

Annual Securities Report

SOJITZ CORPORATION AND SUBSIDIARIES

For the year ended March 31, 2026

Together with Independent Auditor's Report



Sojitz Corporation

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Independent Auditor's Report

This document is a translation of the Japanese original Annual Securities Report "Yukashoken-Hokokusho". Except for 5. Financial Information and Independent Auditor's Report, in the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

1. Overview of Sojitz and Its Subsidiaries

1. Selected Financial Data

(1) Consolidated financial data

Fiscal year		19th	20th	21st	22nd	23rd
Year ended		March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Revenue	(Millions of Yen)	2,100,752	2,479,840	2,414,649	2,509,714	2,757,350
Profit before tax	(Millions of Yen)	117,295	155,036	125,498	135,300	115,630
Profit for the year (attributable to owners of the Company)	(Millions of Yen)	82,332	111,247	100,765	110,636	103,611
Comprehensive income for the year (attributable to owners of the Company)	(Millions of Yen)	142,429	138,434	168,317	103,239	187,859
Total equity attributable to owners of the Company	(Millions of Yen)	728,012	837,713	924,076	968,956	1,090,369
Total assets	(Millions of Yen)	2,661,680	2,660,843	2,886,873	3,087,252	3,648,023
Equity attributable to owners of the Company per share	(Yen)	3,153.90	3,629.34	4,238.81	4,595.93	5,240.64
Basic earnings per share attributable to owners of the Company	(Yen)	352.65	481.94	450.97	513.74	494.95
Diluted earnings per share attributable to owners of the Company	(Yen)	352.65	-	450.97	513.74	494.84
Equity attributable to owners of the Company ratio	(%)	27.4	31.5	32.0	31.4	29.9
Return on equity (ROE)	(%)	12.2	14.2	11.4	11.7	10.1
Price Earnings Ratio	(Times)	5.7	5.7	8.8	6.4	12.4
Cash flows from operating activities	(Millions of Yen)	65,084	171,639	112,187	(16,688)	16,759
Cash flows from investing activities	(Millions of Yen)	(138,819)	29,157	12,429	(94,106)	(86,608)
Cash flows from financing activities	(Millions of Yen)	46,898	(230,367)	(186,523)	106,388	110,217
Cash and cash equivalents at end of the year	(Millions of Yen)	271,651	247,286	196,275	192,299	245,145
Number of employees [excluding average number of part-time employees]	(Number of persons)	20,673 [4,940]	20,669 [5,754]	22,819 [4,996]	25,118 [5,547]	26,789 [6,040]

(Notes)

1. The consolidated financial statements have been prepared on the basis of International Financial Reporting Standards.
2. The company conducted a five-for-one consolidation of common shares of stock effective October 1, 2021. Total equity per share attributable to owners of the Company, basic earnings per share (attributable to owners of the Company) and diluted earnings per share (attributable to owners of the Company) have been calculated based on the assumption that the share consolidation had been conducted on April 1, 2021.
3. The number of employees represents the number of persons in employment.

(2) Non-consolidated financial data

Fiscal year		19th	20th	21st	22nd	23rd
Year ended		March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Revenue	(Millions of Yen)	678,262	763,373	568,742	627,625	709,045
Ordinary profit	(Millions of Yen)	55,543	91,799	77,155	68,656	80,205
Net income	(Millions of Yen)	50,389	81,927	80,888	72,993	99,090
Capital stock	(Millions of Yen)	160,339	160,339	160,339	160,339	160,339
Number of Shares outstanding	(Shares)	Common stock 250,299,900	Common stock 250,299,900	Common stock 225,000,000	Common stock 225,000,000	Common stock 210,000,000
Net assets	(Millions of Yen)	460,636	481,583	493,734	505,807	581,660
Total assets	(Millions of Yen)	1,683,267	1,588,873	1,688,744	1,845,911	2,130,558
Net assets per share	(Yen)	1,995.57	2,086.43	2,264.80	2,399.13	2,795.64
Dividend per share (of which, interim dividend per share)	(Yen) (Yen)	Common stock 106.00 (45.00)	Common stock 130.00 (65.00)	Common stock 135.00 (65.00)	Common stock 150.00 (75.00)	Common stock 165.00 (82.50)
Basic earnings per share	(Yen)	215.83	354.92	362.01	338.94	473.35
Diluted earnings per share	(Yen)	—	—	—	—	—
Capital adequacy ratio	(%)	27.4	30.3	29.2	27.4	27.3
Return on equity	(%)	11.4	17.4	16.6	14.6	18.2
Price-earnings ratio	(Times)	9.3	7.8	11.0	9.7	12.9
Payout ratio	(%)	49.1	36.6	37.3	44.3	34.9
Number of employees [excluding average number of part-time employees]	(Number of persons)	2,073 [88]	2,027 [70]	2,035 [61]	2,049 [59]	2,094 [59]
Total shareholder return (Comparative index: TOPIX total return index)	(%) (%)	136.1 (102.0)	192.2 (107.9)	279.4 (147.9)	243.8 (150.2)	436.6 (202.2)
Highest share price	(Yen)	2,129 (369)	2,863	4,122	4,408	7,257
Lowest share price	(Yen)	1,591 (299)	1,835	2,715	2,714	2,689

(Note)

- Effective October 1, 2021, the Company conducted a five-for-one share consolidation of common shares of stock. Figures for earnings per share and net assets per share are calculated based on the assumption that stock consolidation was conducted with an effective date of April 1, 2021.
- Diluted earnings per share is not displayed as there were no potential shares with dilutive effects.
- Effective October 1, 2021, the Company conducted a five-for-one share consolidation of common shares of stock. The dividend per share for the year ended in March 31, 2022 is 106 yen, consisting of an interim dividend of 45 yen and a year-end dividend of 61 yen, based on the number of shares after the share consolidation. The interim dividend before the share consolidation was 9 yen.
- The number of employees represents the number of persons in employment.
- The highest and lowest share prices are those on the First Section of the Tokyo Stock Exchange before April 3, 2022, and on the Prime Market of the Tokyo Stock Exchange after April 4, 2022. The highest and lowest share prices for the year ended March 31, 2022 are after the share consolidation, and the highest and lowest share prices before the share consolidation are shown in parentheses.

2. History

Major events in the history of Sojitz Corporation following its establishment include the following.

- Apr. 2003 Establishment of Nissho Iwai-Nichimen Holdings Corporation through the transfer of shares by Nichimen Corporation^{*1} and Nissho Iwai Corporation^{*2}
Shares listed on the Tokyo Stock Exchange and the Osaka Securities Exchange
- Apr. 2004 Merger of Nichimen Corporation and Nissho Iwai Corporation, both wholly owned subsidiaries of Nissho Iwai-Nichimen Holdings Corporation, to form a new company, Sojitz Corporation
- Jul. 2004 Name changed to Sojitz Holdings Corporation
- Oct. 2005 Absorption of subsidiary Sojitz Corporation, name changed to Sojitz Corporation
- Aug. 2006 Absorption of subsidiary Sojitz Urban Development Corporation
- Oct. 2006 Absorption of subsidiary Global Chemical Holdings, Inc., and its subsidiary Sojitz Chemical Corporation
- Jul. 2012 Relocation of head office to Uchisaiwaicho, Chiyoda-ku, Tokyo
- Apr. 2015 Absorption of subsidiary Sojitz Pla-Net Holdings, Inc.
- Apr. 2022 Transferred from the First Section of the Tokyo Stock Exchange to the Prime Market segment following the revision to the categories of this securities exchange on April 4, 2022.

*1 Sojitz predecessor Nichimen Corporation was initially established as Japan Cotton Trading Co., Ltd., in 1892, starting its business with the import of raw cotton. This company later changed its name to Nichimen Co., Ltd., in 1943 before taking on the name of Nichimen Corporation in 1982.

*2 Nissho Iwai Corporation was established through a merger between Nissho Co., Ltd., and Iwai Sangyo Co., Ltd., in 1968. Suzuki & Co., Ltd., the predecessor of Nissho Co., Ltd., was founded in 1874 by Iwajiro Suzuki and got its start in foreign sugar transactions. This company filed for bankruptcy during the Showa Financial Crisis in 1927, but Nissho Co., Ltd. was established to succeed this company by Seiichi Takahata and other members of Suzuki & Co. in 1928. Iwai Bunsuke Shoten, the predecessor of Iwai Sangyo Co., Ltd., was established in 1862 by Bunsuke Iwai as a company that imported sundries. The operations of this company were later carried on by its successor Iwai & Co., Ltd., which was established in 1896 and later changed its name to Iwai Sangyo Co., Ltd., in 1943.

The process of the establishment of Sojitz Corporation includes the following.

- Dec. 2002 Conclusion of basic agreement between Nichimen Corporation and Nissho Iwai Corporation to transfer shares to jointly establish a holding company and integrate management on the condition of receipt of approval by the relevant authorities and at the general meetings of shareholders of the respective companies
- Jan. 2003 Approval by respective boards of directors of conclusion of agreement between Nichimen Corporation and Nissho Iwai Corporation to transfer shares on the condition of receipt of approval by the relevant authorities and at the general meetings of shareholders of the respective companies and conclusion of said agreement; resolution by respective boards of directors to submit necessary proposal for transfer of shares for approval at special meetings of shareholders of the respective companies
- Feb. 2003 Receipt of approval at extraordinary meetings of shareholders of Nichimen Corporation and Nissho Iwai Corporation for the companies to jointly establish the Company and become wholly owned subsidiaries of the Company

3. Business Overview

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

The Group consists of 542 consolidated subsidiaries and equity method associates, including 413 consolidated subsidiaries and 129 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 253 companies, consisting of 184 consolidated subsidiaries and 69 equity method associates.)

Effective April 1, 2025, the Company reorganized its Aerospace, Transportation & Infrastructure and Energy Solutions & Healthcare and changed its reportable segment classification method.

The following table lists our products, services, and main subsidiaries and affiliates by industry segment.

As of March 31, 2026		
Segment	Main products and services	Main subsidiaries and associates (Status within consolidated group)
Automotive Number of consolidated subsidiaries : 59 Number of equity method associates : 8	Trading of completed automobiles; Assembly and wholesales operations; Retail sales operations; Quality inspection operations; Financing; Sales and service operations incorporating digital technologies	<ul style="list-style-type: none"> - Sojitz Auto Group Japan Corporation (Subsidiary) - Albert Automotive Holdings Pty Ltd (Subsidiary) - Sojitz de Puerto Rico Corporation (Subsidiary) - SILABA MOTORS, S.A. (Subsidiary) - Petroautos S. A. (Subsidiary)
Aerospace, Transportation & Infrastructure Number of consolidated subsidiaries : 49 Number of equity method associates : 15	Aero business (commercial aircraft, defense and related equipment agency and sales, business jets); Transportation infrastructure projects (railways related projects and airport); Industrial and urban infrastructure (industrial park, housing, office, smart cities, data center); Marine business (new building, second-hand ships, ship chartering, etc.)	<ul style="list-style-type: none"> - Sojitz Aerospace Corporation (Subsidiary) - Japcon Inc. (Subsidiary) - Phenix Jet International, LLC (Subsidiary) - Long Duc Investment Co., Ltd. (Subsidiary) - Somec Corporation (Equity method associate) - PT. Puradelta Lestari Tbk (Equity method associate) - UGL Transport Holdings Pty Ltd. (Equity method associate)

Segment	Main products and services	Main subsidiaries and associates (Status within consolidated group)
<p>Energy Solutions & Healthcare</p> <p>Number of consolidated subsidiaries :141 Number of equity method associates :34</p>	<p>Renewable energy business (IPP infrastructure investment, electricity retail, related service project); Gas-fired power plant (IPP/IWPP infrastructure investment); Energy conservation business; Energy (Oil and gas, LNG business); Nuclear power related business(nuclear fuels and related equipment); ICT infrastructure projects (telecommunications tower); Healthcare project(hospital PPP, public healthcare, medical-related service, healthcare new technology); Industrial Machinery; Bearings; Automobile and motorcycle parts; Automotive Process; Marine business; Power, energy and plant business</p>	<ul style="list-style-type: none"> - Sojitz Machinery Corporation (Subsidiary) - Sojitz Mirai Power Corporation (Subsidiary) - Starwind Offshore GmbH (Subsidiary) - Sojitz Global Investment B.V. (Subsidiary) - Ellis Air Group Pty Ltd. (Subsidiary) - CLIMATECH GROUP HOLDINGS PTY LTD (Subsidiary) - Sojitz Hospital PPP Investment B.V. (Subsidiary) - SOJITZ HEALTHCARE AUSTRALIA PTY LTD. (Subsidiary) - NEXT GREEN GROUP PTY LTD (Subsidiary) - Royal Healthcare (Subsidiary) - McClure Company (Subsidiary) - Freestate Electric, LLC (Subsidiary) - Capella Capital Pty Ltd (Subsidiary) - LNG Japan Corporation (Equity method associate) - Qualitas Medical Limited (Equity method associate)
<p>Metals, Mineral Resources & Recycling</p> <p>Number of consolidated subsidiaries : 19 Number of equity method associates : 12</p>	<p>Coal; Iron ore; Ferroalloys (nickel, chromium, Niobium), Ores; Alumina; Aluminum; Copper; Precious metals; Ceramics and minerals; Coke; Carbon products; Steel-related business; Resource recycling business</p>	<ul style="list-style-type: none"> - Sojitz JECT Corporation (Subsidiary) - Sojitz Development Pty Ltd. (Subsidiary) - Sojitz Resources (Australia) Pty. Ltd. (Subsidiary) - Metal One Corporation (Equity method associate) - Japan Alumina Associates (Australia) Pty Ltd (Equity method associate)
<p>Chemicals</p> <p>Number of consolidated subsidiaries : 30 Number of equity method associates : 11</p>	<p>Organic chemicals; Inorganic chemicals; Functional chemicals; Fine chemicals; Industrial salt; Healthcare and natural products; Rare earths; Commodity resins; Advanced resins; Environmentally friendly resins; Packaging materials for industry and foodstuffs; Advanced film; Plastic molding machines; Other plastic products; Electronics materials including liquid crystals, electrolytic copper foil, printed circuit board electronics materials; Fiber materials and products for use in industrial supplies</p>	<ul style="list-style-type: none"> - Sojitz Pla-Net Corporation (Subsidiary) - Pla Matels Corporation (Subsidiary) - NIPPON A&L INC. - P.T. Kaltim Methanol Industri (Subsidiary) - Sojitz SOLVADIS GmbH (Subsidiary)

Segment	Main products and services	Main subsidiaries and associates (Status within consolidated group)
<p>Consumer Industry & Agriculture Business</p> <p>Number of consolidated subsidiaries : 24 Number of equity method associates : 16</p>	<p>Grains; Wheat flour; Feed materials; Confectionery; Raw ingredients for confectionery; Other foodstuffs and raw ingredients; Compound chemical fertilizers; Construction materials; Imported timber; Timber products such as lumber, Plywood and laminated lumber; Housing materials; Manufacture and sale of wood chips; Papermaking; Decarbonization(biomass, carbon credit); Agriculture; Regional revitalization</p>	<ul style="list-style-type: none"> - Sojitz Building Materials Corporation (Subsidiary) - Thai Central Chemical Public Co., Ltd (Subsidiary) - Saigon Paper Corporation (Subsidiary) - Atlas Fertilizer Corporation (Subsidiary) - Japan Vietnam Fertilizer Company (Subsidiary)
<p>Retail & Consumer Service</p> <p>Number of consolidated subsidiaries : 37 Number of equity method associates : 27</p>	<p>Food and consumer goods distribution businesses; Convenience store business; Food service business; Shopping center management; Real estate development; Consignment sales; Rent; Administration and management businesses (housing, office, etc.); Sugar; Saccharified products; Wheat flour; Grain; Oils and fats; Starch flour; Dairy products; Crop processors and ingredients; Livestock products and livestock-related processed products; Processed marine products and marine products; Other foodstuffs and raw ingredients; Imported tobacco; Cotton and synthetic fabrics; Knitted fabrics and products; Clothing; Bedclothes and home fashion-related products; General commodities; Medical materials</p>	<ul style="list-style-type: none"> - Sojitz Foods Corporation (Subsidiary) - The Marine Foods Corporation (Subsidiary) - TRY Inc. (Subsidiary) - Sojitz Fashion Co., Ltd. (Subsidiary) - Sojitz Infinity Inc. (Subsidiary) - Sojitz LifeOne Corporation (Subsidiary) - Sojitz Royal In-flight Catering Co., Ltd. (Subsidiary) - DaiTanViet Joint Stock Company (Subsidiary) - ROYAL HOLDINGS Co., Ltd. (Equity method associate) * - JALUX Inc. (Equity method associate) - Fuji Nihon Corporation (Equity method associate) *

Segment	Main products and services	Main subsidiaries and associates (Status within consolidated group)
Other Number of consolidated subsidiaries : 24 Number of equity method associates : 6	Administration; Domestic branches; Logistics and insurance services; Network services; Management of forest fund	<ul style="list-style-type: none"> - Sojitz Kyushu Corporation (Subsidiary) - Sojitz Tech-Innovation Co., Ltd. (Subsidiary) - Sojitz Logistics Corporation (Subsidiary) - Sojitz Insurance Agency Corporation (Subsidiary) - Sojitz Tourist Corporation (Subsidiary) - Sojitz Shared Service Corporation (Subsidiary) - Sojitz Research Institute (Subsidiary) - EFM Sojitz Management, LLC (Equity method associate)
Overseas branches Number of consolidated subsidiaries : 30 Number of equity method associates : 0	<p>We are engaged in a wide range of activities as a general trading company, trading in thousands of products overseas.</p> <p>In the segment information, the business segments are included based on the similarity of the products handled.</p>	<ul style="list-style-type: none"> - Sojitz Corporation of America (Subsidiary) - Sojitz Corporation of Europe B.V. (Subsidiary) - Sojitz Asia Pte. Ltd (Subsidiary) - Sojitz (China) Co., Ltd. (Subsidiary)

*(Note) Of the subsidiaries and associates, the following companies are listed on the Japanese stock exchanges as of March 31, 2026:

- ROYAL HOLDINGS Co., Ltd. (TSE Prime Market, Fukuoka Stock Exchange)
- Fuji Nihon Corporation (TSE Standard Market)

4. Affiliated Companies

(1) Major Subsidiaries

As of March 31, 2026

Segment	Registered Name	Location	Share capital or loans (Millions of Yen)	Ownership of voting shares(%) *2	Relation details			
					Concurrent directors, etc. (persons)	Loan	Business transactions	Equipment Leasing
Automotive	Sojitz Auto Group japan Corporation	Toshima-ku, Tokyo	100	100.0	8	Yes	Sojitz is a seller of goods.	Land Building
	Albert Automotive Holdings Pty Ltd	Melbourne, Australia	AUD 146,742 thousands	100.0	4	No	-	-
	Sojitz de Puerto Rico Corporation	Catano, Puerto Rico	USD 7,000 thousands	100.0	3	No	Sojitz is a seller of goods.	-
	SILABA MOTORS, S.A.	Panama, Panama	USD 4,710 thousands	100.0	3	No	-	-
	Petroautos S.A.	Panama, Panama	USD 10 thousands	100.0	5	No	-	-
	Others: 54 consolidated subsidiaries							
Aerospace, Transportation & Infrastructure	Sojitz Aerospace Corporation	Chiyoda-ku, Tokyo	1,410	100.0	7	No	Sojitz is a seller of goods.	Building
	Japcon Inc.	Minami-ku, Okayama-shi	3	100.0	4	No	Sojitz is entrusted with administrative operations related to flight operations management.	-
	Phenix Jet International, LLC	Hagatna, U.S.A	USD 650 thousands	75.0 (75.0)	1	No	-	-
	Long Duc Investment Co., Ltd. *3	Long Thanh, Vietnam	VND 216,672 millions	88.0	2	No	Sojitz is the entrusted party for the operations related to introducing tenants.	-
	Others: 45 consolidated subsidiaries							
Energy Solutions & Healthcare	Sojitz Machinery Corporation	Chiyoda-ku,Tokyo	1,480	100.0	9	No	-	Building
	Sojitz Mirai Power Corporation	Chiyoda-ku,Tokyo	10	100.0	4	No	Sojitz is the outsourcing party for development operations.	Building
	Starwind Offshore GmbH *1	Duesseldorf, Germany	EUR 863,474 thousands	100.0	1	No	-	-
	Sojitz Global Investment B.V.	Amsterdam, Netherlands	USD 37 thousands	100.0	2	No	Sojitz is the entrusting party for the operations related to dispatching directors to our investee companies.	-
	Ellis Air Group Pty Ltd *1	Melbourne, Australia	AUD 201,548 thousands	91.7 (91.7)	4	No	-	-
	CLIMATECH GROUP HOLDINGS PTY LTD	Kogarah, Australia	AUD 10,970 thousands	70.0 (70.0)	2	No	-	-
	Sojitz Hospital PPP Investment B.V. *1	Amsterdam, Netherlands	21,276	100.0	2	No	-	-
	SOJITZ HEALTHCARE AUSTRALIA PTY LTD	Sydney, Australia	AUD 60,177 thousands	100.0	2	No	-	-
	NEXT GREEN GROUP PTY LTD	South Bank, Australia	AUD 65,652 thousands	56.7 (56.7)	4	No	-	-
	Royal Healthcare Pte. Ltd.	Singapore, Singapore	SGD 6,727 thousands	80.0	4	No	-	-
	McClure Company	Harrisburg, U.S.A	USD 20,337 thousands	95.8 (95.8)	3	No	-	-
	Freestate Electric, LLC	Laurel, U.S.A	USD 4,000 thousands	90.0 (90.0)	3	No	-	-
	Capella Capital Pty Ltd	Sydney, Australia	AUD 20	100.0 (100.0)	4	No	-	-
	Others: 128 consolidated subsidiaries							

