sojitz

New way, New value

Set for Next Stage

Sojitz Corporation

Integrated Report 2025

Sojitz Growth Story

Tenacity to Triumph Over Adversity and Advance Toward the Next Stage

Sojitz was forged in adversity. Through the long process of rebuilding to triumph over the challenges faced at its inception, the Company was able to strengthen its foundations to the point that it can consistently generate profit for the year of a scale of ¥100.0 billion and no matter what challenges the operating environment has presented, our diverse people have continued to act based on foresight, never fearing change as they have transformed our functions to ensure Sojitz can live up to expectations.
This tenacity continues to drive Sojitz forward as we advance toward our next stage and the growth that awaits therein.

Birth out of Adversity

Sojitz was born out of the merger of Nichimen Corporation, which boasted strengths in textiles and food products, and Nissho Iwai Corporation, which excelled in the fields of resources, energy, and machinery. This merger took place in 2004, when these companies had suffered a sudden decline due to factors such as the collapse of Japan's bubble economy, the Asian financial crisis, and the diminishment of the functions of trading companies amid the burgeoning of the internet and the trend toward globalization. The goal of this merger was to compensate for the weaknesses of the two companies. However, the massive losses recorded around the time of the merger significantly impacted the emerging Sojitz's equity and resulted in a rapid increase in leverage. The Company thus found itself branded unsuited for investment. With financial institutions pressing Sojitz to repay its debts, the Company got off to an incredibly rough start with it being forced to focus on funding as its primary management concern.

Fight to Survive

In 2006, Sojitz bet its survival on a boost in capital achieved by issuing more than ¥600.0 billion in preferred shares and over ¥300.0 billion in moving strike convertible bonds. The bond issuance was met with criticism for how it could dilute Sojitz's shares, which in turn drove down the Company's stock price. Even after converting the bonds to shares and buying back the preferred shares, Sojitz had to go about management with a careful eye on its credit ratings and a focus on decreasing leverage. This situation made selling assets a greater priority than making new investments. As such, Sojitz was highly restricted in its business activities for several years after the merger, and a lot of people left the Company as a result.

Triumph

Seeking to overcome the disadvantages created by its lack of funds, Sojitz turned to its interpersonal networks to gain information and insight that it then used to advance into fields that were largely being overlooked by the market. This process broadened our insight and fostered a challenge-taking spirit that drove the creation of new businesses and ultimately transformed the Company's prior business model. Combined with this process was an unwavering dedication to disciplined financial management and a commitment to boosting earnings power through business restructuring with no preferential treatment given to any area of our portfolio. This restructuring saw us withdrawing from prior areas of strength, such as real estate, upstream interests, and textiles. Despite the challenges, we emerged triumphant, achieving seven consecutive years of profit growth leading up to the year ended March 31, 2019, after which conditions deteriorated due to U.S.–China trade friction and the COVID-19 pandemic. Today, we are capable of generating profit for the year (attributable to owners of the Company) of more than ¥100.0 billion.

Sojitz's DNA for Triumphing Over Adversity

Future Forecasting
Innovative Transformation
Challenge-Taking Spirit

March Toward the Next Stage

Throughout its history, Sojitz has continued to move forward together with society and its partners, transforming itself in line with the changing times to create new businesses to deliver goods and services where there is a need by striving to be the first to explore new fields. This DNA of business creation continues to be a source of value generation at Sojitz even today. Our current approach entails bolstering the earnings power of our existing businesses while implementing growth strategies focused on broadening and building upon businesses to create revenue-generating clusters of businesses (*Katamari*) to improve corporate value.

Road Map Toward Next Stage

P. 14 Advance Toward the Next Stage

Having completed the first year of Medium-term Management Plan 2026, consistently generated profit for the year of more than ¥100.0 billion, and anticipated ¥1.0 trillion in total equity, Sojitz is making strides toward an even greater target—its next stage.
Medium-term Management Plan 2026 has been positioned at a time when the Company needs to further solidify business foundations for this undertaking.
Under this plan, we will seek to improve corporate value through proactive investment in growth foundations and human capital so that we can continue to craft the Sojitz Growth Story.

Sojitz Growth Story

P. 27 Medium-term Management Plan 2026—Set for Next Stage

Sojitz is leveraging its competitive edge as it conducts continuous new investments in new growth areas and applies its strengths and enhances its functions to refine existing businesses. This is how we will craft the Sojitz Growth Story.
In this section, we will look at examples of our value creation process in our energy-saving service businesses and our chemical trading businesses in which we engage in continuous new investments and in the refinement of existing businesses to craft the Sojitz Growth Story.

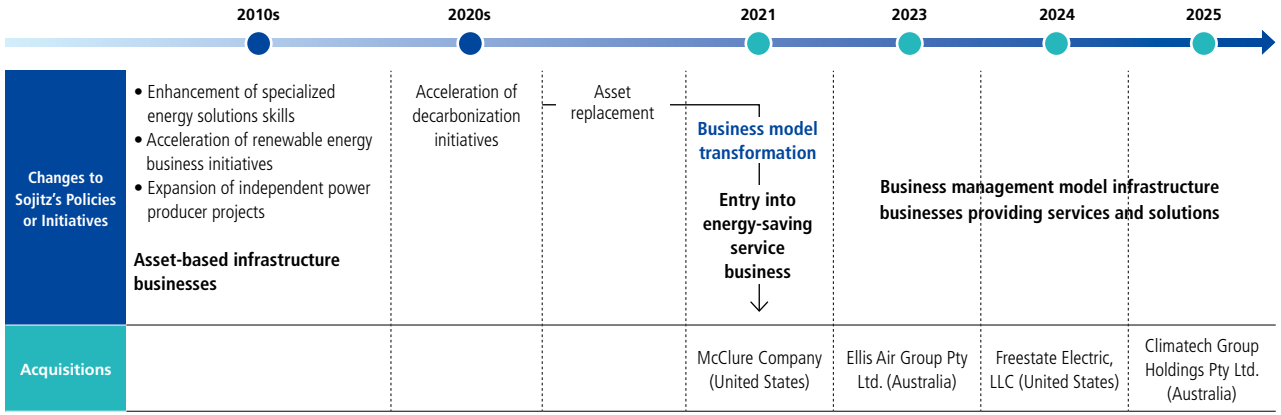
Continuous New Investments

Refinement of Existing Businesses

Expansion of Energy-Saving Service Businesses

Growth strategy of connecting businesses to form revenue-generating clusters of businesses (*Katamari*)

Evolution of Energy Solutions Businesses



Sojitz has long boasted strengths in infrastructure businesses with regard to engineering, procurement, and construction (EPC) projects that entail bidding for participation in overseas plant and other projects. However, the profitability of such EPC operations is tied to a company's ability to win bids. During the period of rebuilding Sojitz's management, there was a need to take part in businesses that promised more reliable earnings. Accordingly, the Company chose to branch out from its EPC businesses, where it offered a project management function, to take part in business management. Moreover, we developed independent power producer businesses utilizing long-term electricity sales contracts and thereby constructed the foundations that would continue to support Sojitz's earnings during the management rebuilding period.

Future Course Inspired by Challenging Conditions

The United States is a core market for Sojitz's energy solutions businesses, and the head office staff dispatched to this country as well as the staff of Sojitz Corporation of America have continued to work diligently to uncover business opportunities in this market. However, in the 2010s, an influx of new entries into this market ramped up competition and made it increasingly difficult to find projects promising acceptable returns. Meanwhile, as Sojitz had moved past the period of management building, the market's expectations of the Company rose. We thus found ourselves pressed to deliver phased improvements in return on equity, meaning that it would be challenging to advertise our future growth potential if we only took part in reliable asset-based businesses.

In the past, Sojitz has been engaged in power generation businesses ranging from thermal power to renewable energy. However, all of these businesses have been predominantly focused on the provision of energy for consumption. The trend toward decarbonization, meanwhile, has drawn our attention to the potential of businesses aimed at reducing energy use. This focus gave rise to the idea of developing energy-saving service businesses in which we can utilize insight gained from our past involvement in electricity-related businesses in the United States. Our experience in EPC and independent power producer projects has made us well

aware of the importance of engineering functions. Based on this experience, we sought out partners with reliable customer bases that were able to leverage their relationships with partners and vendors and to supply superior functions in specialized fields. During our search, we expressed our intent for partnership and sometimes even met with companies that fulfilled these criteria. Eventually, we would find McClure Company, a Pennsylvania-based company with strengths in air-conditioning EPC, and investment in this company was commenced in December 2021. This investment marked our first step out of the realm of investment-centric asset-based businesses to take part in business management models that entailed direct involvement in developing and growing businesses.

Colleagues United by a Shared Ambition

Sojitz was attracted to McClure because of its vast staff of technically skilled employees and the large potential for its operations to be developed in renewable energy, energy saving, and other areas. We were thus compelled to start negotiating an acquisition. In these negotiations, our top priority was ensuring that our potential partner fit in with the culture at Sojitz, which was shaped by employees who were highly mindful of the adversity the Company faced in the wake of the merger of its two predecessors. We also wanted to respect the culture of our partner. This is why we adopted the mantra of "give, give, give" to express our intent to grant our partner access to the experience and insight Sojitz had cultivated thus far. This mindset was emphasized within our team when starting the acquisition negotiations with McClure, throughout the post-merger integration process that followed, and even today. In our negotiations, we did not focus purely on the benefits of becoming a member of the Sojitz Group, like the increased funding capabilities, for example; we were also frank in explaining the potential downsides, such as the larger workload associated with our rigorous governance frameworks.

This commitment to open communication helped us prevent the loss of talented McClure employees while also sharing our vision. We were thereby able to encourage the active participation of McClure managers and employees in the shaping of new acquisition projects, enabling us to take advantage of their interpersonal connections and insight. In October 2025, the efforts of McClure's management culminated in the acquisition of Freestate Electric, LLC, which operates in Maryland, the state neighboring McClure's home state of Pennsylvania. In this manner, the Sojitz Group is united in advancing growth strategies that broaden and build upon businesses in order to create revenue-generating clusters of businesses (*Katamari*) in its energy-saving services. These efforts are generating growth surpassing our initial expectations. Sojitz's DNA of calling on its past experience to develop new businesses and transform existing businesses based on predictions of future changes in the operating environment is becoming entrenched within these new members of the Group. The synergies generated since the start of this partnership have continued to drive steady growth in earnings, and we are committed to developing our operations in these areas into revenue-generating clusters of businesses (*Katamari*).

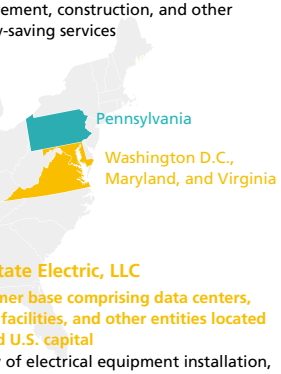
Energy-Saving Service Business Initiatives

- Rising energy-saving needs in conjunction with growing electricity demand
- Expansion of business scope and creation of reliable revenue-generating clusters of businesses (*Katamari*) centered on the United States and Australia

Profit for the Year in Energy-Saving Service Businesses (Billions of yen)

FY2022	FY2023	FY2024	MTP2026	Next Stage Target
1.0	2.9	5.6	7.0	10.0

Expansion into other growth markets



McClure Company
Leading share among schools and hospitals in Pennsylvania
Development of air-conditioning equipment and plumbing engineering, procurement, construction, and other energy-saving services

Ellis Air Group Pty Ltd.
Market shares of 50% in Queensland and 25% in Victoria*
Provision of air-conditioning equipment engineering, procurement, and construction services

* Market for general contracting services for commercial facilities

Climatech Group Holdings Pty Ltd.
Robust social infrastructure service platform centered on New South Wales
Provision of design, installation, maintenance, and services for refrigeration and freezer equipment

Freestate Electric, LLC
Customer base comprising data centers, public facilities, and other entities located around U.S. capital
Supply of electrical equipment installation, maintenance, and inspection services

View Sojitz Through Its Ads and PR Videos: Sustainable Energy Solutions Business

Information on Sojitz's energy-saving service businesses can be found on the following pages.

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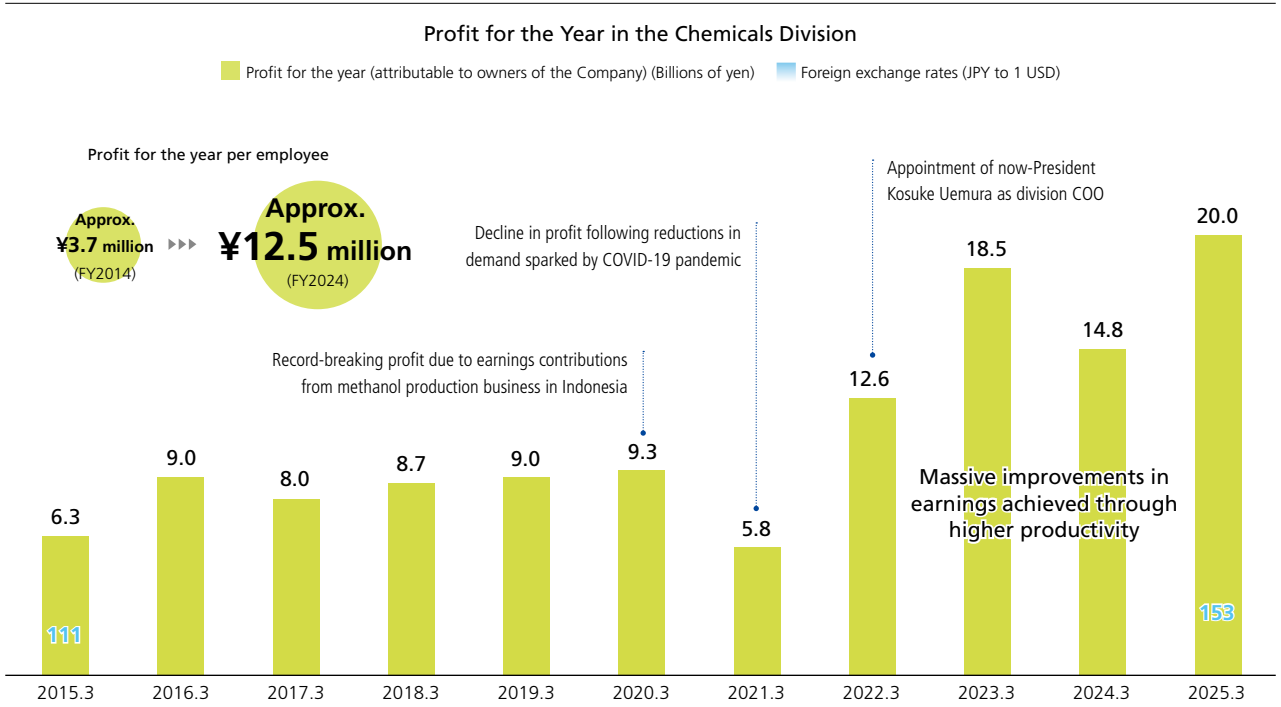
Improvement of Profitability in Chemical Trading Businesses

Refinement of existing businesses to enhance earnings power



The trading businesses of the Chemicals Division stand out among Sojitz's existing businesses in terms of their reliability. In these businesses, we take part in countless transactions by leveraging our customer base consisting of some 5,000 companies worldwide and our product and business proposal functions. Moreover, we exercise foresight to predict demand based on information on plant operating statuses and outlooks from the chemical product manufacturers we serve. This future forecasting allows us to propose cost-competitive

Firm Progress in Organizational Reforms Driven by Human Resource Management

Despite this reliability, our chemical trading businesses have faced issues in terms of their growth potential. The Chemicals Division posted profit for the year (attributable to owners of the Company) of ¥9.3 billion in the year ended March 31, 2020, prior to the outbreak of the COVID-19 pandemic. However, a large portion of these earnings were attributable to the methanol production business in Indonesia. Trading businesses, meanwhile, were struggling. The cause of this issue was rooted in the continuation of transactions in which Sojitz could not sufficiently heighten profitability because of the failure to exercise its functions and an inability to foster proposal capabilities on an organization-wide basis, making these capabilities the exclusive skill of specific individuals.

Current President Kosuke Uemura was appointed to the position of COO of the Chemicals Division in April 2021, during the height of the COVID-19 pandemic. Up until then, he had primarily been involved in energy development and plant businesses. Therefore, he did have some knowledge pertaining to petrochemicals, but he was starting from zero when it came to the division's organizational culture and human resource management. This fresh perspective freed him of preconceptions and enabled him to view the current conditions from a broader standpoint, allowing him to identify several issues needing to be addressed.

For example, he noticed that there were a number of long-standing transactions that were simply being repeated as a matter of habit and in which Sojitz was failing to effectively exercise its functions adequately. Uemura realized that this approach would result in diminishing returns, and eventually, the loss of said transactions. This was at a time when uncertainty was rising due to the COVID-19 pandemic, and the chemicals industry was undergoing massive changes. He was thus led to the conclusion that the Chemicals Division must refine the proposal capabilities that represent its traditional strength and act with the decisiveness and speed needed to predict and preemptively address customer needs. Uemura therefore went about fostering human resources with the conceptualization and pattern recognition skills needed to accomplish this, even when information may be limited.

Introspection for Shaping the Future

Uemura's approach toward training human resources revolved around one-on-one meetings. Section managers would meet with department managers once a week, and both section managers and department managers would meet with Uemura once every two weeks. Meetings were arranged based on the progress seen thus far. Uemura recognized that proactive thinking was the fastest path to growth, and he thus continued to arrange these meetings over his two years as COO of the Chemicals Division to foster such proactive thinking through dialogue. In addition to human resource development, one-on-one meetings were used to maintain an overall understanding of the division's businesses and to facilitate decisive reallocations of staff to growing areas. At the same time, this process resulted in the scaling back of allocations of resources to businesses with insufficient profitability in which Sojitz was unable to effectively exercise its functions, thereby shrinking such businesses.

Similar initiatives took place within sections, promoting changes in awareness throughout the entirety of the Chemicals Division. This process fostered an ability to make proposals in advance of needs and to generate earnings in line with the value of those proposals, which in turn drove up the profitability of the division. As a result, profit for the year (attributable to owners of the Company) in the Chemicals Division, which had remained consistently around ¥9.3 billion up until the COVID-19 pandemic, rose to ¥20.0 billion, more than double that level, in the year ended March 31, 2025. After the outbreak of the COVID-19 pandemic, many chemical product manufacturers were forced to shut down their production lines due to shortages of materials caused by disruptions at suppliers or in logistics chains. This situation caused manufacturers to reassess the trading capabilities of trading companies, and more importantly, their ability to commit to providing a reliable supply, based on their insight, proposal capabilities, and vast supplier networks. Although its operations are still affected by factors such as yen depreciation and market conditions, the boost to Sojitz's value proposition created by this situation has cast light on the potential for further enhancement of the Company's functions based on future forecasting. The competitiveness of a trading company hinges on its people. Uemura was assigned to the Chemicals Division despite his lack of experience in this field. This was not a special case; there are many division COOs who have been intentionally positioned outside of their areas of experience to promote transformation unbound by preconceptions. Through this approach, Sojitz aims to achieve rapid growth as an ambitious team of optimally positioned individuals capable of thinking proactively to create value.

Information on initiatives for enhancing the value of chemical trading businesses

Codification of experience and insight of veteran employees
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Examples of projects supporting growth strategies
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Disclosure Materials (Some materials are available in Japanese only.)

Annual securities reports

Annual securities reports are prepared in accordance with Article 24 (1) of the Financial Instruments and Exchange Act and contain financial statements as well as overviews of the Company and its business activities, equipment, and sales.

Corporate governance report

Corporate governance reports provide information on Sojitz's corporate governance systems in accordance with Japan's Corporate Governance Code.

Financial results

Sojitz provides information on its latest financial results as well as presentation slides used in financial results and business briefings.

Sojitz ESG BOOK

The *Sojitz ESG BOOK* presents the Company's initiatives based on environmental, social, and governance themes.

Business reports

Notices of convocation of the Ordinary General Shareholders' Meeting as well as disclosures of other matters subject to electronic provision are supplied in accordance with the Companies Act.

Stakeholder Newsletters (Japanese only)

Newsletters are issued for stakeholders to provide reports on Sojitz's performance and other topics.

Editorial Policy

Integrated Report 2025 is focused on explaining how Sojitz will build upon its distinctive strengths to advance toward its next stage and describing the Company's competitive edge in order to foster a sense of anticipation for its growth. Accordingly, the report paints a picture of Sojitz's path toward growth using examples of its efforts to craft the Sojitz Growth Story and the people and initiatives that support these efforts. To offer concise information on Sojitz's ongoing value creation efforts from both financial and non-financial perspectives, *Integrated Report 2025* has been compiled based on the *Integrated Reporting Framework* proposed by the IFRS Foundation and the *Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation: ESG Integration, Non-Financial Information Disclosure, and Intangible Assets into Investment* released by Japan's Ministry of Economy, Trade and Industry.

Scope of Reporting
Organizations: Sojitz Corporation and its subsidiaries and affiliates
Period: April 1, 2024–March 31, 2025 (Information on some activities after April 1, 2025, is also included.)

Note on Forward-Looking Statements
Data and forward-looking statements contained in this integrated report are based on information available to management as of the date of publication as well as judgments deemed to be rational. Accordingly, such information is subject to known and unknown risks, uncertainties, and other factors. The Company does not guarantee the accomplishment of targets or the accuracy of forecasts or future performance projections contained in this integrated report. Information regarding risks, uncertainties, and other factors can be found in the Company's annual financial reports, quarterly business reports, and other documents (some documents are available in Japanese only). The Company is under no obligation to update or issue revisions to forward-looking statements contained in previously disclosed materials. Moreover, the Company takes no responsibility for any damages that result from the use of information contained in this integrated report. Timely notification will be issued should material changes to this integrated report be required.

Explanation of Guidance Functions
Click icons or guides to move to corresponding page or to access external website.

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Sojitz's Position on Path Toward Next Stage (FY2024)

Targets for Next Stage

Profit for the year	ROE	Market capitalization
¥200.0 billion	15%	¥2.0 trillion

Profit for the year

¥110.6 billion

3.3 times higher than in FY2014

Core operating cash flow

¥135.2 billion

2.3 times higher than in FY2015

ROE

11.7%

Up 5.2 pt. from FY2014

Earnings per share

¥513.74

Up ¥487.30 from FY2014

Dividends per share

¥150

Up ¥120 from FY2014

Dividend yield

4.7%

As of June 30, 2025

Market capitalization

¥738.5 billion

2.9 times higher than in FY2014

Stock Ownership Association participation rate

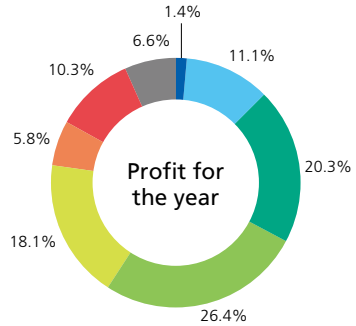
88%

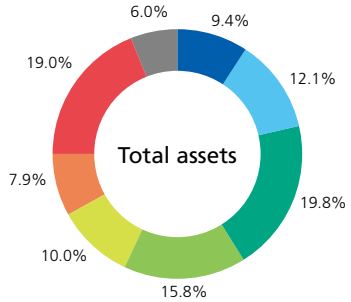
As of March 31, 2025

Employee engagement

Ratio of positive responses for challenge-taking indexes	Ratio of positive responses for openness-related indexes
66%	53%

Total response rate for engagement survey issued in October 2024: 99%





- Automotive Division
- Aerospace, Transportation & Infrastructure Division
- Energy Solutions & Healthcare Division
- Metals, Mineral Resources & Recycling Division
- Chemicals Division
- Consumer Industry & Agriculture Business Division
- Retail & Consumer Service Division
- Others

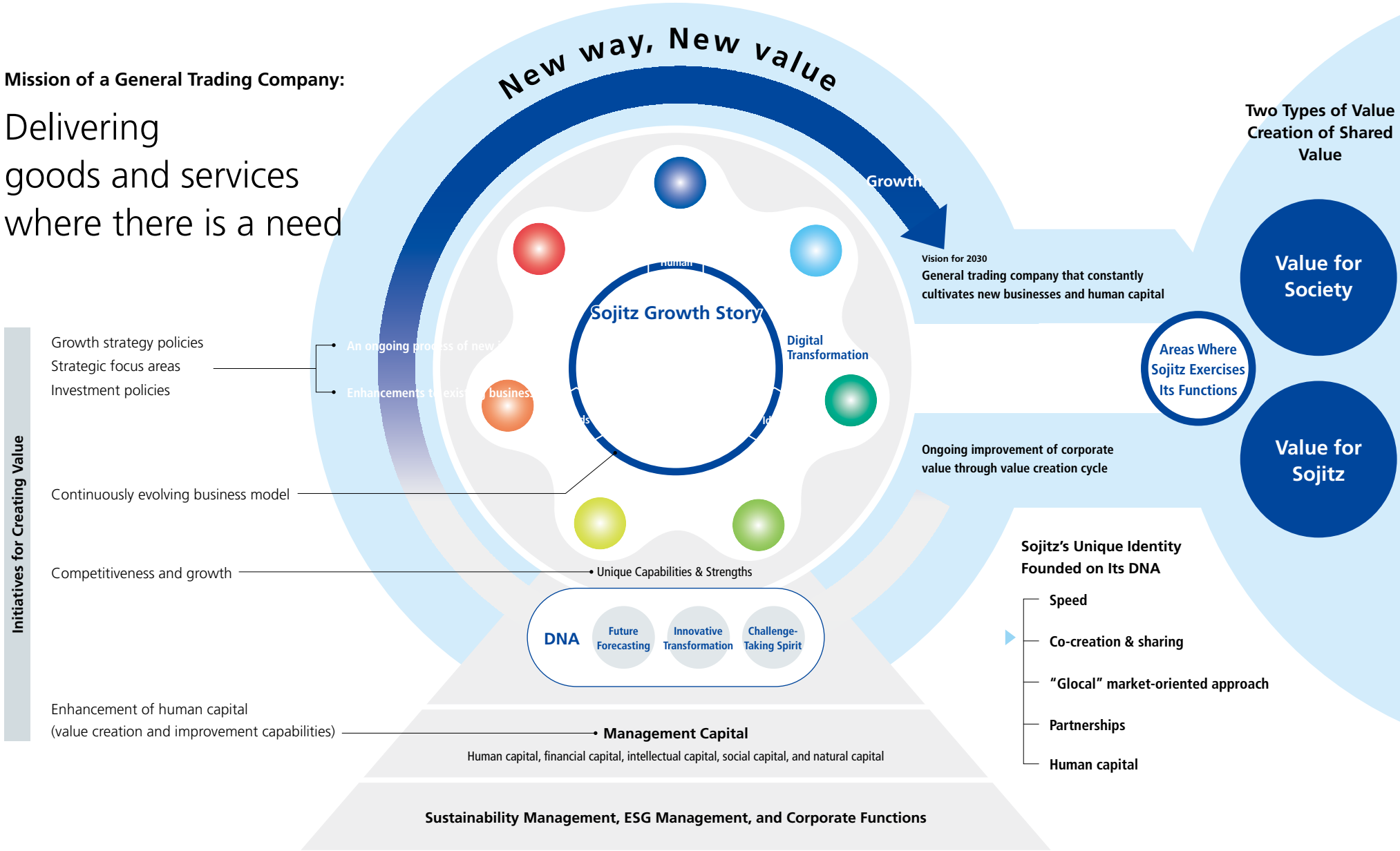
Profit for the year

FY2003 FY2014 FY2024 Next Stage

Value Creation Process

Mission of a General Trading Company:

Delivering goods and services where there is a need



Management Capital (Operating Foundations)

Leveraging the management capital it has amassed over its history spanning more than a century, Sojitz aims to continue creating two types of value—value for Sojitz and value for society. This management capital is the wellspring of value creation that spurs Sojitz forward toward its vision of becoming a general trading company that constantly cultivates new businesses and human capital.

FY2024

Human Capital

People Supporting Value Creation and Improvement

We are maximizing the human capital that supports value creation and improvement as part of crafting the Sojitz Growth Story.

Number of employees (non-consolidated)
2,486

Number of Group employees (consolidated)
25,118

Ratio of locally hired chief officers at overseas Group companies
49%

Ratio of female managers (non-consolidated)
6.8%

Ratio of practical application-level DX Experts (career-track employees)
24%

Financial Capital

Disciplined Financial Management

Sojitz is committed to practicing disciplined financial management to drive growth investments and asset replacement.

Profit for the year
¥110.6 billion

Total assets
¥3,087.3 billion

Total equity
¥969.0 billion

Core operating cash flow
¥135.2 billion

ROE
11.7%

Intellectual Capital

Accumulated Value Creation Expertise

Based on the foundation forged by our DNA of business creation, we will craft the Sojitz Growth Story to create new value through ideas that blur the boundaries between regions, industries, and business divisions.

History
More than one century

Growth investments
More than ¥1,300.0 billion*

* Aggregate growth investments since April 1, 2018 (including projections of Medium-term Management Plan 2026)

Social Capital

Vast Global Network

Sojitz engages in co-creation and sharing among its various bases and Group companies as well as with the customers they serve in order to transform its partnerships into competitiveness to drive ongoing growth.

Number of bases
89
Bases in Japan: 5
Bases overseas: 84

Number of Group companies
469
Companies in Japan: 132
Companies overseas: 337

Natural Capital

Businesses Supporting Natural Capital

Sojitz is creating businesses for driving ongoing growth while achieving sustainable improvements to natural capital through efforts to achieve decarbonization and preserve biodiversity.

Portion of power generation holdings represented by renewable energy (solar power, wind power, and biomass power)
28%

Scope 4 (avoided emissions)
Approx. 2.6 million tons

P. 45 Sustainable marine resource preservation

Sojitz Identity Driving Value Creation

Throughout its long history, Sojitz has proceeded to foster a DNA of future forecasting, innovative transformation, and challenge-taking spirit. At the same time, we have engaged in a wide variety of businesses, thereby developing a robust business portfolio that enables us to provide various solutions while dispersing risks. With this business portfolio, the Sojitz employees of today, who inherit the aforementioned DNA, will promote flexible and agile transformation to continuously improve corporate value.

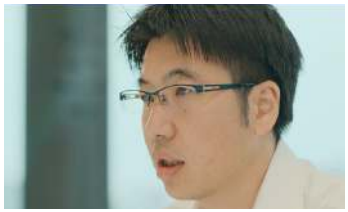
Management Capital (Operating Foundations)

Sojitz Identity

The Sojitz Identity Project launched in April 2023 was an opportunity for employees, from all departments and ranks, to examine their own personal relationship with Sojitz and engage in earnest discussion about what exactly constitutes the Sojitz identity. Moreover, we celebrated the 20th anniversary of the establishment of Sojitz in the year ended March 31, 2025 through the preparation of a video that compiled messages from 49 current and former employees who have been involved in 12 of the Company's historic businesses.* Available on the company intranet, this video has been viewed more than 15,000 times. In this manner, we as a company are seeking to learn from the passion and innovation our forebears invested in our long-running businesses for use in guiding Sojitz to its next stage.

Integrated Report 2024 P. 31 Sojitz Identity Project

* The 12 historic businesses are as follows:
- Infrastructure businesses
- Rare earth businesses
- Industrial salt businesses
- Retail businesses
- Railroad engineering, procurement, and construction businesses
- Livestock feed businesses
- Automotive businesses
- Automotive businesses in Latin America
- Coal businesses
- Defense system businesses
- Fertilizer businesses
- Independent power producer businesses



Sojitz's real strength lies in its ability to be the first to step forward to create new value.

You have to seize opportunities for yourself. You need to be hungry.

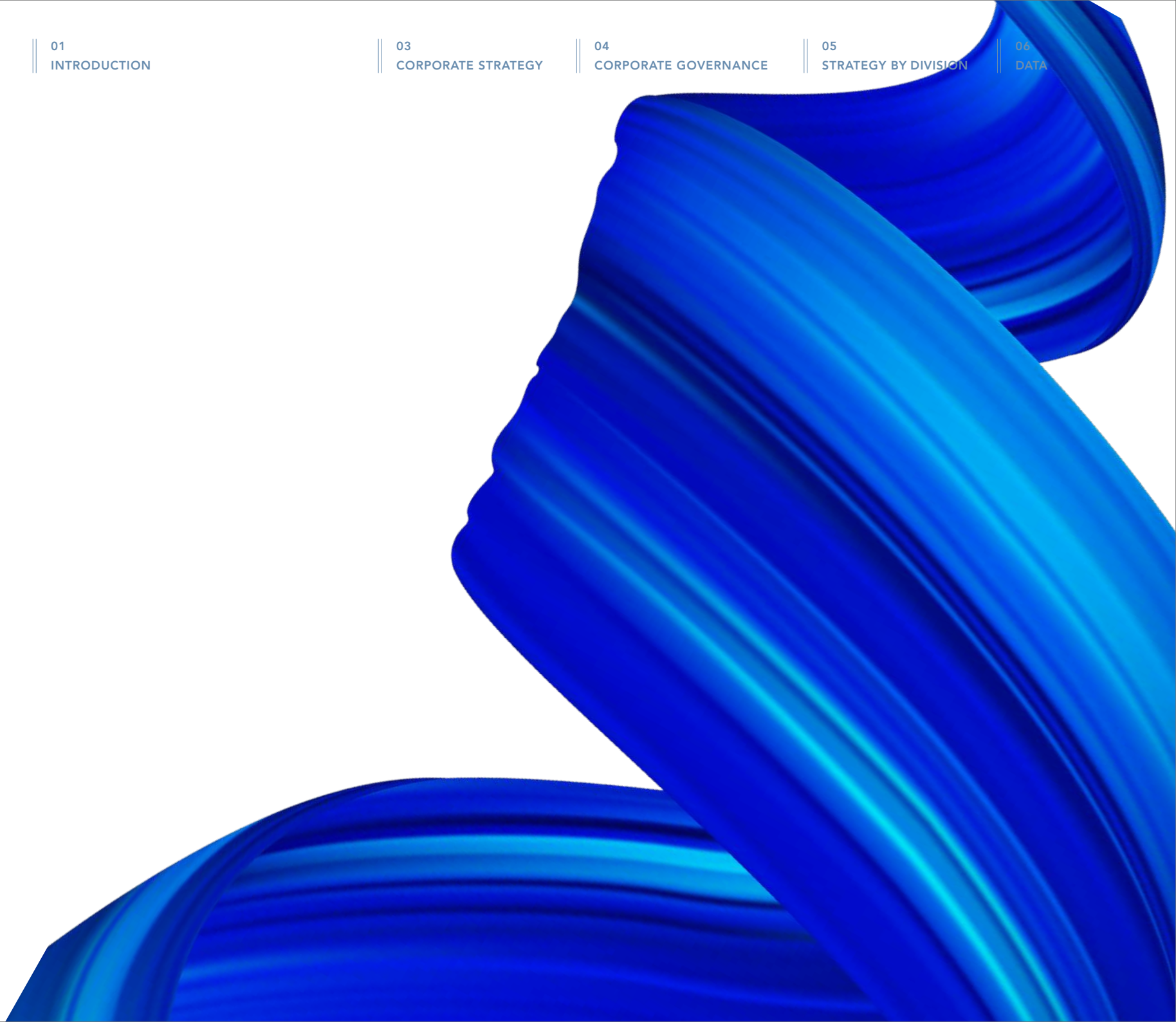
General trading companies are vital to the economic security of Japan. I want to see our newer colleagues doing some really amazing things!

I want to make Sojitz the type of general trading company that is closely rooted in the communities it serves and thereby builds an undeniable presence as a global company.

I emphasize transparency. It is important to talk honestly without dressing things up.

We should be professional while building an environment where we can do work we enjoy, but we also have to keep our guard up.

I want to work for my own sake, the sake of my family, the sake of society, and even the sake of the country.



Advance Toward the Next Stage

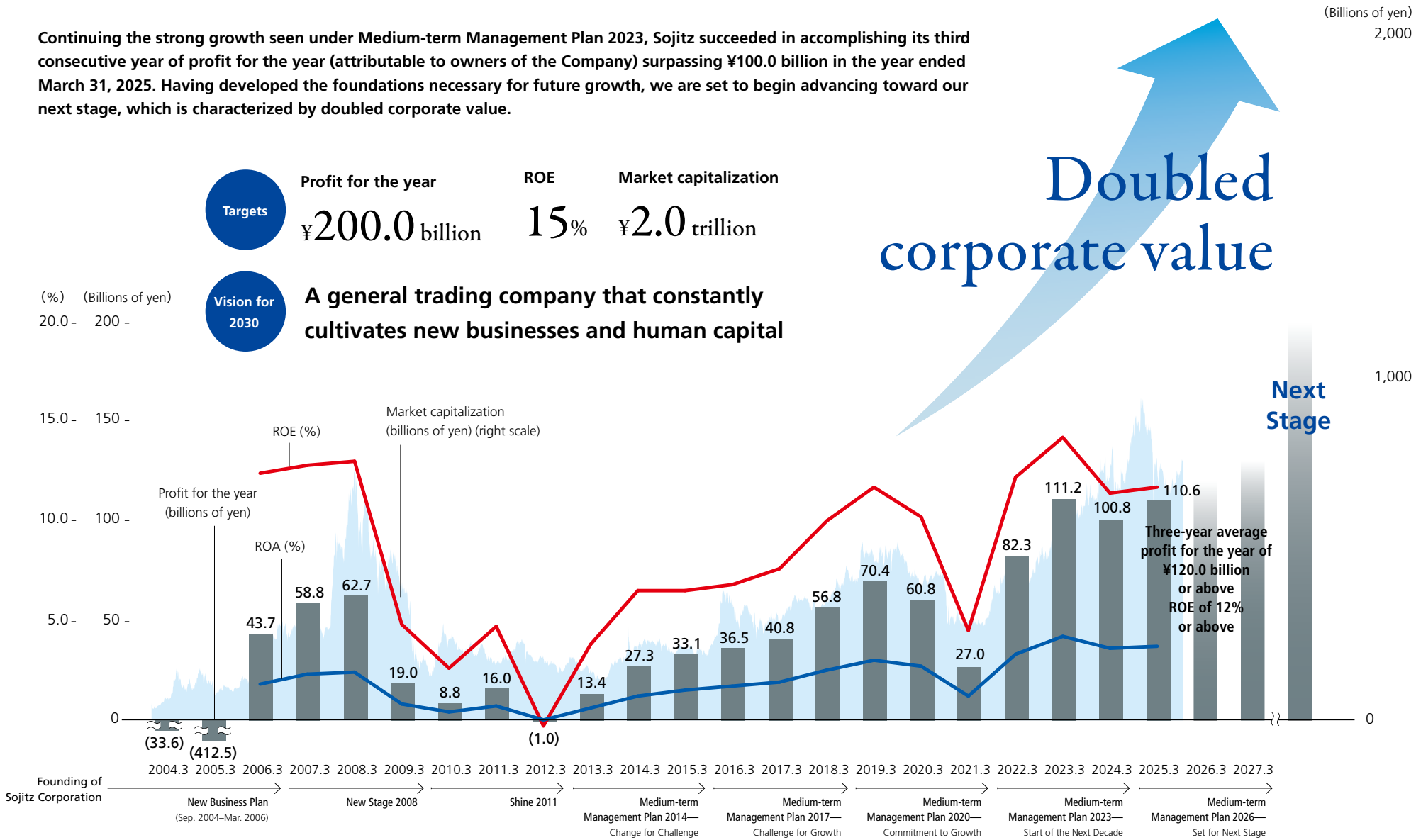
Continuing the strong growth seen under Medium-term Management Plan 2023, Sojitz succeeded in accomplishing its third consecutive year of profit for the year (attributable to owners of the Company) surpassing ¥100.0 billion in the year ended March 31, 2025. Having developed the foundations necessary for future growth, we are set to begin advancing toward our next stage, which is characterized by doubled corporate value.

