,259
Assets as held for sale	38,743	7,352	Subtotal	872,560	897,627
Total current assets	1,444,540	1,394,220	Liabilities directly related to assets held-for-sale	19,260	—
Non-current assets			Total current liabilities	891,821	897,627
Property, plant and equipment	195,414	201,516	Non-current liabilities		
Right-of-use assets	65,603	69,661	Lease liabilities	54,104	57,836
Goodwill	85,731	82,522	Bonds and borrowings	715,929	821,508
Intangible assets	70,834	85,031	Trade and other payables	9,234	8,203
Investment property	8,116	13,261	Derivatives	38	117
Investments accounted for using the equity method	559,939	490,320	Retirement benefits liabilities	22,713	23,930
Trade and other receivables	86,293	118,273	Provisions	48,962	47,951
Other investments	129,781	183,310	Other non-current liabilities	15,421	8,891
Derivatives	1,328	1,943	Deferred tax liabilities	26,042	31,734
Other non-current assets	6,650	13,012	Total non-current liabilities	892,445	1,000,174
Deferred tax assets	6,609	8,607	Total liabilities	1,784,266	1,897,802
Total non-current assets	1,216,303	1,267,460	Equity		
			Share capital	160,339	160,339
			Capital surplus	147,601	147,027
			Treasury stock	(31,058)	(31,015)
			Other components of equity	138,638	136,747
			Retained earnings	422,193	314,913
			Total equity attributable to owners of the Company	837,713	728,012
			Non-controlling interests	38,863	35,866
			Total equity	876,576	763,878
Total assets	2,660,843	2,661,680	Total liabilities and equity	2,660,843	2,661,680

## Consolidated Statement of Profit or Loss

(Millions of yen)

Items	FY2022 (From April 1, 2022 to March 31, 2023)	(Reference) FY2021 (From April 1, 2021 to March 31, 2022)
Revenue		
Sale of goods	2,368,500	1,998,218
Sales of service and others	111,339	102,534
Total revenue	2,479,840	2,100,752
Cost of sales	(2,142,272)	(1,829,433)
Gross profit	337,567	271,319
Selling, general and administrative expenses	(222,771)	(180,314)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	2,197	6,702
Impairment loss on fixed assets	(14,338)	(2,637)
Gain on reorganization of subsidiaries/associates	30,776	6,060
Loss on reorganization of subsidiaries/associates	(8,604)	(18,215)
Other operating income	11,040	7,357
Other operating expenses	(8,301)	(13,052)
Total other income/expenses	12,770	(13,784)
Financial income		
Interests earned	12,802	7,425
Dividends received	6,732	5,063
Other financial income	—	828
Total financial income	19,534	13,317
Financial costs		
Interest expenses	(18,537)	(11,210)
Other financial costs	(808)	—
Total financial cost	(19,345)	(11,210)
Share of profit (loss) of investments accounted for using the equity method, net	27,282	37,968
Profit before tax	155,036	117,295
Income tax expenses	(39,211)	(31,824)
Profit for the year	115,824	85,471
Profit attributable to:		
Owners of the Company	111,247	82,332
Non-controlling interests	4,577	3,138
Total	115,824	85,471

**(Reference) Consolidated Statement of Cash Flows**

(Millions of yen)

Items	FY2022 (From April 1, 2022 to March 31, 2023)	FY2021 (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit for the year	115,824	85,471
Depreciation and amortization	39,907	34,279
Impairment loss on fixed assets	14,338	2,637
Finance (income) costs, net	(188)	(2,106)
Share of (profit) loss of investments accounted for using the equity method, net	(27,282)	(37,968)
(Gain) loss on sale of fixed assets, net	(2,197)	(6,702)
Income tax expenses	39,211	31,824
(Increase) decrease in trade and other receivables, net	22,129	(96,092)
(Increase) decrease in inventories, net	(41,710)	(26,026)
Increase (decrease) in trade and other payables, net	26,246	52,031
Changes in other assets and liabilities	21,684	6,950
Increase (decrease) in retirement benefits liabilities, net	(515)	(495)
Others	(20,343)	14,486
Subtotal	187,105	58,288
Interests earned	13,142	12,142
Dividends received	37,965	17,799
Interests paid	(18,495)	(11,961)
Income taxes paid	(48,078)	(11,184)
Net cash provided (used) by/in operating activities	171,639	65,084
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,684)	(18,370)
Proceeds from sale of property, plant and equipment	6,785	10,287
Purchase of intangible assets	(12,579)	(8,700)
(Increase) decrease in short-term loans receivable, net	146	1,430
Payment for long-term loans receivable	(688)	(10,360)
Collection of long-term loans receivable	1,635	6,219
Proceeds from (payments for) acquisition of subsidiaries, net	(1,991)	(35,749)
Proceeds from (payments for) sale of subsidiaries, net	12,207	7,485
Purchase of investments	(47,139)	(58,097)
Proceeds from sale of investments	76,849	24,381
Others	19,616	(57,346)
Net cash provided (used) by/in investing activities	29,157	(138,819)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(64,360)	54,245
Proceeds from long-term borrowings	166,826	270,356
Repayment of long-term borrowings	(271,685)	(214,740)
Proceeds from issuance of bonds	—	9,940
Redemption of bonds	(10,000)	(20,003)
Repayment of lease liabilities	(16,929)	(15,085)
Payment for acquisition of subsidiary's interests from non-controlling interests	(3)	(1,875)
Proceeds from non-controlling interest holders	1,564	418
Sales of treasury stock	29	3
Purchase of treasury stock	(139)	(15,173)
Dividends paid	(29,208)	(16,408)
Dividends paid to non-controlling interest holders	(5,047)	(4,710)
Others	(1,411)	(66)
Net cash provided (used) by/in financing activities	(230,367)	46,898
Net increase (decrease) in cash and cash equivalents, net	(29,570)	(26,835)
Cash and cash equivalents at the beginning of the year	271,651	287,597
Effect of exchange rate changes on cash and cash equivalents	5,260	10,890
Decrease in cash and cash equivalents resulting from change in scope of consolidation	(54)	—
Cash and cash equivalents at the end of the year	247,286	271,651