Segment	Registered Name	Location	Share capital or loans (Millions of Yen)	Ownership of voting shares(%) *2	Relation details			
					Concurrent directors, etc. (persons)	Loan	Business transactions	Equipment Leasing
Metals, Mineral Resources & Recycling	Sojitz JECT Corporation	Minato-ku, Tokyo	460	100.0	5	No	-	-
	Sojitz Development Pty Ltd	Brisbane, Australia	AUD 111,500 thousands	100.0	5	Yes	-	-
	Sojitz Resources (Australia) Pty. Ltd. *1	Perth, Australia	AUD 237,841 thousands	100.0 (3.3)	2	No	-	-
	Others: 16 consolidated subsidiaries							
Chemicals	Sojitz Pla-Net Corporation	Chiyoda-ku, Tokyo	3,000	100.0	6	No	Sojitz is a supplier of raw material and seller of a part of goods.	Building
	Pla Matels Corporation	Shinagawa-ku, Tokyo	793	100.0 (100.0)	7	No	Sojitz is a supplier of raw material.	Building
	Nippon A&L INC.	Chuo-ku, Osaka-shi	5,996	66.5	5	No	Sojitz is a buyer of goods.	-
	PT. Kaltim Methanol Industri	Jakarta, Indonesia	USD 10,374 thousands	85.0	6	No	Sojitz is a buyer of goods.	-
	Sojitz SOLVADIS GmbH	Duesseldorf, Germany	EUR 63,067 thousands	100.0 (100.0)	3	No	Sojitz is a seller and a buyer of goods.	-
	Others: 25 consolidated subsidiaries							
Consumer Industry & Agriculture Business	Sojitz Building Materials Corporation	Chiyoda-ku, Tokyo	1,039	100.0	7	No	Sojitz is a seller of goods.	Building
	Thai Central Chemical Public Co., Ltd.	Bangkok, Thailand	THB 1,754,142 thousands	97.9 (49.1)	7	No	-	-
	Saigon Paper Corporation	Phu My, Vietnam	VND 2,081,890 millions	97.7	6	No	-	-
	Atlas Fertilizer Corporation	Manila, Philippine	PHP 465,034 thousands	100.0	6	No	Sojitz is a supplier of raw material.	-
	Japan Vietnam Fertilizer Company	Dong Nai, Vietnam	VND 290,361 millions	75.0	5	No	Sojitz is a supplier of raw material.	-
	Others: 19 consolidated subsidiaries							
Retail & Consumer Service	Sojitz Foods Corporation	Minato-ku, Tokyo	412	100.0	11	No	Sojitz is a seller and a buyer of goods.	Building
	The Marine Foods Corporation	Minato-ku, Tokyo	1,833	100.0	6	No	-	-
	TRY Inc.	Shimizu-ku, Shizuoka-shi	110	100.0	9	No	Sojitz is a seller of goods.	-
	Sojitz Fashion Co., Ltd.	Chuo-ku, Osaka-shi	200	100.0	7	No	-	-
	Sojitz Infinity Inc.	Minato-ku, Tokyo	100	100.0	5	No	Sojitz is the entrusting party for product sales operations	-
	Sojitz LifeOne Corporation	Minato-ku, Tokyo	324	100.0	7	No	Sojitz is the entrusting party for real estate management services.	Building
	Sojitz Royal In-flight Catering Co., Ltd.	Sennan-shi, Osaka	100	60.0	3	No	Sojitz is the entrusting party for advisory services for the in-flight meal business.	-
	DaiTanViet Joint Stock Company	Ho Chi Minh, Vietnam	VND 250,500 millions	100.0	7	No	-	-
	Others: 29 consolidated subsidiaries							
Others	Sojitz Kyushu Corporation	Chuo-ku, Fukuoka-shi	500	100.0	5	No	Sojitz is a seller of goods.	-
	Sojitz Tech-Innovation Co., Ltd	Chiyoda-ku, Tokyo	5,000	100.0	7	No	Sojitz is the entrusting party for system-related operations.	Building
	Sojitz Logistics Corporation	Chiyoda-ku, Tokyo	100	100.0	2	No	Sojitz is the entrusting party for logistics-related operations.	Building
	Sojitz Insurance Agency Corporation	Chiyoda-ku, Tokyo	200	100.0	5	No	Sojitz Insurance Agency Corporation is an agency for non-life insurance.	Building
	Sojitz Tourist Corporation	Chiyoda-ku, Tokyo	30	100.0	3	No	Sojitz Tourist Corporation is an agency for business travel.	Building
	Sojitz Shared Service Corporation	Chiyoda-ku, Tokyo	60	100.0	4	No	Sojitz is the entrusting party for function-related operations.	Building
	Sojitz Research Institute, Ltd.	Chiyoda-ku, Tokyo	41	100.0	3	No	Sojitz is the entrusting party for research, study, and development operations.	Building
	Others: 17 consolidated subsidiaries							

Segment	Company name	Location	Share capital or loans (Millions of Yen)	Ownership of voting shares (%) *2	Relation details			
					Concurrent directors, etc. (persons)	Loan	Business transactions	Equipment leasing
Overseas Branches	Sojitz Corporation of America *1	New York, U.S.A	USD 337,937 thousands	100.0	8	No	Sojitz is a seller and a buyer of goods.	-
	Sojitz Corporation of Europe B.V. *1	Amsterdam, Netherlands	EUR 64,010 thousands	100.0	4	No	Sojitz is the entrusting party for functional operations in the European region.	-
	Sojitz Asia Pte. Ltd. *1	Singapore, Singapore	USD 236,507 thousands	100.0	3	No	Sojitz is a seller and a buyer of goods.	-
	Sojitz (China) Co., Ltd.	Beijing, China	USD 60,000 thousands	100.0	5	No	Sojitz is a seller of goods.	-
	Others: 26 consolidated subsidiaries							

(Note)

*1: These companies are specified subsidiaries. Additionally, other than the aforementioned companies, the following companies are also specified subsidiaries.

- PREMIUM PROPERTIES INTERNATIONAL, S.A.
- Sojitz Australia Transport Pty Ltd
- Orchid Wind Power GmbH
- Sojitz Energy Services LLC
- Sojitz Energy Solution Australia Pty Ltd
- Sojitz Capella Corporation B.V.
- Sojitz Capella Corporation 2 B.V.
- Sojitz Capella Corporation 4 Pty Ltd
- Sojitz Europe Plc,

*2: Figures in parentheses in “Ownership of voting shares” indicate the indirect ownership ratio

*3: As of April 1, 2026, Long Duc Investment Co., Ltd. changed its company name to SOJITZ INFRASTRUCTURE VIETNAM COMPANY LIMITED

(2) Equity Method Associates

As of March 31, 2026

Segment	Company name	Location	Share capital or loans (Millions of Yen)	Ownership of voting shares (%) ^{*3}	Relation details			
					Concurrent directors, etc. (persons)	Loan	Business transactions	Equipment leasing
Automotive	8 equity method associates							
Aerospace & Transportation & Infrastructure	Somec Corporation	Minato-ku, Tokyo	100	20.0	3	No	-	Building
	PT. Puradelta Lestari Tbk	Jakarta, Indonesia	IDR 4,819,811 millions	25.0	3	No	-	-
	UGL Transport Holdings Pty Ltd.	Sydney, Australia	AUD 493,538 thousands	50.0 (50.0)	3	No	-	-
	Others: 12 equity method associates							
Energy Solutions & Healthcare	LNG Japan Corporation	Chiyoda-ku, Tokyo	22,142	50.0	4	No	-	-
	Qualitas Medical Limited *2	Singapore, Singapore	SGD 468,780 thousands	13.5	1	No	-	-
	Others: 32 equity method associates							
Metals, Mineral Resources & Recycling	Metal One Corporation	Chiyoda-ku, Tokyo	100,000	40.0	9	No	-	-
	Japan Alumina Associates (Australia) Pty Ltd	Perth, Australia	AUD 224,480 thousands	50.0	1	No	Sojitz is a buyer of goods.	-
	Others: 10 equity method associates							
Chemicals	11 equity method associates							
Consumer Industry & Agriculture Business	16 equity method associates							
Retail & Consumer Service	ROYAL HOLDINGS Co., Ltd.*1 *2	Hakata-ku, Fukuoka-shi	17,830	19.9	3	No	-	-
	JALUX Inc.	Minato-ku, Tokyo	2,558	22.2	5	No	-	-
	SJ Future Holdings Corporation *4	Shinagawa-ku, Tokyo	100	49.5	2	No	-	-
	Fuji Nihon Corporation *1	Chuo-ku, Tokyo	1,524	33.4 (1.6)	3	No	Sojitz is a buyer of goods.	-
	Others: 23 equity method associates							
Others	EFM Sojitz Management, LLC	Oregon, U.S.A	USD 40 thousands	49.0 (49.0)	3	No	-	-
	Others: 5 equity method associates							

(Note)

*1 Annual Securities Report has been filed.

*2 Although the Company's ownership interest is less than 20/100, it is accounted for by the equity method associates due to the substantial influence it exerts.

*3 Figures in parentheses in "Ownership of voting shares" indicate the indirect ownership ratio.

*4 SJ Future Holdings Corporation owns 48.1% of the voting rights of JALUX Inc.

2. Operating and Financial Review and Prospects

1. Management Policies, Operating Environment, and Management Issues

(1) Fundamental Policy

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

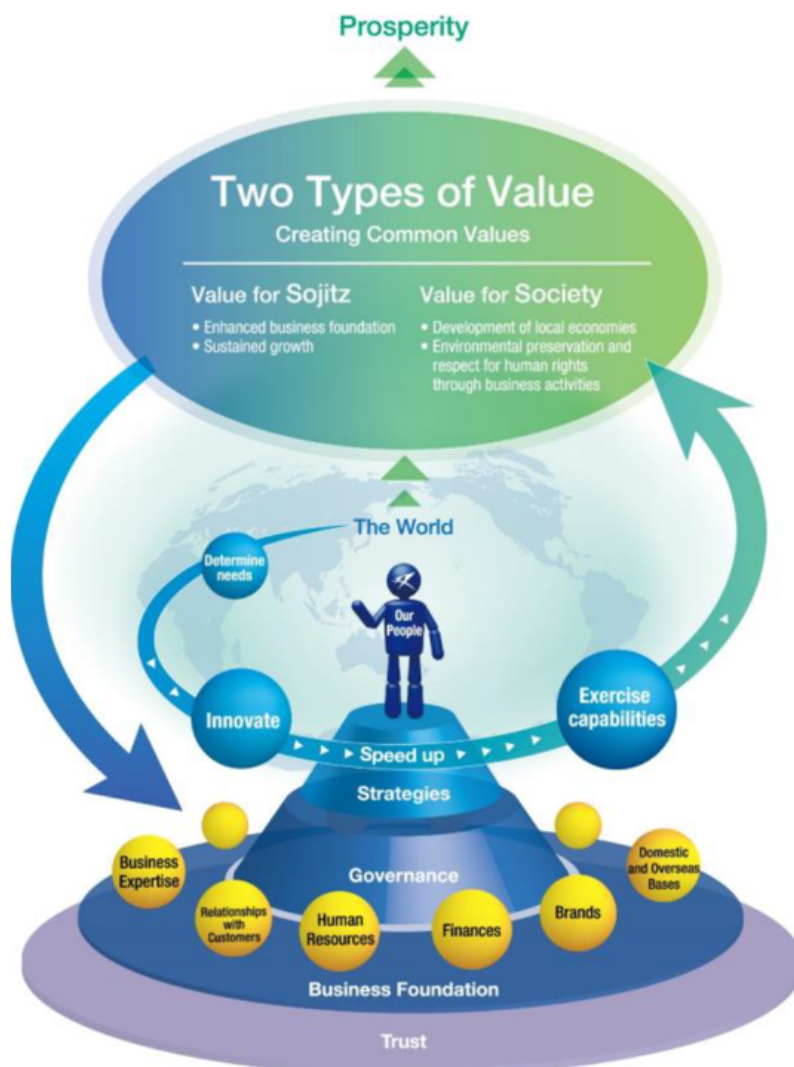
(Sojitz Group Statement)

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

(Sojitz Group Slogan)

New way, New value

(Sojitz’s Value Creation Model)



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

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

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

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

Based on this corporate statement, we have defined our “vision of Sojitz in 2030” as being a general trading company that constantly cultivates new businesses and human capital, and to pursue this vision, we will continue to fulfill our mission as a general trading company: delivering goods and services where necessary. At the same time, we will seek to increase corporate value by creating business and human resource value that responds to market needs and social issues.

(2) Progress of the Medium-Term Management Plan 2026

a. Medium-Term Management Plan 2026 - Set for Next Stage -

We have defined our vision for 2030 as “Becoming a general trading company that constantly cultivates new businesses and human capital.” As the Next Stage, we aim to grow to a net income of ¥200.0 billion and a market capitalization of ¥2.0 trillion. The “Medium-Term Management Plan 2026 - Set for Next Stage -” is designed to strengthen the base of growth and human capital in preparation for the Next Stage. We will invest actively in our base of growth and human capital to create the “Sojitz Growth Story,” which is the key message for reaching the Next Stage.



The Medium-Term Management Plan 2026 outlines the following three quantitative targets. First, we will invest ¥600.0 billion for future growth while maintaining financial discipline. Second, we will ensure a three-year average return on equity (ROE) of over 12% and an average net income of over ¥120.0 billion on average over three years, thereby enhancing corporate and shareholder value. Third, we will allocate approximately 30% of our core operating cash flow to shareholder returns.



➡ MTP2023 EPS : ¥428/share (3 years avg.) ➡➡➡ **MTP2026 EPS : ¥570/share** (3 years avg.)

vs. MTP2023 **Annualized Rate: +10% Growth**

(Note) 1 Core operating cash flow: Cash flow after deducting changes in working capital from operating cash flow calculated for accounting purposes

2 Shareholders' equity DOE: Dividends paid ÷ shareholder equity

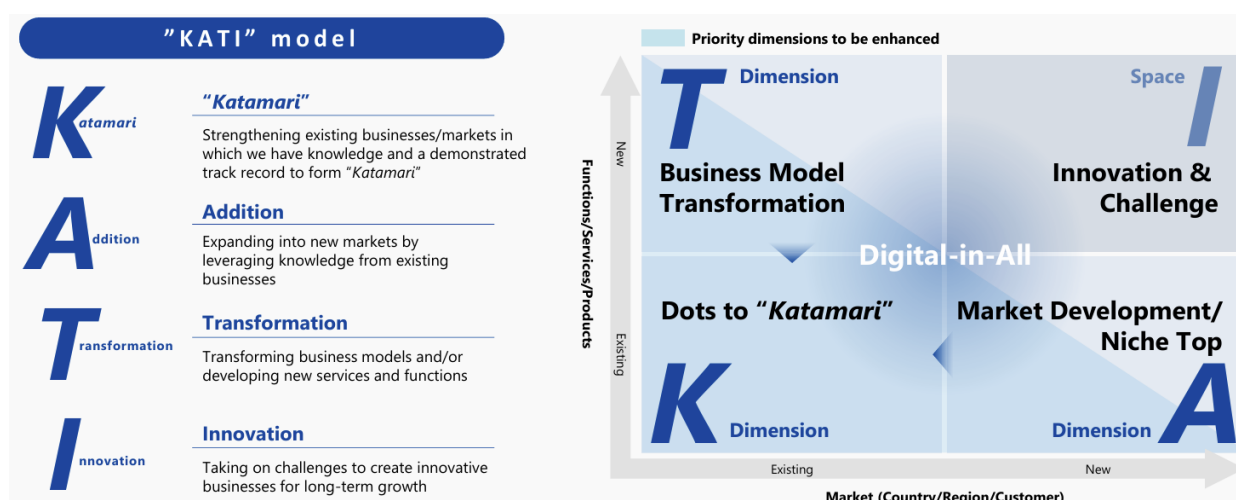
3 Shareholder equity is after deducting other components of equity from total equity at the end of the previous fiscal year

In order to realize the Sojitz Growth Story and achieve quantitative targets, it is essential that we further leverage our unique strengths to create a competitive edge. While continuing to refine our existing core businesses, we will connect and integrate our diverse business “points” to build “Katamari” (revenue-generating clusters of business) of businesses and revenues. Additionally, as indispensable elements across all business areas, we will strengthen “Digital Transformation (DX)” initiatives companywide.

Additionally, we will continue to strengthen our human capital as a source of improved profitability and competitive advantage. We are actively investing in people to establish independent individuals with diverse skills and experience, and to create an organization and culture that maximize the full potential of each individual.

b. Reinforcing Base of Growth

In pursuit of a competitive advantage and originality through the Medium-Term Management Plan 2026, we have established the KATI model as a way to execute a high-level growth strategy, focusing on constructing multiple Katamari. This concept involves developing individual initiatives into a revenue-generating Katamari that serves as a sustainable earnings base by starting from businesses in which the Company possesses knowledge and a track record, and expanding and applying functions as well as taking on challenges in new domains. Based on this model, the Company is promoting expansion of new investments, refinement of existing businesses, and business restructuring through collaboration and co-creation with external partners in business areas with a Path to success, while reviewing businesses that are not expected to improve or establish a Path to success, including withdrawal. Through these efforts, the Company is advancing structural reforms, achieving both earnings growth and capital efficiency, and promoting transformation toward a business portfolio for the Next Stage.



– Energy solutions business –

Using the knowledge and human resources cultivated in existing power and infrastructure businesses in the U.S., we have entered the energy-saving and solutions business through the acquisition of McClure. In addition, through a bolt-on investment in Freestate, whose customer base and provided services differ from McClure's, we are expanding our regions of provision, customer contact, and business areas. We have also expanded our energy solutions business, including energy-saving and data center-related services, in Australia through the purchase of Ellis Air and Climatech working toward a Katamari there as well.

– Australian infrastructure development business –

Aiming to gain active revenue opportunities and create a multi-level revenue structure beyond our existing joint developers, we have acquired Capella, a leading PPP developer, and adopted its development record in the Australian PPP region along with its related know-how and expert human resources thereby strengthening our integrated capabilities to develop, invest in, and operate infrastructure businesses. Combining Capella's lead developer function with our financial strength, operational capabilities, and global network, we will expand into new business domains such as energy infrastructure and into regions beyond Australia.

– Chemicals business –

Based on a customer base of over 5,000 companies and a longstanding track record in trading, we are working to anticipate industry restructuring, geopolitical risks, and changes in supply chains, while reinforcing our trading function and expanding revenue opportunities. The acquisition of Nippon A&L was an expansion into the manufacturing region, based on know-how acquired through many years of trading lithium-ion battery parts; through pursuing synergy with existing sales networks and customer base, we plan to reinforce our business competitiveness and expand our revenue base. In addition, with respect to critical minerals such as rare earths, we are promoting the diversification of supply chains in light of the growing importance of economic security.

With regard to existing businesses as well, in business areas with a Path to success, we are working to enhance earnings capacity and capital efficiency through the expansion of functions and collaboration and co-creation with external partners.

In marine vessel business, railcar leasing company business in North America, shopping center management business in Japan, and other businesses, we have established a framework for sustainable growth by sharing out a portion of our businesses to external partners that can become best owners, while providing our strengths in functionality, thereby growing the businesses together with our partners.