Targets

Profit for the year	ROE	Market capitalization
¥200.0 billion	15%	¥2.0 trillion

Vision for 2030

A general trading company that constantly cultivates new businesses and human capital



CEO Message

Strong Strides Toward the Next Stage

Kosuke Uemura
Representative Director, President & CEO

/ Profile /
Kosuke Uemura joined Sojitz's predecessor Nissho Iwai Corporation in 1993. After gaining experience in energy development and manufacturing plant businesses, he took up the position of COO of the Chemicals Division in 2021, a role that saw him transforming prior business models, expanding Sojitz's business scope, and bolstering earnings power. He then assumed the position of COO of the Corporate Planning Department in April 2023 and COO of the Energy Transformation Decarbonization Area in January 2024 before being appointed as president & COO in April 2024 and president & CEO in April 2025.

CEO Message

Constant Reassessment of Value Proposition

I am always asking myself what constitutes our value proposition and what functions we can supply.

Working at a general trading company requires one to continually be looking forward, predicting future changes in order to act in advance of these changes. If we wait until we are pressed to act by the market or by our partners, we cannot claim to be independently creating value. This is why our people need to be able to think proactively to reassess their own strengths and functions in order to create new value. Today, we are seeing rapid progress in AI and other technologies. These technologies mean that there is no need for people to perform routine work that is an extension of the status quo at a general trading company like Sojitz.

Sojitz's mission as a general trading company is to deliver goods and services where there is a need. Fulfilling this mission does not mean continuing to depend on a specific business. Rather, it is imperative that we constantly create new businesses. Sojitz can trace its roots back to its three predecessor companies established more than a century ago. Our DNA is defined by the future forecasting, the innovative transformation, and the challenge-taking spirit fostered over our long history. This DNA inspires us to be self-directed and to think proactively in order to predict diverse social needs through foresight, to seize change as an opportunity, and to transform. We will create new businesses through ambitious challenge-taking initiatives. This is how we will craft the Sojitz Growth Story.

A look at Sojitz's DNA
P. 2 INTRODUCTION

Commitment Toward People

If one wants to become the type of person capable of thinking independently and creating value through preemptive action, it is essential to adopt a self-directed and proactive mindset. This is not a practice that can be mastered in a day. When I was COO of the Chemicals Division, I poured a great deal of time and energy into fostering this mindset. Initially, members of the division spent each day delivering product orders as requested by customers and taking a passive approach by visiting customers to inquire about their needs. This cultural practice was deeply ingrained in the organization. However, I soon came to realize that this was not a sustainable growth strategy and that insistence on this approach would see diminishing returns. I sought to rectify this situation by making ongoing efforts to train members of the division through one-on-one meetings. These meetings were not just your run-of-the-mill sit-downs, but rather forums for self-directed thought and new discoveries. I continued to hold these meetings for two years. It is easy to say we need to adopt the habit of thinking proactively, but

putting it into practice is more difficult. At first, only a handful of people were implementing this proactive mindset. Nevertheless, I kept arranging these one-on-one meetings. And as a result of this effort, the number of self-directed thinkers in the Chemicals Division steadily grew, as did our earnings power. People are the driving force behind all business activities, and a company cannot hope to grow if its people do not. I am currently moving forward with dedicated efforts to extend the successes I had with the Chemicals Division throughout the entirety of Sojitz.

The time spent at work represents a significant portion of our lives, and this is why I want everyone to find motivation and job fulfillment. This raises the question of what makes people feel empowered. I believe that a feeling of empowerment comes, not when we are just doing what we are told to do, but when we are thinking and acting on our own accord. Such feelings of empowerment

CEO Message

have a way of energizing people and inspiring them to think even more about what they can do in their work. Encouraging independent thinking and increasing the number of employees who feel empowered on the job will no doubt create a cycle that is beneficial for employees, customers, partners, and Sojitz alike. I want to ensure that as many people as possible feel excited to start their day at Sojitz. This is my commitment toward people.

Information on human capital strategies for linking the development of people to Company growth

P. 32 Human Capital Strategies

Forum held twice a month for frank discussion by employees on any theme of interest

Progress in First Year of Medium-term Management Plan 2026

We have completed the first year of Medium-term Management Plan 2026. While certain measures prescribed by the plan are behind schedule, I believe I can say that we are generally on track to accomplish the plan's goals. In quantitative terms, return on equity (ROE) came to 11.7% while profit for the year (attributable to owners of the Company) amounted to ¥110.6 billion. Both of these figures represented strong progress toward the plan's targets of ROE of 12% or above and profit for the year (attributable to owners of the Company) of ¥120.0 billion or above, on a three-year average basis.

The basic concept for our advancement toward the next stage can be expressed in the following vision: "We will realize the Sojitz Growth Story by leveraging our unique strengths and competitive edge." I feel that this approach has been embraced throughout the Company and that we have been successful in getting everyone on the same page over the past year. When we first launched Medium-term Management Plan 2026 and started incorporating it into our actual operations, we found that there was some disparity regarding the approach we should be taking between management and the business divisions responsible for implementing the plan. If we were to move forward with strategies without addressing this disparity in understanding, we would be at risk of wasting resources and time due to the misalignment in how we prioritize funds, people, and businesses. Fortunately, we were able to develop a clear and shared vision for Sojitz going forward through an ongoing process of communication and discussion that spanned the year. This shared vision has enabled us to more effectively allocate people and funds to the areas warranting strategic attention. It took a bit longer than I had expected, but I still feel that we made strong progress in the first year of the plan.

After the announcement of Medium-term Management Plan 2026, we received a great number of questions from stakeholders regarding the Sojitz Growth Story. One answer we provided to this question had to do with our approach toward business, specifically how we broaden and build upon businesses to accelerate our growth. However, I am aware that we cannot hope to gain the understanding of our stakeholders if we cannot offer clear examples showing our successes in generating earnings from new business investments or in growing existing businesses. While only a start, I do have some concrete examples I would like to share that illustrate successful efforts to promote the Sojitz Growth Story.

One such example would be our retail businesses in Vietnam. This was an example that we also cited when announcing Medium-term Management Plan 2026. In these businesses, we have been investing in areas in which Sojitz boasts expertise, ranging from wholesale to distribution and retail, with a focus on consumer goods. We have already completed the major investments to be conducted in these businesses. By broadening and building upon these businesses, we aim to form

CEO Message

revenue-generating clusters of businesses (*Katamari*) and thereby bolster our earnings power. These businesses will thus continue to be areas of focus.

Another area where we are developing operations based on Sojitz's tried-and-true functions is our infrastructure businesses in Australia. Past successes in the country include our investment in the New Footscray Hospital public–private partnership project in Victoria and our development of the Edenvale Solar Park in Queensland. Furthermore, we acquired Victoria-based Ellis Air Group Pty Ltd., which was converted into a consolidated subsidiary in May 2023. The business of this company entails the proposal and implementation of energy-efficient engineering and services at customer buildings. Ellis Air also offers energy-saving services such as air-conditioning equipment design and installation to hospitals, data centers, and other private-sector customers. Leveraging this public–private partnership experience and our network in Australia, we were able to conclude an agreement for the purchase of shares in major Australian infrastructure developer Capella Capital Partnership, located in New South Wales, and in an investment platform managed by Capella in January 2025. Welcoming Capella into the Group has positioned Sojitz to adopt a lead developer role through which it will comprehensively handle infrastructure-related processes spanning from development to asset management. These capabilities will enable us to secure multiple revenue streams after the development of infrastructure projects, thereby contributing to more stable earnings.

The real strength of a general trading company can be found in its integration capabilities. Taking our infrastructure businesses in Australia as an example, there have been many cases of Sojitz being contracted to perform construction together with partners or joining projects midway in the process and taking on key responsibility for operations. However, our involvement has generally excluded the development phase, which is typically handled by established local companies. As the direction of a project is not quite clear at this initial phase, such early involvement requires an integrated approach toward planning, finding funding for, and ultimately developing the project. This is why our involvement in a project has most often followed the development phase with mid-project investment. However, if we can act as the lead developer, as is made possible by our investment in Capella, by getting involved in development at the early phases of a project, we will be able to achieve higher capital efficiency. Sojitz's ability to invest in such infrastructure businesses is a product of its capacity for large-scale investments made possible by its strong financial base as well as its track record in the Australian market. In other words, we were able to take advantage of these investment opportunities thanks to the foundations we have worked hard to build since Sojitz was founded. Involvement starting from the development phases of projects will certainly give us the opportunity to expand our track record. At the same time, it will grant us access to information and networks previously unavailable to us, which should lead to further value creation opportunities. Going forward, we will look to expand our operations within Australia while also branching out to other regions,

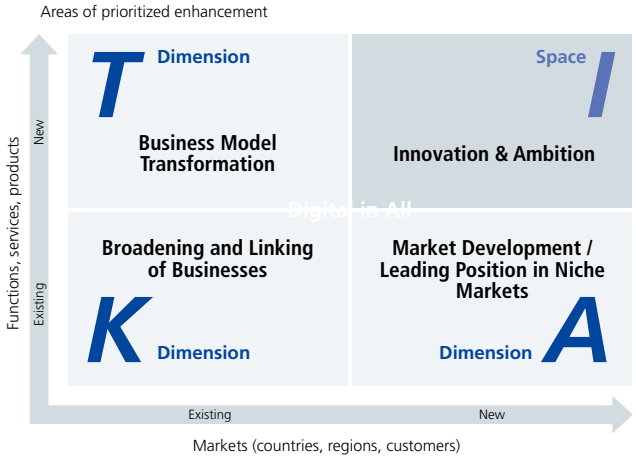
"KATI" Model

Katamari — *"Katamari"*
Strengthening of operations in businesses where Sojitz boasts knowledge and experience to broaden its sources of earnings

Addition — Addition
Application and duplication of existing functions to achieve growth by expanding markets for focus businesses

Transformation — Transformation
Supply of new functions, strengthening of existing functions, and transformation of businesses in pursuit of medium-term growth

Innovation — Innovation
Exploration of new fields to create innovative businesses for long-term growth



The "KATI" model guiding growth strategies under Medium-term Management Plan 2026

CEO Message

such as the Middle East, Central Asia, and developed nations in Europe and the Americas. By broadening the scope of businesses where we have functions for taking advantage of investment opportunities and achieving success in business investments, we will present a clear picture of the Sojitz Growth Story.

Information on progress under Medium-term Management Plan 2026
P. 27 Medium-term Management Plan 2026—Set for Next Stage

"KATI" Model Growth Strategy

In Medium-term Management Plan 2026, we introduced the "KATI" model for guiding the growth strategies we will use to craft the Sojitz Growth Story. Prior to the introduction of the "KATI" model, there was discussion on how we should try to identify our competitive advantages and points of differentiation in focus business areas and then define clear growth strategies. Our first step in this process was to categorize the positioning of our past investments and the approaches to be taken toward investment in the future. This led to the creation of the "KATI" model as a framework for investment decisions. The "K" of the "KATI" model is for *Katamari*. While simply growing existing businesses does not in itself constitute a "strategy," we do intend to expand the scale of our existing businesses. At the same time, however, we recognize that excessive focus on growth in existing businesses can lead us to fall into the trap of continuing to pursue the status quo. Building *Katamari*, meanwhile, also requires expansion into new markets by leveraging our functions, the "A" for "addition" in the "KATI" model, as well as "transformation" based on foresight, the "T" of the model. In this manner, a true strategy charts a course for our business based on an assessment of current conditions and functions and those we look to enhance or acquire moving forward. The last component of the "KATI" model is the "I" for "innovation." This represents the limitless potential of the future business areas we have yet to discover. To help shape the future through innovation, we will continue to optimize resource allocation from a Companywide perspective in search of new wellsprings of value.

Investment strategies based on the "KATI" model
P. 21 CFO Message

Enhancement of Resilience to External Factors

It is true that we have been seeing success in crafting the Sojitz Growth Story. Some businesses, however, are not progressing as planned.

When we look at such businesses, it is often the case that the grounds on which we based our investment decision were highly influenced by market growth or other such external factors. However, these grounds for investment can be undermined by unforeseen deterioration in market conditions, resulting in a failure to generate the anticipated earnings. In these cases, blame is often attributed to external factors beyond control. However, if we do not delve further, we will be unable to learn lessons from these experiences to guide us in the future. We should not just invest because a market is growing. Rather, it is crucial for us to base investment decisions on thorough examinations of whether Sojitz can exercise its functions or establish a competitive edge in the field in question. This approach is something we must implement throughout the Company. For businesses that are currently not progressing as planned, we may sometimes need to make the decision to divest due to changes in the operating environment. Before we exercise this last option, though, we must first seek to look at Sojitz's inherent strengths and decide, on a business-by-business basis, how we can get back on track. We have already begun turning some businesses around to head in the right direction through this approach.

When examining Sojitz's functions and competitive edge, employees need to be able to think proactively and adopt an objective perspective. To keep such examinations from becoming centered on individual opinions, I encourage people to talk in the third person, as opposed to speaking in the first person. It is only natural for employees on the ground to want to continue to advance the projects they are directly involved in. When thinking about the projects we should be involved in as an organization, however, an objective perspective is of paramount importance. We must therefore work to cultivate this perspective on a Companywide basis.

Information on business division strategies for advancing to Sojitz's next stage
P. 67 Division Business Reports

CEO Message

Raising of Awareness to Accelerate Digital Transformation

Digital transformation has been positioned as one of the strategic focus areas of Medium-term Management Plan 2026. In the plan, we also introduce our "Digital in All" concept, which calls for us to embrace digital technologies in all of our businesses. This decision was made based on the understanding that effective data utilization is imperative to the improvement of profitability in existing businesses and to the creation of new businesses.

Our current frameworks for promoting digital transformation are primarily focused on three approaches: earning with digital technologies, specifically through collaboration with Group companies and other partners; improvement of value with digital technologies, an undertaking to be pursued on an individual-project basis together with business divisions; and development of digital infrastructure, which will be advanced by dedicated internal organizations. While the techniques for utilizing data can usually be found in the hands of dedicated divisions or specialized Group companies, it is the people on the front lines that engage with that data who are thus best able to understand its value. As a general trading company, Sojitz is engaged in various investments and businesses with opportunities to gather massive amounts of diverse data. Effective data utilization requires innovative approaches to determine when data can be used in a different manner to generate value and what types of data can be combined to create new value. While this type of thinking requires time and presents an added responsibility for employees in the course of their everyday activities, it is an important task. Thinking about data is not something we can just leave up to the people in the digital technology division; it is something everyone at Sojitz must do. To ensure that we do not underutilize our digital technology teams and organizations or squander vast amounts of data, it is essential that we raise awareness for accelerating digital transformation by increasing opportunities for exchange between digital technology organizations, Group companies, and frontline organizations.

Information on digital transformation strategies
P. 46 Digital Transformation Strategies

Advance Toward the Next Stage

Sojitz has defined profit for the year (attributable to owners of the Company) of ¥200.0 billion, ROE of 15%, and market capitalization of ¥2.0 trillion as its targets for the Next Stage. To achieve this rapid growth, we will need to change our approach with regard to strategies, mindsets, and organizations. These changes in approach will be guided by the self-directed and proactive thinking I have discussed thus far, which will be based on the "KATI" model and the basic policies described for the growth strategies of Medium-term Management Plan 2026. If Sojitz can come to function as an organization filled with individuals capable of thinking proactively and acting in advance of change, it is sure to help us create new businesses and thus become a driver of our growth. We have only just finished the first year of our medium-term management plan, but everyone at Sojitz remains united in the goal of advancing toward our next stage—and I feel that we have made tangible progress toward this goal.

Reflecting on the past year, I see firsthand the importance of continuing to reiterate key points. If you only say something once, it will not spread throughout an organization. If you do not continue to express how you feel, you will not succeed in inspiring change. As president, my role is to lead Sojitz in crafting the Sojitz Growth Story and advancing toward its next stage. I will thus be devoting my efforts to helping Sojitz further hone its strengths and the competitive edge and other tools it uses to succeed in specific businesses while disclosing our successes in this regard in a timely manner. I thereby hope to make you feel excited about the future of Sojitz. As of June 30, 2025, we had still not reached our targeted stock price, and the price-to-book ratio was only 0.77 times. I recognize the management issue this represents, and I am committed to improving corporate value and shareholder value to address it. I hope we can look forward to our stakeholders' ongoing understanding and support.

July 2025

Kosuke Uemura
Representative Director, President & CEO

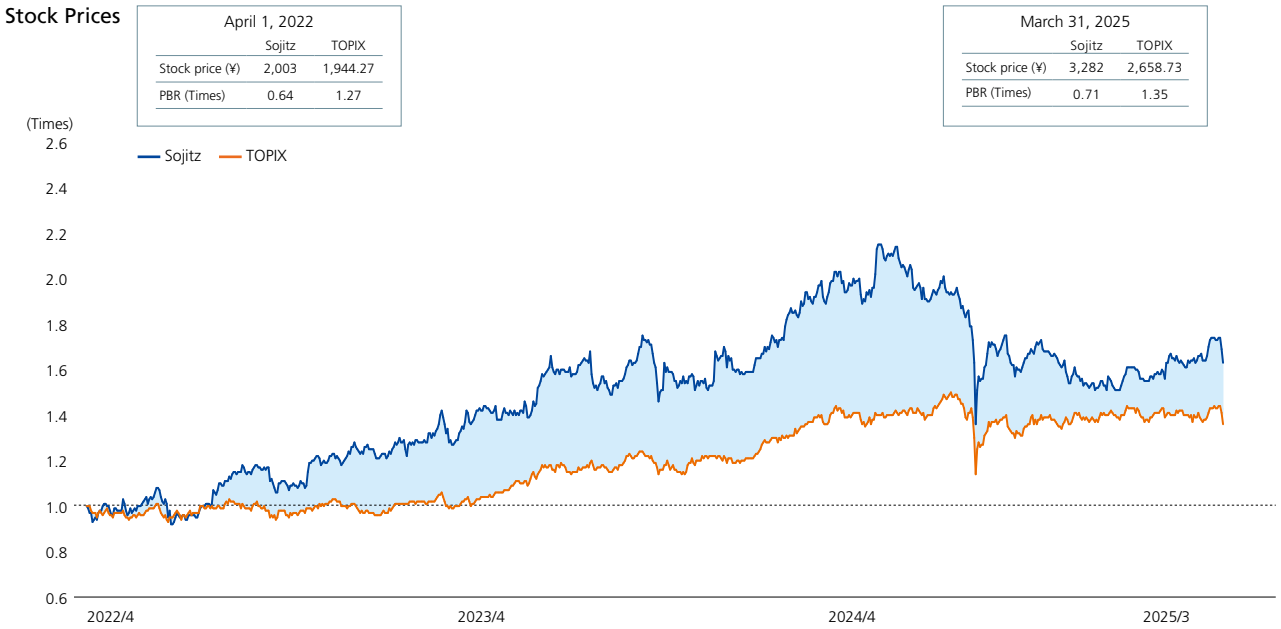
CFO Message

Acceleration of Strategies to Achieve Doubled Corporate Value

Makoto Shibuya
Representative Director,
Senior Managing Executive Officer, CFO
Executive Management of Corporate Departments

In the year ended March 31, 2025, the first year of Medium-term Management Plan 2026—Set for Next Stage, Sojitz was able to deliver results that surpassed its initial forecasts. This impressive performance was achieved despite the sluggish results in certain business fields due to external factors such as larger-than-expected declines in resource prices. We were able to offset the impacts of such factors, however, with earnings contributions from new investments and growth in existing businesses. Our earnings foundation is becoming increasingly more stable due to a reduction in the portion of our earnings derived from resource businesses that are highly susceptible to market changes and growth in earnings gained from non-resource businesses. This increased stability of our earnings foundation can be seen in our ability to post profit for the year (attributable to owners of the Company) exceeding ¥100.0 billion for three consecutive years.

Stock Prices



CFO Message

At the same time, however, our price-to-book ratio (PBR) stood at a low 0.77 times on June 30, 2025. This indicates that the market has not been sufficiently convinced of the Company's ability to accomplish the targets defined for its next stage, namely, profit for the year of ¥200.0 billion, return on equity (ROE) of 15%, and market capitalization of ¥2.0 trillion. Since the announcement of Medium-term Management Plan 2026, we have continued to meet with numerous investors to discuss how we can address this gap between Sojitz's capabilities and the market's appraisal of the Company's potential. The input we have received from investors can largely be divided into two categories. The first category includes requests for further clarification regarding what exactly constitutes the Sojitz Growth Story and how we will craft this story to advance toward our next stage. In response to this feedback, we have proceeded to include examples of initiatives in business areas and segments embodying the Sojitz Growth Story alongside our quarterly financial results announcements. Through these ongoing explanations of our actual initiatives, policies, and numerical results, we are fostering understanding of Sojitz's distinctive strengths and competitive edge. Examples of such initiatives have also been included within the pages of this integrated report. The second category includes queries about why our stock price remains low, despite offering praise for our management strategies, past performance, and current progress, all indicating that we are heading in the right direction. Possible reasons for our low stock prices include a lack of confidence from the capital market with regard to Sojitz's future potential for ongoing growth and a disparity between our actual levels of profit and ROE and the returns expected by investors.

As for cost of capital, we maintain our estimate from last year of between 9% and 10%. At the same time, however, we recognize that the market expects returns of around 15%. Sojitz has defined an ROE target of 15% for its next stage. Accomplishing this target will require improvements from our current ROE level of between 11.7% and 12.0%, but we do not see this growth target as unrealistic. Our efforts to reach this level will entail continuing to boost the earnings power of existing businesses and the rigorous advancement of growth strategies for identifying new investment fields to organically link multiple businesses and thereby produce revenue-generating clusters of businesses (*Katamari*). Progress toward this target will be quantitatively gauged through comparison to the targets for cash return on invested capital (CROIC) set for each business division in order to drive improvements. We will be accelerating these efforts going forward.

With regard to shareholder returns, there has been no change to our basic policy of stable, ongoing returns. However, Sojitz is presently in a growth phase, and we therefore must place emphasis on growth investments. Nevertheless, we will continue to provide highly predictable shareholder returns based on a policy of allocating around 30% of core operating cash flow to returns. We have also put forth the policy of issuing progressive dividend payments targeting 4.5% of shareholders' equity. I suspect that shareholders will find this level satisfactory, but I also recognize that it will be crucial for us to continue issuing shareholder returns while increasing returns through new investments.

People-Driven Business Portfolio Transformation

Sojitz's approach toward business portfolio management differs from that of manufacturers and other companies and does not entail a focus on any specific segment. As a general trading company, we are always transforming our business portfolio. People are the one constant in the equation. It is our people who continue to create new businesses, who exercise resilience to weather harsh conditions, and who transform what needs to be changed while protecting what should be preserved. This is a core element of Sojitz's DNA. Today, the world is constantly changing, and it seems like we have a new scenario to deal with every week due to factors such as rising geopolitical risks. It is important that we not preoccupy ourselves with how these changes may be beneficial or detrimental to the Company. Rather, we should heighten our perceptiveness toward changing conditions—and this mindset needs to be adopted by both management and frontline staff. I am thus always encouraging people to be more perceptive and to speak up and make suggestions when they notice an issue in order to facilitate swift action.

CFO Message

Under Medium-term Management Plan 2026, we intend to invest around ¥600 billion. In the year ended March 31, 2025, the first year of the plan, we invested around ¥100 billion, and we have already approved another ¥150 billion in investments. I think these figures represent smooth progress toward the aforementioned investment target. However, it is not our intention to simply move forward with investments as planned to meet this target; we also aim to seek out promising opportunities to conduct high-quality investments. Medium-term Management Plan 2026 also earmarks ¥300 billion for new investments for transforming our business portfolio. This provision is meant to allow us to swiftly act on projects deemed to be of strategic importance. Business divisions will not be confined by their investment budgets. Rather, they will be encouraged to share information on projects that could be vital to the entire Company at an early stage to expedite the decision-making process. Moreover, our ongoing investment efforts are helping us build relationships with partners and gain access to new opportunities, thereby creating a virtuous cycle in which successful projects lead to new partnerships.

Sojitz is currently saddled with a perceived high cost of capital and faced with a lack of trust regarding its ability to accomplish its targets. This situation underscores the importance of increasing the portion of our portfolio attributable to businesses generating steady growth and reliable earnings. Accordingly, we are looking to foster anticipation for our future growth through a focus on investments in fields where we can more effectively exercise our functions and transform change into opportunities. In existing businesses, we will continue to refine our operations to enhance profitability. At the same time, we will consider the option of transferring a business if we determine that a partner can develop the business more effectively.

As we work toward our goal of doubled corporate value, there are some businesses in which we are poised to target quintupled value, while there are others in which we are forced to prioritize eliminating losses. To get senior management and business division leadership on the same page in this regard, we have engaged in a great deal of discussion to clarify our respective roles. As a result, I feel that the goals of our business divisions have been successfully aligned with the directives defined on a Companywide level.

Total Investment and Asset Replacement (FY2024)

Total investment		**¥103.0 billion**
Breakdown	Essential infrastructure	**¥66.0 billion**
	Food value chains	**¥19.5 billion**
	Energy and material solutions	**¥3.0 billion**
	Other	**¥14.5 billion**
Total asset replacement		**¥22.5 billion**

Cultivation of Understanding of the Sojitz Growth Story

As we work to promote the Sojitz Growth Story, I believe that I have three roles to play as CFO. The first is to cultivate understanding of the Sojitz Growth Story within the capital market and communicate how exactly we will go about writing this story. The second is to accelerate our efforts in realizing the Sojitz Growth Story. The third is to help build a portfolio that will enable us to pen this story as a collective of integrated businesses, as opposed to a group of standalone businesses. Management is firmly committed to operating Sojitz as both a quality company and a quality investment target. As we seek to craft the Sojitz Growth Story, we will do so by striving to simultaneously live up to investors' expectations and improve employee satisfaction. I hope we can look forward to your ongoing support and understanding.

Division CROIC Targets

Under Medium-term Management Plan 2026, Sojitz has set value creation targets illustrating the levels of cash return on invested capital (CROIC) that should be accomplished by each business division in order to achieve the consolidated return on equity (ROE) target of 15% as defined for the Company's next stage. Levels of CROIC are currently low in divisions aggressively conducting new investments as it takes time before these investments begin to generate returns on a cash basis. Nevertheless, each division is working toward quantitative targets set based on specific conditions with such new investments being positioned as long-term sources of reliable cash.

	Medium-term Management Plan 2023	Medium-term Management Plan 2026			
	CROIC Average for FY2021 to FY2023	CROIC in FY2024	Value Creation Targets	Analysis of Performance in Comparison to Medium-term Management Plan 2026 Value Creation Targets	CROIC for Next Stage
Automotive Division	8.0%	5.0%	8.0%	• Reduction in CROIC, despite earnings contributions from new investments, due to downturns in used car sales businesses in Australia • Utilization of business model capable of generating earnings accompanied by cash to achieve value creation targets through boosts to earnings in businesses with sluggish performance and improvements in capital efficiency in other existing businesses	8.0%
Aerospace, Transportation & Infrastructure Division	4.9%	5.0%	6.0%	• CROIC on par with previous fiscal year, despite reduced capital efficiency following temporary increases in funding demand in aircraft trading businesses, as a result of higher capital efficiency attributable to growth in existing businesses and reorganization of marine vessel businesses • Pursuit of value creation targets by branching out through new business investment and improving capital efficiency in existing businesses	8.0%
Energy Solutions & Healthcare Division	2.6%	2.3%	4.0%	• Delays in earnings contributions due to concentration of new investments in second half of the year ended March 31, 2025, resulting in a temporary decline in CROIC, but CROIC improving nonetheless due to growth in energy-saving service operations and asset replacement • Pursuit of CROIC surpassing value creation targets through generation of cash via improvements to capital efficiency and asset replacement in existing businesses as well as ongoing new investments	6.0%
Metals, Mineral Resources & Recycling Division	15.1%	10.5%	15.0%	• Downturn in CROIC due to slump in coal market • Capital efficiency impacted by market volatility, but value creation targets to be pursued via improvements to capital efficiency in existing businesses	12.0%
Chemicals Division	10.6%	13.4%	10.0%	• Improvements to CROIC due to earnings contributions primarily from overseas trading businesses • Target of CROIC of same level as defined for Sojitz's next stage, despite temporary reductions to capital efficiency in conjunction with new investments through capital efficiency improvements in existing trading businesses	12.0%
Consumer Industry & Agriculture Business Division	8.9%	9.3%	10.0%	• Improvements to CROIC due to enhancements to sales capabilities and profitability in overseas fertilizer businesses • Pursuit of value creation targets by branching out through new investments and improving capital efficiency in existing businesses	12.0%
Retail & Consumer Service Division	3.1%	4.2%	6.0%	• Upward trend in CROIC, despite year-on-year decline, due to improvements in earnings from prior marine product and domestic retail business investments • Pursuit of value creation targets via swift growth of earnings in Southeast Asian retail businesses and improvement of capital efficiency in other existing businesses	8.0%

Notes: 1. CROIC is an indicator used for measuring and evaluating value creation introduced under Medium-term Management Plan 2023. CROIC = Core operating cash flow/Invested capital
2. Value creation targets represent the minimum level of CROIC that each division needs in order to generate ROE of 13%–14% on a Companywide basis.

Investment Policies and Processes

1. Project Creation and Investment Decision

Reinforcement

Project Identification and Development Capabilities

- Maximization of project portfolio by utilizing referrals from prior business partners and otherwise leveraging vast global interpersonal network and industry contacts
- **Investment principles** introduced for swiftly identifying meaningful opportunities among growing list of projects

Investment Principles

- Rigorous verification of investment projects by department proposing such projects based on the following principles and focused discussion on these principles during preliminary screening processes to expedite screening and, if necessary, to swiftly discontinue screening process for nonconforming projects

Companywide Optimization
Possibility for overall optimization from business portfolio perspective based on Companywide strategies and long-term vision

Competitive Edge
Potential for substantive earnings scale and effective and efficient management resource utilization backed by differentiated competitive edge

Feasibility
Ability to chart feasible and effective path to success as business owner

Investment Standards

Internal rate of return > Hurdle rate
Hurdle rate = Weighted average cost of capital + Country risk premium

- Hurdle rates set on a by-project basis with consideration paid to current level of shareholders' equity costs
- **No involvement, in principle,** in projects in which internal rate of return falls below hurdle rate
- Consideration paid to other profitability indicators (CROIC, return on invested capital, return on investment, return on assets, etc.)
- Definition of risk factors and countermeasures and determination of divestiture feasibility
- Confirmation of pertinent sustainability-related points (human rights, environmental risks, decarbonization policies, etc.)

Internal Decision-Making Process

Preliminary Strategy and Policy Screening
- General Risk Management Department
- Department proposing project
- Corporate Planning Department

→ Screening departments (corporate)*1 → Finance & Investment Deliberation Council*2 → President → Board of Directors

Proposal to president and Board of Directors required for investments surpassing a predefined amount

2. Investment and Post-Merger Integration

P. 34 Post-merger integration in energy-saving service businesses

Ongoing Enhancement

Financial Structuring and Closing Capabilities

- Investment in opportunities to which access was gained through reinforcement of M&A functions
- Formulation of action plans and appropriate key performance indicators to swiftly get projects on course or improve returns post-investment
- Coordination between business divisions and internal M&A Strategy & Value Creation Office, specializing in valuation and post-merger integration support functions
- Personnel exchanges between business divisions and M&A Strategy & Value Creation Office to foster insight and cultivate human resources

3. Business Management and Monitoring

P. 64 Risk Management

Reinforcement

Value Improvement and Business Management Capabilities

- Selection, cultivation, and deployment of management personnel
- Provision of governance and corporate functions as regional hub
- Rigorous hands-on management
- Development of frameworks for flexible action in response to materialization of anticipated risks
- Reassessment of management plan and discussion based on internal review process should project come to be applicable under monitoring standards
- Divestiture should judgment be made that desired returns cannot be expected

Adjustment of business plan

Monitoring Standards

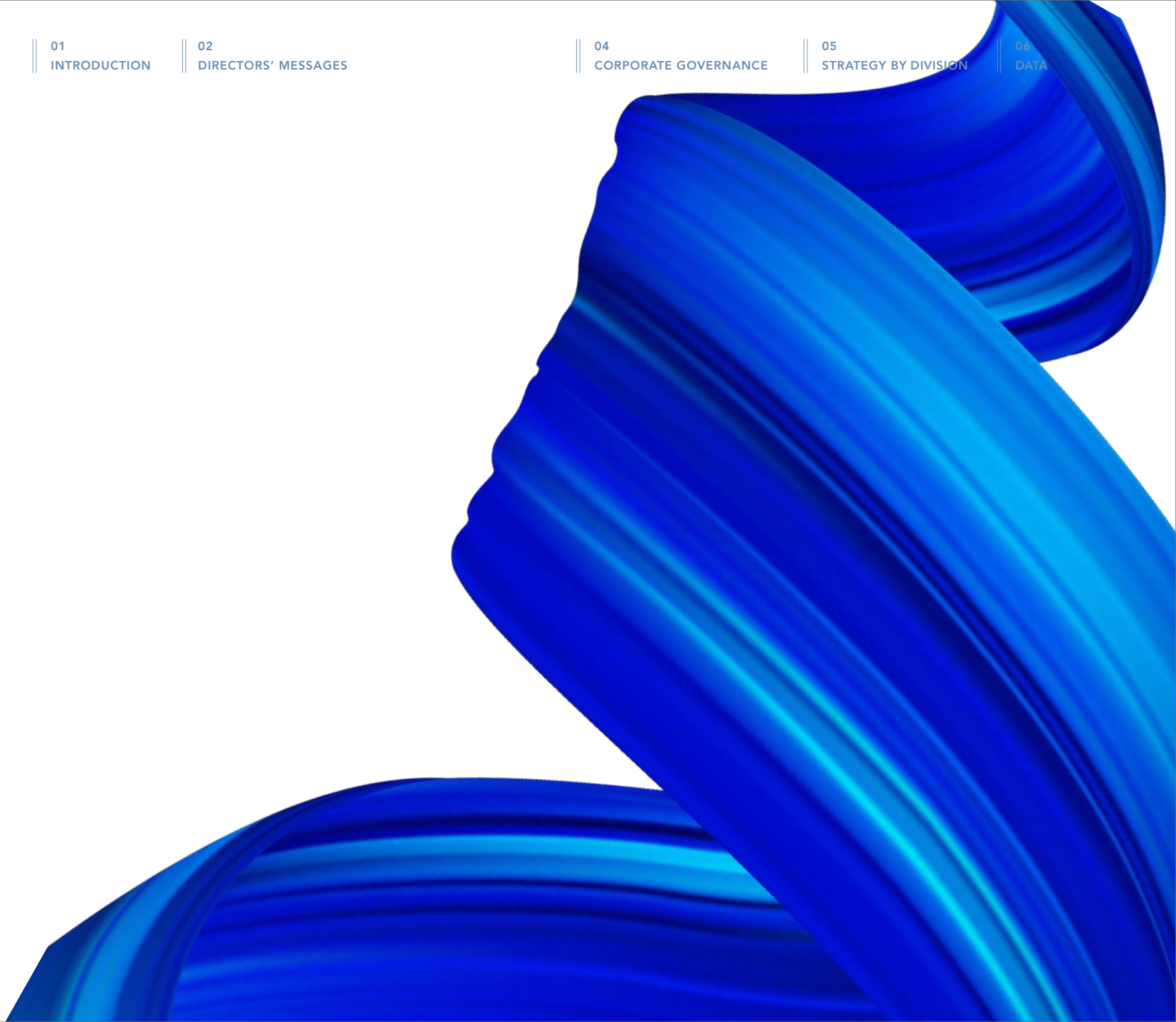
Deviation from business plan	CROIC	Return on invested capital

Divestiture

4. Asset Replacement and Divestiture

- Reallocation of resources assigned to projects applicable under withdrawal standards or in which ability to exercise Sojitz's functions is limited and sharing of insight gained from past successes and failures through training videos (entitled "LEARNING FROM THE PAST") to improve future investment success rates

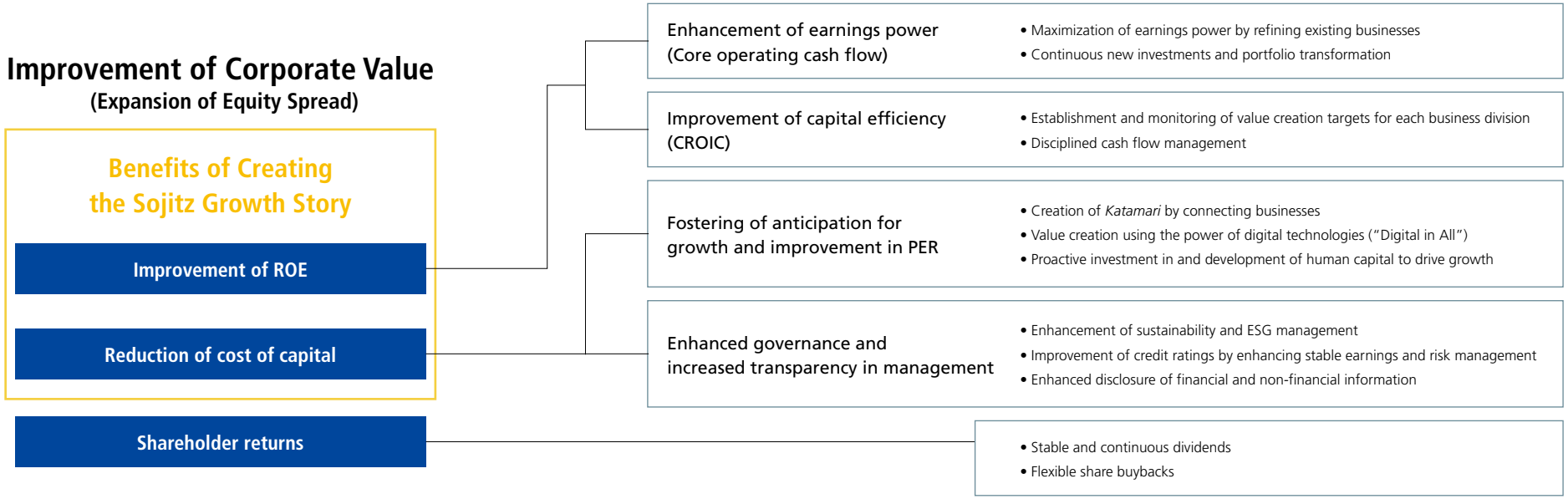
*1 Screening departments: Corporate Planning Department, Finance Department, General Accounting Department, Business Accounting Department, General Risk Management Department, etc.
*2 Finance & Investment Deliberation Council: Chair (CFO), COO of Corporate Planning Department, COO of Risk Management Department, COO of Legal Department, COO of Finance Department, COO of General Accounting Department, COO of Business Accounting Department, etc.