## Non-consolidated Financial Statements

### Non-consolidated Balance Sheet

(Millions of yen)

Items	As of March 31, 2023	(Reference) As of March 31, 2022	Items	As of March 31, 2023	(Reference) As of March 31, 2022
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>	689,621	683,628	<b>Current liabilities</b>	536,115	649,995
Cash and deposits	88,482	119,186	Notes payable-trade	24,224	14,309
Notes receivable-trade	7,061	8,075	Accounts payable-trade	252,676	230,427
Accounts receivable-trade	179,411	190,906	Short-term loans payable	112,720	289,173
Merchandise	56,449	34,196	Commercial papers	35,000	—
Advance payments-trade	7,962	16,586	Current portion of bonds	10,000	10,000
Short-term loans receivable	138,690	109,410	Income taxes payable	1,360	10,893
Other	211,723	205,342	Deposits received	58,173	62,941
Allowance for doubtful accounts	(159)	(75)	Provision for bonuses	5,753	5,131
			Other	36,205	27,118
<b>Noncurrent assets</b>	899,051	999,394	<b>Noncurrent liabilities</b>	571,174	572,635
<b>Property, plant and equipment</b>	14,223	15,638	Bonds payable	60,000	70,000
Buildings	4,485	5,162	Long-term loans payable	487,705	480,914
Land	8,396	9,021	Provisions for retirement benefits	9,681	9,684
Other	1,341	1,455	Provision for delivery of shares	720	567
<b>Intangible assets</b>	10,178	15,411	Provision for loss on guarantees, etc.	8,368	6,689
Software	5,566	4,889	Other	4,698	4,780
Goodwill	746	1,292	<b>Total liabilities</b>	1,107,289	1,222,630
Other	3,864	9,229	<b>Net assets</b>		
<b>Investments and other assets</b>	874,650	968,343	<b>Shareholders' equity</b>	468,927	416,252
Investment securities	88,334	136,424	<b>Capital stock</b>	160,339	160,339
Stocks of subsidiaries and associates	663,652	677,106	<b>Capital surplus</b>	155,503	155,503
Investments in capital of subsidiaries and associates, etc.	50,355	44,125	Legal capital surplus	152,160	152,160
Long-term loans receivable	27,028	78,554	Other capital surplus	3,343	3,343
Bad debts	90,175	78,944	<b>Retained earnings</b>	184,375	131,656
Deferred tax assets	12,067	9,690	Other retained earnings		
Other	24,083	20,804	Retained earnings brought forward	184,375	131,656
Allowance for doubtful accounts	(73,840)	(71,564)	<b>Treasury stock</b>	(31,291)	(31,247)
Allowance for investment loss	(7,206)	(5,742)	<b>Valuation and translation adjustments</b>	12,656	44,384
<b>Deferred assets</b>	200	244	Valuation difference on available-for-sale securities	23,632	52,726
Bond issuance cost	200	244	Deferred gains or losses on hedges	(10,976)	(8,341)
<b>Total assets</b>	1,588,873	1,683,267	<b>Total net assets</b>	481,583	460,636
			<b>Total liabilities and net assets</b>	1,588,873	1,683,267

## Non-consolidated Statement of Income

(Millions of yen)