On the other hand, for businesses such as overseas used car sales business in Australia, dealership business in Japan, and coking coal business in Australia, where improvements or the establishment of a Path to success cannot be expected, we will conduct reviews including withdrawal and promote structural reforms.

c. Growth Strategies by Segment

Automotive

We are developing a strategy of sustainable growth by leveraging the strengths of our existing business, which is centered on automobile sales. Based on the expansion of areas where we already have knowledge and achievements, we will pursue a business model that offers competitive advantages through uniqueness, with “Global Niche Top,” “market dominance,” and “value chain” as the keywords of our growth strategy. This approach will enable us to achieve sustainable growth, provide solutions and value to social issues and needs, and contribute to the realization of a prosperous mobility society.

Aerospace, Transportation & Infrastructure

Leveraging our extensive experience and in-depth knowledge of the three major modes of transportation (air, ship, and rail), we will accurately grasp changing customer and market needs, and provide new value through optimization of our operations and peripheral service businesses with an eye to the overall life cycle. We will create businesses with high social empathy and appeal through co-creation both within and outside of the company, by promoting the enhancement and diversification of our functions and linking each business across fields.

Energy Solutions & Healthcare

In the energy and healthcare sectors, we are developing an “operating business” that provides services and solutions to customers, in addition to conventional “asset-based” infrastructure businesses, aiming for strong growth through disciplined business investment and management. This approach is driven by our commitment to addressing social challenges such as global decarbonization, population growth, and aging populations. By strengthening functions, expanding geographically, and pursuing synergies among businesses in the energy solutions field—including power generation, retailing services, and energy conservation— and by capturing strong demand and broadening our business domains in the Australian PPP market, we will leverage our tangible and intangible assets to build a competitive advantage that only Sojitz can offer, and create business on a new scale and new value.

Metals, Mineral Resources & Recycling

We will promote the transformation of our existing business portfolio, which consists of the supply of raw materials such as coal, iron ore, and rare metals for domestic customers (including investments in upstream interests), as well as the domestic steel product sales business. Specifically, we will strengthen our business creation initiatives by establishing Sojitz’s unique scrap steel strategy in the “green steel” field and developing supply chains for the “critical minerals” in response to increasing demand from the battery and semiconductor industries.

Chemicals

In response to structural changes in production in domestic and overseas chemical industries as well as increasing geopolitical risks, we identify avoiding supply chain fragmentation and establishing a stable supply system as key priorities. We will anticipate changes in market needs and promote the strengthening of our trading operations by diversifying procurement sources and enhancing logistics capabilities. In addition, along with reinforcement of the profit base by thorough business investment in areas where we have knowledge, we will move forward with an environmentally friendly business structure contributing to the realization of a decarbonized society as we aim for sustainable growth.

Consumer Industry & Agriculture Business

We will further strengthen our existing businesses –including fertilizer and agricultural products, food, animal feed, and livestock, forest products and biomass– with a focus on emerging Asian countries with continued growth potential. In the fertilizer business, which holds one of the largest market shares in Southeast Asia, we are building new businesses and expanding earnings by combining digital technologies. Furthermore, in the livestock and meat processing business in Vietnam, we are building an integrated system from fattening to meat processing and sales to contribute to the development of the country’s food culture and generate profits.

Retail & Consumer Service

Recognizing social demands for sustainability in consumer markets, diversifying needs, and various regional structural changes as opportunities, we will strengthen the business foundation we have built both domestically and overseas, enhance value added, and optimize our portfolio. In regions where growth is expected and where we can leverage our strengths, we will expand our business through M&A, business investment, and co-creation with partners. By organically linking our globally deployed food, healthcare, daily goods, and marine product businesses, we will create business opportunities, contribute to improving quality of life for people around the world and realizing a sustainable society and achieve sustainable growth.

d. DX

1) A Sojitz-Style Growth Story Driven by Digital

The Company has adopted “Digital in All” , which aims to integrate digital technologies across all businesses, and positions value creation through the utilization of AI and digital technologies at the core of its management strategy. Under the Medium-Term Management Plan 2026, we will enhance corporate value by delivering a distinctly Sojitz-style growth story through the following cycle.

(a) Accurate data-driven insight into the current state

Across all seven business divisions, including both domestic and overseas operating companies, we are organizing and standardizing data to enable a clear, objective understanding of current conditions.

(b) Anticipating and executing Value-Enhancing Actions

By analyzing accumulated data and continuously implementing, validating, and refining improvement initiatives, we are working to enhance the value of our existing businesses.

(c) Building competitive advantage through digital

We are advancing “digital-led projects” that leverage AI and data to transform entire business models. In parallel, through co-creation with group companies such as Sojitz Tech Innovation, we are strengthening our in-house development capabilities and establishing a distinctive competitive advantage.

2) Elements that enable the “Digital in All” growth story

(a) Utilization of AI

AI tools are now widely used at the individual level across the Group, and adoption is advancing across a range of business processes, including RAG-based information retrieval and data structuring. Within each business domain, we are also progressing digital-led projects that leverage AI, including the following initiatives:

- Domestic seafood businesses: Improving aquaculture management through AI-based image analysis
- Thailand agriculture: Supporting farming operations through AI-driven soil analysis
- Domestic used-car business: Automating transparent vehicle appraisal through image digitization and AI-based analysis
- General trading company business: Delivering high-precision information analysis using Graph-RAG

In addition to these initiatives, all business divisions and corporate functions are advancing digital-led projects and driving operational improvements.

(b) AI Governance

As AI technology use expands and adoption at the business-unit level becomes more widespread, we recognize the importance of establishing a governance framework capable of appropriately addressing a range of AI-related risks, including issues such as hallucinations. In response, we have developed a comprehensive AI governance framework built around six elements: organization, principles, review, appropriate user practices, centralized risk management, and incident prevention and response.

In particular, within the review process, we are incorporating AI-specific requirements into existing internal procedures and IT governance processes, including rules related to approvals, risk management, and security. For use cases such as externally facing AI-enabled services, we have established a rigorous review process to identify risks, define mitigation measures, and prioritize actions. Through these efforts, we are promoting the safe and rapid adoption of AI across the company, while enhancing visibility into investment effectiveness and strengthening transparency and accountability to stakeholders.

(c) Development of Digital Experts

Against our target of training 50% of all career-track employees (approximately 1,000 individuals) as “applied-level” digital talent, and 10% (approximately 200 individuals) as “expert-level” talent, we are making steady progress, with 825 applied-level and 136 expert-level employees as of the end of March 2026. We have also redefined our talent framework as “Digital Experts 2.0,” shifting the focus toward AI and data utilization and transitioning to a more hands-on, practice-oriented development model. This has enabled us to establish a companywide structure, including senior management, for promoting AI adoption.

(For details, see “2. Operating and Financial Review and Prospects 2. Sustainability Policies and Initiatives (8) Basic Policy for Human Resources Strategy b. Strategy 1) HR Strategy 1: “Build diverse teams of employees who take on new challenges and achieve growth” (d) Development of Digital experts for Business-Level Digital Implementation.”)

(d) Strengthening Security Measures

Management recognizes cybersecurity as a critical management risk and has established a governance structure that includes appointing key roles such as the Chief Information Security Officer (CISO). The Chief Digital Officer (CDO) and Chief Information Officer (CIO), who lead DX initiatives, work closely with the CISO, who chairs the Information and IT Systems Security Committee. Together, they maintain an advanced governance framework that integrates both the “offensive” perspective of driving business transformation and the “defensive” perspective of legal, risk management, and security oversight. To address cyberattack risks across the complex and wide-ranging supply chains typical of a general trading company, we have developed and implemented a companywide policy governing data integration with suppliers and diverse partner companies, based on applicable laws and guidelines.

In addition, when enhancing IT systems, we have established mechanisms, such as reviewing system plans at the development stage, to prevent siloed, business-unit-driven optimization from creating black-box environments, thereby ensuring the consistency and integrity of companywide data.

Through these initiatives, we have been selected for one of the DX Stocks 2026 (for two consecutive years and for the third time overall). Going forward, we will continue to promote value creation through “Digital in All.”

e. Reinforcement of Human Capital

Under the “Medium-Term Management Plan 2026,” we are working to realize a Sojitz Growth Story to enhance our “capability of value creation” and “capability of value-up” as outlined in the human resource strategies.

(For details, see “2. Sustainability Policies and Initiatives (8) Basic Policy for Human Resources Strategy.”)

(3) Cash Flow Management

We will use core operating cash flow and asset replacement as resources for growth investment and investments in human capital for further growth and for shareholder returns. Approximately 70% of basic operating cash flow will be used for growth investment and investment in human capital, and approximately 30% will be used for shareholder returns.

Based on this policy, the results for FY2025 were as follows.

	(BN JPY)	MTP2020 - 2023 6-Year Aggregate Results (FY18 - FY23)	MTP2026 3-Year Aggregate Forecast (FY24 - FY26)	2-Year Aggregate (FY24 - FY25)	FY25	FY25 Forecast (Oct. 30, 2025)	FY26 Forecast
Cash inflow	Core operating CF ^{*1}	602.0	450.0	271.5 <small>vs. MTP2026 60%</small>	136.5 <small>Achieved against forecast 98%</small>	140.0	150.0
	Asset Replacement (Investment recovery)	451.0	180.0	108.0 <small>vs. MTP2026 60%</small>	85.5 <small>Achieved against forecast 143%</small>	60.0	100.0
Cash outflow	New Investments	(709.5)	(600.0)	(280.0) <small>vs. MTP2026 47%</small>	(177.0) <small>Achieved against forecast 89%</small>	(200.0)	(200.0)
	Capex and others		(40.0)	(61.0) <small>vs. MTP2026 153%</small>	(30.0) <small>Achieved against forecast 120%</small>	(25.0)	(25.0)
	Shareholder Returns ^{*2}	(204.0)	(130.0)	(98.5) <small>vs. MTP2026 76%</small>	(43.0) <small>Achieved against forecast 96%</small>	(45.0)	(36.0)
	Core CF ^{*3}	139.5	(140.0)	(60.0)	(28.0)	(70.0)	(11.0)

^{*1} "Core operating cash flow" = Cash flow after deducting changes in working capital and others from operating cash flows calculated for accounting purposes
^{*2} Include acquisition of treasury stock
^{*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 are net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

(4) Policy for Determining Dividends of Surplus, Etc.

Sojitz is to allocate approximately 30% of its accumulated core operating cash flow to shareholder returns during the period of the Medium-Term Management Plan 2026.

a. Dividends

- Sojitz has set a dividend policy of 4.5% of shareholder equity DOE, which minimizes the impact of fluctuations in business performance, stock prices, and exchange rates, in order to provide stable and continuous dividends.
- This is a dividend policy that allows for a progressive increase in dividends as long as the increase in shareholders' equity due to net income exceeds the decrease in shareholders' equity due to shareholder return.

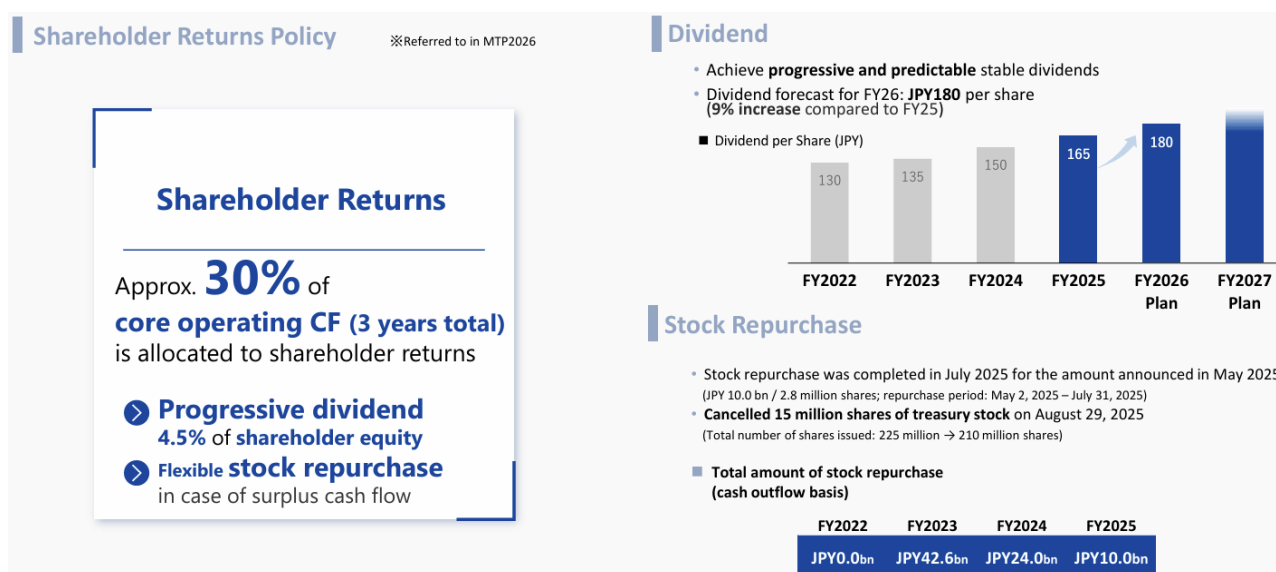
b. Share repurchase

- Based on the cash flow management policy, Sojitz flexibly implements share repurchases throughout the period of the Medium-Term Management Plan 2026.

Based on this policy, the year-end dividend for the year will be ¥82.5 per share. Since an interim dividend of ¥82.5 per share was paid, the total annual dividend for the current fiscal year will be ¥165 per share.

Additionally, during the current fiscal year, we repurchased 2,800,000 shares of treasury stock for ¥9,956,291,082 during the period from May 2, 2025 to July 31, 2025, and cancelled 15,000,000 shares (6.7% of the total number of outstanding shares before cancellation) on August 29, 2025.

The Articles of Incorporation of Sojitz enables dividends from surplus by resolution of the Board of Directors in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act.



2. Sustainability Policies and Initiatives

(1) Basic Policy for Sustainability

Fundamental Approach

Guided by the Sojitz Group Statement, we seek to achieve sustainable growth for both the Sojitz Group and society through our business activities, while maximizing “two types of value” – value for Sojitz and value for society. Based on this philosophy, we position sustainability as a core management priority and work to enhance our corporate value in a sustainable manner over the long term.

We have identified key issues requiring medium- to long-term action as our Materiality (Key Sustainability Issues), which serve as the foundation for our management and business strategies, including the Medium-Term Management Plan. Based on these Materiality themes, we have established our long-term vision for 2050, the “Sustainability Challenge,” with particular emphasis on priority areas such as contributing to the realization of a decarbonized society and promoting respect for human rights within supply chains. These priorities are reflected in the Medium-Term Management Plan 2026.

Dialogue with Stakeholders and the Sustainability Promotion Cycle

Through ongoing dialogue with stakeholders, including investors, the Sojitz Group gains insight into sustainability-related external trends as well as its risks and opportunities relevant to its businesses. These insights are incorporated into concrete measures and actions to enhance sustainable corporate value. We also ensure appropriate disclosure of identified risks and opportunities, as well as the progress and outcomes of our related initiatives. Based on the stakeholder feedback and ongoing assessment, we continuously review and refine our efforts to improve the effectiveness of our sustainability management.

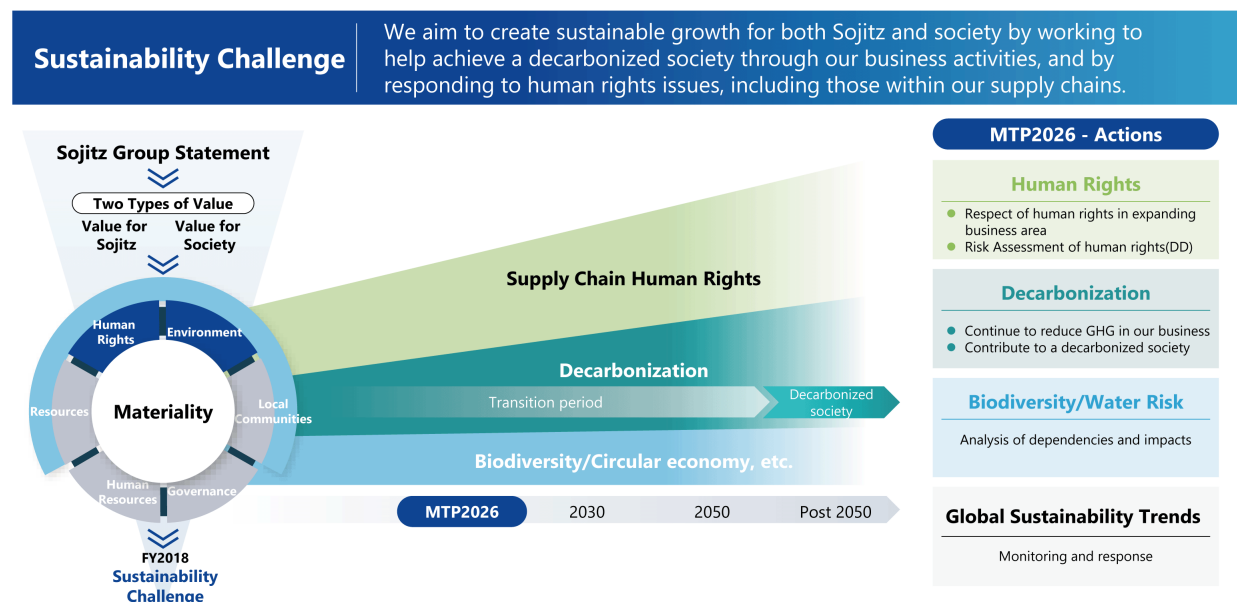
For more detailed information on our sustainability initiatives and stakeholder engagement, please refer to:

Sojitz ESG BOOK:

https://www.sojitz.com/en/sustainability/#sojitz_esg

Stakeholder Engagement (Dialogue with Shareholders and Investors):

<https://www.sojitz.com/en/sustainability/policy/stkholder/>



(2) Governance for Sustainability

The Company advances its sustainability initiatives under a governance framework centered on the Board of Directors, the Management Committee, and the Sustainability Committee.

The Sustainability Committee, chaired by the President, meets four times a year. It is responsible for establishing fundamental sustainability policies and promotion structures, identifying and assessing key risks and opportunities, reviewing response measures, and monitoring the progress of initiatives. In addition, the company appoints an executive officer responsible for overseeing sustainability across the group, Investor Relations & Corporate Sustainability Department serving as the secretariat to the Committee.

Matters including companywide policies, management strategies, and key initiatives discussed by the Sustainability Committee are reported to the Management Committee, as appropriate, for review and approval. In addition, the Board of Directors receives semiannual reports on the progress of sustainability initiatives under the Medium-Term Management Plan, as well as updates on major policies and responses to key issues. Based on these reports from the Sustainability Committee and the Management Committee, the Board oversees the overall direction of sustainability initiatives and the status of response to material issues.



< Key matters approved/reported at FY2025 Sustainability-Related Committees >

Board of Directors	2 times/year	<ul style="list-style-type: none"> Sustainability initiatives under the “Medium-Term Management Plan 2026” New interim GHG emissions reduction targets and updated decarbonization policies Updating the Sojitz Group Human Rights Policy and CSR Action Guidelines
Sustainability Committee	4 times/year	<ul style="list-style-type: none"> Climate change response (Updates to decarbonization policies, establishment of new interim GHG emissions reduction targets, and avoided emissions initiatives) Human rights initiatives (Revisions to the Human Rights Policy and individual procurement policies, as well as the status of human rights training) Natural capital (biodiversity and water risk)/TNFD (Note) disclosure Environmental management system (ISO14001) Sustainability information disclosure (SSBJ standard)

(Note) Taskforce on Nature-related Financial Disclosures (TNFD): TNFD stands for the Taskforce on Nature-related Financial Disclosures, an initiative established by organizations including the United Nations Development Programme (UNDP). It develops a framework to support companies in disclosing nature-related risks, opportunities, and other relevant information to investors and the broader market.

(3) Risk Management Related to Sustainability

The Sustainability Committee identifies and evaluates sustainability-related risks across the Group and deliberates on policies to address them. In supporting the Committee discussion, the Investor Relations & Corporate Sustainability Department, acting as the secretariat, compiles and analyzes information related to the risk identification and assessment, taking into consideration internal and external trends, as well as input from stakeholders, including external experts. The results and findings of such analysis are reported to the Committee.

The Company has identified “environmental and climate change risks” and “human rights risks” as its principal sustainability-related risks. Responses to these risks are monitored by the Internal Control Committee within the Company’s overall risk management framework, alongside other business risks. The status of such monitoring is regularly reported to the Management Committee, the Board of Directors, and the Audit and Supervisory Committee. In addition, the Company has incorporated process for identifying and assessing sustainability-related risks into the review procedures for individual investment and loan proposals by the Finance & Investment Deliberation Council.

For further details on environmental and social risks, please refer to “2. Operating and Financial Review and Prospects, 3. Risk Factors, (2) Specific risks” – h. Environmental and climate change risks and i. Human rights risks.