Medium-term Management Plan 2026—Set for Next Stage

Sojitz's Unique Approach Toward Value Creation—Ongoing Improvement of Corporate Value

Under Medium-term Management Plan 2026, which covers the period from the year ended March 31, 2025 to the year ending March 31, 2027, we will maintain our intense focus on the ongoing improvement of corporate value. Based on this focus, we will seek to foster anticipation for Sojitz's growth and improve the price earnings ratio (PER) by crafting the Sojitz Growth Story. Moreover, we will look to consistently maintain a price-to-book ratio (PBR) of 1.0 times or above while pursuing further improvements to this indicator, through heightened return on equity (ROE) and PER.



Sojitz Growth Story P. 1 INTRODUCTION

Transformation of portfolio by crafting the Sojitz Growth Story to advance to the next stage

Continuous New Investments

- Accelerated expansion of operations in business fields with high growth potential
- Ongoing investment in fields where Sojitz can leverage its competitive edge
- Creation of multiple uniquely Sojitz clusters of revenue-generating businesses (*Katamari*)

Refinement of Existing Businesses

- Utilization of existing strengths to enhance functions while bolstering earnings power
- Provision of new value and expansion of businesses through co-creation with external partners
- Exhaustive profit improvement measures in or withdrawal from loss-making and underperforming businesses

Medium-term Management Plan 2026—Set for Next Stage

Progress in Crafting the Sojitz Growth Story

Continuous New Investments

Sojitz has been continuously conducting new investments and has invested in multiple businesses in non-resource and other fields where the Company can leverage its competitive edge. By creating multiple uniquely Sojitz clusters of revenue-generating businesses (*Katamari*), we will present successful examples of our growth on the path toward the target of doubled corporate value defined for Sojitz's Next Stage.

Energy-Saving Service Businesses in the United States and Australia 1
Expansion of energy solution businesses by leveraging electricity-related business insight to capture growing demand

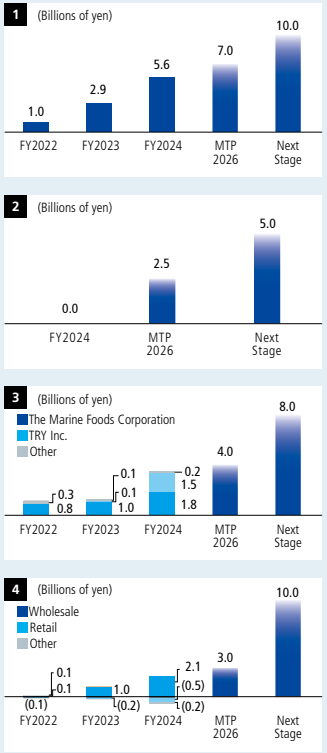
Infrastructure Development Businesses in Australia 2
Acceleration of earnings growth and human capital cultivation based on experience in developing public–private partnership and sales power generation businesses in Australia

Marine Product Businesses 3
Reinforcement of domestic earnings foundations and acceleration of initiatives in growing overseas markets by leveraging strengths in procurement and sales

Retail Businesses in Vietnam 4
Development of retail value chains encompassing wholesale, retail, prepared foods, and warehouses in Vietnam, where Sojitz boasts years of business experience and multiple partners

Beef Production and Sales Businesses in Vietnam
Participation in business in growing Vietnamese meat market together with major Vietnamese dairy product manufacturing conglomerate Vinamilk Group

Profit for the Year



Refinement of Existing Businesses

Refinement of existing businesses by improving value through augmentation of strengths and enhancement of functions, pursuit of ongoing growth through co-creation with external partners, and rehabilitation of loss-making and underperforming businesses

Augmentation of Strengths and Enhancement of Functions

Chemical Businesses
- Bolstering of earnings power by capitalizing on vast network and project proposal and execution capabilities
- Target of profit for the year (attributable to owners of the Company) of ¥30.0 billion in Sojitz's Next Stage through capacity acquisition and business expansion in new fields via new investments

Fertilizer and Agricultural Management Platform Businesses in Southeast Asia
- Heightening of leading market share and superior sales capabilities in Southeast Asia while exploring new fields through utilization of digital transformation
- Accomplishment of combined profit for the year (attributable to owners of the Company) of approximately ¥9.0 billion from three Southeast Asian fertilizer companies in FY2024

Co-Creation with External Partners

Rental Residence Business and Marine Vessel Business
- Transfer of holdings in existing businesses to external partners more suited to their operation while continuing to provide the functions that are the strengths of Sojitz
- Development of frameworks for ongoing growth by expanding business scale through growth together with partners

Rehabilitation of Loss-Making and Underperforming Businesses

Used Car Businesses in Australia
- Closure of unprofitable stores
- Elimination of losses through new store openings and improvement of store operating margins via sharing and implementation of best practices

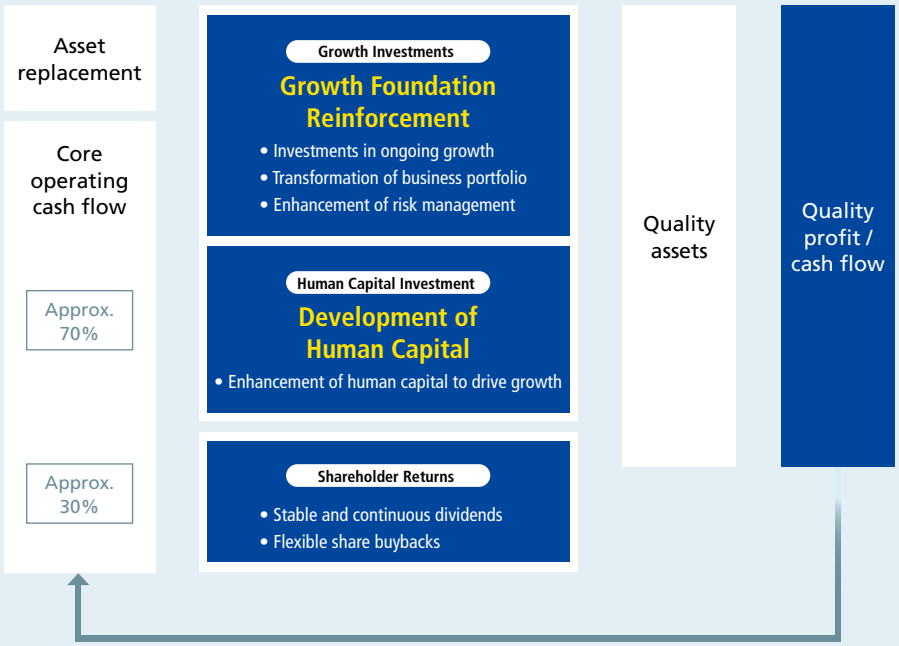
Australian Coking Coal Businesses
- Securing of competitive edge through production expansion and cost reductions

Medium-term Management Plan 2026—Set for Next Stage

Progress of Medium-term Management Plan 2026—Cash Flow Management Policy and Cash Allocation Policy

Cash generated through business activities and asset replacement is being used to fund both shareholder returns and new growth investments to propel Sojitz to its Next Stage. Medium-term Management Plan 2026 prescribes that around 70% of core operating cash flow be directed toward new investments in human capital and other assets while the remaining roughly 30% be used for shareholder returns. We will continue to expand core operating cash flow for use in reinforcing growth foundations and enhancing shareholder returns.

Cash Flow Management and Management Resource Circulation



Cash Flow Data and Forecasts

(Billions of yen)

		Medium-term Management Plan 2020–Medium-term Management Plan 2023 Six-year aggregate (FY2018–FY2023)	Medium-term Management Plan 2026 Three-year aggregate forecast (FY2024–FY2026)	FY2024
Cash inflow	Core operating cash flow*1	602.0	450.0	135.0
	Asset replacement	451.0	180.0	22.5
Cash outflow	New investments	(709.5)	(600.0)	(103.0)
	Capital expenditures, etc.		(40.0)	(31.0)
	Shareholder returns*2	(204.0)	(130.0)	(55.5)
	Core cash flow*3	139.5	(140.0)	(32.0)

*1 Core operating cash flow = Net cash provided by (used in) operating activities (as calculated for accounting purposes) – Changes in working capital
*2 Includes share buybacks
*3 Core cash flow = Core operating cash flow + 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.]

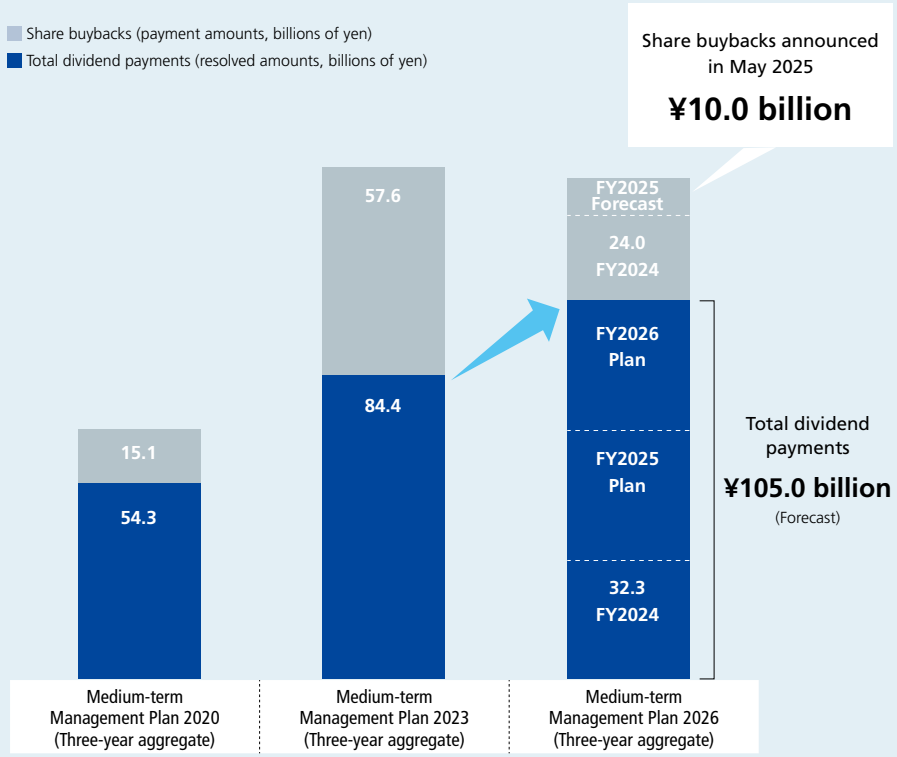
Medium-term Management Plan 2026—Set for Next Stage

Progress of Medium-term Management Plan 2026—Shareholder Returns

Sojitz's basic shareholder return policy is to distribute 4.5% of shareholders' equity to achieve stable, predictable, and progressive dividends, minimizing the impact of performance, stock price, and foreign exchange fluctuations. Meanwhile, flexible share buybacks will be conducted based on our policy.

Dividend Increases

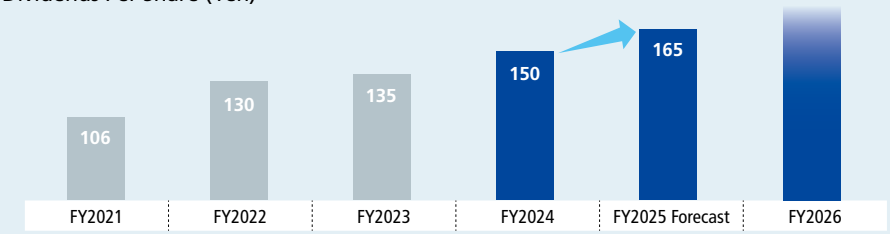
- **Increases to total dividend payments through progressive policy of distributing** 4.5% of shareholders' equity



Dividends Per Share

- Stable, **predictable, and progressive dividends**
- FY2025 dividend forecast of **¥165 per share** (**up 10%** year on year)

Dividends Per Share (Yen)



Share Buybacks

- Share buybacks announced in September 2024 **completed in March 2025** (Acquisition worth **¥20.9 billion, or 6.5 million shares**, over period from October 1, 2024 to March 24, 2025)
- **Announcement of additional share buybacks** with upper limit of **¥10.0 billion**, or **2.8 million shares**, on May 1, 2025 (Acquisition over period from May 2 to July 31, 2025)
- Share buybacks (Payment basis)

FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
¥15.0 billion	**¥0 billion**	**¥42.6 billion**	**¥24.0 billion***	**¥10.0 billion**

* Includes ¥3.0 billion worth of share buybacks announced in February 2024 and ¥20.9 billion worth of share buybacks announced in September 2024

Notes: 1. Shareholders' equity refers to total equity less other components of equity.
2. Portion of shareholders' equity attributable to dividend payments refers to ratio of shareholders' equity used to issue dividend payments.

Medium-term Management Plan 2026—Set for Next Stage

Progress of Medium-term Management Plan 2026—Earnings Contributions from Investments

Sojitz measures and manages earnings contributions and return on investment (ROI) on an individual-project basis. On this page, you will find information on earnings contributions and ROI from past investments as well as the forecasts thereof. Both earnings contributions and ROI temporarily remain at a low level after investments are commenced due to initial costs. However, post-investment we proceed to generate synergies to achieve the desired earnings. Meanwhile, our approach toward ongoing asset replacement can lead to reductions in outstanding investments and consequently earnings contributions from those investments, but the improvements to investment portfolio quality that result from asset replacement activities are anticipated to help us build more solid operating foundations.

Total three-year earnings contributions from investments conducted under respective medium-term management plan

Investments in Energy Transformation

Sojitz plans to invest between ¥30 billion and ¥50 billion in energy transformation over the three-year period of Medium-term Management Plan 2026. These investments will be directed toward feasible business fields in which earnings can be generated on short timetables. A total of ¥14.0 billion in energy transformation investments have already been conducted or approved, and some of these investments are expected to be producing earnings during the year ending March 31, 2027.

Presentation Materials for Financial Results for the Year Ended March 31, 2025

New investments are being ramped up in fields where Sojitz exhibits distinct excellence as we steadily invest in projects for creating clusters of revenue-generating businesses (*Katamari*) and for bolstering the Company's competitiveness. Based on our progress in advancing and generating earnings contributions from such investments, we have chosen to raise our forecast for earnings contributions from investments conducted during the period of Medium-term Management Plan 2026. Meanwhile, we are being forced to rehabilitate certain businesses in which investment was conducted under prior plans. Nevertheless, we remain committed to refining existing businesses to ensure that Sojitz can accomplish the target of doubled corporate value defined for its next stage.

Medium-term Management Plan 2020
Aggregate investment: ¥260.0 billion

Approx. ¥2.0 billion

Result for three-year ROI average: Approx. 1%

Medium-term Management Plan 2023
Aggregate investment: ¥450.0 billion

Approx. ¥17.0 billion

Result for three-year ROI average: Approx. 2%

Approx. ¥28.0 billion

Result for three-year ROI average: Approx. 7%

Medium-term Management Plan 2026

At time of announcement of Medium-term Management Plan 2026: ¥24.0 billion → Approx. ¥30.5 billion

Target for three-year ROI average: Approx. 4% | Forecast for three-year ROI average: Approx. 4%

At time of announcement of Medium-term Management Plan 2026: ¥62.0 billion → Approx. ¥48.0 billion

- Outstanding investments as of April 1, 2024: ¥340.0 billion

Target for three-year ROI average: Approx. 7% | Forecast for three-year ROI average: Approx. 5%

At time of announcement of Medium-term Management Plan 2026: ¥21.0 billion → Approx. ¥9.5 billion

- Outstanding investments as of April 1, 2024: ¥100.0 billion

Target for three-year ROI average: Approx. 7% | Forecast for three-year ROI average: Approx. 4%

Major Businesses

- Infrastructure development businesses in Australia
- Electrical equipment installation businesses in the United States
- Energy-saving service businesses in Australia
- Railcar repair businesses in the United States
- Electricity retail businesses in Ireland
- Takeout sushi businesses in the United States

Progress Faster Than Initially Projected

- Energy-saving service businesses in the United States
- Automobile sales businesses in Panama
- Marine product businesses
- Commercial food wholesale businesses in Vietnam

Progress Slower Than Initially Projected

- Used car sales businesses in Australia
- Coking coal businesses in Australia

Progress Faster Than Initially Projected

- Restaurant businesses (Royal Holdings Co., Ltd.)

Progress Slower Than Initially Projected

- Coking coal businesses in Australia
- Paper manufacturing businesses in Vietnam

Human Capital Strategies Focused on Ongoing Cultivation of People and Organizations Capable of Creating and Improving Value to Guide Sojitz Toward Next Stage

Medium-term Management Plan 2026 prescribes human capital strategies designed to guide Sojitz toward its next stage. To further Sojitz on its path toward accomplishing its vision for 2030 of becoming a general trading company that constantly cultivates new businesses and human capital, we are implementing the three basic human capital strategy policies of building diverse teams of employees to take on new challenges and achieve growth, strengthening middle managers' ability to maximize the full potential of each individual, and anticipating the changing business environment and allocating talent flexibly. These policies will be advanced to craft the Sojitz Growth Story by enhancing the Company's ability to create and improve value.

Sojitz is practicing human capital management with the aim of improving corporate value by drawing out the full potential of its diverse human capital to assemble strong teams. Efforts to enact our "Digital in All" concept and practice effective data-driven dialogue will form the foundations for this management approach. Through these efforts, we will work to evolve our uniquely Sojitz culture, which is characterized by ambition, openness, and flexible thinking, in order to maximize our capacity to predict changes in the times and create and improve value.

We recognize how crucial fostering and further developing the people and organizations that are the source of our competitiveness is to crafting the Sojitz Growth Story and thereby advancing the Company toward its next stage. Accordingly, we are committed to implementing human capital strategies to heighten our ability to create and improve value and further us toward our vision for 2030.

*1 Middle managers are defined as section managers and candidates at the headquarters and employees in key positions at overseas bases and Group companies capable of connecting individual growth to the growth of the organization through engagement.
*2 Our pipeline entails employees developed through strategic allocation to increase the value of existing businesses and create new businesses.

Human Capital Strategy

Sojitz's Distinct Approach Toward Human Capital Management

Quickly advancing toward the Next Stage, as defined in Medium-term Management Plan 2026, is not a goal in and of itself. Rather, it is an important milestone that needs to be passed to ensure a better future for the Sojitz Group. Human capital management is a core part of the management strategies geared toward moving us pass this milestone. In our human capital management efforts, we will concentrate resources on investments in and development of the people and organizations that are the drivers of value creation at Sojitz as we adopt a new Companywide approach toward human capital.

Acceleration of Strategies Focused on Human Capital

The competitiveness of the Sojitz Group is fueled by the creativity and ambition that its diverse employees supply through their ingenuity. Sojitz is accelerating its development of frameworks for enhancing human capital with a focus on building upon individual strengths, reinforcing organizational capabilities, and fostering the culture needed to facilitate these efforts. With these frameworks, we will endeavor to transform the strength of individual employees into organizational strategy in order to drive the ongoing enhancement of the capacity to create and improve value on a Companywide basis.

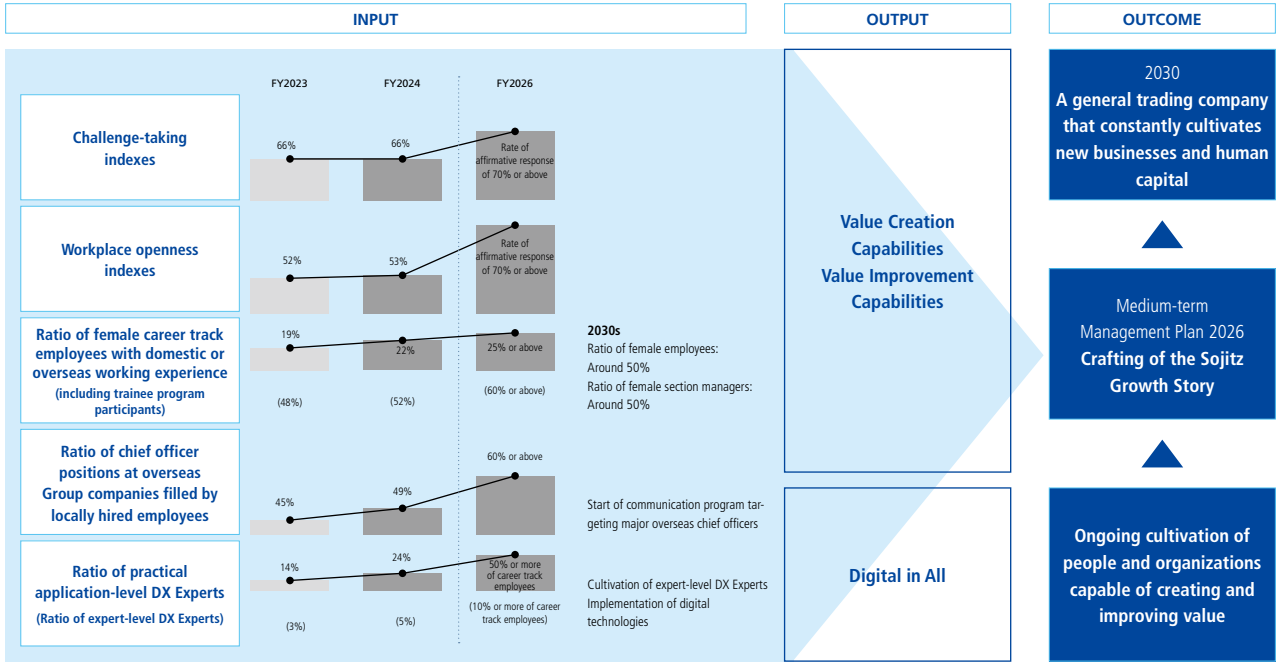
Issues in First Year of Medium-term Management Plan 2026

In the first year of Medium-term Management Plan 2026, we identified a number of issues that must be addressed to move Sojitz quickly toward its next stage. Specifically, we must strengthen the execution capabilities of individual employees, enhance the strategy formulation capacities of middle management, and improve the sense of unity within the Sojitz Group.

To address these issues, I will support our efforts to ensure that every employee is able to properly assess conditions and act flexibly to pursue targets that exceed expectations.

The human capital strategies of Medium-term Management Plan 2026 are aimed at generating value to craft the Sojitz Growth Story and quickly accomplishing our goals. Based on the recognition that human capital is the driver behind value creation at Sojitz, we will continue to practice highly transparent disclosure for and engagement with stakeholders as we work toward ongoing improvements in corporate value.

Dynamic Human Capital KPIs | Social Data



Global Business Development Utilizing the Strength of People and Organizations

In the Americas, we can find prime examples of how the Sojitz Group is developing its global business by utilizing the strength of its people and organizations. Here, Sojitz is growing its operations and creating new value through its energy-saving service businesses. On this page, we will introduce the efforts of teams of diverse individuals assembled within this region to develop these businesses and to maximize the execution capabilities of their organizations while crafting a story of new business creation through a proactive approach that is distinctly Sojitz.

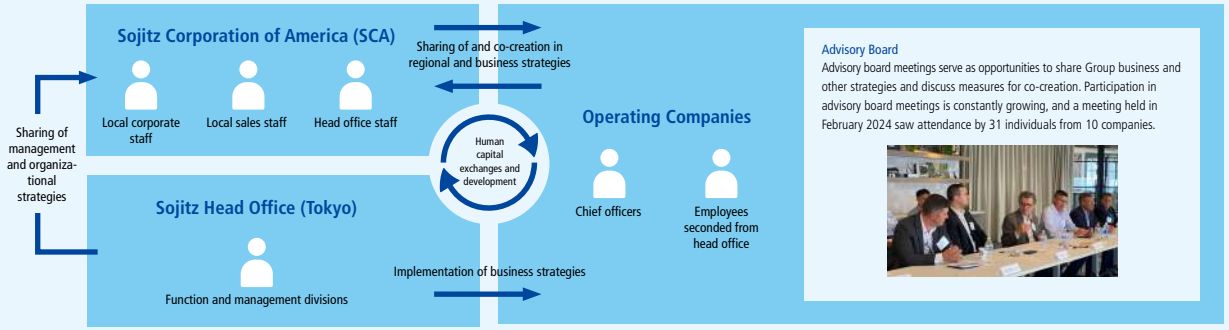
Transformation of Individual Strength into Organizational Strength: New Value Produced by Diversity and Co-Creation

Advancing toward Sojitz's next stage defined in the business strategies of operating companies and overseas bases requires teams of individuals with diverse experience and specialties who are well-versed in various business areas and regions to maximize the execution capabilities of their organizations. When such individuals gather together as a team, they combine their diverse insights and experience to produce innovation that lies outside of Sojitz's conventional business track.

Global–Local Synergies: Business Development and Growth Through Co-Creation with Local Partners

The Sojitz Group's success in creating value in regions across the world is thanks to the diligent efforts of locally hired staff members contributing in their respective countries. Local staff members bring with them firsthand knowledge of local business customs and are able to quickly form strong ties with local communities and business networks. These strengths are an indispensable element of the competitiveness of Sojitz's global business. Moreover, head office staff members team up with the local staff at overseas operating companies and bases to heighten our ability to create and improve value. This coordination is one of the reasons why we have defined the ratio of chief officer positions at overseas Group companies filled by locally hired employees as one of our human capital key performance indicators. As part of our efforts to improve this indicator, we share information on the Group's business and other strategies and facilitate coordination among Group companies from various industries through an advisory board membered by managers from a regional management company working on behalf of Sojitz Corporation of America (SCA) and operating companies in this region. To enhance our effectiveness in this regard, we are developing frameworks within SCA for promoting local staff to senior management positions, fostering human capital and encouraging exchanges through dispatches of employees to the boards of directors of operating companies, and deploying our accumulated post-merger integration and business management expertise to a wide range of organizations. By utilizing such insight and networks, we aim to improve the value of businesses where we boast strengths while growing our business scope. The Sojitz Group's efforts focused on people and organizations have already begun producing results. Going forward, we will continue to accelerate our concerted, Groupwide efforts to achieve ongoing growth and improvements in corporate value and to propel Sojitz toward its next stage.

Sojitz Group Members in the Americas



Frontline Organizations Implementing Sojitz's Unique Approach to Business Creation

P. 4 Expansion of Energy-Saving Service Businesses

1. Teamwork for Overcoming Adversity to Create New Businesses

Sojitz's first step after deciding to enter into the energy-saving service business in the United States was to invest in McClure Company. Our entry into this new business was made possible by the teamwork that is a major strength of the Sojitz Group. Local staff at SCA partnered with trainees and other employees seconded from the head office to collect information through our local networks. The local staff played a particularly important role in communicating with McClure to build trust and ensure that complicated negotiations could be carried out smoothly.

Sojitz's strengths include its capacity to act based on foresight and a market-oriented perspective. SCA is strategically cultivating local regional supervisors to build upon these strengths and to cultivate a pool of next-generation management talent for the Americas region.

On-Site Contributions of National Staff

Julian Gomez
CAO & Chief Compliance Officer, Sojitz Corporation of America, Inc.

We achieved a seamless post-merger integration by utilizing the knowledge gained through due diligence during the McClure acquisition and building upon the company's strong existing governance foundation. This success was driven by collaboration among NS members, HQ expatriates, and McClure's senior management. By placing an NS member on the board and involving NS from the early business creation phase through PMI, we demonstrated that effective teamwork leads to better results.

Sojitz Enters Energy Conservation Business in the U.S.

2. Intra-Group Synergies and Individual Strengths Accelerating Business Growth

Post-merger integration is a key part of new business investments and is imperative to maximizing the potential of the investee and facilitating mutual growth. The Sojitz Group takes a medium- to long-term perspective when it comes to business investments. Rather than focusing purely on short-term returns, we endeavor to swiftly implement management strategies at operating companies to contribute to the realization of the vision that Sojitz shares with these companies. This undertaking entails exhaustive coordination and a joint effort to support the transition to the next stage of growth for investees.

Support from Individuals Seconded to the Front Lines

Shu Takeoka
Deputy General Manager, Energy Solutions Business Department 1, Energy Solutions & Healthcare Division
(Stationed at Sojitz Corporation of America in 2018)

When employees from the Sojitz head office are stationed at overseas partners, it is important for us to think about things in terms of "we," taking part in everyday business discussions from a place of collaboration. Trust is also imperative to utilizing the strengths of operating companies to forge mutually beneficial win-win relationships and achieve mutual growth, and trust is something that must be built by people. In our partnership with McClure, for example, Julian Gomez and other local human capital and legal personnel at SCA made use of their specialized expertise and experience to assist in the post-merger acquisition process. It is truly the power of individuals who can fully leverage their expertise and skills in this manner to propel business growth that drives the ongoing growth of the Sojitz Group.

Sojitz Acquires Stake in Major Electrical Construction Company in the U.S.
Leveraging Business Management Experience in the U.S. to Open New Doors

Why Sojitz?

Chip Brown
President and CEO,
Sojitz Energy Services Company
(Appointed as CEO of McClure Company in 2023)

The reason McClure decided to collaborate with the Sojitz Group was not only due to the attractive offer and investment amount, but also because Sojitz deeply understood the company itself and its management strategy, sincerely considered how to support its achievement, and passionately proposed their ideas. From Sojitz's past acquisition records, we felt that they do not engage in short-term sales but rather draw and execute long-term growth strategies for the company together. During our first business meeting, it was impressive that we spent more time on conversations to deepen mutual understanding of the cultures and philosophies common to both companies, rather than detailed business discussions about the acquisition. Through dialogues with SCA and Sojitz's members, we felt a good compatibility in business, which led to trust. We believe that the Sojitz Group is not just an investor, but a partner who genuinely considers the growth of the business company from a long-term perspective and creates the future together. Moving forward, I aim to expand and strengthen the Mechanical and ESCO business in the Americas with Sojitz, aspiring to become a comprehensive energy service provider and meet more customer needs.

Cultivation of Middle Managers Tasked with Overseeing Businesses

Sojitz is proactively building systems and frameworks to facilitate its efforts to position human capital in their ideal roles. Through flexible allocation of talented human capital, we aim to maximize earnings. On this page, we will look at some of the initiatives for constructing such systems and frameworks for continuously cultivating people and organizations that are proficient at creating and improving value.

Management of Overseas Businesses Based on Head Office Middle Management Experience

Risa Koi
Southwest Rail Industries, Inc. (Texas, United States)

Overview of Career History

2006 Joined Sojitz Corporation, appointed to Risk Management Department
2012 Logistics & Insurance Department
2014 Power & Environmental Infrastructure Department
2021 Section Manager, Transportation Infrastructure Section
2024 Vice President, Southwest Rail Industries, Inc. (current position)

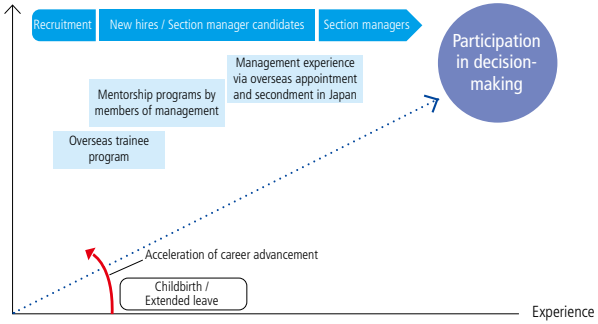
After joining Sojitz, I was responsible for project risk assessment and credit management. Having experienced the 2008 financial crisis and other challenging economic conditions, I learned the importance of being highly sensitive to change in the business environment and preparing multiple contingency plans to respond swiftly when crises arise. Involvement in developing new projects also taught me that, in the end, it is the passion of the sales team that drives projects forward. This made me seek new challenges in the environment that encouraged personal and professional growth.

Giving birth and watching my kid grow inspired me to pursue my own growth, and this is why I requested a transfer to the sales department. Since my move to sales, I have been involved in all the stages of the project life cycle, ranging from negotiations with counterparties, internal coordination, project closing, execution, and post-merger integration. I have found that the insight and experience gained working in corporate departments have contributed to my sales role. Since becoming a manager, I have explored the management approaches from senior colleagues inside and outside of the Company that I have met along my journey thus far as I sought out ways of fostering and leading people and organizations. Today, I am seconded as vice president of Southwest Rail Industries, Inc., a company developing freight car leasing operations in North America. As I seek to spur the growth of this company, I am also working to generate synergies with Sojitz's North American railway businesses* to develop clusters of revenue-generating businesses (*Katamari*). I hope to leverage the experience gained at such overseas operating companies in creating businesses and developing organizations.

Team working at Southwest Rail Industries

* Railcar repair business operator Washamerica Inc. of the United States and Cad Railway Industries

Based on the experiences of middle managers, Sojitz is moving forward with the development of frameworks for providing opportunities to acquire diverse experience that can affect an employee's desire for growth and the speed at which they feel this growth. For example, we have in place systems for dispatching junior employees to domestic and overseas operating companies and systems for accelerating the careers of female career track employees as well as other measures for helping employees hone their skills through frontline experience. The Company has formulated targets with the aim of creating an equitable workplace in which talent allocation is based on an individual's capabilities for a role as opposed to gender-based preconceptions by the 2030s. Our pipeline of pre-section manager talent is being expanded with the goal of accomplishing our targets in relation to these indicators. Furthermore, we have positioned health and productivity management as an important management priority based on the understanding that employees must be in good physical and mental health if they are to deliver their maximum performance.



Diversity Management | Health and Safety

Sustainability

For the Sojitz Group, the pursuit of sustainability involves working to maximize two types of value—value for Sojitz and value for society—through its business based on the Sojitz Group Statement. Referencing standards such as the Paris Agreement and the United Nations Sustainable Development Goals, we have defined 6 Key Sustainability Issues (Materiality)—human rights, environment, resources, local communities, human resources, and governance. Meanwhile, the Sustainability Challenge, Sojitz's long-term vision for 2050, calls on us to help achieve a decarbonized society and to respond to human rights issues, including those within our supply chains. As the foundation for these efforts, Medium-term Management Plan 2026 prescribes concrete sustainability measures and policies.

Governance

Sojitz has installed a corporate governance system comprising the Board of Directors, the Management Committee, and the Sustainability Committee. The Sustainability Committee is chaired by the president and meets at least four times a year to discuss sustainability policies and promotion systems, identify and assess risks and opportunities, define indicators, set targets, and monitor relevant activities. Moreover, an executive officer is assigned general authority over sustainability initiatives, and the Investor Relations & Corporate Sustainability Department acts as the secretariat for such matters. Regular reports on sustainability activities, policies, and issues of the Sustainability Committee are submitted to the Management Committee as well as to the Board of Directors. The Management Committee, which is also chaired by the president, meets twice a month, in principle, and deliberates on and resolves Companywide sustainability policies and strategies. The Management Committee also issues instructions to the Sustainability Committee when necessary. The Board of Directors practices regular oversight of these activities. With the Sustainability Committee as their principal proponent, sustainability initiatives are being advanced through organization-wide coordination to respond to social expectations and demands with regard to corporate social responsibility stances and activities.

Risk Management

The Investor Relations & Corporate Sustainability Department collects information from internal and external sources and engages in communication with stakeholders to identify and assess sustainability-related risks. Reports on the findings of the department are submitted to the Sustainability Committee, which uses this information to formulate policies for combating risks. The Internal Control Committee, meanwhile, is responsible for Companywide risk management.

Dialogue with Shareholders and Investors

6 Key Sustainability Issues (Materiality)

Sustainability Challenge—Long-term Vision for 2050

Decarbonization Initiatives

P. 38 Motivations behind Sojitz's quest to achieve a decarbonized society

Respect for Human Rights within Supply Chains

P. 42 Motivations behind Sojitz's focus on respect for human rights across the supply chain

Sustainability

Climate Change Response—Decarbonization Initiatives 1

Sojitz looks to maximize two types of value—value for Sojitz and value for society. Climate change-related risks and opportunities have been positioned as business opportunities for creating such value. For example, we are responding to social issues related to securing stable supplies of energy through our energy transition and other resource businesses to address these issues while generating earnings.

Sojitz's Approach Toward Climate Change

Recognition of reducing greenhouse gas emissions from the Company as **an obligation** toward achieving a decarbonized society

Measurement and tracking of greenhouse gas emissions to guide initiatives across the supply chain

Response to earnings opportunities associated with **contribution to reductions to greenhouse gas emissions** through business activities

To guide its efforts to help achieve a decarbonized society, Sojitz has formulated response and other policies with regard to future risks and opportunities based on its outlook for technology and social trends for various future periods. Specific business initiatives are underway for the purpose of capitalizing on the relevant business opportunities.