Items	FY2022 (From April 1, 2022 to March 31, 2023)	(Reference) FY2021 (From April 1, 2021 to March 31, 2022)
Revenue	763,373	678,262
Cost of revenue	705,083	627,484
Gross profit	58,290	50,778
Selling, general and administrative expenses	68,837	62,022
Operating income (loss)	(10,547)	(11,244)
Non-operating income		
Interest income	5,090	3,553
Dividends income	99,027	69,480
Foreign exchange profits	—	1,097
Other	14,898	8,541
Total non-operating income	119,016	82,672
Non-operating expenses		
Interest expenses	7,980	6,711
Loss on valuation of derivatives	518	3,527
Foreign exchange losses	1,522	—
Other	6,648	5,645
Total non-operating expenses	16,669	15,884
Ordinary income	91,799	55,543
Extraordinary income		
Gain on sales of noncurrent assets	7	130
Gain on sales of subsidiaries and associates' stocks, etc.	29,269	11,503
Gain on sales of investment securities, etc.	34,510	3,768
Total extraordinary income	63,786	15,402
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	22	76
Impairment loss	10,957	348
Loss, and provision for loss, on dissolution of subsidiaries and associates	52,254	16,093
Loss on sales of investment securities, etc.	25	4
Loss on valuation of investment securities, etc.	383	1,328
Total extraordinary losses	63,643	17,851
Income before income taxes	91,943	53,094
Income taxes-current	1,532	5,154
Income taxes-deferred	8,483	(2,449)
Total income taxes	10,016	2,704
Net income	81,927	50,389

Accounting Auditor's audit report concerning the consolidated financial statements: Full copy

**Independent Auditor's Audit Report**

May 15, 2023

To the Board of Directors,  
Sojitz Corporation

KPMG AZSA LLC  
Tokyo Office

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Hiroaki Sugiura
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Ryohei Tomita
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Nobutsugu Hikishikibayashi

**Opinion**

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Sojitz Corporation (the "Company") for the fiscal year from April 1, 2022 through March 31, 2023.

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

**Basis for the Opinion**

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

**Other Descriptions**

Other descriptions comprise the business report and accompanying supplementary schedules. Management is responsible for preparing and disclosing other descriptions. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors with respect to developing and operating the process for reporting other descriptions.

The scope of our audit opinion on the consolidated financial statements does not include other descriptions, and we do not express an opinion on the other descriptions.

In auditing the consolidated financial statements, we are responsible for reading through other descriptions and, in the process of reading them through, considering whether there are material discrepancies between the other descriptions and the consolidated financial statements or the knowledge we gained during the process of audit, and paying attention to whether there are any signs of material misstatement in the other descriptions apart from such material discrepancies.

If, based on the work performed, we judge that there is a material misstatement in other descriptions, we are required to report such a fact.

We have no matters to report with respect to the other descriptions.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles that omit some disclosure items required under International Financial Reporting Standards as stipulated by the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

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

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

#### **Interest**

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



**Independent Auditor's Audit Report**

May 15, 2023

To the Board of Directors,  
Sojitz Corporation

KPMG AZSA LLC  
Tokyo Office

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Hiroaki Sugiura
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Ryohei Tomita
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Nobutsugu Hikishikibayashi

**Opinion**

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Sojitz Corporation (the "Company") for the 19th fiscal year from April 1, 2022 through March 31, 2023.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

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

**Other Descriptions**

Other descriptions comprise the business report and accompanying supplementary schedules. Management is responsible for preparing and disclosing other descriptions. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors with respect to developing and operating the process for reporting other descriptions.

The scope of our audit opinion on the financial statements and the accompanying supplementary schedules does not include other descriptions, and we do not express an opinion on the other descriptions.

In auditing the financial statements and the accompanying supplementary schedules, we are responsible for reading through other descriptions and, in the process of reading them through, considering whether there are material discrepancies between the other descriptions and the financial statements and the accompanying supplementary schedules or the knowledge we gained during the process of audit, and paying attention to whether there are any signs of material misstatement in the other descriptions apart from such material discrepancies.

If, based on the work performed, we judge that there is a material misstatement in other descriptions, we are required to report such a fact.

We have no matters to report with respect to the other descriptions.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the

accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

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

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

### **Interest**

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

### **Audit Report**

With respect to the Directors' performance of their duties during the 20th fiscal year (from April 1, 2022 to March 31, 2023), the Audit & Supervisory Board has prepared this audit report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby report as follows:

#### **1. Methods and contents of audit by Audit & Supervisory Board Members and the Audit & Supervisory Board**

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

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

## 2. Results of Audit

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

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

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

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

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

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

### (3) Results of audit of the consolidated financial statements

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

May 15, 2023

Sojitz Corporation Audit & Supervisory Board  
Full-time Audit & Supervisory Board Member  
Full-time Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member

Masaaki Kushibiki  
Takehiro Honda  
Michiko Nagasawa  
Kazuhiro Yamamoto  
Junko Kamei