(4) Climate Change Response

a. Governance

Please refer to (2) Governance for Sustainability for governance related to climate change initiatives.

b. Strategy

Contributions to a Decarbonized Society

The Company identifies climate change as a key management priority. We are addressing the risks associated with the transition to a decarbonized society while also creating medium- to long-term business opportunities.

We have developed a decarbonization roadmap to anticipate this transition, which serves as the foundation of our climate strategy. The roadmap systematically identifies potential opportunities in decarbonization-related fields, taking into account technological innovation, the pace of real-world implementation, and the evolving business environment at each stage.

Based on this framework, the Group is advancing “Essential Infrastructure” and “Energy & Materials Solutions” as businesses that support the transition to a decarbonized society, alongside renewable energy, which is positioned as a priority area under the Medium-Term Management Plan. Through these initiatives, we aim to contribute to the realization of a decarbonized society while achieving sustainable growth for the Group.

< Decarbonization roadmap >

Technology and Social Trend Outlook					Sojitz Philosophy	
2020	2025	2030	2040	2050	Opportunity	Business Case
Expansion of Businesses Utilizing Energy Materials that Support the Transition Period					LNG, natural gas, and carbon-neutral fuels as transitional solutions toward a low-carbon, decarbonized society	<ul style="list-style-type: none"> Natural gas-related businesses, including high-efficiency gas-fired power generation, LNG operations, and overseas downstream/retail activities Development of high-grade iron ore
Transition to Renewable Energy					Decarbonization-focused business transition amid sustained market growth	<ul style="list-style-type: none"> Renewable power generation (solar, wind, biomass) Overseas power retail
Increased Need for Energy-Saving Services					Energy-saving service businesses amid declining energy resources	<ul style="list-style-type: none"> Energy-saving services in the U.S. and Australia
Increase in Circular Economy Businesses					Increasing circular businesses and environmentally friendly products	<ul style="list-style-type: none"> Home appliance and electronics reuse/recycling businesses
Rising Demand for Biofuels and Synthetic Fuels					Investment and supply-chain development for decarbonized fuels	<ul style="list-style-type: none"> Bio- and synthetic-fuel businesses (biomethane production and sales in the U.S. and India)
Development and Utilization of Green Materials/Ammonia					Investment in decarbonized fuels and supply-chain development	<ul style="list-style-type: none"> Next-generation fuel initiatives, including turquoise hydrogen and green ammonia
Utilization of Offset Solutions (Increase in carbon credits, CCS, CCUS, DAC, etc.)					Decarbonization of Fossil Fuel Business	<ul style="list-style-type: none"> U.S. Forest Carbon-Credit Generation Fund CCS, CCUS Development of small-scale, dispersed DAC systems

Scenario Analysis

Based on both external research and internal assessments, we conduct scenario analyses for business areas where climate-related risks and opportunities are expected to have a significant impact on business operations, management strategy, and financial planning.

With respect to transition risks, we focus primarily on coal interests and power-generation businesses, which have relatively high GHG emissions and therefore may face significant exposure. We analyze how future changes in demand, pricing, carbon costs, and other factors could affect business performance and financial results. The findings from these analyses are used to evaluate the resilience of individual businesses, review our portfolio composition, and assess potential new business opportunities.

We also assess physical risks under scenarios in which climate change mitigation efforts are insufficient and global warming continues to advance. In particular, we evaluate water-related risks such as coastal and river flooding, identify potential impacts on businesses and assets owned or operated by the Group, and incorporate these findings into asset-level resilience assessments and future response planning.

For further details on our scenario analysis, please refer to:

Disclosure based on the TCFD (Task Force on Climate-related Financial Disclosures) recommendations:

<https://www.sojitz.com/en/sustainability/esg-tcf/>

Reduction of Scope 1 and Scope 2 Emissions

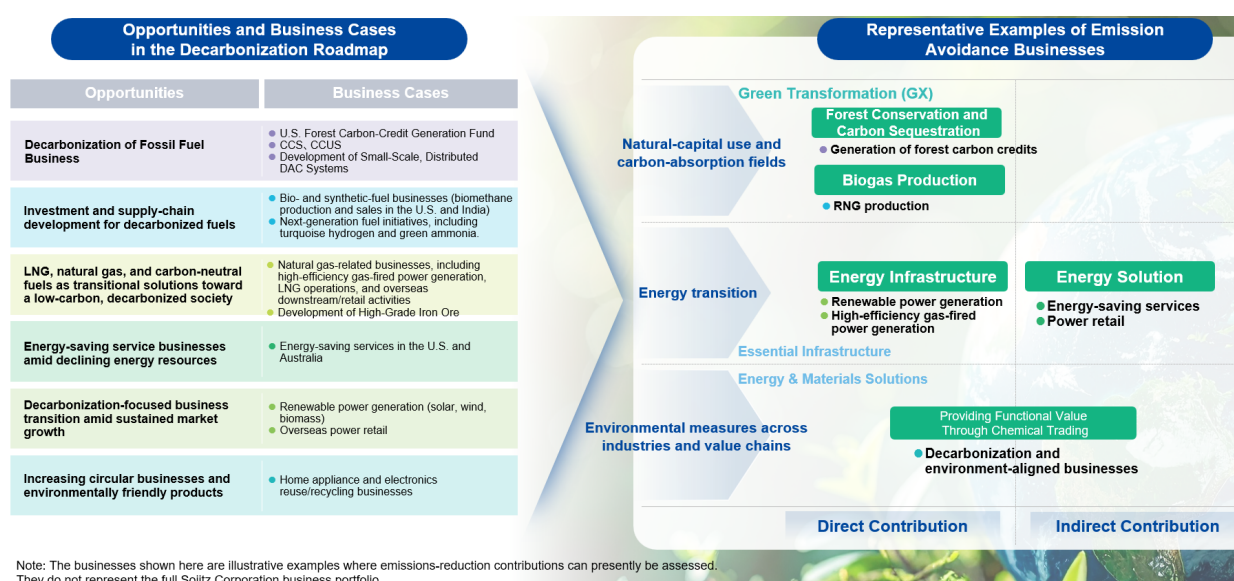
We recognize the reduction of GHG emissions as one of the Group's core responsibilities in supporting the transition to a decarbonized society. Based on this understanding, we are accelerating initiatives to reduce Scope 1 and Scope 2 emissions while strengthening our resilience to the transition toward a decarbonized economy. At the same time, we view this transition as a source of new business opportunities and are actively developing businesses across a broad range of fields. To advance our "Sustainability Challenge," we have established a decarbonization policy and set Scope 1 and Scope 2 emissions reduction targets (outlined below), while actively pursuing measures to reduce GHG emissions.

Specifically, we are promoting reductions through energy conservation and efficiency improvements, increased use of renewable energy, adoption of cleaner fuels, and optimization of our business portfolio.

Identifying Scope 3 Emissions and Advancing Avoided Emissions

We recognize that achieving a decarbonized society requires not only reducing our own emissions, but also understanding and addressing GHG emissions throughout the entire supply chain (Scope 3).

Business areas with high Scope 3 emissions are more exposed to transition risks, including tighter regulations, policy changes, shifts in market supply and demand, and technological innovation leading to substitution. At the same time, these areas also present significant opportunities to contribute to emissions reductions across society. By leveraging the distinctive strengths of a general trading company, including our global networks and cross-business collaboration capabilities, we aim to contribute to reducing GHG emissions across society as a whole. We refer to this approach as "avoided emissions," and we intend to expand them going forward. Our initiatives encompass both direct and indirect contributions to emissions reduction. Direct contributions include projects, such as renewable power generation, biogas production, high-efficiency gas-fired power generation, and forest conservation and carbon absorption projects. Indirect contributions include energy-efficiency services, electricity retailing, and decarbonization- and environmentally focused businesses in the chemicals sector. Through these initiatives, we are advancing initiatives that contribute to meaningful emissions reductions.



Through its supply-chain GHG emissions map (covering Scope 3 and avoided emissions), we structurally assess Scope 3 from two perspectives: (1) emissions-intensive industries and (2) each stage of the supply chain. This enables us to evaluate both Scope 3 as a source of risk while also evaluating avoided emissions as an opportunity, in an integrated manner.

Through these analyses, we identify supply-chain risks while also capturing growth opportunities through avoided emissions, positioning the transition to a decarbonized society as a driver of sustainable growth of the Group.

For details regarding our supply-chain GHG emissions analysis, please refer to:
 Climate Change – Supply-Chain GHG Emissions Map (Scope 3 and avoided emissions):
<https://www.sojitz.com/en/sustainability/esg-climate/>

c. Risk Management

Within the Sustainability Committee, we identify and assess GHG-related risks across the Group's businesses and discuss climate-related risks and opportunities through stakeholder engagement. In addition, as part of the Investment and Loan Committee's review process, we assess climate-related risks, including GHG emissions, associated with individual projects.

For additional information on climate-related risk management, please also refer to: "(3) Risk Management Related to Sustainability", "2. Operating and Financial Review and Prospects 3. Risk Factors (1) Risk management of the Group"

d. Indicators and Targets

To assess and manage the climate-related risks and opportunities described above, we use the following indicators: Scope 1 and Scope 2 GHG emissions, Scope 3 emissions across the supply chain, and our avoided emissions through business activities. These indicators enable us to evaluate transition-related risks and business opportunities in an integrated manner as we progress toward a decarbonized society.

For Scope 1 and Scope 2 emissions, we regard reducing GHG emissions from our own operations as one of the Group's core responsibilities and aim to achieve net-zero emissions by 2050. As an interim milestone, for businesses existing as of FY2019, we have established a target to reduce CO2 emissions from energy sources by 60% by 2030 compared with FY2019 levels, while achieving net-zero Scope 2 emissions by 2030. In addition, for businesses existing as of FY2024, we have newly established a target to reduce GHG emissions by 40% by 2035 compared with FY2024 levels, with Scope 2 emissions achieving net-zero impact by 2035 (Note 3). These targets provide a concrete pathway toward achieving net-zero emissions by 2050.

For Scope 3 emissions, particularly in resource-related businesses, we have established the following reduction targets: Thermal coal interests: zero by 2030, Oil interests: zero by 2030, Metallurgical coal interests: zero by 2050. We also monitor avoided emissions as a key indicator, enabling us to assess not only reductions in our own emissions, but also the emissions-reduction impact generated through our business activities.

■ Scope 1 and Scope 2 Targets and Progress

	Targets	Progress
a) 2030 target	Achieve net zero emissions by 2050 a) Businesses as of FY2019: 60% reduction by 2030 (Note 1) (with Scope 2 emissions achieving net-zero by 2030)	a) Approx. 40% reduction
b) 2035 target	b) Businesses as of FY2024: 40% reduction by 2035 (Note 2) (with Scope 2 emissions achieving net-zero impact by 2035 (Note 3))	b) Reported based on FY2026 results

Sojitz Corporation (non-consolidated), all domestic and overseas consolidated subsidiaries, and Unincorporated Joint Ventures subject to reporting under the management control approach (Note 4). We do not currently own any coal-fired power generation assets and do not plan to own such assets in the future.

Notes: 1. CO2 emissions from energy sources, using FY2019 as the baseline year

2. GHG emissions, using FY2024 as the baseline year

3. Net-zero impact: A proprietary concept under which we deduct absorption/removal, offsets, and emissions-reduction contributions generated through our business activities from our own emissions, resulting in a net impact of zero.

4. Unincorporated Joint Venture: jointly controlled operation

■ Scope 3 (Resource Interests Businesses): Targets and Progress

	Target	Progress
Thermal coal interests	Reduce to 50% or less by 2025; zero by 2030 (Note)	<ul style="list-style-type: none"> Thermal coal interests have already been reduced by approximately 90% Measurement and assessment of Scope 3 emissions across all sectors have been completed
Oil interests	Zero by 2030	
Coking coal interests	Zero by 2050	

(Note) Targets are based on the book value of equity interests, using FY2018 as the baseline year.

The GHG emissions of the group are as follows.

1) Total Scope 1 and Scope 2 emissions

(Unit: 10K tons CO2e)

		FY2021	FY2022	FY2023	FY2024	FY2025 (Preliminary figures)
Scope 1+2 Total (Market Standard)				78	78	81
	Scope1	-	-	58	58	55
	CO2 emissions from energy sources	-	-	58	53	50
	CO2 emissions from non-energy sources	-	-	-	5	5
	Scope2	-	-	20	20	26
	CO2 emissions from energy sources	-	-	20	19	25
	CO2 emissions from non-energy sources	-	-	-	1	1
Scope 1+2 Total (Location Standard)		94	96	78	80	82
	Scope1	72	75	58	58	55
	CO2 emissions from energy sources	72	75	58	53	50
	CO2 emissions from non-energy sources	-	-	-	5	5
	Scope2	22	21	21	22	27
	CO2 emissions from energy sources	22	21	21	21	26
	CO2 emissions from non-energy sources	-	-	-	1	1

*(Note) The calculation boundary includes Sojitz Corporation on a non-consolidated basis (including non-office sites), all domestic and overseas consolidated subsidiaries, and unincorporated joint ventures included within the reporting boundary under the management control approach. Scope 1 and Scope 2 emissions figures for FY2025 are currently preliminary aggregated values. Final figures, following third-party assurance, will be disclosed on our Sustainability website and in the Sojitz ESG Book

2) Scope 3 Emissions and Avoided emissions

Please refer to the following resources for information regarding Scope 3 emissions and avoided emissions:

Environmental Data – Sojitz Group Scope 3 Emissions:

<https://www.sojitz.com/en/sustainability/esg-e-data/>

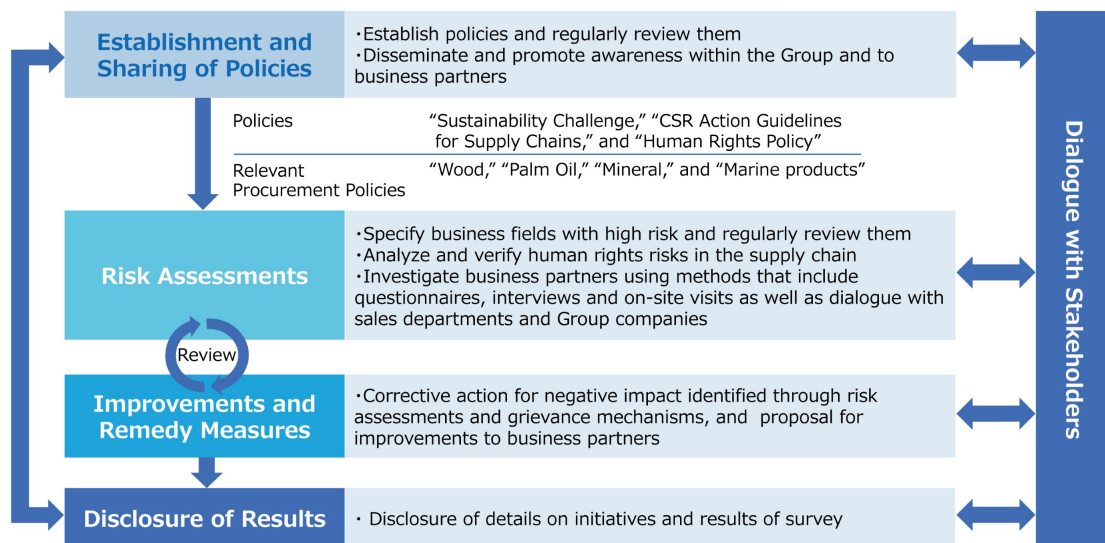
Climate Change – Supply Chain GHG Emissions Analysis (Scope 3 and Avoided emissions):

<https://www.sojitz.com/en/sustainability/esg-climate/>

(5) Respect for Human Rights within Supply Chains

As the Sojitz Group operates globally, we recognize respect for human rights across the supply chain as a key management priority, regardless of country, region, or industry, and are committed to identifying and mitigating human rights risks. The Sojitz Group supports the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and promotes its human rights initiatives in line with the UN Guiding Principles on Business and Human Rights.

In promoting human rights initiatives, we operate a process that includes the establishment and sharing of policies, risk assessment, improvement and remedy measures, and disclosure of results, while engaging in dialogue with stakeholders throughout each stage. The content of each process is reviewed and improved on a regular basis, taking into account factors such as external trends and our internal environment. In addition, when areas for improvement are identified through risk assessments or the grievance mechanism, corrective action is taken promptly.



a. Governance

For governance related to human rights, please refer to "(2) Governance for Sustainability."

b. Strategy

Based on identified "Materiality" (key sustainability issues), we have designated priority themes and established our long-term vision toward 2050, the "Sustainability Challenge." One of these themes is "Respect for Human Rights within the Supply Chains," which serves as a foundation of our management and business strategies, including the Medium-Term Management Plan.

In accordance with the Ten Principles of the UN Global Compact and other international standards, we have established policies including the Sojitz Group Human Rights Policy and the Sojitz Group CSR Action Guidelines for Supply Chains. These policies are periodically reviewed and updated as necessary in response to changes in the business environment and societal expectations.

Furthermore, we recognize that awareness and understanding at the operational level are essential to ensuring respect for human rights throughout the supply chain. Accordingly, in addition to conducting training sessions and e-learning programs, we promote awareness of our policies and initiatives, and verify on-site implementation, through dialogue between the management of Group companies and the Investor Relations & Corporate Sustainability Department, which serves as the Secretariat of the Sustainability Committee. Through these efforts, we strive to ensure thorough awareness and a deeper understanding of respect for human rights across the Group. We also share our policies to business partners and seek their understanding and cooperation in implementing them.

<Human Rights Training Activities in 2025>

In fiscal year 2025, we conducted e-learning programs for employees at our headquarters, with approximately 2,000 participants. Additionally, we organized training sessions and dialogue initiatives for overseas offices, primarily in the Middle East, Africa, Southeast Asia, as well as for core operating companies in Japan (a total of 28 sessions with approximately 400 participants), aiming to promote a deeper understanding and practice of human rights across the Group.

c. Risk management

1) Risk management in new business investment and financing

When evaluating new investments or financing opportunities, each responsible department identifies potential environmental and human rights risks, including issues such as forced labor, child labor, and impacts on Indigenous peoples, and formulates appropriate measures to address such risks. Where necessary, additional assessments are conducted to ensure that the comprehensive identification of human rights risks and the adequacy of corresponding measures.

As part of the approval process, investment and financing proposals are required to specify key issues, corresponding measures, and monitoring methods. This framework ensures that decisions are made with due consideration of potential environmental and human rights impacts.

2) Risk management in existing businesses and the supply chain

(a) Identification of high-risk business areas

Given the wide range of human rights issues, including those within the supply chain, we believe it is important to identify business areas where strong human rights initiatives are particularly required and to address them in prioritized manner. Under this risk-based approach, we utilize resources such as the human rights incident database maintained by the UK-based NGO Business & Human Rights Resource Centre to identify business areas within the Group that present particularly high risks (hereinafter referred to as “High-Risk Business Areas”). We also analyze and assess the relative likelihood of human rights risks arising across the supply chain. The findings of these analyses are compiled into “Key Points for Addressing Environmental and Human Rights Risks” and shared internally. This framework enables us to identify environmental and human rights risks in new investments, transactions, and due diligence processes for existing businesses, thereby facilitating focused and effective measures.

High-Risk Business Areas are regularly reviewed, taking into account the most recent incident database information, the business environment of our Group, and the view of external experts.

(b) Risk assessments

Organizations engaged in businesses classified as High-Risk Business Areas conduct questionnaires, interviews, on-site visits, and other forms of engagement with business partners to assess the nature of the risks involved and the status of corresponding measures. The results of these assessments are shared through regular dialogue between the Investor Relations & Corporate Sustainability Department and each organization, and identified issues and corresponding measures are reviewed and updated on an ongoing basis.

(c) On-site investigations

Our Group conducts on-site visits, as necessary, to locations where transactions and business activities take place to assess and verify potential human rights risks.

For example, in wood procurement (imports), we confirm traceability and assess environmental and social considerations through annual surveys. Where necessary, we carry out on-site investigations and conduct enhanced due diligence involving external experts for suppliers of concern. In FY2025, we conducted four on-site investigations, including two in Indonesia and two in Malaysia.

In addition, in FY2025, we conducted interviews and an on-site investigation of a sea urchin supplier located in Chile, focusing on areas such as legal compliance and labor conditions, including measures to prevent excessive working hours during peak periods and occupational health and safety. As a result, no material issues were identified.

(d) Improvements and remedy measures

When issues are identified through risk assessments or through consultations and reports from internal or external stakeholders, we verify the facts and collaborate with the relevant stakeholders, including business partners, to implement corrective measures.

In addition, to identify adverse impacts within our supply chain at an early stage and provide remediation and remedy, we have established a grievance mechanism that receives human rights-related complaints and inquiries from all stakeholders, including those in our supply chain.