Reduction of Scope 1 and Scope 2 emissions:
Sojitz Group Policies for Realizing a Decarbonized Society

Measurement of Scope 3 emissions: Environmental Data (*Sojitz ESG BOOK*)

Creation of Scope 4 (avoided emissions):
Climate Change (*Sojitz ESG BOOK*)

Confirmation of financial impacts through scenario analyses:
Complying with the TCFD

Management of progress related to indicators and targets:
Sojitz Group Policies for Realizing a Decarbonized Society

Technology and Social Trend Outlook	Sojitz's Policies	
2020 2025 2030 2040 2050	Opportunities	Sojitz's Initiatives
	Rising demand for liquefied natural gas (LNG), natural gas, and carbon-neutral fuels during period of transitioning to a low-carbon/decarbonized society	• High-efficiency-combined cycle thermal power generation • LNG-related businesses (LNG Japan Corporation) • Downstream overseas natural gas distribution and retail businesses • Development of overseas mines for high-grade iron ore for electric furnaces
	Increased investment for transition to decarbonization businesses amid ongoing market growth	• Domestic and overseas solar and wind power generation businesses • Biomass power generation businesses • Overseas electricity retail businesses • Overseas roof-mounted solar power generation system businesses
	Growth in demand for energy-saving service businesses in developed and other countries amid depletion of energy resources	• U.S. energy-saving service businesses • Australian energy-saving service businesses
	Development and expansion of businesses for recovering resources from urban mines	• Domestic and overseas home appliance and electric equipment reuse and recycling businesses
	Growth in demand and investment opportunities related to decarbonized fuel and supply chain development	• Investment in companies specializing in next-generation renewable fuel production • Acquisition of overseas renewable natural gas*1 production capacity
	Growth in demand and investment opportunities related to decarbonized fuel and supply chain development	• Investment in companies specializing in turquoise hydrogen production technology development • Joint development of green ammonia production project
	Increase in demand and investment opportunities related to decarbonization of fossil fuel businesses	• Carbon credits • Carbon capture and storage, and carbon capture, utilization and storage*2 • Development of small and decentralized direct air capture*3 systems • Overseas forestry carbon credit creation fund operation

*1 Renewable methane gas produced from agricultural waste and other materials functioning as an alternative energy source to natural gas
*2 Technologies for capturing CO_2 to be stored underground or utilized for other purposes
*3 Technologies for capturing CO_2 directly from the air to be stored or reused

Sustainability

Climate Change Response—Decarbonization Initiatives 2

In 2018, Sojitz declared its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures and began disclosing information based on these recommendations. As of March 31, 2025, we had succeeded in reducing Scope 1 and Scope 2 greenhouse gas emissions by around 40% from the base year of the year ended March 31, 2020, and thermal coal interests have been cut by roughly 90% from the same base year. Sojitz has also completed measurements of Scope 3 greenhouse gas emissions for all relevant sectors across its supply chain. We aim to achieve net zero emissions by 2050, and we plan to unveil a new decarbonization target in the future.

Scenario Analyses and Financial Impacts (Transition Risks)

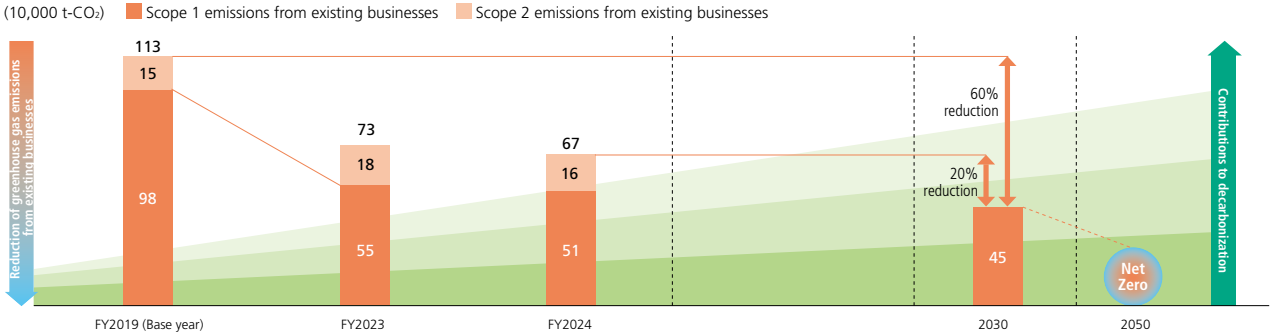
	Risks	Opportunities
Coal businesses	Analysis Method: Using scenarios projecting average global warming of 1.5°C above pre-industrial levels, we analyze the potential financial impact on Sojitz's assets based on forecasts for coal demand and prices leading up to 2050. **Financial Impact** Temporary impacts on certain assets, but limited financial repercussion anticipated amid stable demand for coking coal.	The analyses performed by the Company estimate increases in supply and demand for renewable energy. Moreover, the Sojitz Group views the transition to a decarbonized society as a business opportunity. We are thus working to capitalize on this opportunity through renewable energy and other decarbonization businesses as well as through businesses that support the transition, such as high-efficiency gas-fired thermal power generation and energy-saving service businesses.
Power generation businesses	Analysis Method: Using scenarios projecting average global warming of 1.5°C above pre-industrial levels, we analyze the potential financial impact on Sojitz's assets based on forecasts for carbon prices and supply and demand conditions. **Financial Impact** The range of power plants that would be impacted by changes in carbon prices and supply and demand conditions would be limited, and the financial impact on the Company would thus also be limited.	

For information on physical risks, please refer to the following website.

Complying with TCFD

Decarbonization Policy and Progress Toward Targets (FY2024)

		Decarbonization Targets	Progress	Future Initiatives
Existing businesses	Scope 1 and Scope 2	• Reduce emissions 60% by 2030 • Achieve **net zero** emissions by 2050*1 • Achieve **net zero** Scope 2 emissions by 2030*1 Note: Neither current projects nor future coal-fired thermal power generation projects planned	Approx. **40% reduction**	**Implementation of decarbonization initiatives** **Expansion of decarbonization-related businesses**
Existing businesses	Scope 3	• Thermal coal interests: Reduce interests to **half or less** by 2025*2 **Eliminate all interests** by 2030 • Oil interests: **Eliminate all interests** by 2030 • Coking coal interests: **Eliminate all interests** by 2050	**90% reduction** of thermal coal assets from FY2019, **completion of measurement of all Scope 3 emissions**	**Measurement and tracking of all Scope 3 emissions**
New businesses		Formulation of new business-specific decarbonization policies and **pursuit of net zero carbon emissions by 2050**		
Contributions to decarbonization	Scope 4 (avoided emissions)	—	**Ongoing utilization of opportunities to participate in businesses that contribute to decarbonization**	



*1 Figures use FY2019 as base year; scope includes Sojitz Corporation (non-consolidated) and consolidated subsidiaries.
*2 Reductions from base year of FY2018, targets based on book value of interest assets

Sustainability

Scope 3 and Scope 4*[1] Supply Chain Greenhouse Gas Emissions Diagram

Risks (Scope 3): Darker shades of orange indicate greater greenhouse gas emissions. These areas are generally believed to face the risks of pressure to reduce greenhouse gas emissions or threats of replacement.

Opportunities (Scope 4 [avoided emissions]): The bottom row displays alternatives that represent new business opportunities for Sojitz, and we will further increase our Scope 4 (avoided emissions) through these businesses moving forward. Amounts of avoided emissions have not been adjusted to cancel out decarbonization targets and progress thereto per the relevant guidelines.*[2]

Greenhouse gas emissions: High | Medium | Low

Emissions reduction measures

		Power generation		Steelmaking		Food	Chemicals	Machinery	Transportation	Wood and paper products	Construction	Others (steel, nonferrous metals, IT infrastructure, textiles, real estate, etc.)
		Thermal coal	Oil and gas	Coking coal	Iron ore							
Risks	Raw materials Scope 3	Coal mining Approx. 620,000 tons	Oil drilling Approx. 0 tons	Coal mining Approx. 100,000 tons	Mining —	Food production Approx. 3,630,000 tons	Material production Approx. 5,970,000 tons	Component production Approx. 910,000 tons	Manufacturing of automobiles, ships, etc. Approx. 830,000 tons	Raw material production Approx. 1,770,000 tons	Construction material production Approx. 100,000 tons	Approx. 7,140,000 tons
Risks	Logistics Scope 3	Transport of raw materials and products Approx. 120,000 tons	Transport of raw materials and products Approx. 0 tons	Transport of raw materials and products Approx. 40,000 tons	—	Transport of raw materials and products Approx. 1,740,000 tons	Transport of raw materials and products Approx. 1,490,000 tons	Transport of raw materials and products Approx. 190,000 tons	Transport of raw materials and products Approx. 140,000 tons	Transport of raw materials and products Approx. 470,000 tons	Transport of raw materials and products —	Transport of raw materials and products Approx. 4,190,000 tons
Risks	Product processing Scope 3	—	—	—	—	Food processing Approx. 0 tons	Approx. 0 tons	—	—	Papermaking Approx. 690,000 tons	Construction Approx. 0 tons	—
Risks	Use/Disposal Scope 3	Coal-fired thermal power generation Approx. 11,820,000 tons	Oil-fired thermal power generation —	Blast furnace smelting Approx. 5,210,000 tons	Blast furnace smelting —	Cooking, disposal of food packaging Approx. 0 tons	Chemical product production Approx. 13,250,000 tons	Machinery use Approx. 2,720,000 tons	Operation of aircraft Approx. 4,730,000 tons	Approx. 190,000 tons	Facility use Approx. 700,000 tons	Approx. 510,000 tons
Risks	Equity investment Scope 3	Coal interests Approx. 0 tons	Gas-fired thermal power generation Approx. 1,450,000 tons	Coal interests Approx. 290,000 tons	—	Food processing Approx. 190,000 tons	—	—	Automobile manufacturers —	—	Facility use Approx. 0 tons	Approx. 1,550,000 tons
Opportunities	Avoided emissions (Scope 4)	High-efficiency gas-fired thermal power generation Approx. 1,720,000 tons	Renewable energy generation Approx. 830,000 tons	Carbon capture and storage		Non-meat alternatives	Biochemicals	—	Vehicles that use electricity, hydrogen Biofuel utilization	Paper recycling	Energy conservation, ZEH and ZEB	—

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 *Sojitz ESG BOOK*: Environmental Data.

Sojitz ESG BOOK: Environmental Data

*1 Scope 4 (avoided emissions) = (Average global thermal power generation efficiency figures for 2023 published by the IEA [843 g/kWh] – Sojitz's power generation intensity) × Power generation volume

*2 Guidance on Avoided Emissions, World Business Council for Sustainable Development

Sustainability

Column

Sojitz's Contributions to Greenhouse Gas Emissions Reductions and Sustainable Energy Solutions—Value from Reducing Emissions and Generating Energy

Realizing a decarbonized society means striking a balance between sustainability and economic value. In Sojitz's ongoing quest to maximize two types of value—value for Sojitz and value for society—we are working to create value through the reduction of emissions as well as through the generation of energy. Our specific approach toward this undertaking entails tracking reductions to greenhouse gas emissions attributable to green transformation. Through these efforts, we are making steady progress toward our goal of achieving net zero emissions by 2050.

Amid the accelerating changes to the very frameworks pertaining to energy, Sojitz is providing multifaceted sustainability value propositions focused on fields such as energy saving, renewable energy, and essential infrastructure. The expansion of our regional coverage in our U.S. energy-saving service businesses and our involvement in infrastructure businesses in Australia are helping us contribute to reductions in greenhouse gas emissions across society by lowering our own Scope 1, Scope 2, and Scope 3 emissions and tracking our Scope 4 (avoided emissions).

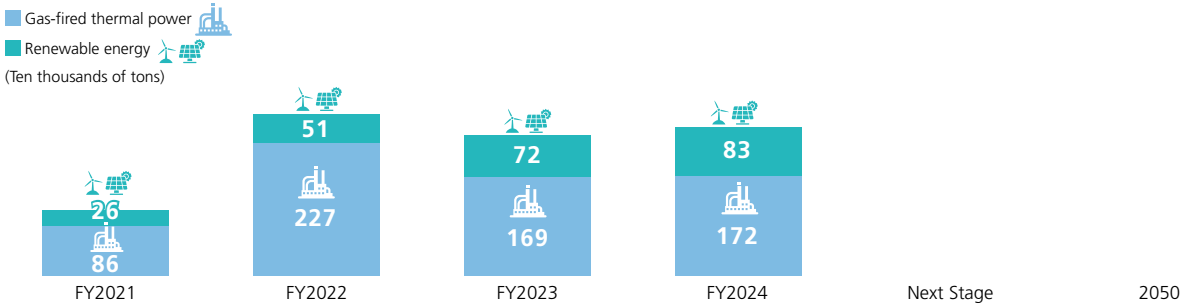
Scope 4 (avoided emissions) are merely one indicator related to decarbonization. There are, in fact, a number of methods and technologies for working toward decarbonization, including those related to renewable energy; more efficient energy use; hydrogen fuels; and carbon capture, utilization and storage. At the same time, there is no end to the changes in social and market trends, regional needs, technology maturity, and cost structures. Sojitz seeks to respond accurately to such changes in order to flexibly provide solutions through ideal resource allocations and thereby sustainably grow its business value.

Integrated Report 2022 illustrated the potential for Sojitz's next step in the field of energy solutions. Three years have passed since the publication of that report. Over those years, our business model has evolved and transformed, and our businesses have been broadened and have branched out to create revenue-generating clusters of businesses (*Katamari*). Now, with the new pen of Scope 4 (avoided emissions), and the associated contributions to emissions reductions, in hand, we are inking a fresh symphony of growth that marries sustainability with economic rationality based on quantitative measurements of the social impacts and value created by businesses that contribute to decarbonization.

These efforts are backed by the Sojitz Group's long history of ongoing investments in the fields of energy saving, infrastructure, and renewable energy. These investments have forged the foundations that will support our business value in the future. They have also given form to the social value we create through reductions to greenhouse gas emissions and improvements to quality of life. This type of harmonious relationship between value for Sojitz and value for society constitutes Sojitz's vision for sustainable growth.

Moving forward, Sojitz will remain true to its mission as a general trading company of delivering goods and services where there is a need as it strives to co-create sustainable value for both companies and society in order to help build a decarbonized future for all.

Scope 4 (avoided emissions)



Notes: 1. Scope 4 (avoided emissions) = (Average global thermal power generation efficiency figures for 2023 published by the IEA [843 g/kWh] – Sojitz's power generation intensity) × Power generation volume
2. Aggregate capital invested in businesses contributing to Scope 4 (avoided emissions) (renewable energy, high-efficiency gas-fired thermal power generation) amounted to approximately ¥200.0 billion as of March 31, 2025.

Sustainability

Business and Human Rights—Respect for Human Rights Across the Supply Chain

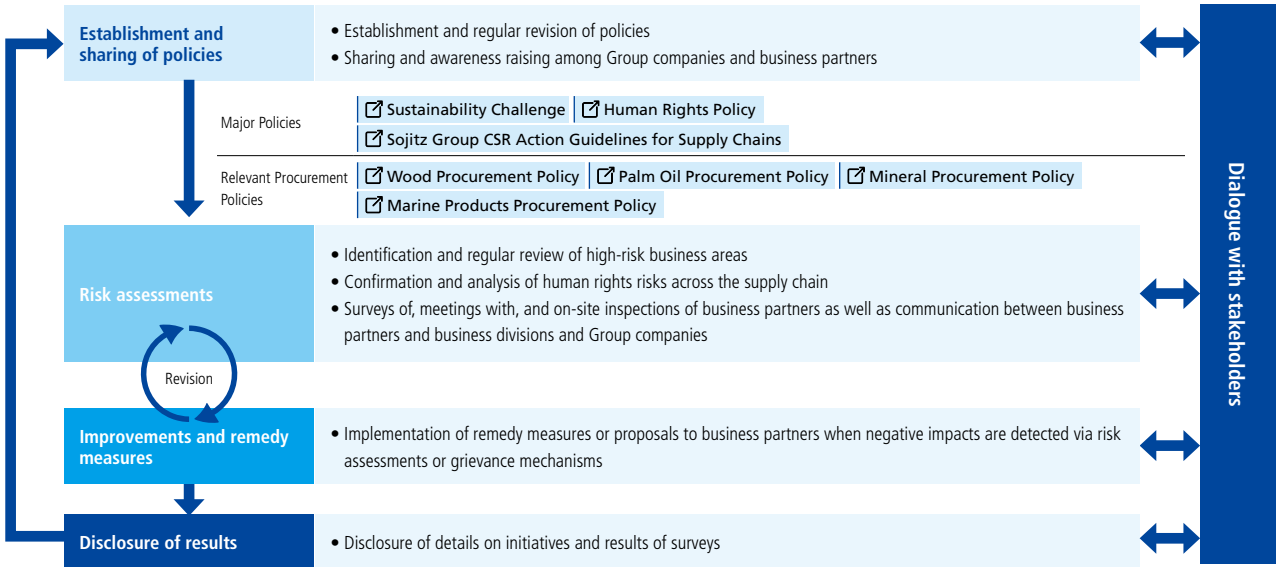
As the Sojitz Group develops various businesses across the globe, we are committed to ensuring respect for the human rights of people in all of the countries and regions touched by the supply chains used in these businesses. To this end, we are taking steps to track and mitigate human rights risks in accordance with the United Nations Guiding Principles on Business and Human Rights.

Human rights initiatives are advanced while engaging in ongoing communication with stakeholders through the processes of establishing and sharing policies, assessing risks, implementing improvements and remedy measures, and disclosing results. Ongoing improvements are pursued with regard to each of these processes based on external trends as well as conditions within the Group.

Establishment and Sharing of Policies

The Company has established policies including the Sojitz Group Human Rights Policy and the Sojitz Group CSR Action Guidelines for Supply Chains. Internal seminars and e-learning programs are instituted to share and ensure the effective implementation of these policies. In addition, further understanding is promoted through forums for discussion between managers of Group companies and members of the Investor Relations & Corporate Sustainability Department. We also communicate these policies to businesses partners and ask that they understand and adhere to said policies.

In addition, the new Marine Products Procurement Policy was established in the year ended March 31, 2025. This policy includes provisions for promoting traceability and preventing illegal, unreported, and unregulated fishing across the supply chain.



Human Rights Risk Seminar

In February 2025, lawyer Emi Omura was invited to hold a seminar on human rights risks for division COOs. This seminar, which proved to be a valuable opportunity to learn about the human rights issues faced by Japanese companies, was attended by 15 individuals from business divisions and corporate organizations. Moreover, some 2,000 employees have been given opportunities to view a video of the seminar.

Sustainability

Business and Human Rights—Respect for Human Rights Across the Supply Chain

Risk Assessments

- The Sojitz Group has adopted a risk-based approach to identify those of its businesses that take place in particularly high-risk business areas. This information is used to determine what supply chain processes feature the greatest possibility of human rights risks materializing.
- After compiling the issues, the key response points are compiled for each of the identified high-risk business areas, and then the findings of these analyses are shared throughout the Group. Organizations operating in such high-risk areas are tasked with investigating the measures being implemented to address these risks via surveys of, meetings with, or on-site inspections of business partners. Information on these matters is shared with the Investor Relations & Corporate Sustainability Department during annual discussion forums.
- When assessing the risks of procuring (importing) wood, on-site inspections are conducted as necessary. In the year ended March 31, 2025, such inspections were performed at 21 business partners—nine in Vietnam, four in Indonesia, four in China, three in Malaysia, and one in Thailand.
- Meanwhile, Group companies that employ non-Japanese technical interns are visited to verify and track working and living conditions for such trainees.

Sojitz's Human Rights Risks Across the Supply Chain (Excerpt)

Generally high-risk areas and risks | Generally low-risk areas

High-Risk Areas for the Sojitz Group	Upstream: Interests and Development	Mining and Raw Material Cultivation	General Supply Chain: Raw Materials, Product Manufacturing, and Processing	Wholesale	Downstream: Retail and Services
Oil and natural gas	Land acquisition	Pollution	○	○	○
Minerals	Land acquisition, deforestation	Pollution, compulsory labor	○	○	○
Lumber and papermaking	Land acquisition, deforestation	Occupational health and safety (lumber)	Environmental and water pollution (papermaking)	○	○
Agricultural products	Land acquisition, deforestation	Compulsory labor and child labor	○	○	○
Textiles	○	Compulsory labor and child labor	Compulsory labor and child labor	○	○
Marine food products and processing	○	Occupational health and safety	Occupational health and safety	○	○
Infrastructure construction	Land acquisition	○	Occupational health and safety	○	○
Telecommunications	○	○	○	○	Information leakage

Improvements and Remedy Measures

Should risk assessments reveal any issues, the Company will take quick action to ascertain the validity of the claims and will request remedy measures by business partners or other relevant stakeholders as necessary. In the year ended March 31, 2025, no issues were discovered during assessments of high-risk business areas.

Grievance Mechanisms

Grievance mechanisms are in place to respond to human rights-related claims and consultations from constituents of Sojitz's supply chains or other stakeholders in order to enable the swift detection of negative impacts on human rights across the supply chain and to facilitate improvement and remedy measures.

Sustainability

Natural Capital (Biodiversity and Water)-Related Policies and Initiatives

As a general trading company, Sojitz develops a diverse range of businesses in a wide variety of regions. Many of these businesses involve direct utilization of natural capital. Based on this consideration, the Sojitz Group Environmental Policy contains provisions calling for us to actively work to protect biodiversity and minimize the impacts of our business activities on the environment. The procurement of materials in wood and marine product businesses is particularly dependent on natural capital. For this reason, we have formulated specific policies for both of these areas based on the relevant guidelines as well as our own priorities. These policies describe our commitment to being mindful of natural capital and protecting biodiversity. In addition, we began confirming the impact of our business activities on biodiversity based on the guidelines of the Taskforce on Nature-related Financial Disclosures (TNFD) in the year ended March 31, 2025.

Sojitz's Approach Based on TNFD Guidelines

Overview Analysis
Identification of major nature-related dependencies and impacts based on TNFD guidelines (ENCORE)

Selection of Important Business Areas
Selection of business areas to be subject to deeper analysis from among those identified under "overview analysis"

LEAP Analysis of Target Businesses
Management of identified nature-related risks and opportunities

Assessment Through Overview Analysis and Selection of Important Business Areas

Analyses based on the TNFD's ENCORE* tool identified 25 businesses with particularly material nature-related dependencies and impacts. In general, scores for dependencies and impacts pertaining to water had a tendency to be high. Marine product value chains, one of the focus areas defined by Sojitz, were among the identified businesses. These value chains include those of tuna farm operator Sojitz Tuna Farm Takashima Co., Ltd., and marine product processors The Marine Foods Corporation and TRY Inc. Further analyses of this area were performed using the LEAP (Locate, Evaluate, Assess, Prepare) approach advocated by the TNFD.

* Exploring Natural Capital Opportunities, Risks and Exposure, an analysis tool developed jointly by the United Nations Environment Programme and the Natural Capital Finance Alliance to gauge the degree of the nature-related dependencies and impacts of private sector companies

Assessment of Sojitz's Nature-Related Dependencies and Impacts

Issues Identified by ENCORE Analysis of 25 Businesses

Sojitz ESG BOOK: Biodiversity

Water-Related Issues

Sector	Production Process	Dependencies: Ground Water	Dependencies: Surface Water	Dependencies: Water flow maintenance	Dependencies: Water quality	Dependencies: Flood and storm protection	Dependencies: Buffering and attenuation of mass flows	Impacts: Water use	Impacts: Freshwater ecosystem use	Impacts: Marine ecosystem use	Impacts: Water pollutants
Energy	Integrated oil and gas	Very high	High	None	Medium-Very low	Medium-Very low	None	Very high	Very high	Very high	Medium-Very low
Materials	Construction materials production	Very high	Very high	None	Medium-Very low	None	None	High	High	High	Medium-Very low
	Large-scale forestry	Very high	Very high	High	None	Very high	None	None	None	None	High
	Production of forest and wood-based products	High	Very high	Medium-Very low	None	Medium-Very low	None	None	None	None	High
	Small-scale forestry	Very high	Very high	Very high	None	Medium-Very low	None	None	None	None	Medium-Very low
	Production of paper products	Very high	Very high	Medium-Very low	None	Medium-Very low	None	Very high	None	None	High
Consumer Discretionary	Natural fiber production	Very high	Very high	Medium-Very low	Medium-Very low	Medium-Very low	None	Very high	None	None	None
	Aquaculture	Medium-Very low	Medium-Very low	High	High	High	Medium-Very low	None	Very high	High	High
	Freshwater wild-caught fish	None	Very high	None	Very high	None	Very high	None	Very high	None	High
	Large-scale irrigated arable crops	Very high	High	High	High	Very high	High	Very high	Very high	None	High
	Large-scale livestock	Very high	Very high	Medium-Very low	Medium-Very low	Medium-Very low	Medium-Very low	Very high	None	None	High
	Large-scale rainfed arable crops	None	Medium-Very low	High	Medium-Very low	Very high	High	None	None	None	High
	Saltwater wild-caught fish	None	Very high	None	Very high	None	Medium-Very low	None	None	Very high	Medium-Very low
	Small-scale irrigated arable crops	Very high	Very high	High	Very high	Very high	High	High	High	None	Medium-Very low
	Small-scale livestock	Very high	Very high	High	Very high	Very high	None	None	None	None	Medium-Very low
	Small-scale rainfed arable crops	None	Medium-Very low	Very high	Medium-Very low	Very high	High	None	None	None	Medium-Very low
	Luxury goods production	Very high	Very high	Medium-Very low	Medium-Very low	None	None	High	High	None	High
Utilities	Hydropower production	Medium-Very low	Very high	Very high	Medium-Very low	High	None	Very high	Very high	None	High
	Thermal power stations	Medium-Very low	Very high	Medium-Very low	Medium-Very low	Medium-Very low	None	Very high	High	None	Medium-Very low
	Geothermal energy production	Very high	Medium-Very low	Medium-Very low	Medium-Very low	Medium-Very low	None	Very high	None	None	High
	Solar energy provision	Medium-Very low	Medium-Very low	None	Medium-Very low	Medium-Very low	None	Very high	None	None	Medium-Very low

Analysis Through LEAP Approach

Assessment of Nature-Related Risks and Opportunities

Locate: Identify the organization's interface with nature

- Identification of areas among the cultivation, feeding, and fry procurement processes of Sojitz Tuna Farm Takashima and the processing practices of TRY and Marine Foods with particularly large risks of diminishing the quality of biodiversity or ecosystem services, and the compilation of regional characteristics

Evaluate: Assess dependencies and impacts on nature

- Identification of risk factors and analysis points with regard to identified priority locations while incorporating feedback from outside experts
- Investigation of nature-related conditions and regulations at Sojitz Tuna Farm Takashima and meetings with operating companies to gain a better understanding based on identified risk factors and analysis points

Assess: Determine nature-related risks and opportunities

- Identification of risks and opportunities based on investigation findings and in accordance with TNFD guidelines and the compilation of material risks and opportunities and Group initiatives

Prepare: Develop responses to these risks and opportunities and prepare for reporting

- Utilization of insight gained through LEAP analyses in operation of individual businesses and expansion of scope of analyses to include upstream feed and fry procurement as well as downstream processing at TRY and Marine Foods
- Identification and analysis of nature-related (biodiversity and water) dependencies and impacts in other business portfolios

Major Projected Risks and Opportunities

Risks	• Decline in product quality or increased death rates at farms due to rising ocean temperatures or red tides • Ecosystem degradation or economic impacts due to fish escaping from aquaculture cages • Changes in optimal farming locations due to water pollution from uneaten feed, etc.
Opportunities	• Investment in technologies for reducing impacts on ecosystems

Based on the results of these analyses, the Sojitz Group is accelerating biodiversity preservation initiatives.

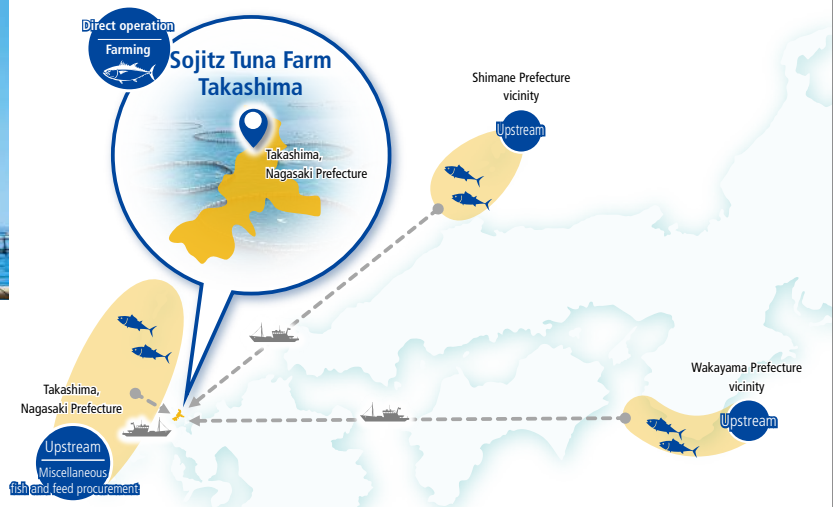
Initiatives for Addressing Environmental Issues Through Business

At Sojitz Tuna Farm Takashima, we are actively introducing ICT technologies in farming infrastructure to help preserve marine resources in a sustainable manner.

Initiatives at Sojitz Tuna Farm Takashima (Japanese only)

- Utilization of Integrated Biodiversity Assessment Tool* to survey surrounding areas
- Collection and analyzation of water temperature, sodium content, and other data
- Development of red tide prediction applications
- Use of AI technologies for counting tuna
- Regular inspections of aquaculture cages
- Optimization of feed amounts and shipment timings

* Tool that provides geospatial data capable of accessing the International Union for Conservation of Nature Red List of Threatened Species and preservation location, key biodiversity location, and other databases



Digital Transformation Strategies

Tomomi Arakawa
Director,
Senior Managing Executive Officer,
CDO, CIO, COO,
Digital Department

The "Digital in All" concept is a core component of the growth strategies of Medium-term Management Plan 2026. In accordance with this concept, Sojitz is advancing initiatives based on the policies of earning with digital technologies, improvement of value with digital technologies, and development of digital infrastructure as we seek to create value and improve corporate value through the extensive utilization of digital technologies in all business areas.

What initiatives are being implemented to develop the platforms necessary for effectively utilizing data and AI technologies?

In the year ended March 31, 2025, Sojitz moved forward with initiatives to integrate its IT infrastructure platforms and networks, formulate next-generation core system concepts, and enhance cybersecurity measures. These initiatives will be accelerated in the year ending March 31, 2026. At the same time, we will look to clarify how specific businesses are categorized and confirm priority areas. We will also conduct data management and maintenance for structured, unstructured, and personnel data needed to fully utilize AI technologies. In these ways, we will be working to develop data platforms that match the approaches used for business management on a Groupwide basis.

Another focus will be installing AI governance provisions to address risks such as the copyright issues associated with AI use, AI hallucinations,* and ethical concerns. Steps toward this end in the year ended March 31, 2025, included the establishment of an organizational framework for responding to priority issues adopted from AI business operator guidelines. We also assembled an AI governance team under the supervision of the DX Promotion Committee. This team is tasked with developing frameworks for swift and flexible governance based on discussions and resolutions by the committee.

* Phenomena in which generative AI produces false or inaccurate responses

What changes have been seen with regard to the training of DX Experts and employee perception of digital technologies?

An understanding of the importance of digital technologies has permeated throughout the Company. I believe that this change in perception is a result of the ongoing discussions by the DX Promotion Committee, which is chaired by the president, as well as our active efforts to communicate information about Sojitz's digital transformation measures to external stakeholders. Our communication efforts, in particular, have helped the market obtain a better understanding of Sojitz while also enabling us to gain input from outside the Company. Such input has been an effective tool for encouraging employees to think about how proactively they are engaging with digital transformation initiatives. This benefit has been reflected in Companywide engagement surveys, which have revealed that more than half of respondents feel a desire to apply their digital knowledge. Meanwhile, the February 2024 launch of Sojitz AI Chat, Sojitz's exclusive generative AI tool, has further fostered a culture of regular generative AI use.

As for the training of DX Experts, we continue to receive a large number of applications for practical application-level training. Completion of the expert-level programs, which are designed for individuals seeking to lead digital transformation measures, takes about seven months. A number of managers have completed these programs, and we have thus seen an increase in such individuals being promoted to the management of digital technology teams across the organization. In Medium-term Management Plan 2026, we have set targets

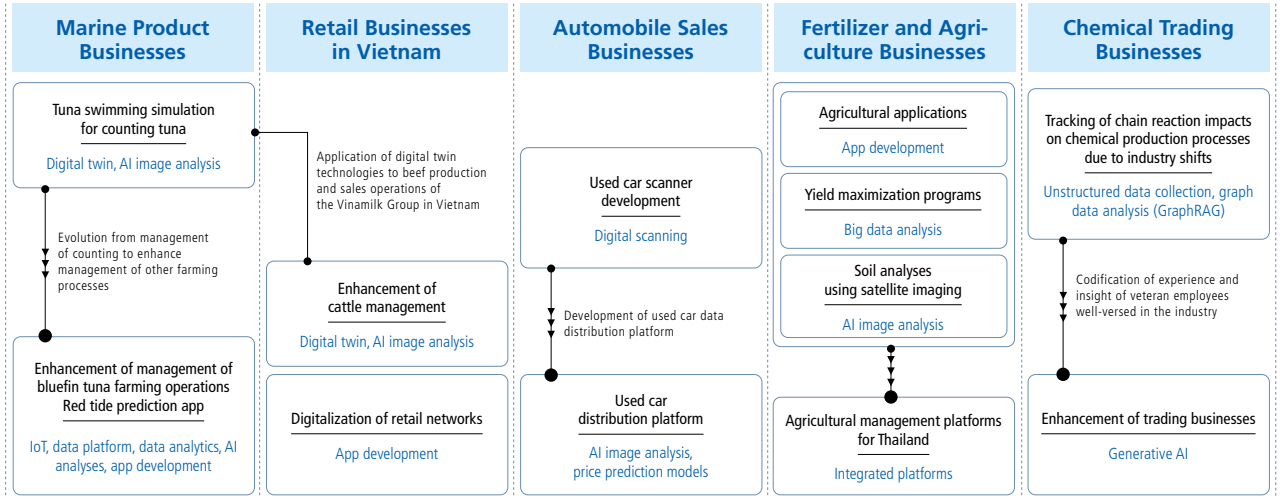
Digital Transformation Strategies

that include having 50% of all career-track employees complete experienced-level training and 10% complete expert-level training. As of March 31, 2025, roughly 50% of the target number of employees had completed these programs.

How does Sojitz intend to generate earnings using digital technologies?

Sojitz Tech-Innovation Co., Ltd., is ramping up sales of applications and other offerings to external customers in a bid to generate direct earnings contributions from our digital technology businesses. Meanwhile, we are enhancing coordination and collaboration in our strategic partnership with SAKURA internet Inc., and we have begun seconding engineers from Sojitz and Sojitz Tech-Innovation to this partner. On a Groupwide basis, we are undertaking "digital transformation lead projects," including those that will have a large impact on earnings (see diagram). In our fertilizer and agriculture businesses, for example, we have launched a new smartphone app in Thailand that can handle processes spanning from the provision of agricultural instruction to workers to transaction intermediation. This app utilizes AI to analyze soil and crop conditions based on satellite images of fields so that this information can be used to propose ideal fertilizer approaches. Moreover, the data gained through the app is being employed to develop ecosystems comprising agricultural workers and relevant companies to create an agricultural management platform for providing comprehensive services, encompassing financing, equipment investment, and material procurement. Going forward, we will work with Sojitz Tech-Innovation to internalize digital technology functions and enhance functions for co-creation with AI start-ups in order to accelerate such "digital transformation lead projects."

Digital Transformation Lead Projects



What is your vision for a Sojitz that takes full advantage of digital technologies?

In the second year of Medium-term Management Plan 2026, we are seeing gradual progress in the development of new businesses and the reformation of value chains through digital transformation. Meanwhile, the world is transforming at a pace that exceeds all expectations. Today, we see AI agents optimizing supply and demand balances in real time while personalized AI acts on behalf of employees to make decisions, engage in negotiations, and assess circumstances in their stead. These realities are fundamentally changing how resources are allocated and organizations are structured. Against this backdrop, companies that focus purely on their own earnings without adapting to these technological changes will no doubt begin to fade from existence. Moreover, only those companies that are able to link their business and their vision with a focus on social issues will keep generating value over the long term. The Sojitz Group continues to emphasize value for society among the two types of value it seeks to create. As we enhance our global networks and accumulate industry insight, we will transform global issues, such as decarbonization and the need for co-existence between companies and communities, into business opportunities. Furthermore, I want to build upon co-creation with customers and partners and make digital technologies a commonplace tool for all employees, the one that they naturally use for work, so that we can become a general trading company that doesn't even need a slogan like "Digital in All." This is my vision for Sojitz in 2030.

Digital Transformation Strategies

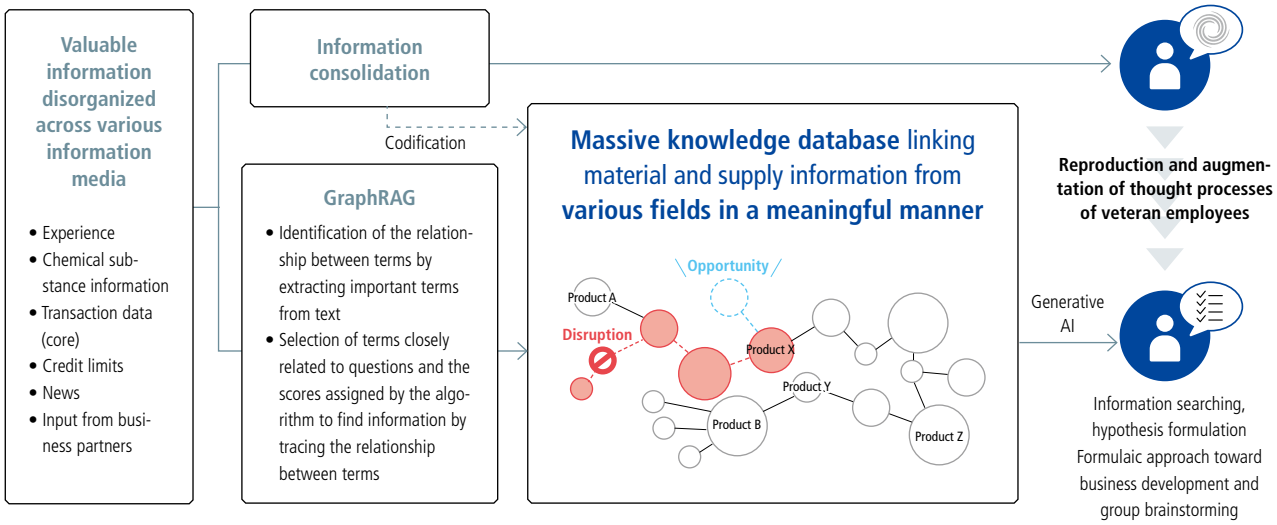
Enhancement of Chemical Trading Businesses

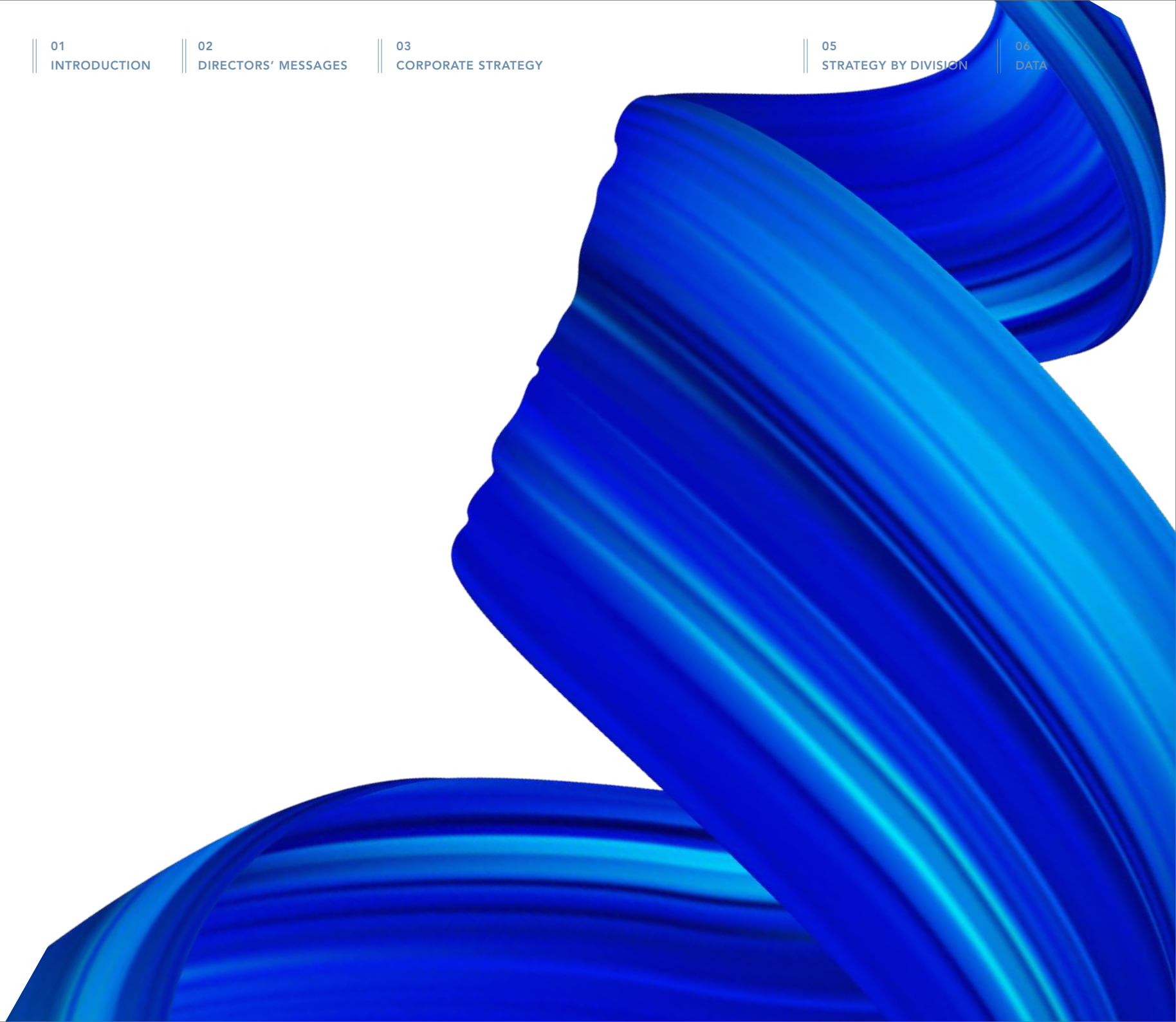
Integrated Report 2024 P. 59 Experts Managing Dedicated Digital Technology Organizations

The chemical industry is undergoing a massive transformation, and this transformation has the potential to sever our supply chains and materially impact our chemical trading businesses. The resulting changes in sales channels could present risks while also hinting at significant business opportunities for a trading company. The Chemicals Division's dedicated digital technology organization is responding to these changes by embracing generative AI and other cutting-edge technologies to systematically collect and utilize valuable but disorganized information and to codify industry insight. We thereby aim to efficiently arrange projects and formulate effective measures to improve earnings power.

The chemical industry is characterized by complicated manufacturing processes in which multiple naphtha-derived materials are combined in complex ways. Accordingly, a single change can trigger a chain reaction that impacts processes throughout all areas of production. Moreover, the construction of new facilities in China has resulted in a supply glut, and we are also seeing reductions in production in Japan, a tightening of environmental regulations, and a push to develop a circular society. These are just some of the massive changes taking place in the chemical industry. Using foresight to act in advance of these changes and developing a supply chain that can provide any resources we may lack will be imperative to addressing social issues and creating new value as we move forward.

However, the insight required to accomplish these tasks has not been consolidated but rather exists in disorganized forms such as tacit knowledge based on the experience of veteran employees and incomplete information media. This reality makes it difficult to track this information in a systematic manner. In addition, the quality, quantity, and applicability of such information vary by the holder, creating further obstacles to swift decision-making. Sojitz is addressing these issues through a GraphRAG process that utilizes generative AI to produce highly accurate graphs for representing the relationship between different types of information based on raw text. This process is used to integrate information including chemical substance data, transaction records, industry conditions, and input gained during meetings with business partners. We are thereby endeavoring to construct a knowledge database that organically links material and supply information from various fields in a meaningful manner. Combining this database with generative AI is anticipated to help us codify the thinking processes of veteran employees, which had previously been inaccessible tacit knowledge, to allow for increased efficiency and feasibility in project arrangement processes. Sojitz thereby aims to quickly and accurately supply solutions and to create products and services that address industry issues in a manner that was difficult under conventional people-reliant approaches.





Discussion Between Independent Directors

One year has passed since Sojitz transitioned to the Company with Audit and Supervisory Committee structure, as described in the Companies Act of Japan, and installed a new management team. Over this year, the Company has proceeded to overcome various challenges in its ongoing march toward its Next Stage.

The following is a discussion between independent directors Tsuyoshi Kameoka and Ungyong Shu in which they talk about the changes following the transition, leadership under the new management team, and the investment strategies and engagement with capital markets needed to double corporate value leading up to 2030.

Q. One year has passed since the installment of a new management team and the transition to the Company with Audit and Supervisory Committee structure. What is your opinion regarding the present state of Sojitz from your perspective as an independent director?

Kameoka: The transition to the Company with Audit and Supervisory Committee structure was the greatest change seen in terms of corporate governance during the year ended March 31, 2025. Most notably, this change has increased the degree of authority delegated to executive directors in relation to crucial management decision-making. At small meetings and other venues for engagement with investors, we often receive questions about whether this approach will allow for effective governance. Contrary to these concerns, however, the executive team has been even more proactive in providing the Board of Directors with information given their desire to inform the Board about specific projects. Moreover, as independent directors participate in meetings of the Finance & Investment Deliberation Council as observers, the frameworks are in place to ensure that the Board is sufficiently aware of even small projects. Given these frameworks, I see no need for concern with regard to governance. At the same time, the delegation of authority has allowed the Board to devote more time to important themes meriting discussion like the medium-term management plan, digital transformation, human resources, and sustainability. When considering the amount of discussion time and agenda items for Board meetings, I feel

Discussion Between Independent Directors

confident in saying that the transition to the Company with Audit and Supervisory Committee structure yielded the anticipated benefits in its first year in effect.

Shu: We pinpointed a number of issues that could emerge in relation to the transition to the Company with Audit and Supervisory Committee structure based on case studies of other companies that had already adopted the structure. Accordingly, Sojitz was able to apply the lessons learned from its peers to its own transition process. Major issues identified included how directors who are Audit and Supervisory Committee members can effectively fulfill their roles as both directors and as Audit and Supervisory Committee members, how to address the immense burden of fulfilling those two roles, and how to minimize information gaps between directors who are Audit and Supervisory Committee members and those who are not. Moreover, Sojitz also found its own unique issues to be addressed, namely, how to approach the goals of maintaining an appropriately compact Board of Directors and enhancing the effectiveness and functionality of the Audit and Supervisory Committee. In looking for ways to address these issues, there was some talk about whether an independent director should chair the Audit and Supervisory Committee. Ultimately, it was decided that this role should go to full-time director Yoshiki Manabe, and this decision has heightened the effectiveness and functionality of the committee. The Company also introduced a senior auditor system* to further reinforce the auditing function. It is important to refrain from adopting a limited, company-centric perspective when it comes to developing governance systems. Rather, a company should be open to learning from the experience and lessons of outside entities and demonstrate a certain level of understanding and humility that allows for incorporating such lessons into its own systems.

* P. 63 Senior auditors
Senior auditors are highly knowledgeable in the businesses and operations of the Sojitz Group and have insight pertaining to finance, accounting, and risk management, which they employ as they support and complement the duties of the Audit and Supervisory Committee from a viewpoint similar to that of, and based on instructions by, the committee's members.

Kameoka: I have a lot of praise for the successful transition to a new management team, starting with the appointment of President Uemura. The process of selecting Mr. Uemura to be the next president involved numerous discussions by the Nomination Committee as well as interviews, and we were very deliberate in making this decision. Even after selecting Mr. Uemura, we continued to carefully observe progress based on the understanding that we—independent directors—have a responsibility given our role in the selection process. Specifically, I looked at how the new management team was working toward a new vision for Sojitz, as opposed to just continuing to tread down the path walked thus far.

I think that Sojitz's small workforce, in comparison to other trading companies, is a major strength. Of course, a small workforce is generally perceived as a weakness, but one cannot deny the benefit of the swift and agile mobility that a smaller workforce brings. However, if the Company is to take full advantage of this strength, it needs a corporate culture, a commitment, to combining the insight of all employees to maximize the capabilities of teams and create value. Sojitz also must facilitate open communication characterized by a closer relationship between senior management and general employees. Fortunately, Sojitz already has these foundations in place. The fact that the senior management team consists of President Uemura's contemporaries has already contributed to this type of close relationship. I therefore anticipate that the new management team will inspire dynamic discussion and help Sojitz generate even greater results.

Shu: One of Sojitz's strengths that I want to emphasize is how President Uemura is able to exercise finely tuned leadership given the Company's incredibly flat management structure. In more traditional large-scale organizations featuring stratified management structures, the ability to confirm conditions on the ground is generally lacking or bottom-up decision-making processes may be in place but require time, resulting in decisions missing the ideal timing for successful execution. Management at Sojitz, however, is functioning effectively without falling into this trap. President Uemura and other members of management take a hands-on approach by communicating their ideas to executives through discussions with the Finance & Investment Deliberation Council and at the annual management retreat. Only one year has passed since the installment of the new management team, but it has already demonstrated commendable stability. I want to see President Uemura making bold decisions with the support of this solid management foundation.

Discussion Between Independent Directors

Q. What are your opinions of and hope for Sojitz's initiatives to advance to the Next Stage? Also, what do you see as your role as independent directors in the march toward the Next Stage?

Kameoka: In the past, Sojitz has had to overcome a period of challenging management due to a weak financial base. During this period, the Company lacked the funds to make the investments it might have wanted to conduct, leading to an inability to sufficiently amass investment experience and skills. However, this has not been the case over the past four or five years. During this time, Sojitz has been investing aggressively, and it has finally gotten on the right course as a result. In the year ended March 31, 2025, the Company announced a number of new business investments and loans, thereby laying the groundwork for future growth. I thus feel no qualms in saying that Sojitz has made a strong start on its path toward 2030. Sojitz has set the targets of profit for the year (attributable to owners of the Company) of ¥200.0 billion, ROE of 15%, and market capitalization of ¥2.0 trillion for the Next Stage. I believe that achieving these targets is entirely feasible. The Company's net profit was at just ¥30.0 billion around 2014. However, in the span of 10 years, Sojitz's profit for the year (attributable to owners of the Company) has surpassed ¥100.0 billion, an amount three to four times greater. Backed by these strong results, Sojitz is also securing funds and amassing investment experience and insight. This can be seen in the target of ¥600.0 billion in investments set in Medium-term Management Plan 2026. Of course, not all of these investments will be successful. It is therefore important to navigate through failures effectively. If a company continues to cling to loss-making projects, conditions will only get worse. Accordingly, we must constantly monitor projects and be prepared to make the decision to divest when the need emerges. There are currently no significant issues in this regard. However, this is something that management will need to remain aware of in the various investments it undertakes in the future. In today's increasingly uncertain environment, it will be more important than ever for Sojitz to respond flexibly to the changes that emerge, as opposed to remaining married to its initial plans.

Shu: Sojitz's performance in the year ended March 31, 2025, the first year of Medium-term Management Plan 2026, was as anticipated. The benefits of this strong performance for Sojitz's stock price, however, have been limited. The only conclusion that can be drawn is that the Company's performance is not yet surpassing the market's expectations. Accordingly, Sojitz's management is not satisfied to just achieve their performance targets; they are departing from their prior course to pursue a new pattern of growth based on the defined goal of doubled corporate value. This goal is not a mere slogan. Quite the contrary, it is positioned as the underlying assumption for all decisions at Sojitz, whether by management or at the front lines, guiding the Company as it works toward growth that exceeds what can be found on its current growth track.

Kameoka: Sojitz has put forth its vision for 2030 of becoming a general trading company that constantly cultivates new businesses and human capital. Simply investing money will not be enough to realize this vision; Sojitz must continue to generate distinctive value. The fundamental business creation process entails achieving growth by getting Sojitz's people involved in investment projects and by leveraging the Company's networks to ensure that businesses can grow as much as possible. I believe that truly worthwhile investments will be those that demonstrate the distinctive value produced by the Company. To ensure that the Company can create this value, it will need to carefully examine whether the desired results are being delivered based on current human resource allocations and whether employee performance may be limited due to human factors despite the operating environment presenting the anticipated conditions.

Discussion Between Independent Directors

Shu: Independent directors must be cautious when a company is undertaking transformational investments, which entail massive changes in a company's status, business portfolio, or risk profile. When it comes to standard investments, which are conducted as part of everyday operations and are contained within the acceptable scope of risk exposure, matters should generally be left up to the executive team. The role of independent directors in regard to these investments is to monitor progress to confirm whether the investments are generating the anticipated results. At Sojitz, independent directors participate in meetings of the Finance & Investment Deliberation Council as observers. Judging by the discussions at meetings of this council, I have determined that the investment screening process is functioning effectively. In screening investments, the council does not merely think from the perspective of the Company's finances. Rather, discussions delve deep into factors like the fundamental reason why Sojitz should conduct a given investment and the approach it should take toward improving value after the investment. Based on this fact, I believe that independent directors have an important role to play in encouraging discussion on, for example, why things did not go as expected in cases where the desired results were not seen, the lessons to be learned from this outcome, and how our approach should be amended in the future.

From my experience, there are some cases in which the performance of investments falls below expectations for the first several years. It is difficult to pinpoint one common reason for all these cases, but one reason that is frequently cited is "unexpected changes in the operating environment." What we can take from this is that post-merger integration should be advanced based on the assumption that unexpected changes in the operating environment are incredibly likely to occur. In times of uncertainty, we should not expect everything to go as planned. Rather, we should anticipate unexpected changes when making our plans to ensure that we are prepared. While it is essential to allocate adequate management resources, some projects won't enjoy the luxury of having all the necessary resources at hand. Accordingly, I think it will be important to be more strategic in selecting investment projects going forward.

Kameoka: Yes, I feel the same with regard to Sojitz's investment screening process. The Company has learned from its experience during periods of financial constraint, and it has used this experience to craft incredibly rigorous investment screening and monitoring frameworks. For example, Sojitz has frameworks in place for monitoring post-investment progress of its business plans. If progress is not going according to plan, the Finance & Investment Deliberation Council will look at the possibility of revising business plans. Our role as independent directors is thus to ensure that these frameworks are functioning effectively. It is the executive team, meanwhile, that should be responsible for the details of specific investment projects.

Shu: Sojitz's price-to-book ratio (PBR) is currently falling below 1.0 times, meaning that the high cost of capital is imposed on the Company by the capital market. It is not easy to generate returns that surpass the presumed high cost of capital. Accordingly, until Sojitz can get its PBR above 1.0 times, I think it will be important to create a situation in which it is easier to produce returns by lowering the cost of capital through shareholder returns. We should not view the relationship between growth investments and shareholder returns as being about trade-offs. Rather, I think shareholder returns should be positioned as one of the building blocks that can be used to create an environment in which growth investments are more likely to contribute to greater value.

Kameoka: Profit margins are one factor considered in relation to investments, but it is worth noting that even a project with low profit margins requires the same human resource investment as a large project. In this manner, it is crucial to think about how human resources, a critical

Discussion Between Independent Directors

asset, can be utilized most effectively. Sojitz is limited in terms of human resources when compared to other trading companies, meaning that it is all the more important for it to think strategically about how it allocates resources such as people and money. Also, when conducting investments, the Company must consider the fact that there are also people at the target company. Sojitz needs to think about how its involvement will contribute to the growth of the investee and how its people can excel. These are both factors that will drive Sojitz's growth. To go a step further, when conducting business investments on a global scale, Sojitz must consider how it can facilitate communication and growth together with people of various nationalities, cultures, and religions. This will be no easy task. That is why it is so important that Sojitz foster people who are confident in the Company's ability to take on challenges going forward.

Q. What is your view regarding the capital market's current appraisal of Sojitz? Also, how are you engaging with the capital market as independent directors?

Shu: Improving Sojitz's stock price is a pressing issue, but not one that will be easy to resolve. As touched on previously, raising its stock price will require the Company to deliver results that exceed investor expectations. Sojitz has put forth the lofty goal of doubling corporate value. If it cannot demonstrate that this goal is feasible, we will not likely see improvements in the stock price. Simply generating steady returns from business investments and management will not be enough to convince the market of the feasibility of this goal; Sojitz must implement an investment and recovery cycle that involves swift recovery of capital invested in fields not contributing to higher corporate value so that this capital can be reinvested in other areas.

Meanwhile, we independent directors need to engage with the capital market to maintain an up-to-date understanding of the matters of interest to shareholders and other investors. Direct conversations with shareholders and other investors help us gain an understanding of these matters that is more vivid than reading words on paper. We must share the input and insight gained through such conversations with management so that these findings can be utilized in future management practices.

Kameoka: When it comes to engagement with the capital market, I tend to emphasize the importance of a concerted approach toward communication with investors that involves senior management, independent directors, and other relevant individuals. It is only if we take such a concerted approach that we will be able to gain opportunities to engage in direct conversations with investors and thereby solicit their questions and opinions. Such opportunities are incredibly meaningful for Sojitz. When speaking with investors at small meetings, I cannot help but notice how well they understand Sojitz, as well as how high their expectations are for the Company. As mentioned by Director Shu, an important task to be addressed going forward will be to generate results that exceed these expectations and to effectively communicate these results to the market. Being able to go beyond simply explaining what has been accomplished to underscore how those accomplishments surpassed expectations will be an important factor in improving Sojitz's stock price. I, of course, am committed to doing whatever I can to aid in this process.

Overview of Corporate Governance

The Company transitioned to the Company with Audit and Supervisory Committee structure, as described in the Companies Act of Japan as of June 2024. This move is anticipated to contribute to increased speed and accuracy in management decision-making and to make Sojitz more capable of improving corporate value in the constantly changing operating environment.

Key Features

1 Enhanced Monitoring Functions for the Board of Directors

Sojitz's Board of Directors comprises a majority of independent directors, and one such director has been appointed as the chair of the Board of Directors. In addition, members of the Audit and Supervisory Committee, which is responsible for auditing the operational execution of directors, also serve on the Board of Directors to enhance its monitoring functions. The Company has also established the Nomination Committee and the Remuneration Committee. Both of these committees comprise a majority of independent directors and are chaired by such directors to help them better contribute to the objectivity and transparency of decisions related to director nomination and remuneration.

2 Improved Management Decision-Making Speed and Accuracy

Matters with the potential to significantly impact the Company's management strategies are discussed and decided by the Board of Directors. Meanwhile, authority for decisions related to matters without this level of importance is delegated to the relevant executive directors to facilitate swifter decision-making. The Board of Directors will monitor these decisions from a multifaceted perspective.

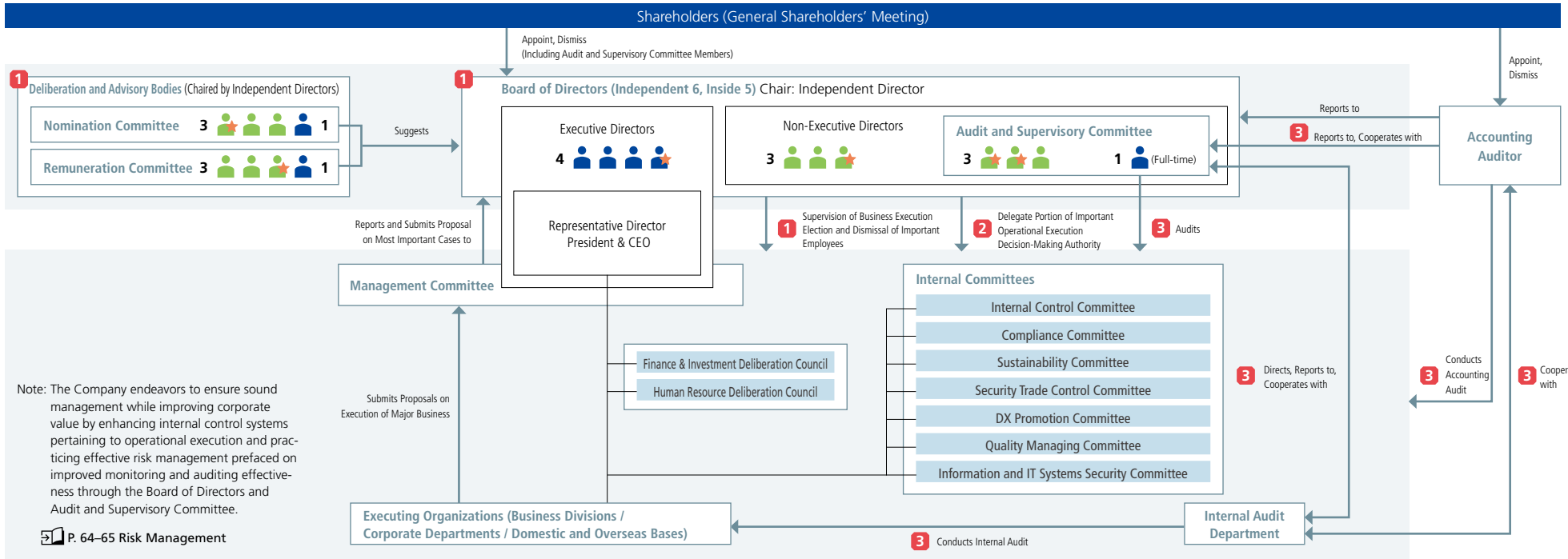
3 Highly Effective Auditing Frameworks

Staff members have been tasked with supporting the Audit and Supervisory Committee, and lines of reporting connecting the Internal Audit Department and the Internal Control Committee to the Audit and Supervisory Committee have been established. In addition, regular forums are arranged for sharing information and opinions between the accounting auditor, the Internal Audit Department, and the Internal Control Committee. These measures are meant to improve the effectiveness of audits.

P. 63 Auditing System

Corporate Governance Framework (As of June 18, 2025)

Inside Director | Independent Director | Female Director



Note: The Company endeavors to ensure sound management while improving corporate value by enhancing internal control systems pertaining to operational execution and practicing effective risk management prefaced on improved monitoring and auditing effectiveness through the Board of Directors and Audit and Supervisory Committee.

P. 64–65 Risk Management

Directors and Executive Officers (As of June 18, 2025)

Directors

● Number of years as a Director ○ Attendance at the Board of Directors meetings (for the year ended March 31, 2025)
⁘ Number of shares owned (of which, the number of shares to be delivered under the share remuneration system)

Masayoshi Fujimoto
Representative Director, Chairman
● 8 years ○ 15/15 ⁘ 196,097 (151,277)

Kosuke Uemura
Representative Director, President & CEO
Remuneration Committee Member,
Nomination Committee Member
● 1 year ○ 11/11 ⁘ 46,821 (41,461)

Makoto Shibuya
Representative Director, Senior Managing Executive Officer, CFO
Executive Management of Corporate Departments
● 1 year ○ 11/11* ⁘ 40,769 (29,509)

Tomomi Arakawa
Director, Senior Managing Executive Officer,
CDO, CIO
COO, Digital Department
● 1 year ○ 11/11* ⁘ 24,902 (23,402)

Tsuyoshi Kameoka
Independent Director,
Chair, Board of Directors, Remuneration Committee Member, Nomination Committee Member
● 2 years ○ 15/15 ⁘ 1,100

Ungyong Shu
Independent Director,
Chair, Remuneration Committee,
Nomination Committee Member
● 4 years ○ 15/15 ⁘ 0

Yumiko Jozuka
Independent Director,
Chair, Nomination Committee,
Remuneration Committee Member
● New appointment ⁘ 0

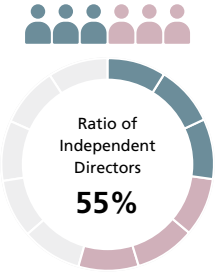
Yoshiki Manabe
Director, Audit and Supervisory Committee Member (Full-time), Chair, Audit and Supervisory Committee
● 2 years ○ 15/15 ⁘ 54,598 (39,798)

Haruko Kokue
Independent Director, Audit and Supervisory Committee Member
● 3 years ○ 15/15 ⁘ 0

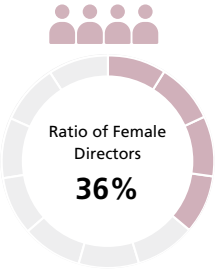
Satoko Suzuki
Independent Director, Audit and Supervisory Committee Member
● 1 year ○ 11/11* ⁘ 200

Kazuhiko Takeda
Independent Director, Audit and Supervisory Committee Member
● New appointment ⁘ 500

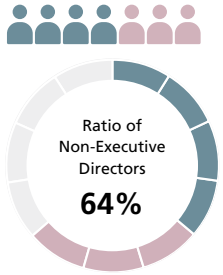
Independent Directors 6



Female Directors 4



Non-Executive Directors 7



■ Male ■ Female

* Attendance at Board of Directors meetings held after appointment as Director in June 2024

Directors and Executive Officers

Executive Officers (Excluding individuals who hold concurrent positions as Directors)

Masaaki Bito
Senior Managing Executive Officer
Representative Director, Executive Vice President, Metal One Corporation

Koichi Yamaguchi
Senior Managing Executive Officer
President & CEO for the Americas
President, Sojitz Corporation of America
President, Sojitz Canada Corporation

Satoru Takahama
Managing Executive Officer
General Manager, Kansai Office

Masakazu Hashimoto
Managing Executive Officer
COO, Aerospace, Transportation & Infrastructure Division

Hiroto Murai
Managing Executive Officer
President & CEO for Asia & Oceania
Managing Director, Sojitz Asia Pte. Ltd.
General Manager, Singapore Branch

Tatsuya Morita
Managing Executive Officer
CCO, CISO
COO, Legal Department, Internal Control Administration Department

Yasuhisa Nakao
Managing Executive Officer
COO, Business Innovation Office
Executive Management of Economic Security Affairs

Kazuhisa Yumikura
Managing Executive Officer
COO, Finance Department

Toshiaki Kasai
Managing Executive Officer
Representative Director & CEO, JALUX Inc.

Taro Okamura
Executive Officer
President & CEO for Middle East & Africa

Yumie Endo
Executive Officer
COO, PR Department, IR & Corporate Sustainability Department

Tatsuhiko Kanetake
Executive Officer
COO, Automotive Division

Tatsuhiko Niitaka
Executive Officer
President & CEO for Europe
Managing Director, Sojitz Corporation of Europe B.V., General Manager, Sojitz Corporation of Europe B.V., Paris Branch and Warsaw Office
Director & CEO, Sojitz Europe Trade Holdings GmbH

Osamu Matsuura
Executive Officer
COO, Metals, Mineral Resources & Recycling Division

Takefumi Nishikawa
Executive Officer
COO, Energy Solutions & Healthcare Division

Hideo Hatada
Executive Officer
COO, Consumer Industry & Agriculture Business Division

Katsunori Okada
Executive Officer
President & CEO for China
Chairman, Sojitz (China) Co., Ltd.
Chairman & President, Sojitz (Shanghai) Co., Ltd.
Chairman, Sojitz (Dalian) Co., Ltd., Sojitz (Guangzhou) Co., Ltd., Sojitz (Hong Kong) Ltd., and Sojitz (Shenzhen) Co., Ltd.

Hitoshi Oda
Executive Officer
COO, Risk Management Department

Kenji Maeda
Executive Officer
COO, Chemicals Division

Mizue Nakazawa
Executive Officer
COO, General Accounting Department, Business Accounting Department

Shigeru Ogura
Executive Officer
COO, Human Capital Department

Sari Miida
Executive Officer
COO, Retail & Consumer Service Division

Takahiro Matsunaga
Executive Officer
COO, Corporate Planning Department, Energy Transformation Department, M&A Strategy & Value Creation Office

Board of Directors

Director and Audit and Supervisory Committee Member Skill Matrix

Implementing the Company's management strategies requires the Board of Directors to be able to support swift and bold executive decision-making and to provide effective oversight of operational execution. Accordingly, it is important for the Board of Directors to have members with insight regarding global trends, economics, and various cultures as well as global perspectives that allow for discussions founded on the embrace of difference and diversity. In addition, members of the Board of Directors should have insight regarding the formulation and implementation of management strategies and measures and pertaining to mergers, acquisitions, investments, loans, financial markets, and digital transformation for creating opportunities for ongoing growth. Business management experience for raising business value is also imperative. Meanwhile, risk management, legal, finance and accounting, human resource, internal control, and other expertise are crucial to building strong business foundations. The Company also recognizes the importance of expertise pertaining to environmental and social areas that can be used to contribute to the promotion of decarbonization, respect for human rights, and the resolution of social issues.

Name	Position	Global	Corporate management	Legal / Risk management	Business investment / Mergers and acquisitions	Finance and accounting	Human capital strategy / Human capital management	Internal control	Environment and society	Digital technologies
Masayoshi Fujimoto	Representative Director	●	●	●					●	
Kosuke Uemura	Representative Director	●	●		●		●			
Makoto Shibuya	Representative Director		●		●	●		●		
Tomomi Arakawa	Director	●					●		●	●
Tsuyoshi Kameoka	Director Outside Independent	●	●		●				●	
Ungyong Shu	Director Outside Independent	●	●	●	●					
Yumiko Jozuka	Director Outside Independent			●			●	●	●	
Yoshiki Manabe	Director, Audit and Supervisory Committee Member			●	●	●		●		
Haruko Kokue	Director, Audit and Supervisory Committee Member Outside Independent	●	●					●	●	
Satoko Suzuki	Director, Audit and Supervisory Committee Member Outside Independent			●		●		●	●	
Kazuhiko Takeda	Director, Audit and Supervisory Committee Member Outside Independent	●	●			●				●

Global	Sojitz operates a diverse range of businesses on a global scale, and we believe it is important to have insight into international affairs, economics, and culture gained from experience in managing businesses overseas.
Corporate management	It is important to have insight in business management and corporate governance gained from management experience at domestic and overseas operating companies and overseas offices as well as experience in business execution at the Company's headquarters.
Legal / Risk management	It is important to have the insight necessary to provide supervision to determine whether contractual actions and risk management activities are appropriate and based on foresight for identifying potentially significant risks associated with business execution.
Business investment / Mergers and acquisitions	It is important to have the insight necessary to make decisions and supervise business investment and M&A management decisions while overseeing management strategies and governance policies and monitoring social and environmental impacts.
Finance and accounting	It is important to have professional insight in the areas of finance, accounting, and taxation to help the Company achieve ongoing growth, increase corporate value, and strengthen its financial base.
Human capital strategy / Human capital management	It is important to have insight pertaining to ongoing initiatives to strengthen human capital and improve organizational culture to support Sojitz in achieving its vision of becoming a general trading company that constantly cultivates new businesses and human capital.
Internal control	It is important to have the specialized insight necessary to oversee the monitoring, confirmation, and restraint functions for business execution and to ensure that the legal compliance, operation, and improvement activities are being advanced effectively.
Environment and society	We are striving to create two types of value—value for Sojitz, in the form of business enhancement and sustainable growth, and value for society, in the form of local economic development and environmental preservation. To achieve this, we believe that it is important to have insight into global environmental and social issues.
Digital technologies	Based on its "Digital in All" concept, Sojitz aims to utilize digital technologies in all of its businesses. It is therefore important to have the digital technology insight necessary to oversee proactive digital transformation efforts for the purposes of business model innovation and creation and preparative digital transformation efforts for improving efficiency and enhancing security.

Board of Directors

Executive Remuneration

The Company has formulated its Executive Remuneration Policy, which details policies for the remuneration of directors (excluding directors who are Audit and Supervisory Committee members) and executive officers. Examples of the provisions contained within the Executive Remuneration Policy include the following.

Basic View

Sojitz's basic view for the remuneration of directors (excluding directors who are Audit and Supervisory Committee members) and executive officers is based on the following two considerations.

- 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.
- 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.

Basic Policies

- Remuneration systems shall be linked to medium- to long-term performance and corporate value improvements as well as to short-term performance.
- Remuneration systems shall be linked to the new value Sojitz creates and provides in the digital society as it practices ESG management.
- Remuneration systems shall be linked to the shareholder value of Sojitz.
- Remuneration systems shall provide a sufficient level of remuneration to recruit and retain globally competitive personnel.
- Remuneration shall be determined through a process with a high degree of transparency and objectivity.

Executive Remuneration: Breakdown of Remuneration Given 100% Accomplishment of Targets Pertaining to Performance-Linked Remuneration

Type of remuneration			Overview	Performance-linked indicators (KPIs)	Evaluation weights	Variation in remuneration	Timing of payment
Basic remuneration (Fixed)		Cash (40–64%)	Determined by the individual's rank commensurate with job responsibilities	—	—	—	Monthly
Performance-linked remuneration (Variable)	Short-term	Cash (20–22%)	Linked to corporate performance in a single year as well as progress made with the medium-term management plan	Consolidated net profit*1 (level of achievement of single-year targets)	30%	0–150%*2	Once a year, at a certain time
				Consolidated net profit*1 (progress made toward cumulative targets of the medium-term management plan)	30%		
				ROE	20%		
				Core operating cash flow (level of achievement of single-year targets)	10%		
				Core operating cash flow (progress made toward cumulative targets of the medium-term management plan)	10%		
	Medium- to long-term	Shares (16–40%)	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*1 in the three-year period	40%	60–200%	Shares allotted after retirement
				Sojitz share growth rate*3	40%		
				ESG-related criteria*4	20%		

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	Reductions from March 31, 2024
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 Companywide and division initiatives as described to the left
Human capital	1. Diversity 2. Ambition 3. Openness	1. Ratio of female career track employees with domestic or overseas working experience 2., 3. Degree of improvement in challenge-taking indexes and openness-related items of employee awareness survey instituted in November 2023

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

Board of Directors

Topics of Discussion at Board of Directors Meetings

In conjunction with the transition to the Company with Audit and Supervisory Committee structure, the Board of Directors has been delegating authority to executive directors. In addition, matters previously designated for reporting are being systematically consolidated and revised to facilitate more effective discussions pertaining to the monitoring function of the Board of Directors.

At the beginning of each fiscal year, an annual schedule for Board of Directors meetings is established, and steps are taken to ensure that the time and number of agenda items for meetings remain around a consistent level. This planning approach is adopted to secure the time necessary for discussing such important matters.

Major Topics of Discussion at Board of Directors Meetings (FY2024)

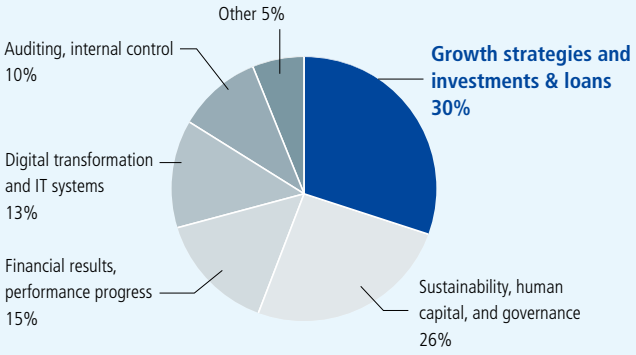
Growth strategies and investments & loans	Formulation of Medium-term Management Plan 2026, reports on progress of plan, acquisition of Australian infrastructure developer Capella Capital Partnership, other financing projects, etc.
Financial results and performance	Financial results, budgets, quarterly performance reports, etc.
Sustainability, human capital, and governance	Sustainability initiative progress reports, reports assessing the progress of human capital measures, assessments of the effectiveness of the Board of Directors, annual schedule for Board of Directors meetings, reports from Nomination Committee and Remuneration Committee, etc.
Internal control and audits	Internal control system implementation and status reports (including those from Compliance Committee, Security Trade Control Committee, and other committees), internal audit reports, etc.
Digital transformation and IT systems	Digital transformation progress reports (digital transformation initiative status, DX Expert training, AI governance, etc.), cyberattack response, etc.
Other	Executive appointments, compensation, etc.