For information regarding the contact channel for external stakeholders and the procedures following the receipt of reports, please refer below:

Human Rights – Improvement and Remedy:

https://www.sojitz.com/en/sustainability/esg-human_rights/#grievance

d. Indicators and Targets

1) Wood procurement

Based on the results of our human rights risk assessments, the Group has established a Wood Procurement Policy for the wood sector, which has been identified as one of our High-Risk Business Areas. For wood procured from overseas, we evaluate materials using a four-tier classification that takes into account traceability to origin and environmental and social (human rights) considerations in forest management. We have also established targets using procurement ratios as key performance indicators.

Level A: Wood confirmed to be certified wood (Note)

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

Level C: Traceable wood

Level D: Wood lacking traceability

(Note) Wood certified under FSC®, PEFC, etc.

FY2025	Target: Achieve 100% procurement from Level A and Level B materials by FY2025. Results: We achieved the above target (100% procurement from Level A and Level B materials) ahead of schedule in FY2024 and maintained this achievement in FY2025.
FY 2026	Target: Maintain 100% procurement from Level A and Level B materials.

For details on the Wood Procurement Policy, please refer to the following:

Wood Procurement Policy:

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

2) Seafood procurement

The Group is engaged in the production, procurement, processing, and sale of marine food products globally, not only in Japan but also in Asia, the United States, and other regions. In recent years, we have expanded our supply chain with a focus on the retail sector, which is closer to end consumers, through entry into the sushi takeout chain business and establishment of a joint venture for sushi restaurant operation in the US. In order to achieve sustainable and responsible procurement of marine products in light of these developments, we established a Marine Products Procurement Policy in December 2024 for the Company and the Group's companies in the marine products industry.

This policy includes efforts to eliminate IUU (illegal, unreported, and unregulated) fishing in the supply chain and ensure traceability.

In particular, for tuna, where the Group operates globally across procurement, aquaculture, processing, and sales, we have significant influence and play an important role in achieving a sustainable supply chain. Accordingly, the following targets have been set.

Targets	Targets for Tuna Procurement Business <ul style="list-style-type: none">• We conduct risk assessments of our suppliers in line with this policy (Beginning in FY2025).• We conduct on-site due diligence with our suppliers in order to share information regarding risks and issues present in the supply chain and collaborate with them to develop and implement improvement measures (Beginning in FY2026).
Progress	<ul style="list-style-type: none">• In FY2025, as part of the risk assessment process under our Marine Products Procurement Policy, we conducted a questionnaire survey of our tuna suppliers (approximately 40 suppliers, representing the top 80% of total procurement by value).• Based on the results of the risk assessment derived from the questionnaire, we plan to conduct on-site due diligence starting in FY2026.

For details on the Sojitz Marine Products Procurement Policy, please refer to the following:

Marine Products Procurement Policy

<https://www.sojitz.com/en/sustainability/policy/marine/>

(6) Approach to Natural Capital and Biodiversity

Our Group is engaged in businesses involving food resources, marine resources, and forest resources, as well as resource development and plant construction. We recognize that these activities may have impacts on ecosystems, including forests, oceans, and rivers. At the same time, we understand that both our business operations and broader social activities depend on natural capital, and that the degradation of natural capital could restrict the Group's ability to sustain its business activities over the long term. Based on this recognition, our Environmental Policy sets forth our commitment to biodiversity conservation and to minimizing the environmental impacts associated with our operations. In September 2025, we became a TNFD Adopter and have since been advancing initiatives to address nature-related issues and further enhance the quality of our disclosures.

a. Governance

For governance related to natural capital and biodiversity, please refer to the governance section in “(2) Governance for Sustainability.”

b. Strategy

Our Group advances management and response measures tailored to the characteristics of business areas that have significant dependencies and impacts on natural capital. In FY2024, with reference to TNFD guidance, we conducted a scoping analysis to identify the Group's dependencies and impacts on nature and selected the business areas considered to have the highest significance. In FY2025, we carried out a LEAP (Locate, Evaluate, Assess, Prepare) analysis covering the value chains of the selected business areas.

1) Identification of Business Areas with Significant Dependencies and Impacts on Nature and Determination of the Scope of Analysis

Referring to TNFD guidance and utilizing ENCORE (Note), an analytical tool designed to assess the scale of nature-related dependencies and impacts associated with private-sector activities, we analyzed the general dependencies and impacts of our businesses on natural capital. As a result, we confirmed that water-related dependencies and impacts are relatively significant within the Group's operations.

Based on these findings, we selected the fisheries value chain, one of the Group's strategically important business areas, as the focus of our analysis. This scope includes tuna farm operator Sojitz Tuna Farm Takashima, as well as marine product processors Marine Foods and TRY Inc., etc. We then conducted the TNFD LEAP analysis outlined below.

(Note) An analytical tool jointly developed by the United Nations Environment Programme Finance Initiative (UNEP-NFCA) and other organizations to help companies understand the scale of their dependencies and impacts related to natural capital.

(a) LEAP analysis of the marine food products value chain

a) Locate: Identification of points of contact with nature

We identified priority areas, regions where impacts on biodiversity are considered relatively significant across the value chain of Sojitz Tuna Farm Takashima's own aquaculture operations, upstream feed and seed procurement, and downstream domestic processing operations such as TRY Inc. and Marine Foods, and related businesses.

b) Evaluate: Diagnosis of dependence on and impact on nature

After identifying and organizing the risk factors present within the priority areas, we conducted assessments of the natural environment, reviewed relevant regulations, and carried out interviews with the operating companies involved in Sojitz Tuna Farm Takashima's in-house aquaculture operations, as well as the upstream and downstream segments of the value chain. Through these efforts, we developed an understanding of the actual conditions and operational realities.

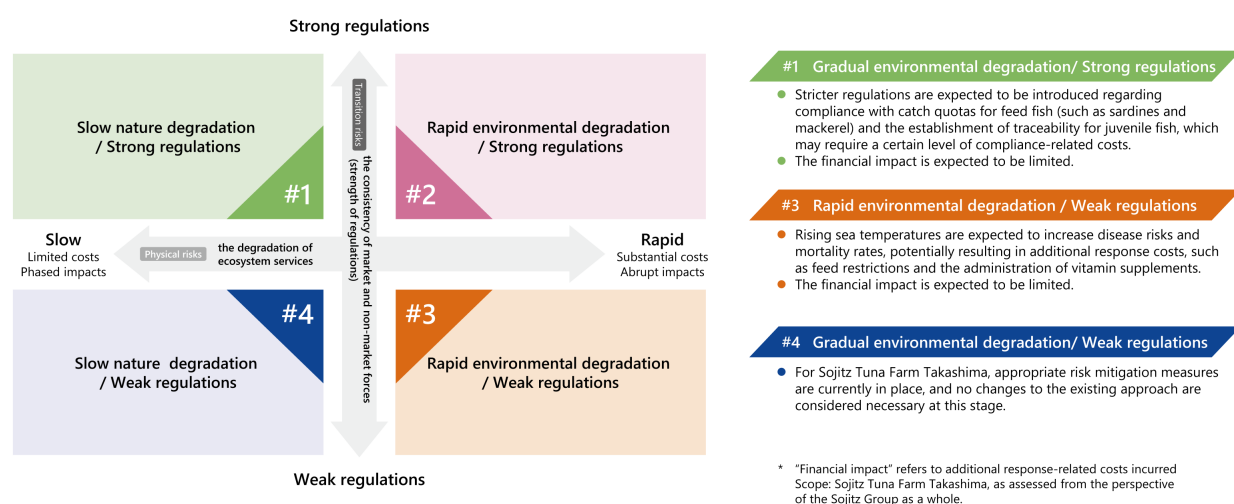
c) Assess: Assessment of significant risks and opportunities

Based on our assessment conducted in accordance with TNFD's sector-specific guidance, the key risks and opportunities identified as having high materiality, together with the Group's corresponding initiatives, are summarized below.

Main anticipated risks and opportunities		Sojitz Group's initiatives
Risks	<ul style="list-style-type: none"> Decline in product quality and increase in mortality due to rising sea temperatures and red tide Degradation of ecosystems and economic loss caused by escaped fish Changes in aquaculture suitable sites due to water pollution caused by leftover feed, etc. 	<ul style="list-style-type: none"> Investigation of surrounding target sites using IBAT* Data collection and analysis of water temperature and salinity Development of a red tide prediction application Utilizing AI to count the number of tunas Regular inspection of fish net cages
Opportunities	<ul style="list-style-type: none"> Investment in technologies to mitigate impacts on ecosystems 	<ul style="list-style-type: none"> Optimization of feeding quantities and shipping timing

*(Note) Integrated Biodiversity Assessment Tool (IBAT): A tool providing access to geospatial data, including IUCN (International Union for Conservation of Nature) Red List, protected areas, and key biodiversity areas (KBA).

Taking the identified risks and opportunities into consideration, we conducted a scenario analysis to strengthen the Group's resilience (recovery capability) under uncertain future environmental conditions. Through this analysis, we confirmed that the potential financial impacts on the Group are expected to be limited.



d) Prepare (preparation for response and reporting)

As a TNFD Adopter, we will continue to analyze the disclosure items recommended by TNFD and further advance both our nature-related disclosures and the sophistication of our risk management practices in accordance with TNFD guidance. At the same time, we will continue to closely monitor natural capital, particularly biodiversity and water resources, and assess the Group's dependencies and impacts across our overall business portfolio.

For details on the LEAP analysis conducted for our marine value chain, please refer to the following:

<https://www.sojitz.com/jp/sustainability/esg-tnfd/>

(b) Other initiatives

Our Group works to reduce impacts on natural capital and ecosystems through initiatives tailored to the characteristics of each business. For example, in resource development projects such as mining operations, we take into consideration factors including land alteration, impacts on water resources, and other environmental and social issues. We conduct environmental and social impact assessments, formulate management and monitoring plans, and manage operations accordingly, including the planning of mine closure measures. In addition, we ensure strict compliance with all applicable laws and regulations and obtain the necessary permits and approvals.

c. Risk Management

Based on the results of the LEAP analysis conducted for our marine value chain, the Group carries out regular monitoring to ensure the appropriate management of nature-related risks. In addition, in order to continuously identify and manage our dependencies and impacts on natural capital, we conduct an annual ENCORE analysis. The FY2025 analysis once again confirmed that water-related factors continue to represent a highly material issue.

d. Indicators and Targets

Under our Environmental Policy, we are committed to minimizing the environmental impacts associated with our business activities, including initiatives aimed at conserving biodiversity. In particular, for timber and seafood products, we have established sector-specific procurement policies (Please refer to (5) Respect for Human Rights within Supply Chains, d. Indicators and Targets, 1) Wood Procurement, and 2) Seafood Procurement.) based on relevant guidelines. Through these policies, we promote procurement practices that take natural capital into consideration and contribute to the conservation and preservation of biodiversity. Based on the results of the LEAP analysis, we will continue to review the fisheries value chain in response to changes in external conditions and the business environment. We will also examine ways to strengthen our ongoing risk management and monitoring frameworks, including the implementation of periodic analyses.

(7) External Evaluations

Our Group's initiatives to address sustainability issues through our business activities continue to receive strong recognition from external evaluation organizations.

1) Trends in ESG External Evaluations

	FY2021	FY2022	FY2023	FY2024	FY2025
FTSE JPX Blossom Japan Index	Selected	Selected	Selected	Selected	Selected
FTSE JPX Blossom Japan Sector Relative Index	—	Selected	Selected	Selected	Selected
MSCI Japan ESG Select Leaders Index	—	—	Selected	Selected	Selected
MSCI Japan Empowering Women Index (WIN)	Selected	Selected	Selected	Selected	Selected
CDP (Climate Change)	A-	A-	A-	B	A
CDP (Forest)	B	B	B	B	B

For other information on our sustainability initiatives, please refer to the Sojitz ESG Book

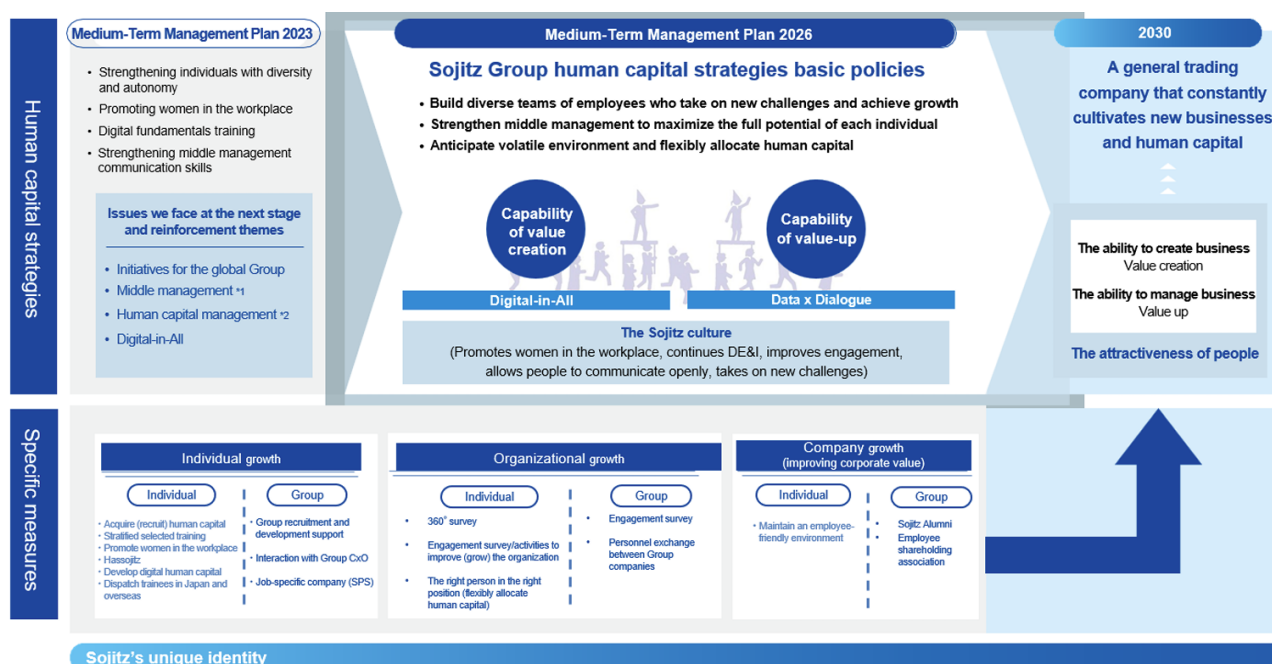
Relevant Links:

Sojitz ESG Book: https://www.sojitz.com/en/sustainability/#sojitz_esg

(8) Basic Policy for Human Resources Strategy

To realize our Vision for 2030 of becoming a company that continuously cultivates businesses and human capital, we are strengthening the capabilities of each individual, the driving force behind our value creation, and linking individual growth to the growth of our organizations and the Company as a whole.

Under the human resources strategy set forth in Medium-Term Management Plan 2026, as the Sojitz Group HR Strategy, we place particular emphasis on building diverse teams of employees who take on new challenges and achieve growth, strengthening section managers' ability to maximize the full potential of each individual, and anticipating volatile environment and flexibly allocate human resources. Through these initiatives, we aim to enhance both capability of value creation and capability of value-up, thereby advancing the Sojitz Growth Story.



(Notes) *1 Middle management: This refers to head office section managers (and candidates) and key positions (and candidates) at overseas and Group companies who transform the potential of individuals into organizational capabilities through dialogue.

*2 Human resource management: Linking planned human resources development to business creation (value creation) and business management (value-up)

a. Governance

As part of our human capital management execution framework, the Board of Directors discusses human capital, from a management perspective. Important personnel matters are deliberated and approved by the Human Capital Deliberation Council, which is chaired by the President. In addition, policies and other key matters related to human capital management are reported to and discussed by the Management Committee.

Progress against human capital KPIs, as well as the effectiveness of HR initiatives and related challenges, is reviewed and determined semiannually by both the Management Committee and the Board of Directors. This framework enables us to revise policies and related initiatives as necessary.

< Reference >

For details regarding the skills and expertise of the Board of Directors, please refer to “4. Corporate Information 4. Corporate Governance (1) Overview of Corporate Governance c. Company institutions 1) Board of Directors (d) Skill matrix.”

b. Strategy

1) HR Strategy 1: “Build diverse teams of employees who take on new challenges and achieve growth”

In strengthening the “individual,” we support employees from diverse backgrounds so that, motivated by a strong sense of autonomy and a desire to take on challenges and grow, they can fully leverage their unique qualities and capabilities.

(a) HR Systems and Cultural Development that Encourage Challenge and Growth

To strengthen the “individual,” we are developing HR systems and fostering a corporate culture based on the belief that employees should actively pursue the creation of new value, recognize their own strengths and areas for improvement through those challenges, and use those insights to drive further growth, thereby accelerating a continuous cycle of challenge and development.

Our HR system evaluates and rewards employees based on both performance and behavior within a role-based grading framework. Even within the same grade, compensation differs depending on the level of achievement, creating a structure that encourages employees to take on new challenges. In addition, even where challenges do not immediately produce results, promotion and demotion decisions are determined based on behavioral performance, enabling employees who consistently demonstrate strong behaviors to assume larger roles regardless of seniority.

In FY2025, from the standpoint of further supporting individual challenge and growth, we revised our HR system to place even greater emphasis on performance-based differentiation for certain managerial positions. In this manner, we continue to refine our HR systems in response to changes in both internal and external environments, as well as evolving organizational needs.

We are also cultivating an internal culture that encourages challenge and growth through a variety of initiatives. One example is the Hassojitz Project, launched in FY2019, which provides employees with opportunities to propose new business ideas based on their own creativity. Team members are recruited through open applications, and diverse teams refine their proposals before they are evaluated by management and external experts for business feasibility. At the final presentation in FY2025, a second-year employee received the President’s Award and continues to pursue commercialization of the proposal, while a proposal submitted by an employee in their 50s also advanced through the selection process to the final review stage. These examples demonstrate that opportunities for employees to take on challenges regardless of age are steadily expanding. Through such initiatives, the Company continues to develop systems and environments that support individual challenge and growth.

To foster an organizational culture in which individuals grow while also helping one another improve, we launched initiatives in FY2025 to embed feedback practices throughout the Company. We believe that accelerating individual growth requires timely feedback in day-to-day operations regarding both accomplishments and areas for improvement, leading to meaningful behavioral change. Accordingly, we position feedback as a key communication tool for promoting growth and are advancing initiatives that encourage multidirectional feedback, including both positive observations and identified gaps, regardless of position or hierarchy, extending beyond traditional supervisor-subordinate relationships. Going forward, we aim to further embed these practices across the organization in order to strengthen employees’ sense of growth and foster an open and communicative workplace culture.

(b) Human Resource Development Based on Autonomous Thinking (Training Programs)

In strengthening the “individual,” we believe that taking on challenges grounded in autonomous thinking, the ability to think and act independently, accelerates personal growth. In daily communication, including feedback processes, we seek to foster a habit of independent thinking by encouraging supervisors to use questioning-based approaches rather than simply issuing one-way instructions, thereby helping each employee develop the ability to think for themselves.

In FY2025, we positioned autonomous thinking at the center of our human resource development strategy and revised our training framework by reducing mandatory programs and providing learning opportunities better tailored to individual characteristics and needs. We are also enhancing group training programs for each role grade in order to strengthen foundational thinking skills, the basis of autonomous thinking, and deepen employees’ understanding of the roles expected of them by the Company, thereby elevating the overall capabilities of the organization.

Going forward, through dialogue with supervisors and others, we will support employees in objectively recognizing their own development challenges and independently identifying what they need to learn and how they should act, thereby promoting continued individual growth.

For details:

Training Programs at <https://www.sojitz.com/en/sustainability/esg-human_resources/>

(c) Promotion of women in the workplace

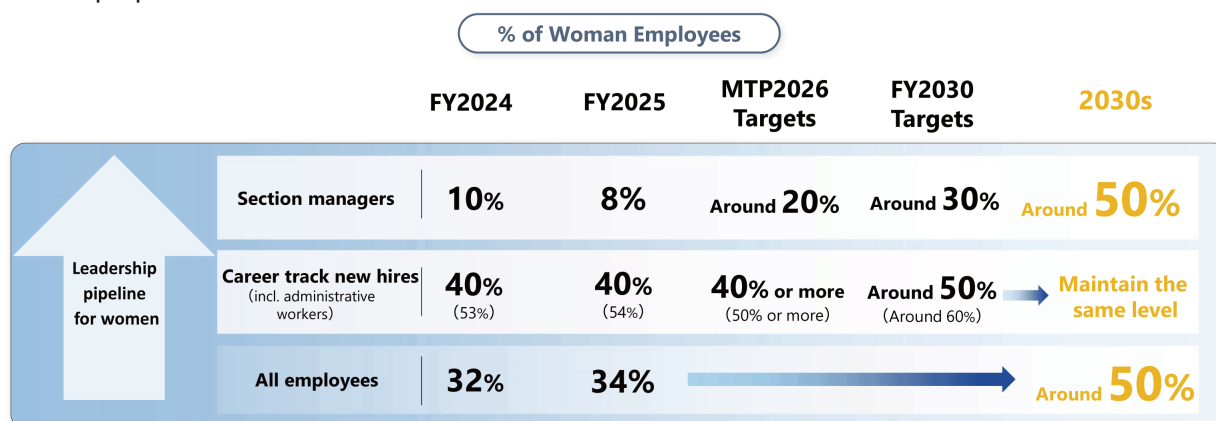
At our company, the promotion of women’s advancement is positioned as one of the key pillars of our human capital strategy, with the goal of enabling diverse talent, regardless of gender or nationality, to thrive.