Breakdown of Time Devoted to Each Topic of Discussion by the Board of Directors in FY2024

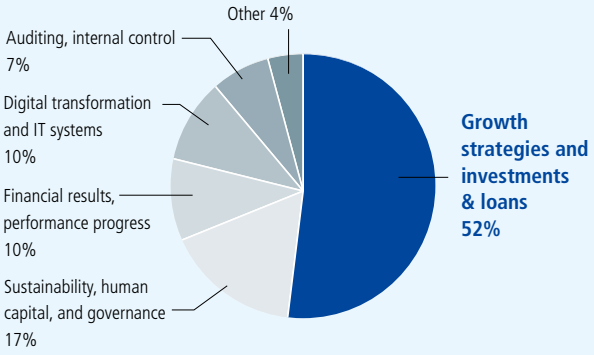
As the year ended March 31, 2025, was the first year of Medium-term Management Plan 2026, brisk discussion was seen in relation to the progress of the plan as well as new investments and loans. This focus is reflected in the large portion of time devoted to discussion of growth strategies and investments and loans at Board of Directors meetings (see Graph 1).

Briefings on investment and loan projects to be presented to the Board of Directors are arranged for all directors in the month preceding the meeting at which an applicable project will be proposed, or at some other time, to ensure that directors have the necessary information prior to meetings. In addition, the Company organizes forums for reporting by business divisions and major overseas bases on action plans and issues response measures to be implemented during the period of the current medium-term management plan. All of these information provision events take place outside of regular Board of Directors meetings. When such extra-meeting discussions are included, discussions of growth strategies and investments and loans accounted for more than 50% of all discussions by the Board of Directors in the year ended March 31, 2025 (see Graph 2).

Graph 1. Breakdown of Time Devoted to Each Topic of Discussion at Board of Directors Meetings (FY2024)



Graph 2. Breakdown of Time Devoted to Each Topic of Discussion by the Board of Directors (Including Extra-Meeting Discussions, FY2024)



Notes: 1. Percentage figures represent the percentage of total discussion time at Board of Directors meetings held in the year ended March 31, 2025, devoted to the given topic.
2. The above graphs were prepared using time amounts that include the amount of time used for explanations.

Assessment of the Effectiveness of the Board of Directors

The Company conducts annual analyses and assessments of the effectiveness of the Board of Directors in order to improve its functionality. In the year ended March 31, 2025, Japan Board Review Co., Ltd., a third-party organization, was employed to conduct such analyses and assessments in order to contribute to further improvements to the functionality of the Board of Directors following the transition to the Company with Audit and Supervisory Committee structure.

1. Assessment Method

Assessment Scope
All 11 directors

Implementation Method
- Questionnaires were sent to all directors by the contracted third-party institution. These questionnaires were anonymous and included both multiple-choice questions through which directors rated statements based on five ranks and free-response columns for each question. After completion, the third-party institution collected and tabulated the responses.
- The third-party institution then met with all directors for individual interviews based on the results of the questionnaires.
- The findings of these activities were compiled into a final report by the third-party institution, which was used in discussions of issues and future policies by the Board of Directors.

Major Subjects of Questionnaires
1. Medium- to long-term management issues and risks
2. Roles and functions of the Board of Directors
3. Scale and composition of the Board of Directors
4. Proceedings of Board of Directors meetings
5. Compositions, roles, and meeting proceedings of the Nomination Committee, the Remuneration Committee, and the Audit and Supervisory Committee
6. Support systems for independent directors
7. Responses to issues identified in the previous year's assessment
8. Relationships with shareholders and other investors

Areas of Focus of Individual Interviews
Individual interviews focused on the issues identified based on questionnaire scores and feedback given in free-response columns.

2. Overview of Evaluation of Effectiveness

The results of the questionnaire and individual interviews indicated a high evaluation of the scale, composition, and meeting proceedings of the Board of Directors and of support systems for independent directors, confirming that Sojitz's Board of Directors is sufficiently effective.

Moreover, the following benefits of the transition to the Company with Audit and Supervisory Committee structure were confirmed.

- The reduction in agenda items following the delegation of authority to the executive team and the consolidation of matters for reporting are contributing to increased speed and management decision-making and more meaningful discussions (more time was able to be devoted to important matters such as the medium-term management plan progress reports, resulting in more substantive discussions, due to the reduction in agenda items and consolidation of matters for reporting).
- The Company got off to a smooth start in the first year since its transition to the Company with Audit and Supervisory Committee structure, and effective discussions are taking place as the composition and meeting procedures of the Board of Directors are appropriate.

In addition, it was verified that the Board of Directors' approach toward monitoring investment and loan projects post-resolution in the year ended March 31, 2025, was both timely and effective. Factors behind this evaluation included discussions for realizing more finely tuned measures within the medium-term management plan and for more quickly reaching Sojitz's next-stage target of doubled corporate value at venues other than Board of Directors meetings (annual overnight management retreat) and venues for proactive provision of information to independent directors with regard to projects under consideration, human resource measures, engagement with investors, and other matters (information sharing sessions).

3. Policies for Initiatives in FY2025

(1) Ongoing Discussion by Board of Directors Regarding Medium- to Long-term Strategies, Management Resource Allocations, etc.
- The time freed up by the reduction in agenda items that accompanied the transition to the Company with Audit and Supervisory Committee structure will be used for ongoing discussion of medium- to long-term strategies, management resource allocations, and other matters related to the accomplishment of the goals of Medium-term Management Plan 2026 and the target of doubled corporate value defined for Sojitz's Next Stage.
- To facilitate more substantive discussions, forums other than Board of Directors meetings will be used for communication and explanation to address the gaps in information and understanding between the executive team and independent directors.
- Members of the Board of Directors will be encouraged to actively voice proposals and offer advice pertaining to concrete themes and points requiring additional attention to contribute to more in-depth discussions at meetings.

(2) Improvement of Methods of Providing Information to Independent Directors to Enhance Oversight Functions
- Brisk exchanges of opinion will be continued at briefings prior to meetings of the Board of Directors and other extra-meeting forums. At the same time, improvements will be pursued to meeting agendas and to the precision of information and materials provided to make Board of Directors meetings an opportunity for more substantive discussion from an overarching perspective.
- The current information sharing frameworks will be maintained, and improved as necessary, to allow independent directors to engage in the free sharing of information and opinions on matters and issues pertaining to the executive team and to thereby contribute to the discussions pertaining to the monitoring function at Board of Directors meetings.

Systems for Supporting and Sharing Information with Independent Directors

The Board Meeting Operation Office has been established as a dedicated organization for supporting directors. This organization reports to, maintains contact with, and is responsible for the appropriate and timely sharing of information with independent directors.

When an individual is appointed to the position of director, they are provided with briefings on the Company's medium-term management plan; internal control and risk management systems; and investor relations, sustainability, and digital transformation initiatives. Lectures by lawyers are also arranged for such individuals. In addition, a think tank subsidiary provides updates on the latest macroeconomic trends.

Furthermore, the following venues for information provision and sharing are provided for independent directors to deepen their understanding regarding the Company's businesses and to promote communication and mutual understanding among directors so as to contribute to more constructive discussions at Board of Directors meetings.

Information Sharing Opportunities for Independent Directors Arranged in FY2024	
Forums for information sharing among executive directors and independent directors	(monthly, in principle)
Off-site meetings for all directors	(twice a year)
Meetings between independent directors	(once a year)
Forums for exchanging opinions between Audit and Supervisory Committee members and independent directors who are not Audit and Supervisory Committee members	(twice a year)
Visits to business sites by independent directors	(twice a year)
Participation as observers in annual overnight management retreat	(once a year)
Sharing of materials from Management Committee and Finance & Investment Deliberation Council meetings	
Sharing of shareholder newsletter, securities analyst reports, internal newsletters, etc.	
Opportunities for participation in Finance & Investment Deliberation Council meetings as observers	

Visits to Business Sites by Independent Directors

Independent directors are provided with opportunities to tour major bases and business sites and to speak directly with on-site employees in order to gain a better understanding of the Sojitz Group's wide-ranging business activities.

In 2024, independent directors visited the Basaksehir Çam & Sakura City Hospital, one of the largest hospitals in Turkey. In 2025, tours were arranged at two Group company locations in Japan's Fukuoka Prefecture, in-flight meal production, sale, and loading company Sojitz Royal In-flight Catering Co., Ltd. and Sojitz Kyushu Corporation, which develops its business centered on Japan's Kyushu region, and Aso Kumamoto Airport. These tours helped deepen understanding with regard to Sojitz's business and were also used as an opportunity for speaking with members of management and on-site employees.

Independent directors touring Basaksehir Çam & Sakura City Hospital in Turkey

Independent directors touring Sojitz Royal In-flight Catering in Fukuoka Prefecture, Japan

Cross-Shareholdings

Policies for Shareholdings Under Medium-term Management Plan 2026

Each year, we conduct a quantitative assessment of each lot of listed shares held as cross-shareholdings to ensure that dividends or related profits 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. For those shares which are deemed to lack significant value, we will set a deadline to improve their value or, if there is no indication these shares will improve, we will 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.

Holdings of Listed Shares and Unlisted Shares (Non-consolidated basis)

	March 31, 2023	March 31, 2024	March 31, 2025
(1) Book value of shares held on a non-consolidated basis (billions of yen)	76.5	79.9	76.1
Listed shares (billions of yen)	55.3	56.2	52.5
Unlisted shares (billions of yen)	21.2	23.7	23.6
(2) Consolidated total equity (billions of yen)	876.6	955.6	1,007.6
(3) Ratio of holdings on a non-consolidated basis to consolidated total equity (1) ÷ (2)	9%	8%	8%

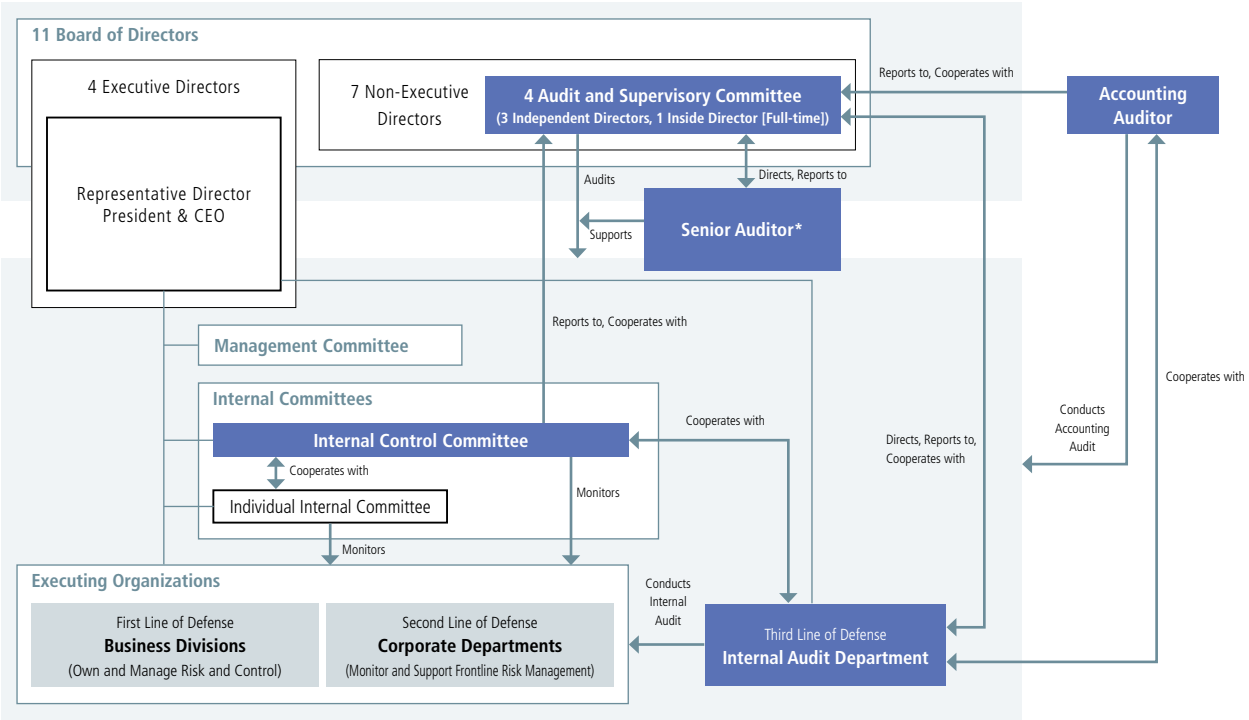
Note: Values of holdings of listed shares use the respective stock prices at the given timing.

Exercise of Voting Rights

With consideration paid to the rationale for holding listed shares, we exercise voting rights based on whether or not each proposal will contribute to ongoing growth and improve corporate value over the medium to long term for both Sojitz and the investee. We also have a system in place for monitoring the status of the exercising of voting rights.

Auditing System

(As of June 18, 2025)



* Senior auditors are highly knowledgeable in the businesses and operations of the Sojitz Group and have insight pertaining to finance, accounting, and risk management, which they employ as they support and complement the duties of the Audit and Supervisory Committee from a viewpoint similar to that of, and based on instructions by, the committee's members.

Audits by Audit and Supervisory Committee

The Audit and Supervisory Committee pursues effective coordination with the Internal Audit Department and the Internal Control Committee and fulfills its management oversight and audit functions by conducting the necessary auditing activities.

Accounting Audits

Independent auditing firm KPMG AZSA LLC performs accounting audits as well as audits of financial statements and internal controls.

Internal Audits

The Internal Audit Department is an organization that is independent from other operational execution organizations and is tasked with internal audits of business divisions, corporate departments, and consolidated subsidiaries. Through these activities, the department endeavors to ascertain whether the business and management activities of the Group are being carried out in an appropriate manner.

Yoshiki Manabe
Chair, Audit and Supervisory Committee (Full-time)

In the first year after Sojitz's transition to the Company with Audit and Supervisory Committee structure, I placed particular emphasis on audit and oversight activities for ensuring the effectiveness of internal control systems through participation in important meetings, sit-downs with business executives, and visits to domestic and overseas Group companies. I also set up and utilized reporting lines connecting the Audit and Supervisory Committee to the Internal Audit Department and the Internal Control Committee and sought to improve audit effectiveness by gathering information from the front lines based on an understanding of issues that differs from that of the executive team.

The Audit and Supervisory Committee provides three primary functions: assurance, information hub, and emergency response functions. Our assurance function comes from our audits of internal control systems. The information hub function is exercised by sharing information on management issues and other matters gained through audits with independent directors and coordinating with them in order to facilitate the timely sharing and discussing of pertinent issues at meetings of the Board of Directors. The emergency response function, meanwhile, is how we monitor the executive team to ensure that the team is responding to incidents correctly.

Going forward, I will continue to enhance these functions while striving to help the committee function as an even more valuable information hub to fulfill my duty as an Audit and Supervisory Committee member in order to contribute to the improvement of Sojitz's corporate value.

Risk Management

Basic Policies of Risk Management

The Sojitz Group faces a wide variety of risks based on the nature of its business.

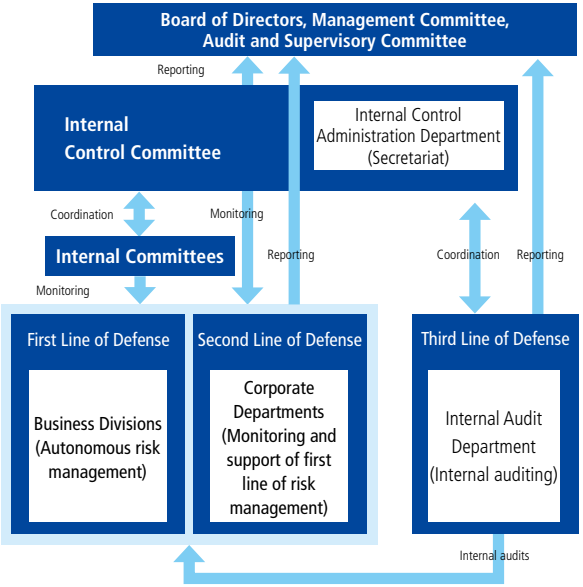
The Company defines risks as uncertainties with the potential to impact its ability to achieve the goals of its business strategies or activities. Based on this definition, Sojitz is enhancing its approach toward enterprise risk management with the aim of improving corporate value through multifaceted operating environment analyses, risk tracking, and strategic response measures.

Sojitz's approach toward enterprise risk management includes assessing the risks identified in the Company's operating environment, management strategies, business processes, and other areas to determine their potential impact and likelihood of occurrence and thus gauge their materiality. Based on these assessments, risk response policies are decided following discussion by the Internal Control Committee, of which the president and CFO are members.

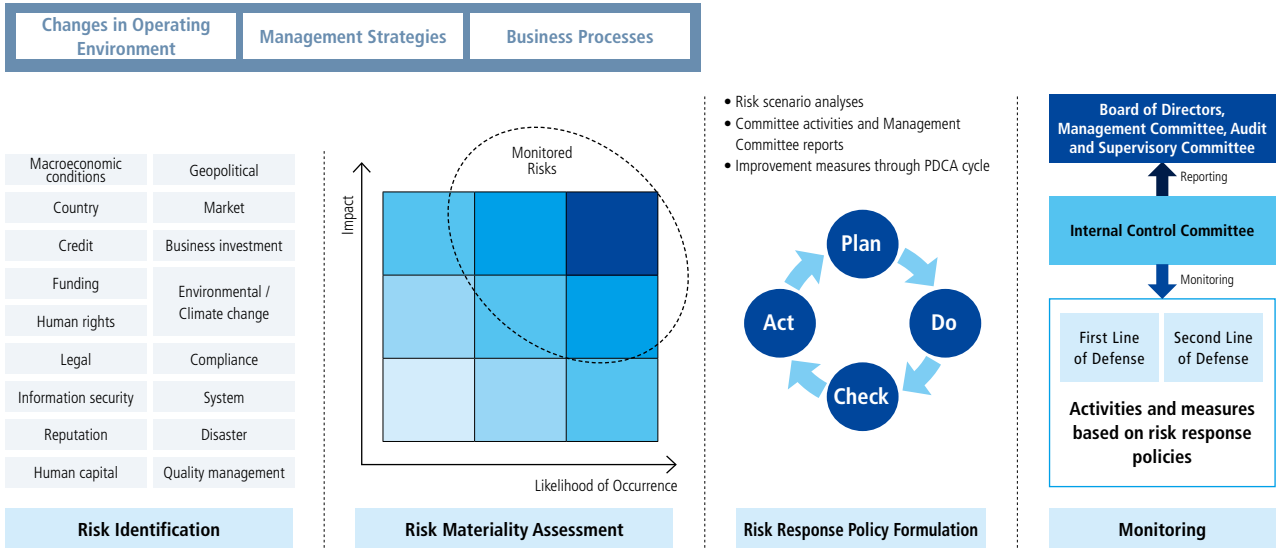
Sojitz's basic internal control policy comprises three lines of defense (first line: business divisions; second line: corporate departments; third line: internal audits). The first line of defense is responsible for autonomous control of risks in operational execution while the second line of defense conducts regular management of the applicable risks and performs ongoing reviews to support the first line and manage the PDCA (plan–do–check–act) cycle. Meanwhile, the third line of defense is used to objectively verify risk management activities from an independent perspective. The Internal Control Committee issues regular reports on these risk management activities to the Management Committee, the Board of Directors, and the Audit and Supervisory Committee.

Group assets determined to be exposed to risks are measured and managed as risk assets, and the amount of measured risk assets is used as an indicator for controlling risks by gauging profitability in comparison to risks and ensuring financial health. The Company targets a ratio of risk assets to total equity of less than 1.0 times. On March 31, 2025, the ratio of risk assets to total equity was 0.7 times.

Enterprise Risk Management Framework



Enterprise Risk Management Process



Risk Management

Enhancement of Supply Chain Resilience

Risk management frameworks are being reinforced based on the importance of addressing risks that are arising due to recent changes in our operating environment and in our business fields. In addition, individual risks are tracked across the supply chain to maintain an understanding of the potential impact should a risk suddenly materialize and to enable flexible responses to heighten resilience. In the year ended March 31, 2025, risk scenarios were formulated in relation to geopolitical and disaster risks. These scenarios were used in discussions between business divisions and corporate departments and in the deliberations of the Management Committee to confirm the measures to be implemented in the event of a risk materializing.

Information Security Measures

Sojitz is formulating information security management regulations and strengthening its management frameworks centered on the Information and IT Systems Security Committee, an organization chaired by the CISO, in order to ensure appropriate protection and management of information assets. Specific information security measures include the implementation of firewalls for preventing unauthorized access to networks, anti-virus provisions, and encryption technologies.

In addition, software for quickly identifying cyberattacks has been installed, and training sessions on responding to suspicious emails are conducted as part of our efforts to enhance security governance in Groupwide businesses.

Since the year ended March 31, 2022, we have been conducting ongoing risk assessments targeting the Company and its subsidiaries. These assessments are used to identify the security issues and risks faced by the Group in order to prioritize medium- to long-term response measures based on our business models and activities.

Business Investment Management

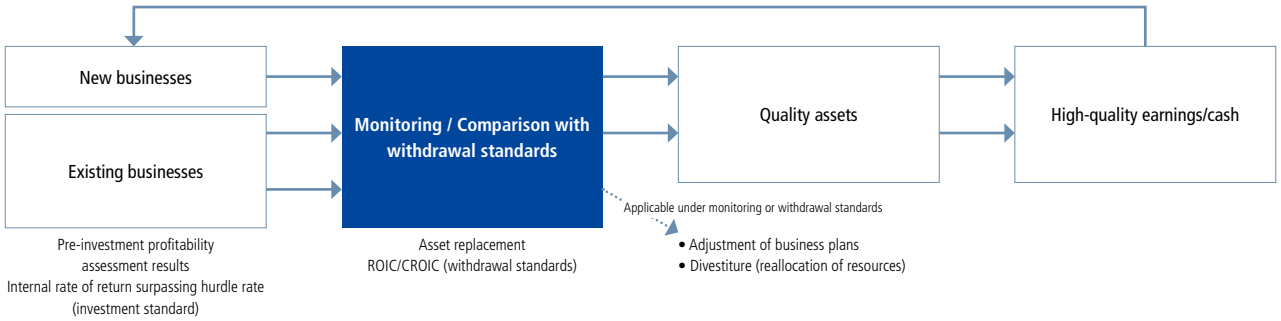
Previously executed business investments are monitored on an annual basis to determine whether return on invested capital (ROIC) and cash return on invested capital (CROIC) are surpassing cost of capital, based on which divestiture may be examined. As business feasibility is assessed, steps are taken to identify issues as early as possible to promptly implement improvement measures or begin the withdrawal process as necessary.

In addition, Sojitz regularly assesses risk assets on a by-business division basis, and the results of these by-business division assessments of risks and returns are used in ongoing discussions between the COOs of the Risk Management Department and of business divisions with respect to the current status and future vision for the portfolio of each division.

The insights gained from our past portfolio management successes and failures have been compiled into training videos (entitled "LEARNING FROM THE PAST") that promote learning through case studies and are shared in pursuit of higher investment success rates.

This approach toward business investment management is contributing to improved corporate value by preventing the deterioration of Sojitz's balance sheet.

Monitoring and Divestiture Decision Process



Compliance

Basic Compliance Policy

The Sojitz Group has formulated the Sojitz Group Code of Conduct and Ethics and has also established the Sojitz Group Compliance Program, which sets out procedures for achieving thorough compliance.

The Compliance Committee, chaired by the chief compliance officer (CCO), is at the core of Sojitz's compliance system, and compliance supervisors and committees are in place at Group companies and overseas operating sites to develop effective systems for compliance with laws, regulations, and corporate ethics standards.

Moreover, to help prevent or quickly detect compliance violations, all Sojitz Group officers and employees are informed of a hotline (internal reporting system) that provides access to the CCO and outside legal counsel, a consultation desk where committee secretariat members can be contacted, and the multilingual Sojitz Ethics Hotline.

In regard to security trade control, the Security Trade Control Committee has formulated an action plan, based on which the committee secretariat members support measures and offer instruction across the Group for preventing violations of export regulations and addressing the tightening sanctions and export controls implemented in response to changes in security trade conditions (U.S.–China trade friction, the war in Ukraine, etc.).

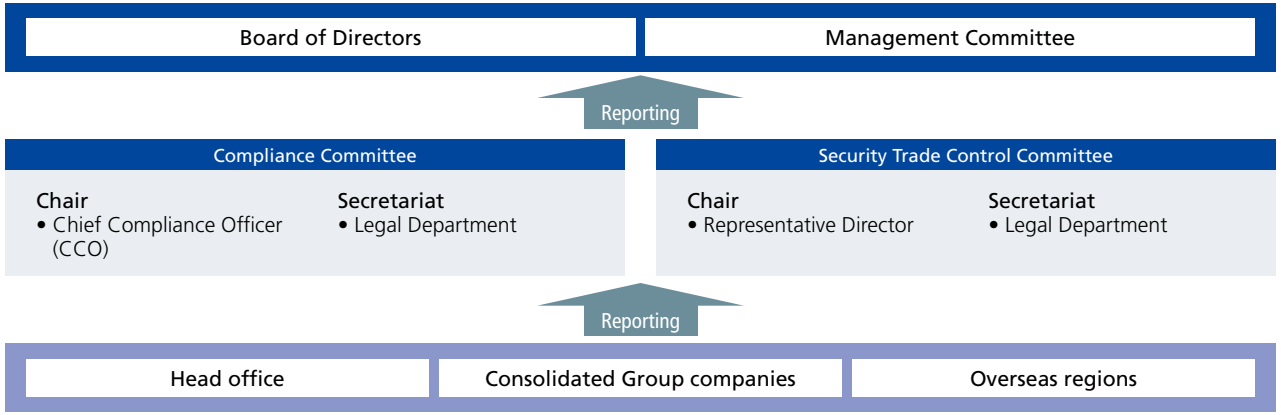
Compliance Measures in FY2024

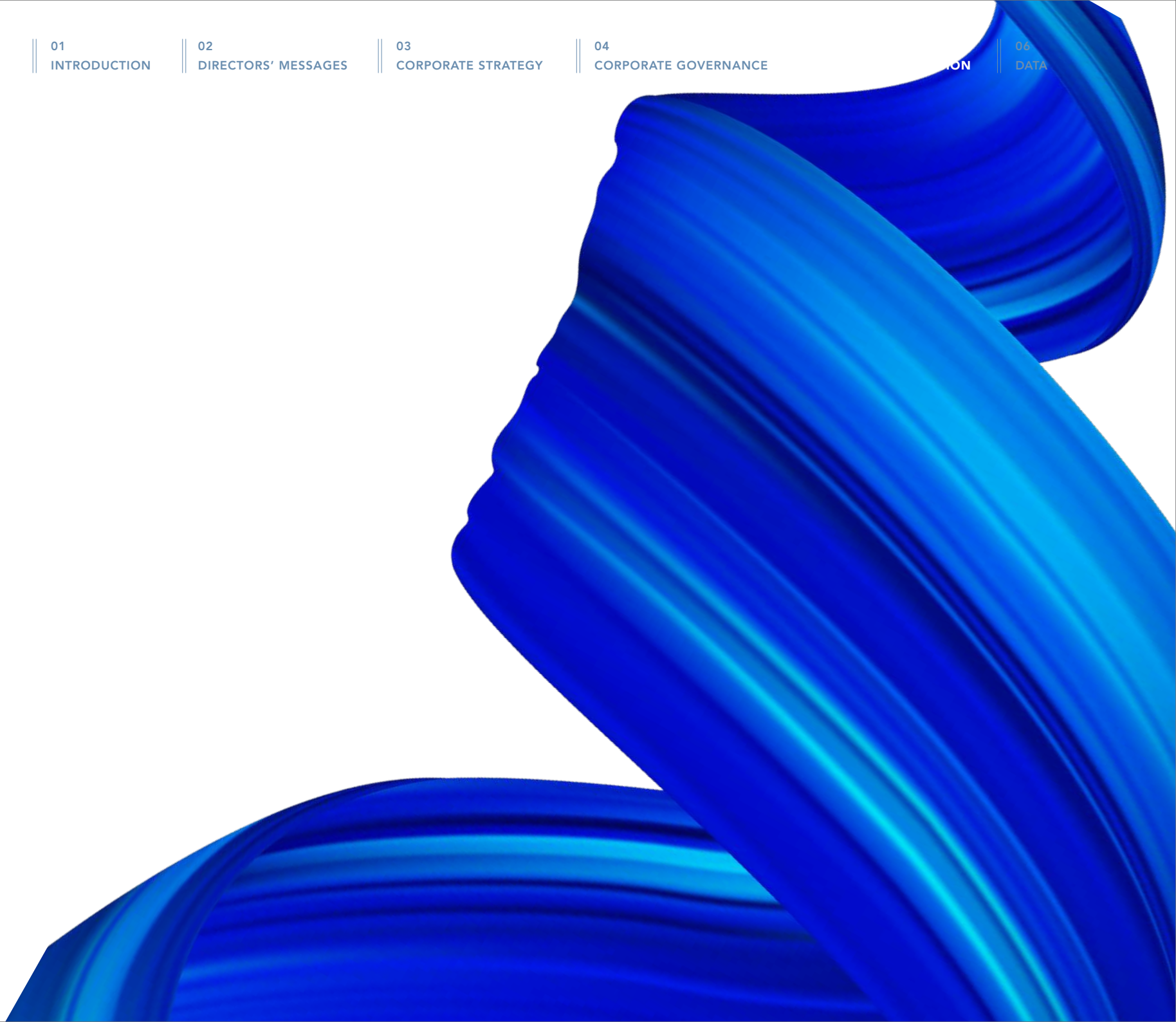
- Four meetings of the Compliance Committee
- Meetings between the CCO, five regional CEOs, and presidents of Group companies
- Liaison meetings among compliance staff of domestic consolidated subsidiaries
- Regular liaison meetings among compliance staff of overseas operating sites
- Trainings, seminars, and briefings on harassment prevention, anti-corruption, and other material issues
- Various training programs for newly hired employees, mid-career recruits, and employees going on overseas assignment
- Awareness-raising notifications regarding alcohol-related incidents
- Support for enhancing compliance frameworks at individual domestic operating companies through risk-based approach (support for surveys, customized training programs, etc.)

Security Trade Control Measures in FY2024

- Two meetings of the Security Trade Control Committee
- Various training programs for newly hired employees, mid-career recruits, and employees going on overseas assignment
- Support for the formulation and revision of local security trade control regulations at overseas operating sites
- Support for responding to measures in concert with strengthened sanctions, etc., due to changes in security trade-related conditions (U.S.–China relations, conditions in Myanmar, and the war in Ukraine, etc.)

Compliance Framework





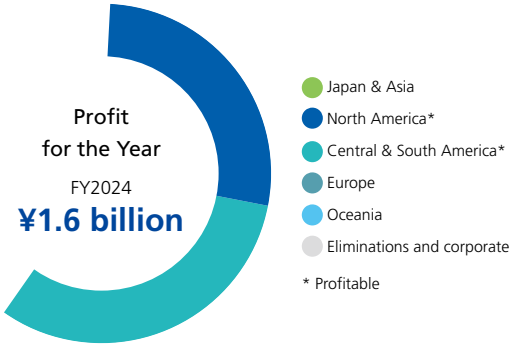
Segment Data (FY2024)

(Billions of yen)	Automotive Division	Aerospace, Transportation & Infrastructure Division	Energy Solutions & Healthcare Division	Metals, Mineral Resources & Recycling Division	Chemicals Division	Consumer Industry & Agriculture Business Division	Retail & Consumer Service Division	Other segment and adjustments	Total
	• Distributor business • Dealership business • Auto-financing business • Service businesses	• Commercial aircraft sales consulting and asset management businesses • Business jet service business • Security-related service businesses • Transportation-related service businesses • Airport management business • Marine vessel business • Industrial and urban infrastructure businesses	• Infrastructure and public–private partnership projects (energy, healthcare, etc.) • Energy-saving service businesses • Renewable energy businesses • Downstream energy businesses • Healthcare businesses	• Coking coal businesses • Steel product businesses • Metal resource businesses • Circular economy businesses • Businesses that respond to social needs	• Environment and life science businesses • Plastic resin businesses • European chemical businesses	• Fertilizer businesses • Animal feed and livestock businesses • Flour milling and bread production businesses • Biomass fuel businesses • Domestic agriculture businesses • Building material businesses • Papermaking businesses	• Domestic retail businesses • Marine product businesses • Livestock businesses • Shopping center management businesses • Consumer goods distribution businesses		
Gross profit	65.5	26.3	40.9	35.9	65.2	35.1	65.2	12.7	346.8
Selling, general and administrative expenses	(58.4)	(17.9)	(39.8)	(16.9)	(34.8)	(25.9)	(51.2)	(24.9)	(269.9)
Share of profit (loss) of investments accounted for using the equity method	0.7	4.4	22.6	17.6	(0.5)	1.2	2.6	0.9	49.6
Profit for the year (attributable to owners of the Company)	1.6	12.3	22.4	29.2	20.0	6.4	11.4	7.3	110.6
Core operating cash flow	10.0	16.0	8.7	38.0	25.5	10.3	13.5	13.2	135.2
Total assets	289.7	373.4	611.6	487.1	309.7	244.1	586.8	184.8	3,087.3
Non-current assets	157.3	118.9	442.6	340.4	67.7	72.8	169.7	142.7	1,512.2
ROA (%)	0.5	4.0	4.1	5.7	6.3	2.6	2.0	—	3.7
CROIC (%)	5.0	5.0	2.3	10.5	13.4	9.3	4.2	—	—
Number of employees (non-consolidated)*1	109	143	169	188	206	135	113	986	2,049*2
Number of employees (consolidated)*1	5,446	1,252	3,234	861	1,601	3,823	5,982	2,919	25,118

*1 Figures for number of employees (non-consolidated) and number of employees (consolidated) are as of March 31, 2025. *2 Figure includes employees of Sojitz Corporation seconded to subsidiaries, etc.

Division Business Reports

Automotive Division



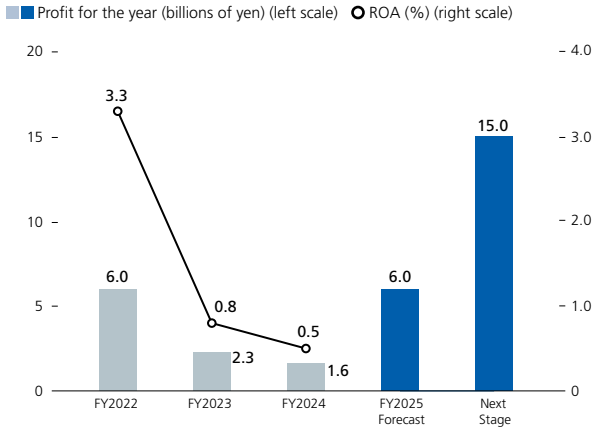
Strengths

Track record of automobile sales spanning over 50 years in more than 50 countries
Locally based sales and marketing force

Diverse human resources and global business management strategies
Most suitable frameworks and "thoroughness in all the things"
Optimization by implementing best practices

Investment execution and business development capabilities
Experience and insight gained through extensive fieldwork
Business asset portfolio including expansion into new business areas

Profit for the Year (Attributable to Owners of the Company) and ROA



	FY2024	Medium-term Management Plan 2026 Target	Next Stage
CROIC	5.0%	8.0%	8.0%

Pursuit of Quantitative Targets on Path to Next Stage

The Automotive Division is advancing growth strategies based on the three key terms "global niche-top (GNT)," "market dominance," and "value chain." In automobile sales, our core business, we will strengthen our foundations by targeting promising and specific countries and regions to secure a competitive advantage by providing unique value, boosting customer loyalty, and building value chains that combine multiple functions, including wholesale, retail, used car, financing, service, and logistics. As we reinforce our operating foundations, we are taking a diligent approach toward responding to both risks and opportunities. The risks faced by the Automotive Division include downturns in the market, financing, or economic conditions as well as event risks such as natural disasters; changes in political or regulatory conditions; social changes spurred by technological advancements; and changes in the global strategies of automobile manufacturers. Meanwhile, we see opportunities in the growing demand in emerging markets, the diversification of needs in mature markets, and the changes to supply chains following business globalization and localization measures.

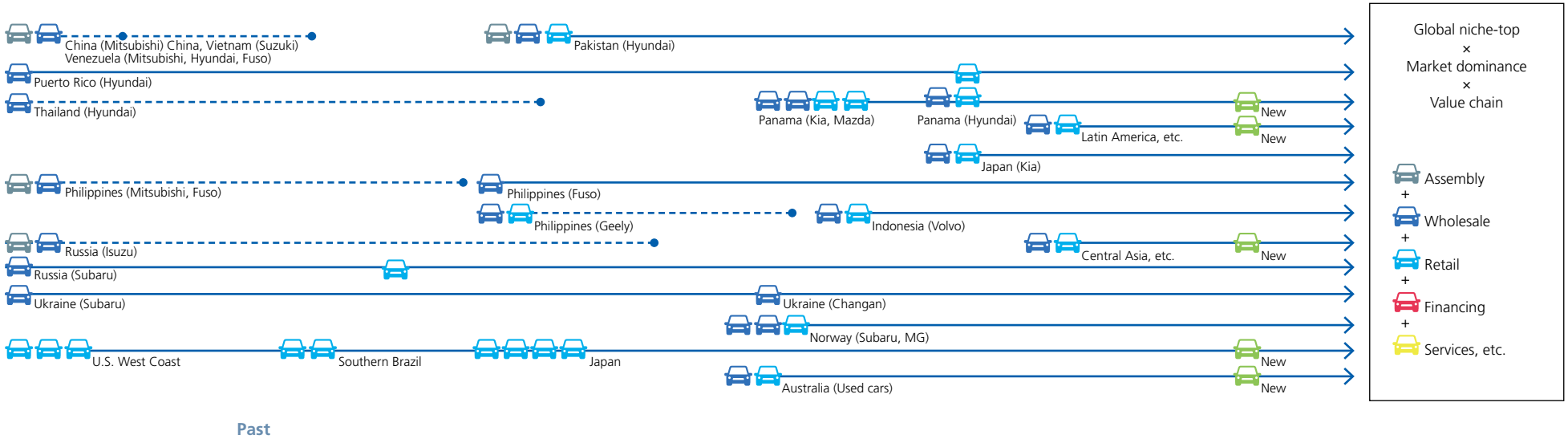
Tatsuhiko Kanetake
Executive Officer, COO, Automotive Division

Apr. 2009
Sojitz Corporation of America
Jun. 2016
General Manager, Automotive Department 1
Apr. 2020
COO, Automotive Division

The Automotive Division is characterized by 1) identification and application of best practices that adapt to the respective businesses by leveraging our experience in handling a wide variety of brands and products in a diverse range of regions, 2) implementation of the most suitable frameworks and "thoroughness in all the things," and 3) improvement in the success rate for new business development through the accumulation of knowledge gained from a constant process of trial and error in fieldwork. Through such efforts and experience, we have been able to drive the growth of our people and foster a common sensibility among our team, which in turn has strengthened our organization. I firmly believe that our successes thus far are a product of the teamwork we exercise in our daily endeavors. We have now entered a phase where we will achieve greater successes and reach new heights as an organization, and I am confident that we will realize our vision for the Automotive Division.