We are working to expand our talent pipeline and create an environment in which employees can sustain and develop their careers even through major life events, with the aim of achieving appropriate role assignments based on individual ability rather than gender by the 2030s.

As part of our talent development initiatives for younger employees, we provide opportunities for challenge and growth by dispatching junior employees as trainees to domestic and overseas operating companies at stages in their careers that are less likely to overlap with significant life events, thereby effectively accelerating their career development. In addition, from the perspective of cultivating future management candidates, we assign employees to domestic and overseas operating companies to provide them with high-level experiences involving mission execution and decision-making. To demonstrate strong management commitment to these initiatives, we have incorporated the “ratio of women with experience outside headquarters” into the performance-linked remuneration evaluation criteria for executive officers (excluding Independent Directors and Supervisory Committee Members).

We are also promoting systems to support employees returning to work after temporary leave taken to accompany a spouse on an overseas assignment, while exploring measures to support continued career development at the assignment location. With the aim of increasing both the overall ratio of women employees and the ratio of female managers to approximately 50% by the 2030s, we raised the target ratio for female managers under Medium-Term Management Plan 2026 to approximately 20% in FY2024. Although the number of women appointed to senior roles, such as department managers and heads of overseas offices, continues to increase steadily, growth in the number of newly appointed female managers has slowed, resulting in stagnation in the overall ratio of female managers. One contributing factor is the structure of our workforce. Hiring was restrained around the time of the 2003 merger, limiting the number of employees currently in their late 30s to 40s, the age group that typically forms the primary pool of management candidates. In addition, many employees within this cohort experienced life events such as childbirth or accompanying a spouse on overseas assignments. To accelerate the promotion of capable employees in their 30s, we are sharing development plans between headquarters and relevant business divisions and implementing tailored development measures for individual candidates. We are also expanding the management talent pipeline through the recruitment of external candidates with the potential to assume future management roles.

Furthermore, in FY2025 we continued to convene the “Women’s Advancement Promotion Committee,” which includes members of management such as directors and independent directors, as well as department and section managers. Continuing its focus on accelerating the development of future management candidates, the committee discusses issues related to women’s advancement and broader diversity promotion, including organizational structures that support the growing number of dual-career and co-parenting employees, as well as the cultivation of a collaborative team culture based on mutual support. Looking ahead, as dual-career households and co-parenting arrangements are expected to become increasingly common, the committee has proposed measures to the Management Committee such as the active utilization of deputy department managers and deputy section managers to help alleviate the workload on middle management. We plan to move forward with concrete initiatives based on these proposals.



(d) Development of Digital experts for Business-Level Digital Implementation

To realize “Digital in All,” we aim to establish a framework in which digital technologies can be effectively utilized at the operational level to transform business models and business processes. To achieve this, we are focusing on the development and deployment of applied-level digital experts capable of leading such implementation efforts.

Under Medium-Term Management Plan 2026, we are working to enhance digital literacy across the entire Company while positioning the development of applied-level talent, individuals capable of driving digital implementation in frontline operations, as a key initiative. The number of personnel developed in this area has been established as a human capital KPI, and we have steadily expanded this talent pool to date.

Within the “Business Design Course,” which is responsible for designing DX-oriented business models, more than half of our Chief Operating Officers (the Heads of the Business Divisions) have spent approximately six months advancing DX initiatives within their own organizations, reflecting steady progress in strengthening digital capabilities among management personnel.

At the same time, we recognize that continuous skill enhancement is essential in order to keep pace with the rapid advancement of technologies such as generative AI. Accordingly, we are further advancing our digital experts development initiatives. Specifically, we have redesigned our development program to cultivate “Digital Experts 2.0,” personnel capable of driving new value creation through the comprehensive use of AI, and we commenced operation of the revised program in FY2026.

The updated program expands beyond the previous emphasis on data analysis to cover broader AI and data utilization, while restructuring the curriculum on the assumption that generative AI will be actively used. In addition, we have strengthened the program by placing greater emphasis on practical, real-world problem-solving and by revising skill definitions based on frontline operational needs, thereby enhancing the program’s focus on generating tangible business outcomes.

<Reference>

For details, please refer to “2. Operating and Financial Review and Prospects 1. Management Policies, Operating Environment, and Management Issues (2) Progress of the Medium-Term Management Plan 2026 d. DX.”

DX Strategy

<https://www.sojitz.com/jp/corporate/strategy/dx/>

(e) Utilization of locally hired employees

Sojitz is promoting the expansion of the number of chief officer (CxO) positions filled by locally hired executives with the goal of better entrenching its operations, centered on overseas operating companies, into local networks in order to expand its business domain and co-create new businesses. The ratio of locally hired CxOs at overseas operating companies, which stood at 40% as of the end of March 2022, had reached 48% as of the end of March 2026.

In FY2025, opportunities for locally hired talent continued to expand, including the appointment of locally hired employees to head positions at overseas subsidiaries. In addition, in response to the growing scale of investment projects, we are improving operational efficiency by delegating authority in accordance with the management structures of individual investee companies. Going forward, we will continue to strengthen appropriate governance frameworks and develop environments that further support the success and advancement of local talent.

(Note) The figures for FY2025 are currently aggregated values, and figures that have obtained third-party assurance will be disclosed on our website.

2) HR Strategy 2: “Strengthen section managers’ ability to maximize the full potential of each individual”

To connect the growth of diverse and autonomous individuals to the growth of the organization and the Company, and ultimately to the enhancement of corporate value, we believe it is essential to strengthen the middle management layer. Serving as the bridge between senior management and frontline employees, middle management plays a critical role in executing strategy and enhancing employee engagement.

(a) Enhancement of the Group’s capability by strengthening the middle management

To maximize the potential of our employees, who are the source of our value creation, we believe it is important to strengthen management capabilities that draw out employees’ strengths and enhance organizational capabilities through dialogue. At our company, we conduct annual group training programs for all department managers and section managers. Through the consistent emphasis placed on the importance of dialogue with subordinates and the cultivation of psychological safety, the results of our 360-degree surveys indicate that practices such as active listening and open communication have become established to a certain extent.

At the same time, enabling employees to take on challenges autonomously requires each individual to accurately understand the organization’s strategy, internalize it, and apply it to their own work. Accordingly, in the group training conducted in FY2025, we placed particular emphasis on enhancing strategic thinking and strengthening the internal communication and dissemination of strategy. However, the employee engagement survey conducted during the same fiscal year revealed that a gap requiring further improvement still exists between middle management and general employees in terms of their understanding of the strategy.

Going forward, in addition to continuing group training initiatives, we will further promote strategic understanding and organizational alignment by improving the quality of day-to-day dialogue and feedback, thereby strengthening middle management so they can better maximize the growth and capabilities of individual employees.

Relevant Links:

Integrated Report 2024 > Sojitz’s Unique Approach to Human Capital Management > Enhancement of Middle Management’s Communication Skills to Bolster Group Capabilities

https://s3-ap-northeast-1.amazonaws.com/sojitz-doc/pdf/en/ir_202405/reports/annual/ar2024e_all.pdf

3) HR Strategy 3: “Anticipate a volatile environment and flexibly allocate human resources”

In response to technological advancements and changes in the business environment and business strategies, we will strengthen our capability of value creation and capability of value-up through agile and strategic talent assignments, development, and promotions, thereby advancing toward the realization of our Vision for 2030.

(a) Visualization of human resources to support flexible and systematic allocation and cultivation of human resources

To further strengthen both the “individual” and the “organization,” we are promoting the visualization and effective utilization of talent data. We conduct multifaceted and multidimensional analyses of regularly administered surveys, such as engagement surveys and 360-degree surveys, as well as HR-related data, and use the resulting insights to monitor the progress and effectiveness of various HR initiatives.

In addition, we have implemented a talent management system for all employees. The system not only enables supervisors to reference information regarding their team members, but also allows employees to view one another’s self-reported information, including work history, qualifications, and skills, thereby further advancing the visualization and sharing of employee-related information across the organization.

(b) Personnel Planning and Assignments Linked to Business Strategy

To ensure talent placement and development aligned with changes in the external environment and evolving business strategies, each organization formulates its own personnel plan. By visualizing the current workforce structure within each organization and developing individual assignment plans, we strengthen the talent necessary to support the organization’s sustainable growth. Going forward, based on these personnel plans, we will formulate strategic hiring plans and, from a companywide perspective, promote the systematic development of management talent as well as the expansion of the pipeline of female talent.

4) Systems and initiatives supporting diverse human resources

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

(a) Group-wide initiatives to accelerate corporate value improvement (through employee shareholding association and granting of shares)

Sojitz aims to foster employee awareness about constantly improving the corporate value of the entire Group. Through the Employee Shareholding Association and the Group Employee Shareholding Association, we will further motivate each employee to have a sense of ownership and support the corporate value improvement. As of March 2025, the participation rate in the employee shareholding association was 87.7%, and as of March 2026 it stands at approximately 92.2%. By reinvesting capital generated through increased earnings into the growth of our people and businesses, we will further accelerate initiatives aimed at enhancing corporate value. In addition, upon achieving the numerical targets set forth in Medium-Term Management Plan 2026, we plan to provide a special stock-based incentive not only to headquarters employees but also to certain employees within the Group.

(b) Health and Productivity Management

We recognize it as one of the Company's key responsibilities to ensure the physical and mental well-being of employees – our Group's most important asset – and their families, while also creating a healthy workplace environment in which employees can experience both comfort and a strong sense of fulfillment in their work. To support these efforts, we have established a health management promotion framework led by the President. Our initiatives are guided by the Sojitz Group Health Declaration, "Sojitz Healthy Value," which has long served as the foundation of our approach, as well as by our "Health Management Strategy Map," which visualizes the management issues we seek to address through health management and the measures designed to resolve them. With the objective of supporting the sustainable growth and performance of both the Sojitz Group and its employees from a health perspective, we strategically promote initiatives focused on physical health, mental health, and women's health.

Relevant Links:

Sojitz ESG BOOK Occupational Health and Safety (Sojitz Group Healthy Value Charter)

https://www.sojitz.com/en/sustainability/sojitz_esg/s/health/

Health strategy map

https://www.sojitz.com/pdf/jp/sustainability/sojitz_esg/s/health/strategymap.pdf

c. Risk Management

In advancing our human capital initiatives, we identify risks that could impede progress and implement appropriate countermeasures.

Risk Type	Risk	Measures
Compliance	<ul style="list-style-type: none"> • Loss of trust in the company due to compliance violations • Problems in the work environment and erosion of human capital caused by harassment 	<ul style="list-style-type: none"> • Formulation of the “Sojitz Compliance Program” and provision of e-learning opportunities through the use of Group-wide training materials • Setting up of a whistleblower hotline system
Labor Practices	<ul style="list-style-type: none"> • Decline in productivity due to long working hours • Skill outflow caused by excessive workloads 	<ul style="list-style-type: none"> • Monitoring of overtime hours and promotion of paid leave utilization • Interviews and follow - up by occupational physicians
Health & Safety	<ul style="list-style-type: none"> • Reduction in workforce capacity resulting from employees’ physical or mental illness, or from occupational accidents 	<ul style="list-style-type: none"> • Implementation of health management initiatives based on the “Sojitz Group Health Declaration, ‘Sojitz Healthy Value.’ ” • Conducting health checkups and encouraging employees to undergo follow-up examinations
Diversity	<ul style="list-style-type: none"> • Biased decision-making arising from a lack of diversity. 	<ul style="list-style-type: none"> • Recruitment and advancement of talent from diverse backgrounds, including women, mid-career hires, and non-Japanese employees • Establishment of key indicators (human capital KPIs) and ongoing monitoring of progress
Recruitment	<ul style="list-style-type: none"> • Increasing difficulty in securing talent due to a shrinking labor population and intensifying competition for recruitment. • Early employee turnover and rising recruitment costs resulting from mismatches between employees and their roles after hiring. 	<ul style="list-style-type: none"> • Strengthening the talent pool through the expansion of diverse recruitment channels, including mid-career hiring and employee referral programs • Development of flexible work arrangements, including telework and flextime systems • Establishment of support frameworks through instructor and mentor programs • Ongoing follow-up through regular employee surveys
Development	<ul style="list-style-type: none"> • Decline in organizational management capability resulting from delays in the development of middle management • Individual-dependent development practices and inconsistencies in quality • Constraints on performance resulting from insufficient stimulation of employees’ motivation for growth 	<ul style="list-style-type: none"> • Early appointment of next-generation leaders and planned talent development through group training programs for department and section managers • Provision of training and development opportunities for younger employees through role grade-based group programs • Enhancement of on-the-job development awareness through the broad and consistent application of feedback practices
Placement	<ul style="list-style-type: none"> • Human capital constraints resulting from ineffective talent placement • Skill imbalances and organizational rigidity resulting from fixed or stagnant personnel assignments 	<ul style="list-style-type: none"> • Visualization of talent data and implementation of data-driven personnel placement • Promotion of cross-functional and cross-divisional transfers, as well as planned job rotation
Turnover	<ul style="list-style-type: none"> • Decline in organizational vitality resulting from employee turnover • Loss of expertise and institutional knowledge resulting from the departure of key talent 	<ul style="list-style-type: none"> • Refinement of HR systems to ensure differentiated treatment based on performance • Establishment of Sojitz Professional Share and development of an alumni program • Building a flexible and expanded Sojitz network

d. Indicators and Targets

Human Capital KPI (Dynamic)

Based on the human capital strategy outlined in Medium-Term Management Plan 2026, we have established human capital KPIs to measure the progress and effectiveness of various initiatives aimed at strengthening our business creation and business management capabilities. Specifically, we are advancing initiatives focused on “cultivating a Unique Sojitz culture” (Challenge Index and Openness Index) and “promoting the success of diverse talent” (including the ratio of female career-track employees with overseas or domestic secondment experience, the ratio of locally hired CxOs at overseas Group companies, and the number of applied-level digital talent). In addition, for certain KPIs, we utilize response data from regularly conducted engagement surveys (Note) to continuously assess employee sentiment and use these insights to inform and enhance future initiatives.

HR KPI (Items)	Details	March 2025	March 2026	Target value
Challenge Index Openness Index	We believe it is essential to cultivate a corporate culture in which the individuality and capabilities of each employee are fully utilized, enabling diverse individual strengths to be transformed into organizational competitiveness and the creation of new value. To further embed a workplace environment that supports motivated and capable employees in taking on challenges – and that encourages open and candid communication – as a defining aspect of our corporate culture, we have established the “Challenge Index” and “Openness Index” as KPIs, using the positive response rate (Note) from our engagement surveys. (Note) Percentage of respondents selecting either “① Strongly agree” or “② Agree” from among six response options.	66% 53%	65% 51%	70% or more
Ratio of Female Career - Track Employees with Overseas or Domestic Secondment Experience (including trainees)	Under our Action Plan for Promoting Women’s Advancement, we have established a goal of achieving, by the 2030s, a workplace in which employees are appointed to appropriate roles based on their abilities, regardless of gender. To foster the hands-on experience and growth mindset expected of future managers, we will continue our “accelerated career development” approach, under which employees are dispatched as trainees to domestic and overseas offices or Group companies prior to major life events. In addition, to promote secondment opportunities and overseas assignments that provide high-value experience – such as undertaking responsibilities with greater accountability and participating in management decision-making – we have adopted the “Ratio of Employees with Overseas/Secondment Experience” as a KPI.	22% (52%)	22% (51%)	25% or more (60% or more)
Ratio of Locally Hired CxOs at Overseas Group Companies	With the aim of achieving sustainable business growth and generating new business opportunities through a market-in approach, we will actively appoint locally hired talent – who possess extensive knowledge and insight into their respective countries and regions – to CxO positions at our overseas Group companies.	49%	48%	60% or more
Applied Level Digital Talent (Expert Level Talent)	To realize the “Digital in All” vision outlined in our management strategy, we will combine digital capabilities with our diverse business operations to enhance and transform existing businesses while also creating new digital business opportunities. We will continue to develop applied-level digital talent (expert-level personnel) capable of leading the introduction and effective utilization of digital technologies in frontline operations, and will promote the deployment of such talent across our businesses.	24% (5%)	42% (7%)	Career Track Employees 50% or more (10% or more for career track employees)

(Note) Figures for the fiscal year ending March 31, 2026 represent totals compiled as of the current reporting date. Figures subject to third-party assurance will be disclosed on our corporate website.

Reference:

Engagement survey: https://www.sojitz.com/en/sustainability/esg-human_resources/

3. Risk Factors

(1) Risk management of the Group

a. Approach to risk management

As a general trading company, the Sojitz Group is engaged in a diverse and globally dispersed range of businesses. Due to the nature of its businesses, the Group is exposed to a variety of risks.

Accordingly, we define risk as “the possibility that events will occur and affect the achievement of strategy and business objectives,” and we are working to enhance enterprise risk management through a multifaceted analysis of the business environment, risk identification, and strategic responses in order to contribute to the enhancement of corporate value. In addition, we implement risk management in an appropriate and reasonable manner based on an assessment of the importance of risks.

b. Enterprise risk management system

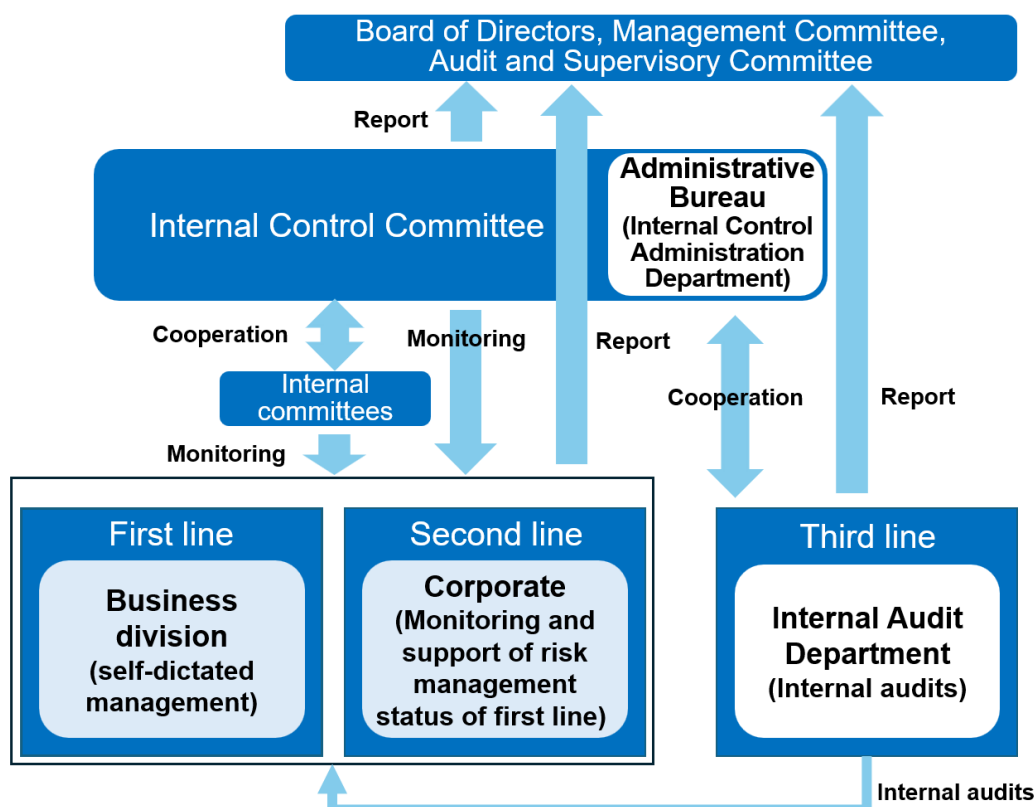
In the enterprise risk management conducted by the Group, the Internal Control Committee (secretariat: Internal Control Administration Department), chaired by the CFO, collaborates with various internal committees (refer to "4. Corporate Information 4. Corporate Governance, (1) Overview of Corporate Governance, d. Business executing bodies, 4) Internal committees") to discuss and formulate policies, oversee and monitor the overall status of risk management implemented by business execution organizations (first line and second line), and issue instructions to relevant parties, and serves as the entity responsible for ensuring the effective functioning of this framework.

In addition, the Internal Audit Department acts as the third line of defense and conducts an objective verification of the risk management implemented by the first and second lines from an independent standpoint.

Based on the above, the Internal Control Committee regularly reports to the Management Committee, Board of Directors, and Audit and Supervisory Committee on the status of the enterprise risk management system.

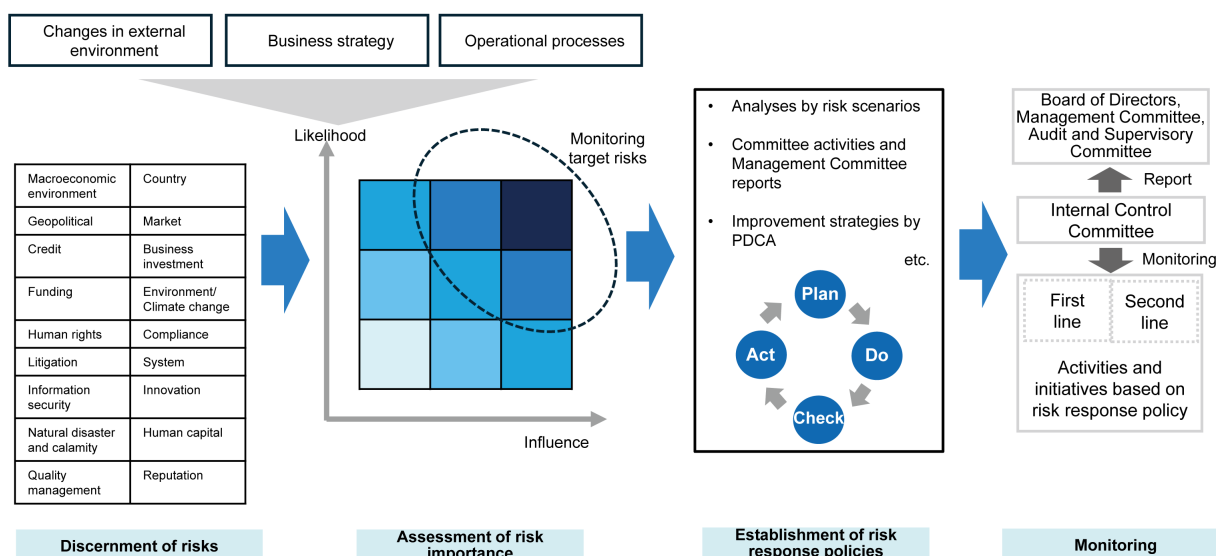
An overview of the enterprise risk management system is shown in the figure below.

Figure 1: Enterprise risk management system



Enterprise risk management process

The enterprise risk management process at the Group is as follows.



Within the Group, each department in the first line (business divisions, etc.) and second line (corporate divisions) comprehensively identifies risks, including those based on future projections, related to external environments, business strategies, operational processes, and other factors. Risks identified are assessed based on a two-axis evaluation of impact and likelihood of occurrence of risks to determine their importance, and the results are discussed at the Internal Control Committee and reported to the Board of Directors, after which risk response policies are decided.

In accordance with this risk response policy, the first line (business divisions, etc.) exercises autonomous control over risks in business execution, while the second line (corporate) performs routine management tasks related to the risks under its responsibility, as well as providing support and monitoring to the first line and conducting continuous reviews, including PDCA management. The risk management activities conducted by the first line and second line are monitored by the Internal Control Committee, which evaluates their effectiveness based on the significance of the risks and reports the results to the Management Committee, Board of Directors, and Audit and Supervisory Committee.

In response to recent global developments and increasing geopolitical risks, we are strengthening our frameworks for assessing the potential impact of sudden risk events. Through ongoing dialogue and close collaboration between business divisions and corporate functions, we are also enhancing our agility in responding to emerging risks, ensuring business continuity, and further strengthening organizational resilience.

Furthermore, we are preventing the deterioration of our balance sheet and contributing to the maintenance and enhancement of corporate value by managing business investments based on risk and return.

(2) Specific risks

The Group's businesses are subject to the following risks a. through r.

In addition to these risks, risks to which the Group's assets are exposed are measured and managed as risk assets, and the results are utilized as indicators for profitability relative to risk and for maintaining financial soundness, thereby controlling risks. Risk assets are targeted to be maintained within 1.0 times equity, and as of March 31, 2026, risk assets amounted to 0.6 times equity.

Please note that statements regarding future matters in each of the risks a. through r. below include the Company's judgments, projections based on certain premises or assumptions, and other information based on information available as of the end of the current fiscal year.

a. Risk of changes in the macroeconomic environment

The Group operates a wide range of businesses in Japan and overseas that are engaged in a broad array of activities. Political and economic conditions in Japan and other countries and the overall global economy influence the Group's results. Therefore, global and/or regional economic trends could adversely affect the Group's operating performance and/or financial condition.

b. Country risks

To minimize losses that may result from country risks, the Group recognizes that it must avoid concentrated exposure to any single country or region. In conducting business in countries that pose substantial country risks, the Group hedges against country risks on a transaction by transaction basis in principle through such means as purchasing trade insurance.

In managing country risks, the Group assigns nine levels to its country-risk ratings for individual countries and regions based on objective measures according to the size of the country risks. It then sets net exposure (gross exposure less trade insurance coverage and/or other country-risk hedges) limits based on the economic scale of the country and its assigned rating. The Group limits its net exposure to individual countries to no more than the net exposure limit.

However, even with these risk controls and hedges, the Group cannot completely eliminate the risk that businesses will fail to perform according to plan or the risk of losses due to changes in political, economic, regulatory, or societal conditions in the countries in which the Group conducts business or countries in which the Group's customers are located. Such issues could adversely affect the Group's operating performance and/or financial condition.

c. Geopolitical risks

The Group operates business in Japan and overseas, and there is a possibility that our management resources, such as employees, materials, capital, and information, may be exposed to risks, or that trade, investment, and other free economic activities may be hindered due to heightened social, political, and military tensions in specific countries and regions.

To address the uncertainty arising from the escalation of geopolitical risks, we verify the content of transactions and the impact on business in specific countries and regions, and through research, analysis, and training, we strive to ensure that appropriate measures can be taken in the event of an emergency. In addition, centered around the Security Trade Control Committee, we flexibly respond to changes in the external environment, such as changes in diplomatic policies, sanctions, and armed conflicts in various countries.

However, it is difficult to avoid all geopolitical risks, and if events occur that affect the Company's business, the Group's operating performance and/or financial condition could be adversely affected.

d. Market risks

The Group is exposed to market risks, including exchange rate risk associated with transactions denominated in foreign currencies in connection with international trade or business investments; interest rate fluctuation risk associated with debt financing and portfolio investment; commodity price fluctuation risk associated with purchase and sale agreements and commodity inventories incidental to operating activities; and market price fluctuation risk associated with holding listed securities and other such assets. The Group has a basic policy of minimizing these market risks through such means as matching assets and liabilities and hedging with forward exchange contracts, commodity futures/forward contracts, and interest rate swaps.

1) Currency risk

The Sojitz Group conducts import and export transactions denominated in foreign currencies and offshore trading as its principal business activities, and is exposed to foreign exchange fluctuation risk with respect to foreign currencies, including dividends received from overseas operating companies. In order to prevent the occurrence or expansion of losses arising from such foreign exchange fluctuation risk, the Group implements hedging measures such as forward exchange contracts; however, there is no assurance that such measures will completely eliminate foreign exchange fluctuation risk.

In addition, since a substantial portion of the income and expenses of overseas consolidated subsidiaries and equity method associates is denominated in foreign currencies, and the reporting currency for the Group's consolidated financial statements is the Japanese yen, the Group is exposed to foreign exchange fluctuation risk when translating income and financial statements into Japanese yen. These factors may adversely affect the Group's operating results and financial position due to unexpected market fluctuations.

Furthermore, with regard to foreign exchange sensitivity of earnings (limited to U.S. dollars), a fluctuation of ¥1 per U.S. dollar will have an impact of approximately ¥800 million per year on Gross profit, approximately ¥300 million per year in profit for the year (attributable to owners of the Company), and approximately ¥2.0 billion in equity.

2) Interest rate risk

The Group raises funds by borrowing from financial institutions or issuing bonds to extend credit (e.g., for trade receivables), invest in securities, acquire fixed assets, and for other purposes. Asset and liability items are categorized based on whether or not they are sensitive to interest rate changes, with the difference between the value of sensitive assets and sensitive liabilities used to determine an interest rate mismatch value. Based on this amount, the ratios of funds procured from fixed-rate sources and variable-rate sources are adjusted to better manage interest rate fluctuation risks. However, the Group cannot completely avoid interest rate fluctuation risks. An increase in funding costs due to a sharp rise in interest rates could adversely affect the Group's operating performance and/or financial condition. In the year ended March 31, 2026, the Group's outstanding interest-bearing debt was ¥1,295,617 million, the average interest rate for short-term borrowings was 3.72%, long-term borrowings payable within one year were 1.69%, and long-term borrowings (excluding those payable within one year) were 2.05%.

3) Commodity price risk

As a general trading company, the Group deals in a wide range of commodities in its various businesses. It is consequently exposed to the risk of commodity price fluctuations. For market-traded commodities, the Group manages exposures and controls losses by setting (long and short) position limits and maximum loss amount for each of its organizational units. The Group also imposes and enforces stop-loss rules (i.e., organizational units must promptly liquidate losing positions, if unit losses, including valuation losses, exceed the 90% of the maximum loss amount). Even with these controls, however, there is no assurance that the Group can completely avoid commodity price risk. The Group's operating performance and/or financial condition could be adversely affected by unanticipated market or other movements. The positions of each product are monitored, and measures are implemented to control levels as appropriate based on division-specific analyses of price movements.

4) Listed securities price risk

The Group has large holdings of marketable securities. We conduct a quantitative assessment of shares that we hold to ensure that dividends or related profit earned from those shares exceed the shares' equity cost (weighted average cost of capital). We also conduct a qualitative assessment, looking at whether the shares help improve our corporate value to ongoingly confirm the holding purpose for all holdings.

Nonetheless, a major decline in stock prices could result in fluctuations in the fair price of marketable securities and, in turn, adversely affect the Group's operating performance and/or financial condition.

e. Credit risks

The Group extends credit to business partners around the world as an aspect of various transactions. These transactions present the risk of the Company being unable to collect receivables as a result of performance downturns or bankruptcy on the part of buyers.

The Group mitigates credit risks by assigning credit ratings to business partners to which it extends credit based on an 11-grade rating scale. Transaction limits are then set based on said credit ratings and the types of risks to which the Company may be exposed. Credit and contract amounts are contained within the defined transaction limits. Furthermore, transaction conditions are periodically revised based on a comprehensive assessment of the credit and supply chain statuses of business partners. In addition, safeguards (e.g., collateral, guarantees, and insurance) are used as warranted by the credit status of business partners or changes thereto. We thereby endeavor to minimize the losses projected to be incurred in the event that a credit risk should materialize. Furthermore, a system for assessing receivables has been implemented to assess the recoverability of doubtful receivables based on the credit status of the counterparty, repayment history, and safeguards. Should it be judged that it might be difficult to recover receivables, the amount of the at-risk receivables will be calculated and provisions for doubtful accounts will be recorded in a timely manner.

At the same time, it is possible that suppliers may be unable to supply products as stipulated in supply contracts due to management difficulties. Such a situation could impede the ability for the Group to fulfill its responsibilities as the primary contractor in sales contracts.

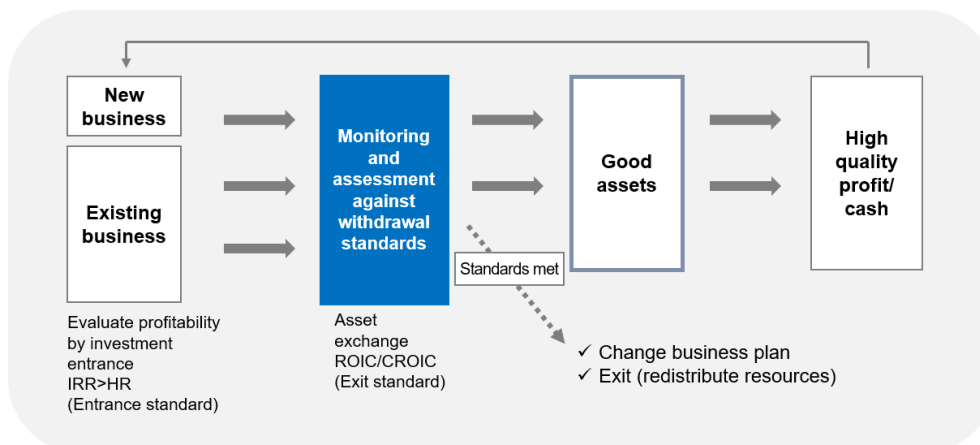
However, even with such credit management procedures, there is no assurance that the Group can completely avoid credit risks. If, for example, receivables are rendered uncollectible due to bankruptcy by a business partner, the Group's operating performance and/or financial condition could be adversely affected.

f. Business investment risks

The Group conducts business investments in various business areas. Business investments entail risks that earnings may not be generated in accordance with business plans, that invested capital may not be recovered, or that losses might be incurred when withdrawing from businesses. The Group takes steps to prevent and limit losses associated with business investments by establishing business investment standards related to management and withdrawal during the decision-making process or after investments, and management is performed based on these standards.

When conducting new investments, business plans are submitted to stringent reviews looking at factors such as the meaningfulness of initiatives and cash flow projections. Profitability assessments use internal rate of return as an indicator, and hurdle rates are set for this indicator. Only projects expected to surpass this hurdle rate are chosen in order to select projects that contribute to improved shareholder value while producing returns commensurate to risks.

Return on invested capital and cash return on invested capital are measured for post-investment projects to ensure that these metrics exceed cost of capital, as part of annual monitoring and evaluation for withdrawal decisions. Moreover, regular assessments of business feasibility are carried out to quickly identify potential issues in order to facilitate timely and appropriate improvement measures or withdrawals and thereby safeguard the Company's balance sheet and maintain or improve corporate value. An overview of monitoring and evaluation for withdrawal decisions is shown in the figure below.



Even with such pre- and post-investment risk management frameworks, the Group cannot completely avoid the risk that investment returns will fall short of expectations or the risk that businesses will fail to perform according to plan. Moreover, if the business does not proceed as expected, the value of goodwill and fixed assets held by the Group may be damaged, resulting in impairment losses, or losses may be incurred when exiting business ventures. Such events could adversely affect the Group's operating performance and/or financial condition.

g. Funding risks

The Group largely funds its operations by borrowing funds from financial institutions and issuing bonds, and therefore maintains good business relationships with financial institutions and keeps the long-term debt ratio at a specified level, which ensures stable funding. However, in the event of a disruption of the financial markets, or major downgrades of the Group's credit rating by rating agencies, funding constraints, and/or increased financing costs could adversely affect the Group's operating performance and/or financial condition.

h. Environmental and climate change risks

It is possible that an environmental and climate change issue might occur in association with the Group's business activities or supply chains, or that the Group could face criticism by various entities, including environmental organizations, for being involved in such issues. Such events could cause damage to the Group's reputation or force the Group to temporarily or permanently cease operations. The Group could also face litigation, incur expenses related to compensation for affected parties, or otherwise have to pay for damage. Such events have the potential to result in the Group becoming detached from its supply chains.

Moreover, global warming resulting from a failure to prevent climate change poses risks to business earnings and asset value. Specific examples of these risks include transition risks associated with regulatory strengthening for the purpose of limiting climate change as well as physical risks of damages from flooding and other natural disasters created by rising temperatures.

The Group has formulated the long-term vision "Sustainability Challenge" positioning environment and human rights as priority themes among its six materialities, and is working to contribute to the realization of a decarbonized society as part of its initiatives to address environmental and climate change issues.

(For more information, please refer to "2. Operating and Financial Review and Prospects, 2. Sustainability Policies and Initiatives, (3) Risk Management Related to Sustainability")

i. Human rights risks

The Group develops its business on a global scale, meaning that it is involved in diverse and wide-ranging business activities and supply chains. It is possible that an occupational health and safety or human rights issue might occur in association with the Group's business activities or supply chains, or that a human rights organization or other social constituent may judge that the Group has been involved in an occupational health and safety or human rights issue. Such events could force the Group to temporarily or permanently cease operations. The Group could also face litigation, incur expenses related to compensation for affected parties, or otherwise have to pay for damage. Such events have the potential to result in the Group becoming detached from its supply chains or suffering damage to its reputation.

The Group has formulated the Sustainability Challenge, our long-term vision, as a priority theme addressing environment and human rights among its six materialities, and is engaged in supply chain human rights initiatives through means including formulating and implementing human rights policies and individual policies related to human rights.

(For more information, please refer to "2. Operating and Financial Review and Prospects, 2. Sustainability Policies and Initiatives, (3) Risk Management Related to Sustainability")

j. Compliance risks

The Group's diverse business activities are subject to a broad range of laws and regulations, including the Companies Act of Japan, tax laws, anti-corruption laws, anti-harassment laws, antitrust laws, customs laws, foreign exchange laws and other trade-related laws, and various industry-specific laws, including chemical regulations. To ensure compliance with these laws and regulations in Japan and overseas, the Group has formulated a compliance program, established the Compliance Committee, and made other companywide efforts to instill a compliance-oriented mindset within all Group officers and employees. In addition, trade security frameworks are implemented and operated centered on the Security Trade Control Committee. However, such measures cannot completely eliminate the compliance risks entailed by the Group's business activities. Additionally, the Group's operating performance and/or financial condition could be adversely affected by major statutory or regulatory revisions or application of an unanticipated interpretation of existing laws or regulations.

k. Litigation risks

In connection with its business activities, the Group may become a defendant or a party to legal proceedings, such as litigation and arbitration, in Japan or overseas. Such proceedings involve inherent uncertainties, and it is not possible at this time to predict their likelihood, timing, or outcome. Depending on the results of these proceedings, the Group may incur obligations such as damages or settlement payments, which could adversely affect its operating results and financial position.

l. System risks

There are system risks associated with poor quality or operational troubles in computer systems, which may hinder business operations or cause losses, as well as risks due to inadequate integrated management of IT resources and systems.

The Group has established a management system centered on the chief information officer (CIO), to appropriately protect and operate information systems. We have implemented redundancy measures for critical information systems and network equipment and are conducting centralized management of IT assets and vulnerabilities throughout the Group to ensure stable system operation.

While the Group is working to strengthen overall systems and prevent system failures, it cannot eliminate the risk of its information and communication systems being rendered inoperable by an unforeseeable natural disaster or system failure.

Additionally, in the event that system risks materialize at the Group's consolidated companies, including the Company, the Group strives to mitigate anticipated losses by concluding insurance policies. However, the Group's operating performance and/or financial condition could be adversely affected, depending on the extent of the damage.

m. Information security risks

There are information security risks that could result in losses and damage to our social reputation due to the leakage, alteration, destruction, or loss of information caused by unauthorized access, cyberattacks, or mismanagement of information assets (including paper-based materials).

The Group has prescribed regulations and a management system centered on the Information and IT System Security Committee, which is chaired by the chief information security officer (CISO), to appropriately protect and manage information assets.

The Group is endeavoring to strengthen its safeguards against information leaks through such means as employing firewalls to prevent unauthorized access from outside of the organization, implementing measures to combat viruses that exploit system vulnerabilities, and utilizing encryption technologies.

Moreover, the Group has implemented measures to strengthen groupwide security governance, including installation of software for quickly detecting and limiting the damages from cyberattacks, drills on responding to suspicious emails, and groupwide security measures.

Also, through regular security risk assessments, we will track security issues and risks to set priorities for medium- to long-term security measures.

While the Group is working to strengthen overall information security and prevent system failures, it cannot completely eliminate the risk of important information assets, including personal information, being leaked or damaged by increasingly prevalent cyberattacks or unauthorized access to its computer systems. Additionally, in the event that security risks materialize at the Group's consolidated companies, including the Company, the Group strives to mitigate anticipated losses, such as response costs and compensation costs to suppliers and customers, by concluding insurance policies. However, the Group's operating performance and/or financial condition could be adversely affected, depending on the extent of the damage.

n. Innovation risks

In an environment where DX initiatives – including the advanced utilization of AI – as well as technological innovation and business model transformation are rapidly accelerating, there is a risk that the Sojitz Group may not respond appropriately or in a timely manner. Such circumstances could lead to the functions and added value we provide to business partners being diminished, resulting in missed growth opportunities.