Division Business Reports
Automotive Division

Automobile sales



The Automotive Division has been engaged in a wide range of businesses throughout its history, and these businesses have been impacted by various changes in the operating environment. Nevertheless, we have consistently risen to the challenge to overcome such adversity. Learning from our failures, we have continued to transform the division through decisive structural reforms to become a more resilient organization. The division got its start in businesses that supported Japanese automobile manufacturers in exporting their products and in conducting production and sales in overseas locations. Over the years, the scope of the division's functions has grown to include wholesale, retail, used cars, financing, service, logistics, and other functions. The division has simultaneously continued to bolster its portfolio of products made by overseas manufacturers and broaden the breadth of its region and market area coverage. Through these efforts, the Automotive Division is developing leading global positions in niche markets, achieving market dominance, and building value chains to strengthen its operating foundations.

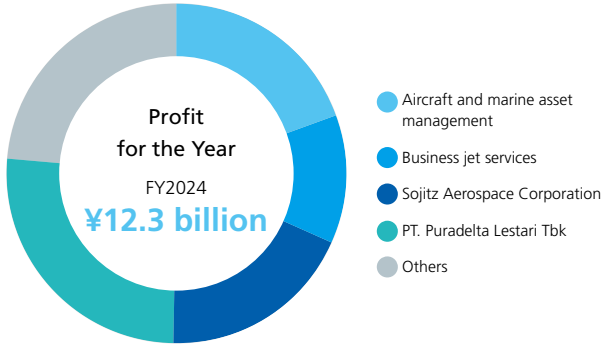
Growth Strategies in Action

In February 2024, Sojitz commenced sales of Kia and Mazda brand vehicles in Panama, conducting sales and providing services through a directly operated network that offers functions spanning from imports to retail sales (eight retail bases). This network is ranked No. 2 in terms of sales volume in this country. Moreover, the high evaluation of our Hyundai brand motor vehicle sales business in Puerto Rico brought us to commence sales of Hyundai brand motor vehicle in Panama in June 2025. Its directly operated network includes import, retail (nine retail bases), and other functions ,and its network is ranked No. 3 in sales volume in this country. Going forward, we look to expand our operations in Panama into peripheral fields such as maintenance and repair services, financing, and used cars. Panama is an important hub for financing and logistics in Latin America, and its growing population and economy present clear potential for the expansion of its automobile market. Sojitz has therefore positioned Panama as a strategically important market. In the future, we aim to bolster our functions and value chains in this market to use it as a foothold for expanding into neighboring Latin American countries.

Automobile sales business in Panama

Division Business Reports

Aerospace, Transportation & Infrastructure Division



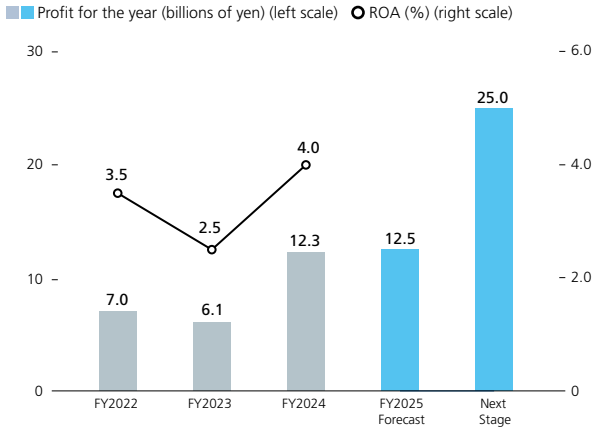
Strengths

Top market share in Japan
Track record of selling more than 1,000 aircraft

Leading track record in Japan
Comprehensive business jet service business

Extensive business history
spanning more than 25 years
Co-creation platforms
(airports, industrial parks, urban development, railroads)

Profit for the Year (Attributable to Owners of the Company) and ROA



	FY2024	Medium-term Management Plan 2026 Target	Next Stage
CROIC	5.0%	6.0%	8.0%

Note: Figures for FY2022 are based on the prior organization structure.

Pursuit of Quantitative Targets on Path to Next Stage

The Aerospace, Transportation & Infrastructure Division seeks to build a strong earnings base capable of generating profit for the year (attributable to owners of the Company) of a scale of ¥25.0 billion in Sojitz's next stage. This goal will be pursued by assessing existing businesses to reallocate resources and accelerating efforts to strengthen our distinctive functions and expand them based on market needs. Through this process, the division aims to develop revenue-generating clusters of businesses *(Katamari)*. We are seeing, for example, an increased need for utilizing private-sector assets from the perspective of efficiency and ingenuity in the area of national security. This need is being stimulated by a lack of national security personnel given the increases in missions and equipment driven by rising defense spending. In response to this trend, the Sojitz Group is bolstering its service provision functions and diversifying its revenue sources by leveraging its functions and networks.

At the same time, the division is accelerating growth through a streamlined PDCA (plan–do–check–act) cycle designed to foster its capacity to formulate highly convincing hypotheses as it seeks to make its operations more applicable, augmentable, and reproducible to better leverage their competitive advantages.

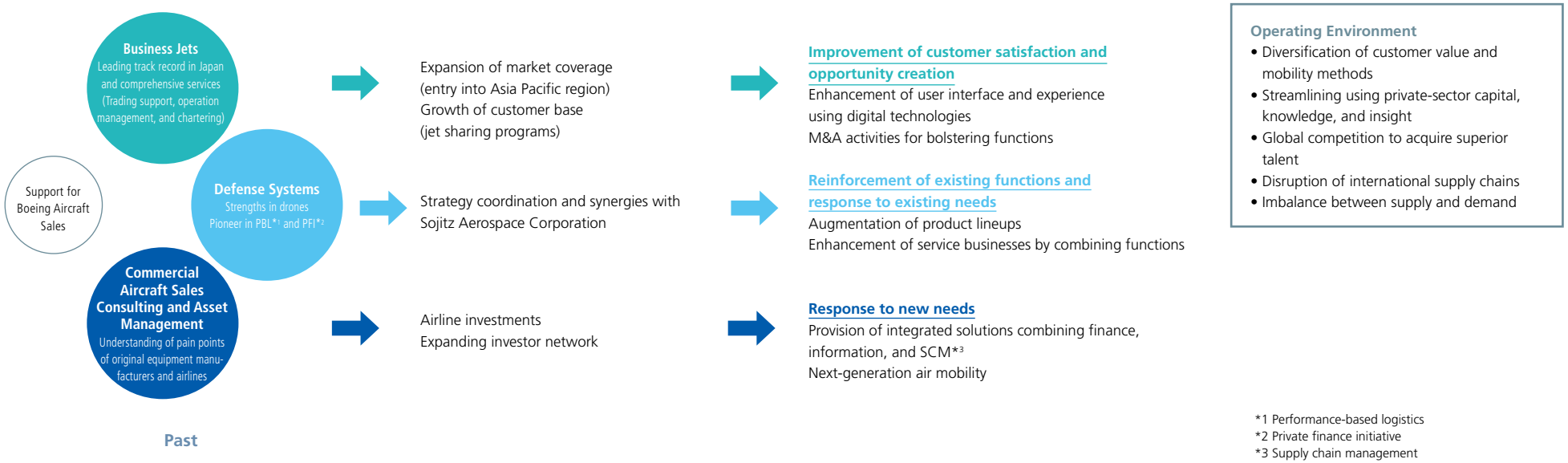
Masakazu Hashimoto
Managing Executive Officer, COO, Aerospace, Transportation & Infrastructure Division

Apr. 2021
COO, Infrastructure & Healthcare Division
Apr. 2022
COO, Human Resources Department, General Affairs & IT Operation Department
Apr. 2024
COO, Aerospace, Transportation & Infrastructure Division

Global economic growth and diversifying values are anticipated to accelerate the movement of people and commodities. The Aerospace, Transportation & Infrastructure Division has amassed years of business experience and insight pertaining to the three major transportation modes that are air transportation employing aircraft, land transportation by way of railroads, and maritime transportation via ships. By leveraging these assets, we respond promptly to changes and further enhance our functions through operational optimization and the provision of new value in peripheral service businesses that cater to the entirety of infrastructure life cycles.

As for talent development, we are implementing cultural reforms to encourage ambition and growth to build a team that is diverse and possesses specialized knowledge. The team we envision is driven and adaptable, one that allows members to develop new businesses, make connections, and pursue professional development through value creation and improvement.

Division Business Reports
Aerospace, Transportation & Infrastructure Division



*1 Performance-based logistics
*2 Private finance initiative
*3 Supply chain management

The Aerospace, Transportation & Infrastructure Division is adept at creating new needs and markets by practicing backcasting based on projections about the ever-changing operating environment. Since concluding a sales agent contract with The Boeing Company in 1956, the division has been involved with equipment manufacturers, airlines, and other constituents of Japan's air travel industry. We have also been engaged in the trading of defense-related equipment. Utilizing its robust expertise, the division entered into the field of business jets in 2003, when this form of mobility was not yet commonplace in Japan. As for defense systems, our operations are branching out from equipment sales to include providing services and other intangible value.

At the same time, we are building upon our strengths in social infrastructure while linking our operations to develop clusters of businesses (*Katamari*) that are compelling to society.

Growth Strategies in Action

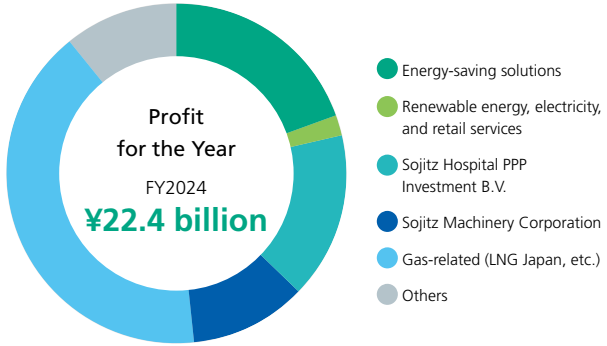
In its international business jet service operations, Sojitz received approval to operate routes in the Arctic Circle, which has made it possible to arrange direct, long-distance flights between Japan and locations in Europe and the United States. Capitalizing on the strengths of services steeped in Japanese-style hospitality, we have been expanding the scope of our regional coverage, as seen in the establishment of a new base in Singapore in 2023 to complement our existing bases located in Tokyo and Hong Kong. This expanded coverage will allow Sojitz to provide business jet services that meet the high-quality standards of Japan in the rapidly growing Southeast Asian market.

Phenix Jet

At the same time, we will seek to increase coordination between our operation, maintenance, and ground handling functions in order to maximize the synergies we generate as an organization capable of arranging both domestic and international flights. The division is witnessing a diversification in its customer base due to a shift from asset ownership to asset utilization and the demand for reducing introduction and maintenance costs. We will cater to such needs through the proposal of jet sharing programs and other ownership options as well as through the enhancement of catering functions via digital transformation in the pursuit of accelerated growth.

Division Business Reports

Energy Solutions & Healthcare Division



Strengths

Local network
Competitive edge forged through operating foundations of investees and collaboration with prime partners

Business development capabilities
Culture of new business development and robust investment track record

Expansion capabilities
Integration of ideas and functions to expand business domain

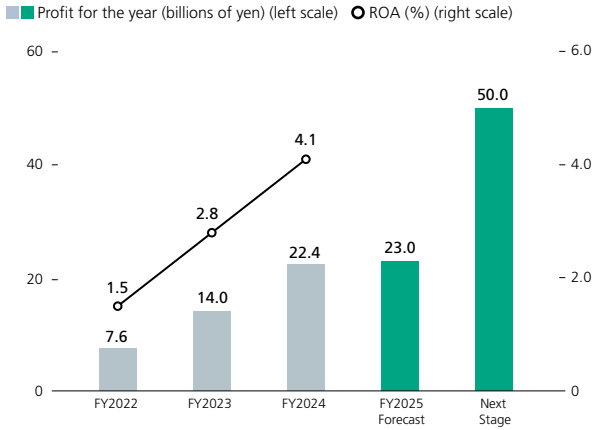
Takefumi Nishikawa
Executive Officer, COO, Energy Solutions & Healthcare Division

Apr. 2018
General Manager, Corporate Planning Department
Apr. 2022
COO, Infrastructure & Healthcare Division

The energy and healthcare fields entail building businesses that address social issues related to such themes as decarbonization and population growth and aging. In these fields, we will seek to develop a business management model that provides services and solutions to customers, while also developing conventional asset-based infrastructure businesses. Through this hybrid approach, the Energy Solutions & Healthcare Division aims to achieve robust growth.

At the same time, we will seek to acquire valuable information by expanding and utilizing our local networks by means of capitalizing on connections of investees and working together with our partners. By making better use of our tangible and intangible assets, we will develop a competitive edge rooted in Sojitz's unique capabilities as we continue to foster substantive businesses and create new value.

Profit for the Year (Attributable to Owners of the Company) and ROA



	FY2024	Medium-term Management Plan 2026 Target	Next Stage
CROIC	2.3%	4.0%	6.0%

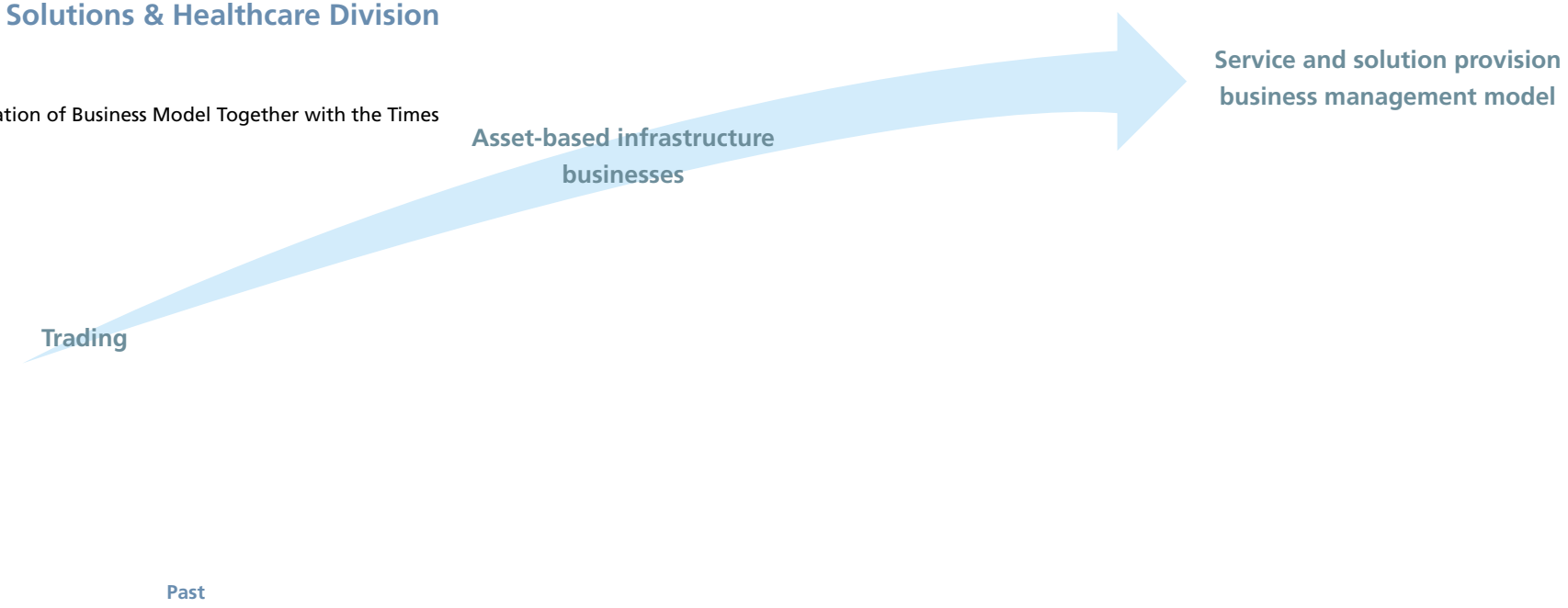
Note: Figures for FY2022 are based on the prior organization structure.

Pursuit of Quantitative Targets on Path to Next Stage

The Energy Solutions & Healthcare Division is targeting profit for the year (attributable to owners of the Company) of more than ¥50.0 billion in Sojitz's next stage. Strategies for transformation and growth in this division will include the development of new business creation foundations, investments in growth businesses, investments that are ongoing, reciprocal customer base utilization, synergy generation, and utilization of digital technologies. Based on these strategies, we will embark on new business ventures while strengthening and growing existing businesses to achieve the aforementioned initiatives. Specifically, we will focus our efforts on the enhancement and expansion of energy-saving service businesses in the United States and Australia, decentralized renewable energy development businesses in Japan, and overseas renewable energy and electricity retail businesses. In addition, we have acquired Australian infrastructure developer Capella Capital Partnership to transform our infrastructure business initiatives. Through such efforts, the division will look to diversify its earnings models and develop revenue-generating clusters of businesses (*Katamari*) to build the ideal asset portfolio.

Division Business Reports
Energy Solutions & Healthcare Division

Transformation of Business Model Together with the Times



The Energy Solutions & Healthcare Division began as an organization engaged in a range of trading and financing businesses, including energy resource importing, exports of plant equipment and technologies, and funding arrangement. In subsequent years, the division expanded and transformed its operations in response to changes in the times. This led to its involvement in the development of and investment in power generation projects. More recently, the division has been investing in and operating electricity retail, energy-saving service, and other service businesses.

In an era where companies must pursue ongoing transformation, delivering even higher levels of value remains a core part of Sojitz's culture and mission. Going forward, the Energy Solutions & Healthcare Division will continue to exercise foresight as it seeks to deliver new value that is distinctly Sojitz.

Growth Strategies in Action

Major Australian infrastructure developer Capella Capital Partnership was acquired and converted to a consolidated subsidiary in June 2025. Capella boasts a staff of specialized experts as well as a strong network with connections to government agencies, construction companies, financial institutions, and other relevant parties. Moreover, this company has an industry-leading infrastructure development track record, having taken part in 18 projects entailing total costs of ¥3.4 trillion over the more than 15 years since its founding in 2009. By acquiring Capella's leading infrastructure development functions, Sojitz aims to diversify its earnings models, create additional businesses, and improve capital efficiency through asset recycling. This approach is anticipated to fundamentally transform our infrastructure business approach and drive the creation of highly profitable and substantive businesses, thereby contributing to the growth of the Company.

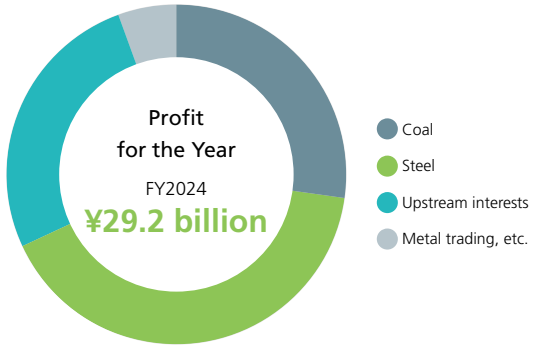
Going forward, the Energy Solutions & Healthcare Division will seek to engage in a wider range of value creation and improvement opportunities to foster a highly talented team by cultivating a diverse range of project management and other specialized skills.

Sojitz Acquires Australia's Major Public Infrastructure Developer
Consolidated Financial Results for the Third Quarter Ended December 31, 2024

COO Nishikawa offered an explanation of the acquisition of Capella and how it will contribute to the growth strategies of the Energy Solutions & Healthcare Division at the financial results briefing for the nine-month period ended December 31, 2024.

Division Business Reports

Metals, Mineral Resources & Recycling Division



Strengths

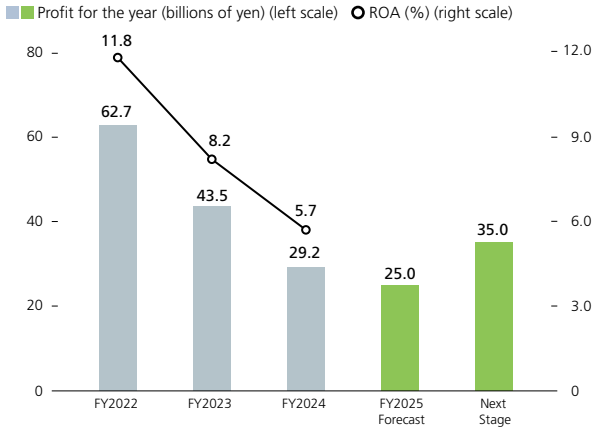
Sole general trading company
with expertise in coal mine operations

Stable earnings from businesses such as those of steel-based general trading company Metal One Corporation and niobium* producer Companhia Brasileira de Metalurgia e Mineração

Lineup of distinctive resource offerings
(niobium, chromium, and other rare metals as well as high-grade iron ore, vermiculite, fluorspar, and other minerals)

* An additive used in the production of high-tensile and stainless steel for its ability to contribute to increased strength while reducing weight in materials for automotive applications

Profit for the Year (Attributable to Owners of the Company) and ROA



	FY2024	Medium-term Management Plan 2026 Target	Next Stage
CROIC	10.5%	15.0%	12.0%

Pursuit of Quantitative Targets on Path to Next Stage

The Metals, Mineral Resources & Recycling Division is in the process of transforming its conventional asset portfolio, which has been centered on coal and steel products. Branching out from our prior focus on upstream areas (thermal coal, nickel, molybdenum, and copper), we are replacing existing assets with new assets in rare metal, high-grade iron ore, and other areas expected to see future growth. By securing resources that are both scarce and cost competitive while helping to accommodate green transformation in the steel industry, we aim to boost earnings.

At the same time, the division is expanding into functional materials and raw materials (fluorinated materials, etc.) for applications related to semiconductors and batteries, which are anticipated to be the subject of demand growth as digital transformation accelerates and becomes more widespread.

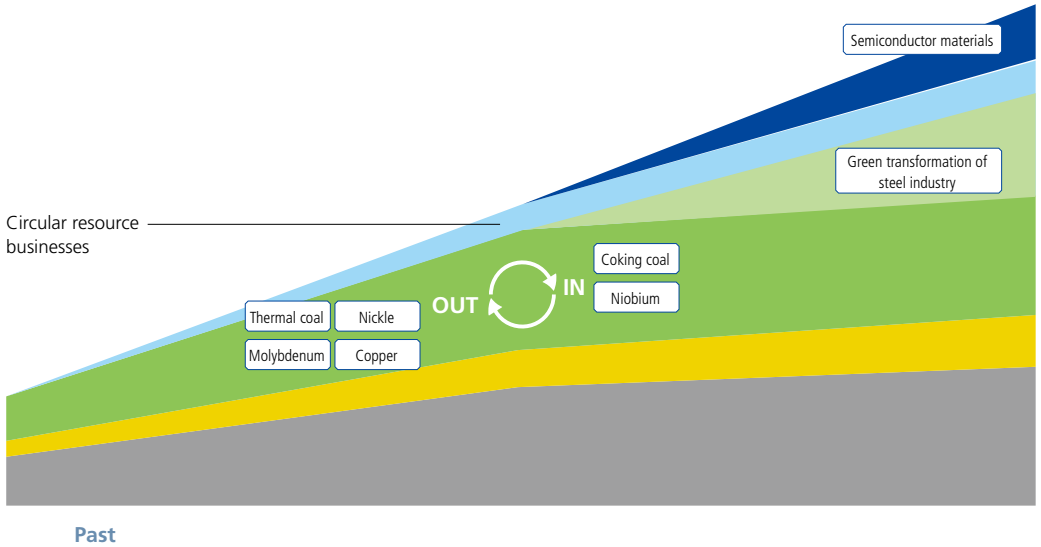
In these areas, we will endeavor to create revenue-generating clusters of businesses (*Katamari*) in order to develop earnings structures capable of reliably producing profit for the year (attributable to owners of the Company) of more than ¥35.0 billion.

Osamu Matsuura
Executive Officer, COO,
Metals, Mineral Resources & Recycling Division

Apr. 2017
General Manager, Human Resources & General Affairs Department
Dec. 2017
General Manager, Secretariat Department
Apr. 2022
COO, Metals, Mineral Resources & Recycling Division

The Metals, Mineral Resources & Recycling Division is accelerating transformation of its business portfolio to increase its resilience to market fluctuations. Our specific approach entails creating revenue-generating clusters of businesses (*Katamari*) in areas that contribute to Japan's economic security and to the enhancement of the steel industry with a focus on green transformation as well as semiconductor and other functional materials. Through this approach, we look to evolve the Metals, Mineral Resources & Recycling Division into an organization capable of reliably producing profit for the year (attributable to owners of the Company) of more than ¥35.0 billion in Sojitz's next stage. The talent supporting this transformation are being developed through practical experience gained from overseas assignment in India and other growth markets as well as from programs aimed at enhancing their data analysis and digital transformation skills. In this manner, we are advancing a concerted effort to shape a new future for the division with a commitment to cementing our foundations by getting back to basics, preparing for the future based on foresight, and implementing medium- to long-term initiatives to advance Sojitz toward its next stage.

Division Business Reports
Metals, Mineral Resources & Recycling Division



Supply chain development
Contribution to semiconductor supply chain reliability through domestic manufacture of fluorinated materials for which production and supply are currently overconcentrated in China

Coal businesses, upstream interests
Securing of necessary raw materials and creation of new businesses in steel industry faced with the need to promote decarbonization and achieve carbon neutrality

Shift toward resources expected to see increased application and growing demand

Metal resource trading
Improvement of profitability by clearly identifying market environment and significance of initiatives; development of operations in priority market of India anticipated to experience growth in steel demand

Steel product businesses
Response to needs in North America, ASEAN region, and other areas witnessing growing steel demand to generate reliable earnings through affiliate Metal One Corporation

The Metals, Mineral Resources & Recycling Division has almost completely divested from its thermal coal, nickel, molybdenum, and copper assets. We are thus now poised to invest in interests in scarce, cost-competitive resources that contribute to green transformation in the steel industry, circular economies, and decarbonization and to take part in the development of businesses that cater to the rising demand for semiconductors driven by accelerated digital transformation. In these areas, we will exercise foresight to develop the supply chains needed for the reliable supply of raw materials, which is a core part of the division's DNA.

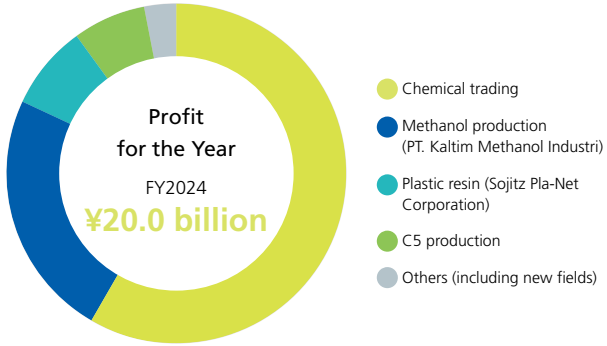
Growth Strategies in Action

The steel industry has set a target of achieving carbon neutrality by 2050 and is working toward decarbonization of the steel manufacturing process. To this end, the industry aims to transition to electric arc furnaces that are primarily fueled by scrap steel to reduce CO_2 emissions by roughly one-fourth. The advent of electric arc furnaces is expected to transform the methods used to produce high-quality steel materials. Against this backdrop, Sojitz's involvement in the Kami Iron Ore Project is anticipated to contribute to increased value for both the steel industry and the Company by enabling us to provide a stable supply of high-quality iron ore over the medium to long term. However, the necessary raw materials are not the only thing that will change as electric arc furnaces become more prevalent; we also predict changes in value chains. Sojitz is dedicated to capitalizing on the business opportunities that will arise amid these trends to develop revenue-generating clusters of businesses (*Katamari*).

Sojitz Signs Agreement to Join Kami Iron Ore Project in Canada

Division Business Reports

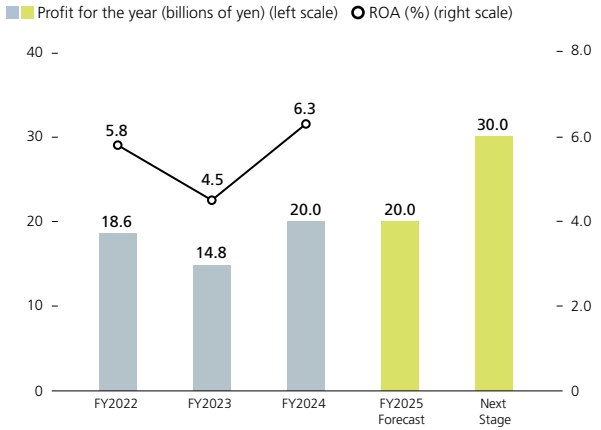
Chemicals Division



Strengths

Robust customer network of **approx. 5,000 companies** worldwide	**Vast product lineup** spanning all areas of supply chain	**Business proposal functions** matched to operating environment changes

Profit for the Year (Attributable to Owners of the Company) and ROA



	FY2024	Medium-term Management Plan 2026 Target	Next Stage
CROIC	13.4%	10.0%	12.0%

Pursuit of Quantitative Targets on Path to Next Stage

The shifts seen around the world in the chemical industry have the potential to sever our supply chains and thereby have a substantial impact on our chemical trading businesses. While such trends represent the risk of Sojitz losing commercial rights it currently holds, these changes also present significant opportunities to enter into new businesses. To take advantage of these opportunities, the Chemicals Division is exercising foresight in examining industry trends to formulate effective measures for responding to these trends with the goal of developing an earnings foundation that can consistently generate profit for the year (attributable to owners of the Company) of around ¥17.0 billion from chemicals trading. Meanwhile, we will amass earnings during the course of raising the corporate value of existing operating companies while developing eco-friendly businesses through investment and financing in areas of expertise as well as in bio and green areas to foster new earnings pillars. With these pillars, the Chemicals Division aims to attain a level of profit for the year (attributable to owners of the Company) of ¥30.0 billion, defined as the target for Sojitz's next stage, and to construct robust operating foundations to support future endeavors.

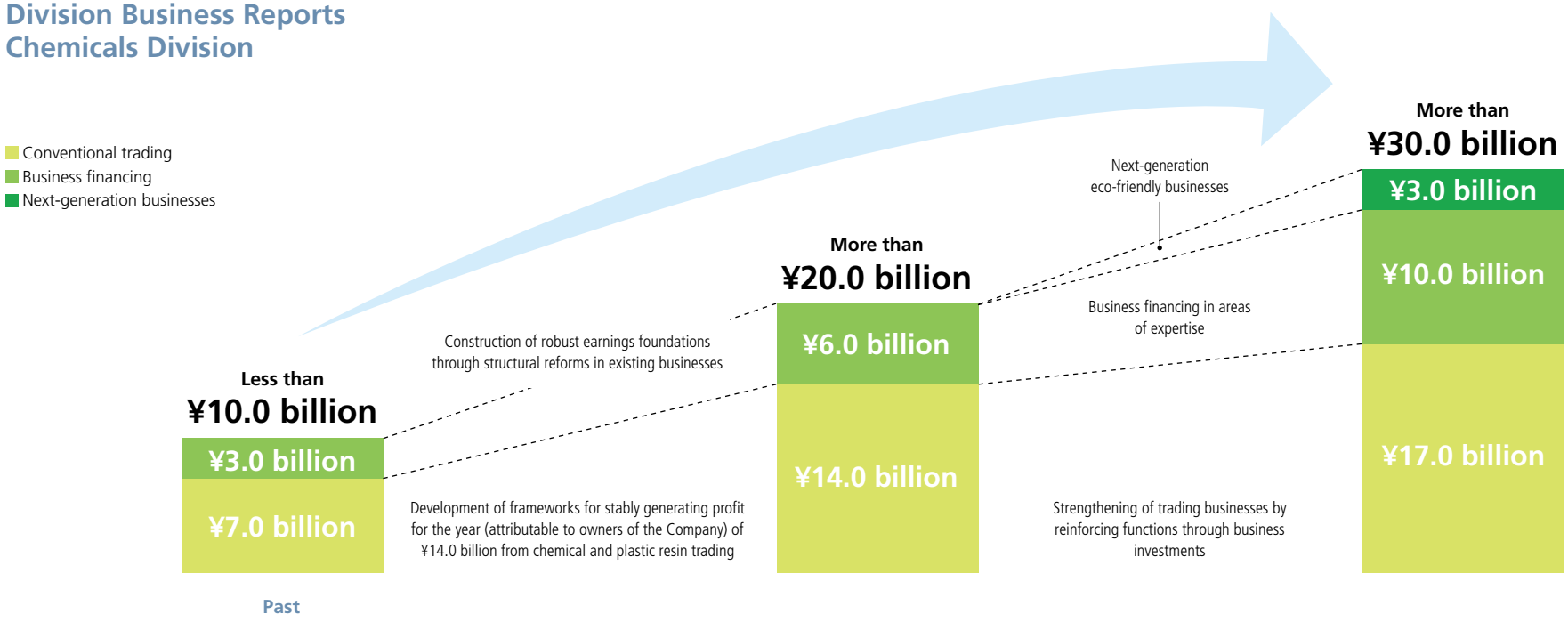
P. 6 Improvement of Profitability in Chemical Trading Businesses
P. 48 Digital Transformation Strategies

Kenji Maeda
Executive Officer, COO, Chemicals Division

Jun. 2017
Director and COO, solvadis deutschland gmbh
Dec. 2020
General Manager, Speciality Chemicals Department
Apr. 2024
COO, Chemicals Division

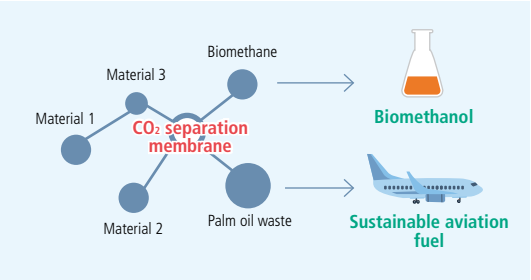
The Chemicals Division aims to continuously generate profit for the year (attributable to owners of the Company) of more than ¥30.0 billion. To this end, we are implementing three basic policies: strengthening of our trading businesses, business investment and financing in areas of expertise, and environmental investment and financing in response to next-generation market needs. Growing, creating, and strengthening trading businesses are our top priorities. Accordingly, we will be focused on building stable earnings foundations in these businesses to address the shifts and rising geopolitical risks seen in the chemicals industry as we take swift and flexible action to seize new business opportunities. At the same time, we will be advancing measures to modernize our operations through digital transformation strategies, organizational optimization, divestiture from or rehabilitation of underperforming businesses, infrastructure investments, and digitalization.

Division Business Reports
Chemicals Division



The Chemicals Division has traditionally expanded its earnings through growth strategies focused on both trading and business financing. Today, however, we are moving away from conventional trading businesses to bolster reliable earnings foundations through the evolution of autonomous businesses based on foresight for predicting changes. To propel Sojitz toward its next stage, the Chemicals Division will further strengthen its trading businesses by acquiring new functions through business investments while also investing in fields of expertise to develop revenue-generating clusters of businesses (*Katamari*) that are highly augmentable and compatible with the division's other businesses. We will also engage in next-generation bio and green businesses to further accelerate our advancement to the next stage amid the transition from fossil fuel-derived materials to more eco-friendly materials.

Growth Strategies in Action



Sojitz has been working to strengthen its chemical trading businesses through coordination between the Speciality Chemicals Department, which is engaged in agrichemical, coating, and resin material businesses, and the Basic Chemicals Department, which is responsible for businesses producing methanol from natural gas. One-on-one meetings between leaders of these departments and the COO of the Chemicals Division revealed the potential for developing a product chain that entails using CO_2 separation membranes to make biomethane from palm oil waste and then to use this biomethane to produce biomethanol or sustainable aviation fuel. The departments thus embarked on a venture to create a new business model based on this product chain. This new business vision was formulated through the "chemical reaction" between the insight of our employees, the network we have built thus far, and our propensity for foresight. By generating such intra-division synergies, we will connect and expand businesses to drive growth in existing businesses and to develop new earnings foundations.

Division Business Reports

Consumer Industry & Agriculture Business Division

- Fertilizer
- Food and forest products
- Construction materials
- Papermaking
- Domestic agriculture and local economic development

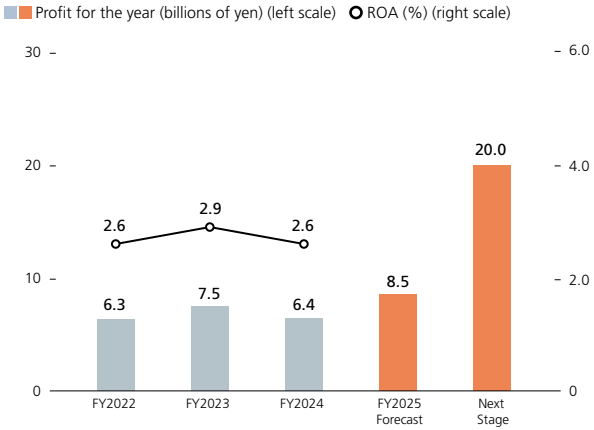
Strengths

Top-level market share
in the production and sale of compound chemical fertilizer
in Southeast Asia

Platforms for developing food value chains
in Southeast Asia

Biomass fuel procurement and biomass fuel source development
utilizing a stable woody biomass resource procurement network

Profit for the Year (Attributable to Owners of the Company) and ROA



	FY2024	Medium-term Management Plan 2026 Target	Next Stage
CROIC	9.3%	10.0%	12.0%

Pursuit of Quantitative Targets on Path to Next Stage

Under Medium-term Management Plan 2026, the Consumer Industry & Agriculture Business Division is investing in growth based on foresight for predicting market changes and its own strengths to further Sojitz toward its goal of doubled corporate value. In the fertilizer businesses that represent a core earnings pillar for this division, earnings growth will be pursued by bolstering sales systems and regional coverage and creating new value using digital technologies. At the same time, the division aims to foster additional earnings pillars that can stand alongside its fertilizer businesses. Preparations for this undertaking are being advanced to grow businesses in which investment and development have been commenced to form clusters of revenue-generating businesses (*Katamari*). Examples of these businesses include Sojitz's comprehensive meat product business in Vietnam and flour milling and bread production businesses in the Philippines, both of which are being developed in response to the diversification of lifestyles in emerging Southeast Asian countries. Other examples include biomass fuel and carbon credit businesses advanced to contribute to decarbonization and agriculture and regional development businesses in Japan for helping to ensure food security, invigorate local economies, and aid in the resolution of other social issues.

Hideo Hatada
Executive Officer, COO, Consumer Industry & Agriculture Business Division

Apr. 2016
General Manager, Automotive Department 3
Mar. 2020
General Manager, Secretariat Department
Apr. 2024
COO, Consumer Industry & Agriculture Business Division

Since becoming head of the Consumer Industry & Agriculture Business Division, I have continued to assert that we should advance our strategies by using our ingenuity, business development skills, and "nose for success" to grow existing businesses while making new investments grounded in foresight looking at future trends. The environment in which we operate is constantly changing, and this means that we need to be responsive to such changes, carefully observing the business landscape to implement timely measures. This is one of the reasons why we are fostering talent that aligns with current trends and promoting digital transformation and cultivating an organization that encourages respect for diverse individuals and that can organically combine the strengths of such individuals. Together with team members, I will create a more open culture and accelerate our efforts toward the next stage.

Division Business Reports
Consumer Industry & Agriculture Business Division

Broadening of Businesses
by Leveraging Functions and Strengths

New Businesses

Comprehensive meat product business

Vietnam

Fertilizer Businesses

Fertilizer production and sales

Vietnam | Thailand | Philippines

Improvement of profitability and earnings through digital transformation

P. 47 Digital Transformation Strategies

Agricultural platforms

Past

The Consumer Industry & Agriculture Business Division's fertilizer companies have fostered a highly reputable brand image over their history, enabling them to achieve one of Southeast Asia's leading transaction volumes for compound chemical fertilizer. Armed with Japanese manufacturing and business operation capabilities, sales and marketing skills that ensure products are sold, and services fine-tuned for the agricultural producers who are their end customers, our fertilizer companies boast a clear advantage over the competition. The division also possesses numerous quality assets in the food and forest product fields, such as the network of business partners it has built over its many years of operation. Sojitz is particularly strong in Vietnam, where it is developing a comprehensive meat product business based on its ingenuity and business development skills and foresight regarding the diversification of lifestyles.

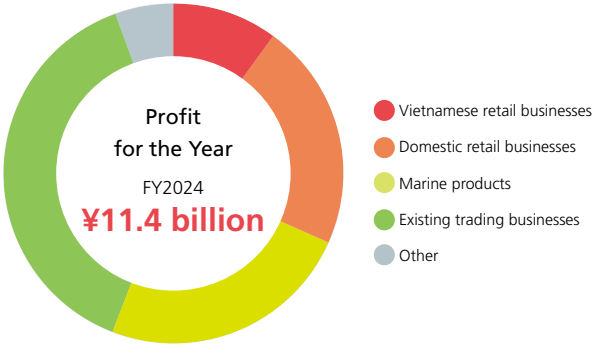
Growth Strategies in Action

Sojitz has constructed a strong operating foundation in its fertilizer businesses, where it is actively forming networks with agricultural workers through digital transformation. Similar to Japan, the population of agricultural workers in Southeast Asia is aging and dwindling in conjunction with economic growth, a situation that is creating a need for increased efficiency in the agriculture industry. We are creating new businesses in response to these needs by developing frameworks for directly engaging with the needs of agricultural workers and providing solutions to their issues. For example, Sojitz has partnered with the Vinamilk Group, a major Vietnamese dairy product manufacturing conglomerate, to contribute to the modernization of meat distribution through its comprehensive meat product business in Vietnam. This undertaking has entailed developing integrated systems for conducting processes spanning from cattle fattening to processing and sales in order to maintain a stable supply of safe, frozen beef products. Looking ahead, we will seek to develop food value chains along with revenue-generating clusters of livestock integration businesses.

Beef processing plant that commenced operations in December 2024 (Vietnam)

Division Business Reports

Retail & Consumer Service Division



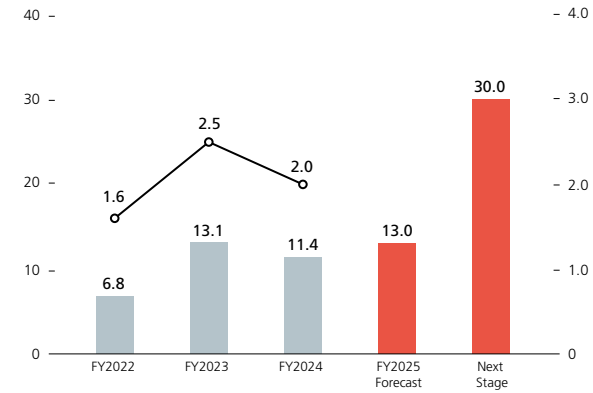
Strengths

Top-class position in market
for North American chilled beef imports to Japan

Leading position in market
for sushi-quality marine food products

Dominance
in Vietnamese wholesale and cold chain and other logistics markets

Profit for the Year (Attributable to Owners of the Company) and ROA



	FY2024	Medium-term Management Plan 2026 Target	Next Stage
CROIC	4.2%	6.0%	8.0%

Pursuit of Quantitative Targets on Path to Next Stage

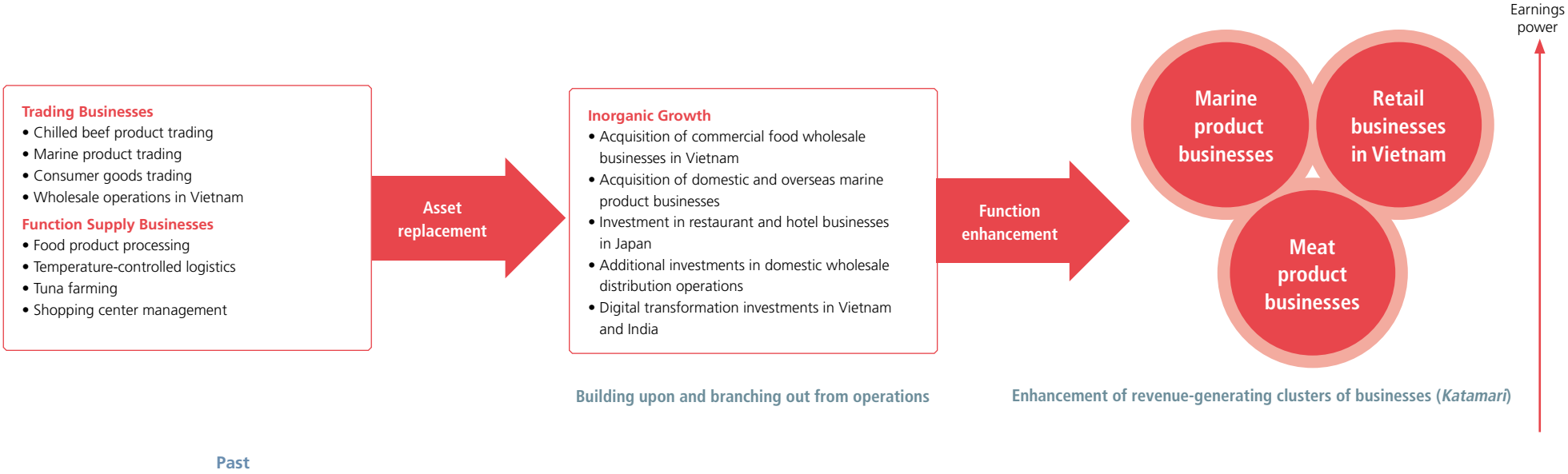
Sojitz entered into the Vietnam retail market in 2008, when it converted major Vietnamese food and daily necessity distributor Huong Thuy Manufacture Service Trading Corporation into a subsidiary. In the years that followed, we proceeded to hone our competitive edge in this market through ongoing investments in retail operations together with partner MINISTOP Co., Ltd., as well as in prepared food products for convenience stores and temperature-controlled logistics operations. More recent initiatives have included converting commercial food wholesaler DaiTanViet Joint Stock Company into a subsidiary in 2023 and conducting digital transformation investments in Finviet Technology Corporation in 2024. The distribution data obtained from Finviet Technology's order management systems and cashless payment apps will be used to streamline supply chains and build the foundations for growing earnings that will be needed in Sojitz's next stage. At the same time, we are investing in areas peripheral to the marine product and meat businesses to enhance competitiveness and develop revenue-generating clusters of businesses (*Katamari*).

Sari Miida
Executive Officer, COO,
Retail & Consumer Service Division

Apr. 2018
General Manager,
Investment Management Department
Apr. 2021
General Manager, Retail Department
Apr. 2025
COO, Retail & Consumer Service Division

With the strength of its contact points with consumers, the Retail & Consumer Service Division is developing a diverse range of businesses to enrich and bring convenience to people's lives. We are working to restructure our portfolio and accelerate collaboration with business investees and partners to respond to the diversification of consumer tastes, rising health consciousness, and increased interest in the UN Sustainable Development Goals (SDGs). In Vietnam, where we have a long, rich history, as well as in the United States and Japan, we will utilize our food and consumer product distribution and sales assets to grow transaction volumes and services while carrying out necessary investments. As a division, we are dedicated to creating value and securing a competitive edge and will think proactively to accomplish our goals. In this way, we aim to manage the division to ensure that both our people and businesses enjoy growth.

Division Business Reports
Retail & Consumer Service Division



The Retail & Consumer Service Division has long positioned trading businesses as its primary source of earnings. However, this changed under Medium-term Management Plan 2023, our previous plan, when we undertook bold new M&A activities to acquire new business assets, including commercial food wholesale businesses in Vietnam, domestic and overseas marine product businesses, and domestic retail businesses. These efforts have drastically transformed the division's asset portfolio and are driving steady improvements in earnings power. Under Medium-term Management Plan 2026, we have positioned marine product businesses, retail businesses in Vietnam, and meat product businesses as focus areas for the Retail & Consumer Service Division. In these areas, the division has been enhancing its functions to boost competitiveness and create revenue-generating clusters of businesses (*Katamari*) to support Sojitz in its next stage.

Growth Strategies in Action

Marine product consumption may be on the decline in Japan, but demand for marine products is growing overseas in conjunction with rising health consciousness. In the marine product business, Sojitz has a strong foundation furnished by The Marine Foods Corporation's product development capabilities and customer base consisting of some 4,000 companies. With this base, we are able to combine the strengths of Group companies TRY Inc.; Sojitz Tuna Farm Takashima Co., Ltd.; and Dalian Global Food Corporation to pursue even greater earnings power. We have set our sights on North America, which has a sushi market 1.6 times the size of that of Japan, and set up a Marine Foods sales base in this market. Our ever-accelerating initiatives in the North American market are aimed at growing overseas sales at Marine Foods and include investment in Sushi Avenue LLC, which operates a network of more than 300 takeout sushi restaurants, and the development of sushi restaurants via SUSHI-TEN USA Inc., a joint venture with Royal Holdings Co., Ltd., and Choushimaru Co., Ltd.

Going forward, we will continue to augment our strengths and functions to enhance our marine product businesses in North America.

Sushi Avenue location

Major Subsidiaries and Affiliates

Notes: 1. Equity ownership ratios are as of March 31, 2025.
2. Figures for profit (loss) for the year exclude one-time factors.

Automotive Division

Consolidated subsidiaries: **54**
Equity-method affiliates: **7**

Name	Equity ownership	Profit (loss) for the year (billions of yen)			Principal countries of operation
		FY2022	FY2023	FY2024	
Automotive sales (by region)					
Japan and Asia	—	2.4	(1.4)	**(0.1)**	Projects in Japan, the Philippines, Pakistan, etc.
Oceania	—	0.0	(1.4)	**(1.9)**	Projects in Australia, etc.
North America	—	4.3	4.1	**2.0**	Projects in the United States, Puerto Rico, etc.
Latin America and the Caribbean Relations	—	0.7	1.1	**3.1**	Projects in Panama, Brazil, Argentina, etc.
Europe	—	1.4	0.4	**(0.3)**	Projects in Norway, Ukraine, etc.

Aerospace, Transportation & Infrastructure Division

Consolidated subsidiaries: **42**
Equity-method affiliates: **14**

For more information on the following listed company, please refer to its respective websites.

PT. Puradelta Lestari Tbk (equity-method associate)

Name	Equity ownership	Profit for the year (billions of yen)			Major businesses
		FY2022	FY2023	FY2024	
Transportation vessel asset management	—	3.7	2.3	**2.4**	Aircraft sales representative, aircraft leasing, marine vessels, etc.
Business jet service business	—	0.9	1.2	**1.5**	Business jet trading support, operation management, chartering
Transportation, engineering, procurement, and construction projects	—	0.6	0.4	**0.0**	Railroad engineering, procurement, and construction (India and Indonesia)
Industrial and urban infrastructure businesses					
-PT. Puradelta Lestari Tbk	25%	2.7	2.8	**3.2**	Development and operation of comprehensive urban infrastructure including residential, industrial, and commercial infrastructure in Indonesia
Sojitz Aerospace Corporation	100%	1.3	1.6	**2.3**	Import, export, and sale of aerospace and defense-related equipment

Energy Solutions & Healthcare Division

Consolidated subsidiaries: **90**
Equity-method affiliates: **35**

Name	Equity ownership	Profit (loss) for the year (billions of yen)			Major businesses
		FY2022	FY2023	FY2024	
Energy-related / Natural gas-fired power plant businesses					
-LNG Japan Corporation	50%	9.1	8.0	**9.4**	LNG project and investments in LNG-related businesses
-Glover Gas & Power B.V.	25%	0.6	0.7	**1.1**	Gas supply and gas-related businesses in Nigeria
-Thermal power generation businesses*	—	3.6	0.8	**1.1**	Projects in the United States, the Middle East, etc.
Renewable energy and decarbonization businesses					
-Renewable energy businesses*	—	3.2	0.8	**(0.1)**	Domestic and overseas renewable energy businesses
-Energy-saving service businesses*	—	1.0	2.9	**5.6**	Overseas energy-saving service businesses in North America, Australia, etc.
-Nexus Energia S.A.	31.4%	0.3	0.6	**0.6**	Electricity and gas retail, electricity sales agent, solar power generation businesses in Spain
Social infrastructure and public–private partnership businesses					
-Sojitz Hospital PPP Investment B.V.	100%	3.3	3.9	**4.5**	Investment and financing of hospital operation projects in Turkey
-Sojitz Machinery Corporation	100%	2.9	3.4	**3.8**	Import, export and sale of general industrial machinery

* Figures for thermal power generation businesses, renewable energy businesses, and energy-saving service businesses represent the total of profit for the year of the relevant major subsidiaries and associates. For more information on the following listed companies, please refer to their respective websites.

Major Subsidiaries and Affiliates

Notes: 1. Equity ownership ratios are as of March 31, 2025.
2. Figures for profit (loss) for the year exclude one-time factors.

Metals, Mineral Resources & Recycling Division

Consolidated subsidiaries: 20
Equity-method affiliates: 13

Name	Equity ownership	Profit for the year (billions of yen)			Major businesses
		FY2022	FY2023	FY2024	
Sojitz Development Pty. Ltd.	100%	44.2	18.5	**8.0**	Investment in coal mines in Australia
Metal One Corporation	40%	16.6	14.0	**11.9**	Import, export, offshore trading, and domestic sale of steel-related products in Japan
Upstream interests	—	3.6	3.6	**7.7**	Alumina production and investment in alumina production companies (Australia), investment in and management of niobium production companies (Brazil), etc.

Chemicals Division

Consolidated subsidiaries: 25
Equity-method affiliates: 10

Name	Equity ownership	Profit for the year (billions of yen)			Major businesses
		FY2022	FY2023	FY2024	
PT. Kaltim Methanol Industri	85%	5.9	4.7	**4.7**	Manufacture and sale of methanol in Indonesia
Sojitz Pla-Net Corporation	100%	1.9	1.0	**1.6**	Trading and sale of plastics and related products
Sojitz SOLVADIS GmbH	100%	2.4	1.7	**1.5**	Trading and sale of chemical products in Europe
Non-consolidated trading businesses	—	4.7	5.9	**8.7**	Industrial salts, rare earths, aromatics, phenols, functional materials, etc.
Overseas trading	—	2.8	1.7	**3.0**	Trading of chemical products and plastics by overseas subsidiaries

Consumer Industry & Agriculture Business Division

Consolidated subsidiaries: 24
Equity-method affiliates: 16

Name	Equity ownership	Profit (loss) for the year (billions of yen)			Major businesses
		FY2022	FY2023	FY2024	
Fertilizer-related businesses					
-Thai Central Chemical Public Company Limited (TCCC)	95.3%	2.8	5.2	**6.1**	Manufacture and sale of fertilizers in Thailand
-Atlas Fertilizer Corporation (AFC)	100%	1.9	1.5	**1.8**	Manufacture and sale of fertilizers, sale of imported fertilizer products in the Philippines
-Japan Vietnam Fertilizer Company (JVF)	75%	0.2	0.9	**0.9**	Manufacture and sale of fertilizers in Vietnam
Sojitz Building Materials Corporation	100%	1.8	0.7	**0.9**	Trading company specializing in sale of construction materials
Saigon Paper	97.7%	(0.2)	0.1	**(0.3)**	Papermaking business in Vietnam

Retail & Consumer Service Division

Consolidated subsidiaries: 37
Equity-method affiliates: 25

Name	Equity ownership	Profit (loss) for the year (billions of yen)			Major businesses
		FY2022	FY2023	FY2024	
Retail-related business in Vietnam	—	0.2	0.7	**1.5**	Wholesale of food products and consumer goods, operation of MINISTOP Vietnam locations, four-temperature controlled logistics, production of prepared foods, etc.
-Wholesale	—	0.2	1.0	**2.1**	Wholesale of food products and consumer goods
-Retail	—	(0.1)	(0.2)	**(0.5)**	Operation of MINISTOP Vietnam locations
Domestic retail-related business	—	(0.4)	1.7	**3.4**	Royal Holdings Co., Ltd.; Sojitz Royal In-flight Catering Co., Ltd.; JALUX Inc.; etc.
Marine products-related businesses	—	1.1	1.2	**3.6**	The Marine Foods Corporation; TRY Inc.; Dalian Global Food Corporation; Sojitz Tuna Farm Takashima Co., Ltd., and Sushi Avenue Inc.
-The Marine Foods Corporation	100%	0.8	1.0	**1.8**	Seafood manufacturing
-TRY Inc.	100%	—	0.1	**1.4**	Processing and sale of frozen tuna
Domestic real estate business	—	1.9	4.7	**0.5**	Management of shopping centers, dedicated businesses for raising property value, etc.
Sojitz Foods Corporation	100%	1.9	3.0	**2.9**	Sale of meat and seafood products, sugar, saccharified products, dairy products, processed foods, and other foodstuffs
Sojitz Fashion Co., Ltd.	100%	0.7	0.6	**0.7**	Printing of cotton and synthetic textiles, and planning, processing, and wholesale of non-patterned and dyed fabrics

For more information on the following listed companies, please refer to their respective websites.

- Fuji Nihon Corporation (equity-method associate)
- Royal Holdings Co., Ltd. (equity-method associate)

Six-Year Financial Summary (IFRS)

For the years ended March 31, 2025 to 2020

Millions of yen

	2025	2024	2023	2022	2021	2020
Operating Results:						
Revenue	2,509,714	2,414,649	2,479,840	2,100,752	1,602,485	1,754,825
Gross profit	346,793	325,955	337,567	271,319	188,120	220,494
Profit before tax	135,300	125,498	155,036	117,295	37,420	75,528
Selling, general and administrative expenses	(269,903)	(241,464)	(222,771)	(180,314)	(161,080)	(173,243)
Share of profit of investments accounted for using the equity method	49,627	43,615	27,282	37,968	14,786	24,908
Profit for the year (Attributable to owners of the Company)	110,636	100,765	111,247	82,332	27,001	60,821
Core earnings*1	122,700	121,796	145,010	131,263	38,468	68,302
Net cash provided by (used in) operating activities	(16,688)	112,187	171,639	65,084	84,972	40,510
Net cash provided by (used in) investing activities	(94,106)	12,429	29,157	(138,819)	(35,676)	(35,669)
Net cash provided by (used in) financing activities	106,388	(186,523)	(230,367)	46,898	(40,621)	(12,164)
Free cash flow	(110,794)	124,616	200,796	(73,734)	49,295	4,840
Balance Sheet Data (As of March 31):						
Total assets	3,087,252	2,886,873	2,660,843	2,661,680	2,300,115	2,230,285
Total equity attributable to owners of the Company	968,956	924,076	837,713	728,012	619,111	579,123
Total equity	1,007,616	955,627	876,576	763,878	654,639	621,898
Interest-bearing debt*2	1,086,473	906,704	883,704	1,052,725	908,334	893,258
Net interest-bearing debt*2	887,291	697,290	629,426	770,291	610,677	613,173

Yen

	2025	2024	2023	2022	2021	2020
Per Share Data:						
Profit for the year (Attributable to owners of the Company)	513.73	450.97	481.94	352.65	112.53	244.53
Total equity attributable to owners of the Company	4,595.93	4,238.81	3,629.34	3,153.90	2,581.58	2,374.83
Dividends*3	150	135	130	106	50	85
Ratios:						
ROA (%)	3.7	3.6	4.2	3.3	1.2	2.7
ROE (%)*4	11.7	11.4	14.2	12.2	4.5	10.2
Equity ratio (%)*5	31.4	32.0	31.5	27.4	26.9	26.0
Net debt equity ratio (DER) (Times)	0.92	0.75	0.75	1.06	0.99	1.06
Consolidated payout ratio (%)*6	29.2	29.9	27.0	30.1	44.4	34.8
Share-related Data:						
Market capitalization (Billions of yen)	7,385	8,971	6,916	5,049	3,905	3,179
Price-earnings ratio (Times)	6.4	8.8	5.7	5.7	13.9	5.2
PBR (Times)	0.71	0.94	0.76	0.64	0.60	0.53
Total shareholder return (%)*7	—	230.4	160.7	115.8	86.9	69.5
Risk assets (Millions of yen)	630,000	580,000	490,000	450,000	390,000	380,000
Ratio of risk assets to total equity (Times)	0.7	0.6	0.6	0.6	0.6	0.7

Annual Securities Report
11-year financial data

Notes:
1. The Sojitz Group adopted IFRS in the year ended March 31, 2013, and the date of IFRS implementation was April 1, 2011.
2. Effective October 1, 2021, the Company performed a one-for-five share consolidation. Past figures for per share data have been restated to reflect this change.

*1 Core earnings = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividend income + Share of profit of investments accounted for using the equity method
*2 Interest-bearing debt does not include lease liabilities.
*3 The amounts represent the annual dividends per share of common stock of Sojitz Corporation.
*4 Under IFRS, ROE is return on equity attributable to owners of the Company.
*5 Equity ratio represents the total equity attributable to owners of the Company ratio.
*6 Consolidated payout ratio is calculated based on the number of shares as of March 31.
*7 Total shareholder return is calculated as return over the five-year period beginning with the year ended March 31, 2021.

Non-Financial Data

Social Data

	FY2022	FY2023	FY2024
Number of employees (consolidated)	20,669	22,819	25,118
Number of employees (non-consolidated)*1	2,523	2,513	2,486
Male	1,754	1,717	1,680
Female	769	796	806
Number of female career track employees (Number of female managers)	335 (57)	366 (58)	397 (60)
Ratio of female managers (%)	6.1	6.4	6.8
Average years of employee service	15.4	15.2	15.0
Male	17.1	17.1	17.1
Female	11.5	11.1	10.7
Ratio of employees with disabilities (%)	2.60	2.63	2.61
Annual paid leave acquisition rate (%)	73.7	78.6	77.6
Number of employees taking childcare leave*2	67	78	88
Male	46	49	51
Female	21	29	37
Ratio of employees returning to work after childcare leave (%)	96.3	94.7	87.5
Personnel turnover (%)	5.2	4.3	3.4
Number of new graduate hires	90	106	124
Male	39	57	60
Female (including administrative workers)	51	49	64
Ratio of women among new graduate hires (%)	56.7	46.2	51.6
Number of mid-career hires	40	46	42
Male	31	29	27
Female (including administrative workers)	9	17	15
Ratio of women among mid-career hires (%)	22.5	37.0	35.7
Ratio of mid-career hires among full-time employees (%)	30.8	30.3	25.3
Employee union membership rate (%)	55.0	56.5	57.4
Stock Ownership Association participation rate (%)	57	89	87.7

*1 Figures include full-time contract employees.
*2 Figures refer to the number of employees who commenced childcare leave within the fiscal year.

Sojitz ESG BOOK: Social Data

Human Capital Development Data

	FY2022	FY2023	FY2024
Number of employees receiving training (aggregate total)*3	Approx. 56,000	Approx. 62,200	Approx. 47,200
Total training hours*3	Approx. 55,000	Approx. 54,800	Approx. 68,600
Hours of training per employee*3, 4	27	23	30
Overseas trainee program participants	55	69	39
Short term	20	18	14
Long term	35	51	25

*3 Training refers to employee training, including self-development training, conducted by the Human Capital Department as well as e-learning and ISO 14001 environmental standards and CSR training programs provided by other departments.
*4 Figures exclude directors, executive officers, and Audit & Supervisory Board/Audit and Supervisory Committee members as well as employees who retired as of March 31 of the given fiscal year.

Environmental Data

	Unit	FY2022	FY2023	FY2024
Greenhouse gas emissions (Scope 1)	t-CO_2	751,233	577,458	532,203
CO_2 emissions from non-energy sources	Tons	—	—	48,701
Greenhouse gas emissions (Scope 2)*5	t-CO_2	206,851	204,475	189,852
Greenhouse gas emissions (Scope 1 + Scope 2)	t-CO_2	958,084	781,933	776,583
Greenhouse gas emissions (Scope 3)*6	t-CO_2	23,414,411	20,793,853	19,682,859
Electricity consumption	MWh	295,834	311,811	340,747
Waste discharged	Tons	67,103	76,829	78,785
Water use	Millions of m^3	4.97	5.36	5.64

Scope: Sojitz Corporation and domestic and overseas consolidated subsidiaries. Figures for the year ended March 31, 2023 have been restated to reflect adjustments to data made in conjunction with changes to the scope of calculation. For information on progress toward Scope 1 and Scope 2 emissions reduction targets, please refer to *Sojitz ESG BOOK*: Climate Change.

Sojitz ESG BOOK: Climate Change

*5 Scope 2: Location standard used for figures for the years ended prior to March 31, 2023; market standard used for figures for the years commenced on or after April 1, 2023
*6 Scope 3: Emissions from supply chain for the power generation sector (thermal coal, oil, and gas) and the steel sector (coking coal) are verified.

Reference *Independent Assurance Report*

The above environmental, social, and other data has been verified by third-party institution KPMG AZSA Sustainability Co., Ltd. The verification report can be found on Sojitz's corporate website.

Country Risk Exposure (Consolidated) / Regional Information

Exposure (As of March 31, 2025)

Billions of yen

Country	Investments	Loans	Guarantees	Operating receivables	Cash and deposits, etc.	Other assets	Country risk	Substantial country risk
Thailand	3.7	0.0	0.0	28.9	29.6	11.2	73.3	72.3
Indonesia	19.5	0.0	0.0	25.6	4.7	8.7	58.6	66.1
Philippines	7.4	0.2	0.0	11.8	4.2	23.0	46.5	46.5
China (including Hong Kong)	4.8	0.0	0.0	38.2	4.3	4.3	51.6	50.7
China	4.4	0.0	0.0	35.0	3.9	3.2	46.5	46.4
Hong Kong	0.4	0.0	0.0	3.2	0.4	1.1	5.1	4.3
Brazil	1.4	0.3	0.3	6.0	1.8	16.7	26.5	67.6
Argentina	0.5	0.0	0.0	0.3	0.0	0.2	0.9	0.5
Russia	0.0	0.0	0.0	4.4	2.8	7.7	14.9	14.9
India	9.7	0.0	0.0	24.3	1.1	3.7	38.8	33.7
Vietnam	17.2	0.0	0.3	43.2	12.2	49.5	122.4	137.0
Turkey	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.3
Total	64.2	0.4	0.6	182.6	60.7	125.0	433.5	501.7

(Reference) Exposure (As of March 31, 2024)

Billions of yen

Country	Investments	Loans	Guarantees	Operating receivables	Cash and deposits, etc.	Other assets	Country risk	Substantial country risk
Thailand	3.2	0.0	0.0	28.4	37.4	10.9	79.9	78.9
Indonesia	18.9	0.0	0.0	15.4	4.8	7.7	46.9	54.5
Philippines	19.6	0.2	0.0	12.4	8.0	7.6	47.8	47.7
China (including Hong Kong)	6.0	0.0	0.0	35.6	3.3	4.8	49.6	48.3
China	4.7	0.0	0.0	32.7	2.6	3.6	43.7	43.1
Hong Kong	1.3	0.0	0.0	2.8	0.7	1.2	6.0	5.3
Brazil	3.3	0.3	0.3	4.7	2.0	18.3	29.0	73.5
Argentina	0.6	0.1	0.0	0.3	0.0	0.1	1.1	0.8
Russia	0.0	0.0	0.0	5.0	2.5	7.1	14.7	14.5
India	10.9	0.0	0.0	21.2	0.8	3.6	36.6	32.4
Vietnam	7.7	0.0	0.1	39.4	14.6	47.7	109.4	119.1
Turkey	0.3	0.0	0.0	3.8	0.4	0.1	4.6	15.3
Total	70.5	0.6	0.4	166.1	73.9	107.9	419.4	485.0

Revenue by Country

Millions of yen

	FY2023	FY2024
Japan	1,085,096	1,067,899
The Americas	338,769	393,764
Europe	155,481	151,194
Asia & Oceania	819,627	879,124
Other	15,674	17,731
Total	2,414,649	2,509,714

Non-Current Assets

Millions of yen

	FY2023	FY2024
Japan	181,134	170,302
The Americas	183,377	214,238
Europe	28,792	40,696
Asia & Oceania	182,567	203,294
Other	770	872
Total	576,643	629,403

Note: We calculate exposure for the consolidated Sojitz Group by tallying assets that are exposed to country risk. We disclose exposure for the entire Sojitz Group and for the following assets: investments, loans, guarantees, and operating receivables and inventories (grouped as "operating receivables"); cash and deposits and financial assets (grouped as "cash and deposits, etc."); and bad debts, non-current assets, etc. (grouped as "other assets").
Exposure is tallied on the following bases:

- Country risk: Exposure is calculated based on the country in which credit counterparties, etc., are present.
- Substantial country risk: Exposure is adjusted based on the substantial country of risk, regardless of counterparties' country of domicile.

Organization Chart / Principal Operating Bases

Organization Chart (As of June 18, 2025)

Organization

- General Shareholders' Meeting
- Board of Directors / Audit and Supervisory Committee
  - Nomination Committee
  - Remuneration Committee
  - Board Meeting Operation Office
- President & CEO
  - Management Committee
  - Internal Audit Dept.
  - Legal Dept.
  - Internal Control Administration Dept.
  - Human Capital Dept. 1
  - Human Capital Dept. 2
  - Secretariat Dept.
  - General Risk Management Dept.
  - Supply Chain Risk Management Dept.
  - Corporate Planning Dept.
  - Energy Transformation Dept.
  - M&A Strategy & Value Creation Office
  - Public Relations Dept.
  - Investor Relations & Corporate Sustainability Dept.
  - General Accounting Dept.
  - Business Accounting Dept.
  - Finance Dept. 1
  - Finance Dept. 2
  - Business Innovation Office
  - Digital Business Development Dept.
  - Corporate IT Dept.
  - Digital Business Collaboration Dept.
  - Kansai Business Office
  - Automotive Division
    - Planning & Administration Office
    - Automotive Dept. 1
    - Automotive Dept. 2
    - Automotive Dept. 3
  - Aerospace, Transportation & Infrastructure Division
    - Planning & Administration Office
    - Aerospace Dept.
    - Business Jet Dept.
    - National Security & Public Project Dept.
    - Social Infrastructure Business Dept.
  - Energy Solutions & Healthcare Division
    - Planning & Administration Office
    - Infrastructure Business Development Dept.
    - Energy Solutions Business Dept. 1
    - Energy Solutions Business Dept. 2
    - Energy Solutions Business Dept. 3
    - Healthcare Dept.
  - Metals, Mineral Resources & Recycling Division
    - Planning & Administration Office
    - Coal & Carbon Management Business Dept.
    - Metal Resources Dept.
    - Industrial Minerals Dept.
    - Metal Products & Recycling Business Dept.
  - Chemicals Division
    - Planning & Administration Office
    - Environment & Life Science Dept.
    - Basic Chemicals Dept.
    - Speciality Chemicals Dept.
    - Inorganic Chemicals Dept.
  - Consumer Industry & Agriculture Business Division
    - Planning & Administration Office
    - Agribusiness Dept.
    - Food & Forestry Business Dept.
    - Agriculture & Regional Business Development Office
  - Retail & Consumer Service Division
    - Planning & Administration Office
    - Quality Assurance Office
    - Retail Business Dept. 1
    - Retail Business Dept. 2
    - Retail Business Dept. 3

Principal Operating Bases (As of June 18, 2025)

Operating Bases

■ Head office ● Office ● Group company ● Branch ● Office

Japan	5
The Americas	15
Europe	20
Middle East & Africa	10
China	9
Asia & Oceania	24
Regions Directly Managed by the Head Office	6

Corporate Data / Investor Information

Corporate Data (As of June 18, 2025)

Company Name	Sojitz Corporation
Established	April 1, 2003
Capitalization	¥160,339,000,000
President & CEO	Kosuke Uemura Representative Director, President & CEO
Head Office	1-1, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-8691, Japan Phone: +81-3-6871-5000

Number of Branches & Offices (As of March 31, 2025)
Domestic: 5 (including the Head Office)
Overseas: 84

Number of Subsidiaries & Affiliates (As of March 31, 2025)
Domestic: 132 Overseas: 337

Number of Employees (As of March 31, 2025)
Non-consolidated: 2,486 Consolidated: 25,118

Stock Information (As of March 31, 2025)

Basic Stock Information

Securities Code	2768
Shareholder Registry Administrator	Mitsubishi UFJ Trust and Banking Corporation
Inquiries	Mitsubishi UFJ Trust and Banking Corporation Securities Proxy Department 1-1, Nikko-cho, Fuchu-shi, Tokyo 183-0044, Japan
Phone	+81-120-232-711 (toll free)
Stock Listing	Tokyo Stock Exchange
Fiscal Year	From April 1 to March 31 of the following year
General Shareholders' Meeting	June
Number of Shares per Unit	100 shares
Total Number of Shares Authorized to be Issued	500,000,000
Number of Shares Issued	225,000,000 (including treasury stock)
Number of Shareholders	216,752

External Evaluation

Evaluation by Society

FTSE4Good
FTSE Blossom Japan
FTSE Blossom Japan Sector Relative Index

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

S&P Global
Sojitz Corporation
Trading Companies & Distributors
Top 1%
Corporate Sustainability Assessment (CSA) 2024 Score
71/100

CDP DISCLOSURE INSIGHT ACTION

Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

DX Stocks 2025 Digital Transformation

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

Internet IR Excellence Award 2024 Daiwa Investor Relations

Gomez IR Site Ranking GOLD 2024

2025 健康経営銘柄 KENKO Investment for Health

Internet IR Sustainability Excellence Award 2024 Daiwa Investor Relations

NADESHIKO BRAND 2025

Rating Information (As of June 30, 2025)

	Issuer Credit Ratings	Short-term Ratings
Japan Credit Rating Agency, Ltd.	A (Stable)	J-1
Rating and Investment Information, Inc.	A– (Stable)	a-1
S&P Global Ratings (S&P)	BBB (Stable)	–

Major Shareholders (As of March 31, 2025)

Name of Shareholders	Number of Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd.	39,663	18.7
Custody Bank of Japan, Ltd. (Trust account)	15,557	7.3
JAPAN SECURITIES FINANCE CO., LTD.	4,290	2.0
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	3,977	1.9
The Nomura Trust and Banking Co., Ltd. (Trust account)	3,631	1.7
STATE STREET BANK AND TRUST COMPANY 505001	3,088	1.5
STATE STREET BANK AND TRUST COMPANY 505103	2,853	1.4
JPMorgan Securities Japan Co., Ltd.	2,771	1.3
STATE STREET BANK WEST CLIENT TREATY 505234	2,702	1.3
THE BANK OF NEW YORK MELLON 140044	1,761	0.8

Note: The shareholding ratios are calculated excluding the number of shares of treasury stock.

Afterword

Integrated Report 2025 was designed to provide valuable information meant to foster a sense of anticipation for Sojitz and its growth as it builds upon its distinctive strengths to advance toward its Next Stage. In preparing this report, we sought to prepare a vivid illustration of the Sojitz Growth Story. Our approach to this undertaking was to delve into the Company's experience and initiatives based on its long history and point a spotlight at the DNA of future forecasting, innovative transformation, and challenge-taking spirit cultivated over this history.

Under Medium-term Management Plan 2026, which has been positioned as a period for cementing the foundations that will support our advancement to the Next Stage, we are pursuing increases in corporate value by conducting continuous new investments and refining existing businesses to craft the Sojitz Growth Story. By presenting examples of the Sojitz Growth Story in action, such as our energy-saving service and chemical trading businesses, we sought to paint a picture of the type of businesses being created based on Sojitz's DNA; the bold and ambitious people at Sojitz who are not afraid of change; and the strengths of Sojitz, like its open organization and the swift and agile decision-making that is possible due to its small scale. Our goal was to foster a sense of anticipation toward Sojitz and its future business creation activities.

The Sojitz Growth Story does not just pertain to our businesses; it is a transcendental element of the Company that permeates all of its financial and non-financial activities. By communicating this fact through this integrated report, we strove to provide a hook for engagement with shareholders and institutional investors that will help us communicate Sojitz's competitiveness and growth potential. In our investor relations activities, we are committed to forging stronger ties with stakeholders and improving corporate value through engagement. We hope that we can look forward to your ongoing support and understanding as Sojitz pursues growth and advances toward its Next Stage.

Investor Relations & Corporate Sustainability Department
July 2025

Investor Relations

New way, New value

Sojitz Corporation

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