In addition, inadequate AI governance could give rise to risks associated with AI utilization, including information leaks and infringements of intellectual property or other rights.

To address these risks, the Sojitz Group is advancing its “Digital in All” initiative, which integrates efforts such as the development and expansion of digital talent, the establishment and strengthening of digital infrastructure for data and AI utilization, and the promotion of business transformation aligned with evolving societal needs. Furthermore, we have established the DX Promotion Committee and, under its supervision, the AI Governance Subcommittee as internal committees. These committees oversee the formulation of companywide DX policies and organizational frameworks, the promotion of related initiatives, the implementation of controls addressing AI-specific risk areas, and the monitoring of these activities.

However, despite these measures, delays or inadequacies in responding to the rapid advancement of AI technologies, shifts in business structures, or changes in regulatory environments could adversely affect the Group's operating results and financial position.

o. Natural disaster and calamity risks

The Group could be directly or indirectly affected in the event of an earthquake, flood, storm, or other natural disaster or by a widespread pandemic that damages offices or other facilities or impacts employees and/or their family members. The Group has prepared disaster and pandemic response manuals, has conducted disaster response drills, and has established an employee safety confirmation system and a business continuity plan (BCP).

Alternative suppliers and products are identified as a means of protecting supply chains in the event of a major disaster in order to ensure that we are able to continue transactions. In addition, we conclude insurance policies when appropriate to minimize the possible damages should a disaster occur.

However, the Group cannot completely avoid the risk of damage from natural disasters. The Group's operating performance and/or financial condition could be adversely affected should a natural disaster disrupt supply chains.

p. Human capital risks

The Group views human capital as an important form of capital and a wellspring of value. Accordingly, we emphasize human capital in management to continuously develop value-creating talent, and we seek to recruit and foster the human capital necessary for advancing our management and business strategies. With regard to talent acquisition, we promote recruitment mindful of our human resource portfolio, focusing on recruiting individuals with outstanding expertise through mid-career recruitment in fields such as M&A, digital, and legal, with the goal of promoting diversity, creating innovation, and strengthening functions. Also, we are working to optimize the age composition of our workforce. In addition, in our recruitment of new graduates, we have established targets for the ratio of female hires and are promoting the development of a workplace environment in which employees can thrive regardless of gender.

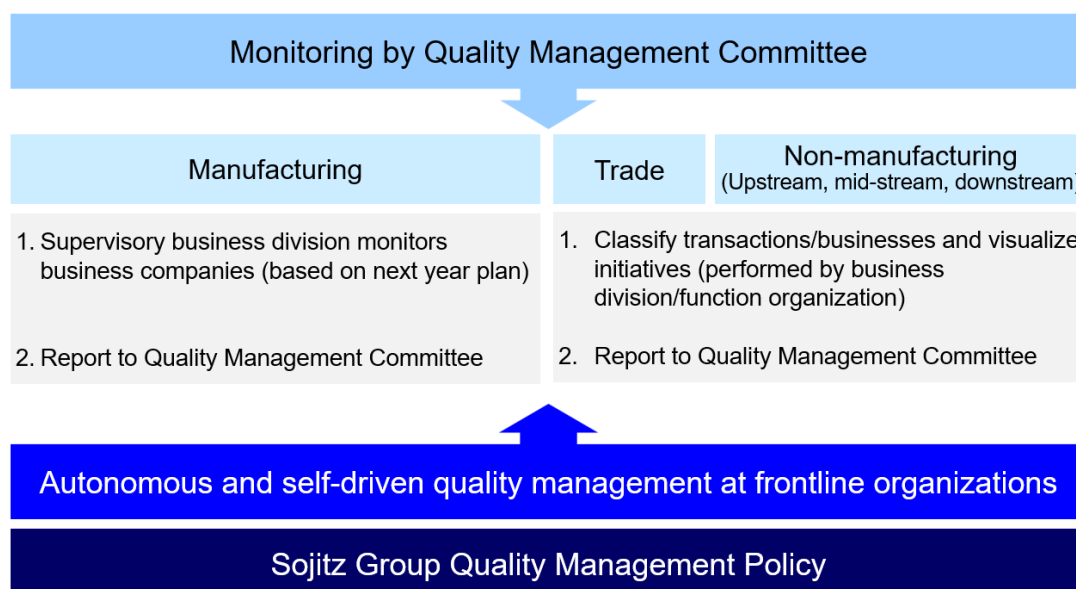
We have identified these important themes for human capital development: “Build diverse teams of employees who take on new challenges and achieve growth,” “Strengthen the section managers' ability to maximize the full potential of each individual,” and “Anticipate volatile environment and flexibly allocate human capital.” We are strengthening the development of human capital necessary for the realization of the business strategies, such as managers, DX-Experts, and non- Japanese human capital. In addition, human capital key performance indicators have been defined for important themes to allow for quantitative monitoring of the progress and results of human capital development initiatives.

Although the Group is advancing various initiatives based on its human capital strategies, it is still possible that the Group may not be able to recruit and cultivate the human capital with the necessary qualities and capabilities due to increased fluidity in the workforce, which is also shrinking as a result of population aging. Such a situation could lead to delays in the implementation of business plans.

For more information on human capital risks, please refer to “2. Operating and Financial Review and Prospects, 2. Sustainability Policies and Initiatives, (8) Basic Policy for Human Resources Strategy, c. Risk Management” .

q. Quality management risks

The Group operates various businesses as a general trading company. In recent years, the Group has broadened and diversified the range of areas in which it conducts business while increasing its involvement in the manufacturing and service industries. Corresponding with this, for the purpose of strengthening the quality management system, the Group conducts autonomous and self-driven quality management at frontline organizations based on the Sojitz Group Quality Management Policy, which puts forth basic shared Groupwide policies for quality management. In addition, the Quality Management Committee has been established as a Groupwide organization for the comprehensive monitoring of the status of quality management of products and services at frontline organizations. An overview of the structure is shown in the figure below.



Should a quality management risk materialize, the necessary steps will be taken to accommodate the affected customer while accounting for the characteristics of the given business. Meanwhile, the Quality Management Committee will examine and research such efforts to share the results and discoveries thereof on a companywide basis so that the lessons learned can be applied to other businesses to drive improvements in quality management. In trading businesses, potential sources of quality management risks are identified and countermeasures are assessed by looking at entire supply chains on an individual sales channel-basis.

However, it is impossible to completely eliminate quality management risks, and the Group may be found liable for any damages that occur as a result of quality issues. Such issues could adversely affect the Group's operating performance and/or financial condition.

r. Reputation risks

In the event that incidents such as product or service quality issues, compliance violations, information leaks, security breaches, unauthorized access, cyberattacks, or similar incidents occur within the Group, there is a risk that the facts of the incidents, as well as deficiencies or inadequacies in the timeliness of information disclosure or the objectivity of the disclosed content, may result in damage to the trust or brand value of the Group among stakeholders.

In external communication, we strive to ensure transparency, timeliness, and fairness in disclosure, and make efforts to deliver consistent and appropriate messages. However, the Group's operating performance and/or financial condition could be adversely affected by information from media or social networks.

Further, the corporate website and social media accounts expose us to the risk of system vulnerabilities that could potentially lead to the doctoring of posted information or the leakage of personal information collected via these venues. As described in "m. Information security risks" above, we strive to develop measures to protect against system vulnerabilities to the greatest extent possible. For these operations, the Group has established shared Group social media policies and regulations, as well as a system to make appropriate information communications from the Group. However, even with these measures in place, there remains a risk that criticism or reputational damage arising from operational issues may become concentrated on the Company; that unintentional infringements of copyrights, trademarks, portrait rights, or other intellectual property rights may occur; and that third parties – including parties other than business partners or customers – may post content on external websites or social media identifying or referring to the Sojitz Group. Regardless of whether such information is true or false, such events could adversely affect the Group's operating performance and/or financial condition.

4. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows

(Analysis of Financial Position, Operating Results and Cash Flows)

(1) Analysis of Operating Results

In the year ended March 31, 2026, continued attention was required regarding the impact of changes in U.S. tariff policies and the situation in the Middle East on the global economy and business environment. In particular, prices, especially for energy, have risen due to the situation in the Middle East, leading to risks of accelerating global inflation and decline in consumer spending and production activities.

Looking at the regions in which our Group does business, in the United States, solid demand related to AI is expected to continue driving investment in related facilities; however, personal consumption is slowing due to deteriorating consumer sentiment, employment conditions, and income levels in response to rising fuel prices.

In the EU economic area, personal consumption has remained resilient as the economy continues to recover, mainly supported by domestic demand, public investment including defense spending and expanded infrastructure investment.

In China, the economy remains sluggish. Structural issues such as excess inventory in the real estate market and high unemployment rates among young people remain unresolved, suggesting that a full economic recovery will take time.

In Vietnam, the economy continues to achieve strong growth, driven by exports, tourism, and foreign direct investment. Meanwhile, the increasingly alarming situation in the Middle East is leading to worsening trade balances and rising prices.

In Australia, improvements in employment, personal consumption, and facilities investment have supported economy resilience, mainly through domestic demand. Since late 2025, the inflation rate has exceeded the central bank's target range, with monetary tightening likely to continue.

In Japan, the economy continues its gradual recovery, supported by domestic demand; however, rising energy prices are accelerating inflation, affecting personal consumption, while suppressed corporate profits are weighing on facilities investment, requiring attention to the ongoing economic risks.

Sojitz Corporation's consolidated business results for the year ended March 31, 2026, are presented below.

Revenue increased by 9.9% year-on-year to ¥2,757,350 million due to higher revenue in Energy Solutions & Healthcare segment from the new consolidation and transaction growth in the energy-saving service business as well as higher revenue in Aerospace, Transportation & Infrastructure segment from transaction growth in the defense-related business.

Gross profit increased by ¥20,696 million year-on-year to ¥367,489 million, mainly due to increased revenue.

Although gross profit increased, profit before tax decreased by ¥19,670 million year-on-year to ¥115,630 million, mainly due to an increase in selling, general and administrative expenses.

Profit for the year decreased by ¥6,552 million year-on-year to ¥107,647 million, after deducting income tax expenses of ¥7,983 million from profit before tax of ¥115,630 million. Profit for the year attributable to owners of the Company decreased by ¥7,025 million year-on-year to ¥103,611 million.

Total comprehensive income for the year amounted to ¥193,239 million, an increase of ¥86,796 million year-on-year, reflecting the recognition of financial assets measured at FVTOCI and foreign currency translation differences for foreign operations in addition to profit for the year. Total comprehensive income for the year attributable to owners of the Company amounted to ¥187,859 million, an increase of ¥84,620 million year-on-year.

Consolidated Statement of Profit or Loss

(In Billions of Yen)

	FY24	FY25	Difference	Main Factors
Revenue	2,509.7	2,757.4	247.7	Energy Solutions & Healthcare +153.7, Aerospace, Transportation & Infrastructure +39.5, Retail & Consumer Service +23.5, Chemicals +21.3
Gross profit	346.8	367.5	20.7	Energy Solutions & Healthcare +25.7, Chemicals +7.3, Retail & Consumer Service +5.7, Metals, Mineral Resources & Recycling (18.9)
SG&A expenses *1	(269.9)	(305.1)	(35.2)	Increased due to acquisition of new consolidated subsidiaries
Other income/expenses	12.3	10.1	(2.2)	FY25 : Gain on partial sale of equity stake in SAKURA internet Inc. and sale of the gas retail business, etc. FY24 : Gains on changes in equity interest due to public offering of SAKURA internet Inc. and gain on the sale of overseas industrial park, etc.
Financial income/costs	(3.5)	(0.9)	2.6	
Share of profit (loss) of investments accounted for using the equity method	49.6	44.0	(5.6)	
Profit before tax	135.3	115.6	(19.7)	
Profit for the period/year	110.6	103.6	(7.0)	
Core earnings *2	122.7	102.4	(20.3)	
Major One-time Gain/Loss	4.5	11.2	6.7	
Non-Resource	3.1	23.8	20.7	FY25 : Gains on the sale of the gas retail business, etc.
Resource	1.4	(12.6)	(14.0)	FY25 : Impairment loss on Australian coal business, etc.

*1 The amount for doubtful accounts provision and write-offs included in SG&A: YoY change JPY(0.3) bn ((0.4) to (0.7))

*2 “Core earnings” = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividends received + Share of profit (loss) of investments accounted for using the equity method.

(2) Capital Resources and Liquidity of Funds and Procurement Status

(a) Consolidated Financial Position

Total assets as of March 31, 2026, were ¥3,648,023 million, an increase of ¥560,771 million from the end of the previous fiscal year, mainly due to the acquisition of new consolidated subsidiaries.

Total liabilities amounted to ¥2,494,223 million, an increase of ¥414,587 million from the end of the previous fiscal year, mainly due to an increase in interest-bearing debt from new financing.

Total equity attributable to owners of the Company increased by ¥121,413 million from the end of the previous fiscal year to ¥1,090,369 million, reflecting an increase due to the accumulation of profit for the year and other component of equity by resulted from foreign exchange rate, despite a decrease resulting from dividend payments and the acquisition of treasury stock.

As a result, as of March 31, 2026, the equity ratio was 29.9%. Net interest-bearing debt (total interest-bearing liabilities less cash and cash equivalents and time deposits) amounted to ¥1,039,566 million as of March 31, 2026, an increase of ¥152,276 million from March 31, 2025, and the net debt-to-equity ratio was 0.95 times.

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

Consolidated Statement of Financial Position

(In Billions of Yen)

	FY24	FY25	Difference	Main Factors
Assets(current/non-current)	3,087.3	3,648.0	560.7	Trade and other receivables (current)
Cash and cash equivalents	192.3	245.1	52.8	- Increased due to tobacco trading, defence-related transactions, and new consolidated subsidiaries Inventories
Trade and other receivables (current)	899.8	1,092.4	192.6	- Increased due to acquisition of new consolidated subsidiaries as well as growth in the marine products business Tangible fixed assets/Intangible assets/Investment property
Inventories	275.9	340.5	64.6	- Increased due to acquisition of new consolidated subsidiaries
Goodwill	151.3	179.7	28.4	Investments accounted for using the equity method and other investments
Tangible fixed assets/Intangible assets/Investment property	381.8	420.6	38.8	- Increased due to new investments and share of profit (loss) of investments accounted for using the equity method
Investments accounted for using the equity method and other investments	776.8	897.4	120.6	Other current/non-current assets
Other current/non-current assets	409.4	472.3	62.9	- Increased due to aircraft-related transactions
Liabilities(current/non-current)	2,079.7	2,494.2	414.5	Trade and other payables (current)
Trade and other payables (current)	596.5	749.9	153.4	- Increased due to tobacco trading and new consolidated subsidiaries
Bonds and borrowings	1,086.4	1,295.6	209.2	Bonds and borrowings
Other current/non-current liabilities	396.8	448.7	51.9	- Increased due to new borrowings
Total equity	1,007.6	1,153.8	146.2	Other current/non-current liabilities
Total equity attributable to owners of the Company	969.0	1,090.4	121.4	- Increased due to acquisition of consolidated subsidiaries
				Total Equity attributable to owners of the Company
				- Profit for the period +103.6
				- Dividends paid (33.2)
				- Stock repurchase (10.0)
				- Foreign exchange rates, FVTOCI +75.7

(b) Consolidated Cash Flows

For the year ended March 31, 2026, net cash provided in operating activities was ¥16,759 million, net cash used in investing activities was ¥86,608 million, and net cash provided by financing activities was ¥110,217 million. Sojitz ended the period with cash and cash equivalents of ¥245,145 million, reflecting the effect of exchange rate changes on cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided in operating activities amounted to ¥16,759 million, an increase in inflows of ¥33,447 million year-on-year, mainly as a result of business earnings and dividends received.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥86,608 million, a decrease in outflows of ¥7,498 million year-on-year, mainly due to investments in an Australia's infrastructure developer and in an Australia's transport project.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥110,217 million, up ¥3,829 million year-on-year, mainly as a result of procurement through borrowings despite payment of dividends and repayment of lease liabilities.

(c) Liquidity and Financing of Funds

The Sojitz Group continues to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has endeavored to maintain a stable financial foundation by keeping the long-term debt ratio at a certain level and by holding sufficient liquidity as a buffer against changes in the economic or financial environment. Consequently, as of March 31, 2026, the current ratio was 155.4%, the long-term debt ratio was 76.9%. As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz has long-term commitment line agreements totaling ¥100.0 billion (unused) and US\$2.475 billion (of which US\$1.648 billion has been used).

(3) Segment Information

Growth strategies by segment and analysis of variable factors related to operating results are discussed below.

Effective April 1, 2025, the Company reorganized its Aerospace, Transportation & Infrastructure and Energy Solutions & Healthcare and changed its reporting segment classification method.

Automotive

(In Billions of Yen)

	FY24	FY25	Difference	Main factors of change
Gross profit	65.5	66.0	0.5	Despite strong performance in the automobile sales businesses in Latin America, profit decreased due to impairment losses on Australian used car business
SG&A expenses	(58.4)	(63.3)	(4.9)	
Share of profit (loss) of investments accounted for using the equity method	0.7	1.8	1.1	
Profit for the year	1.6	(5.3)	(6.9)	
	FY24	FY25	Difference	Main factors of change
Segment assets	289.7	348.5	58.8	Increased mainly due to acquisition of an automotive sales company in Panama and an automotive sales company in Brazil

Aerospace, Transportation & Infrastructure

(In Billions of Yen)

	FY24	FY25	Difference	Main factors of change
Gross profit	26.9	27.5	0.6	Profit increased due to an increase in defense- and aircraft-related transactions, as well as gains from the partial sale of the railcar leasing business
SG&A expenses	(18.6)	(19.6)	(1.0)	
Share of profit (loss) of investments accounted for using the equity method	4.5	4.2	(0.3)	
Profit for the year	12.2	15.5	3.3	
	FY24	FY25	Difference	Main factors of change
Segment assets	378.8	453.9	75.1	Increased mainly due to new consolidation of public transportation business in Australia, land acquisition in an industrial park in Vietnam, and growth in aircraft-related transactions

Energy Solutions & Healthcare

(In Billions of Yen)

	FY24	FY25	Difference	Main factors of change
Gross profit	40.2	65.9	25.7	Profit increased due to new consolidation and increase in transaction in energy-saving service businesses , earnings contributions from solar power generation-related businesses, and gains from the sale of the gas retail business in Nigeria
SG&A expenses	(39.1)	(56.9)	(17.8)	
Share of profit (loss) of investments accounted for using the equity method	22.6	15.2	(7.4)	
Profit for the year	22.6	31.9	9.3	
	FY24	FY25	Difference	Main factors of change
Segment assets	606.1	758.6	152.5	Increased mainly due to acquisition of a infrastructure development company in Australia, a power retail company in Australia, and a power retail company in Europe

Metals, Mineral Resources & Recycling

(In Billions of Yen)

	FY24	FY25	Difference	Main factors of change
Gross profit	35.9	17.0	(18.9)	Profit decreased due to a decline in market prices and low production efficiency in the Australia coking coal business, as well as impairment losses.
SG&A expenses	(16.9)	(16.1)	0.8	
Share of profit (loss) of investments accounted for using the equity method	17.6	18.0	0.4	
Profit for the year	29.2	4.8	(24.4)	
	FY24	FY25	Difference	Main factors of change
Segment assets	487.1	499.8	12.7	Largely unchanged from the previous fiscal year-end

Chemicals

(In Billions of Yen)

	FY24	FY25	Difference	Main factors of change
Gross profit	65.2	72.5	7.3	Flat year on year, as weaker methanol prices weighed on earnings but were offset by contributions from newly consolidated NIPPON A&L INC.
SG&A expenses	(34.8)	(42.4)	(7.6)	
Share of profit (loss) of investments accounted for using the equity method	(0.5)	(0.1)	0.4	
Profit for the year	20.0	20.0	0.0	
	FY24	FY25	Difference	Main factors of change
Segment assets	309.7	382.7	73.0	Increased mainly due to acquisition of NIPPON A&L INC

Consumer Industry & Agriculture Business

(In Billions of Yen)

	FY24	FY25	Difference	Main factors of change
Gross profit	35.1	33.5	(1.6)	Profit decreased due to a decline in transaction volume in overseas fertilizer businesses
SG&A expenses	(25.9)	(25.1)	0.8	
Share of profit (loss) of investments accounted for using the equity method	1.2	1.5	0.3	
Profit for the year	6.4	5.9	(0.5)	
	FY24	FY25	Difference	Main factors of change
Segment assets	244.1	244.3	0.2	Largely unchanged from the previous fiscal year-end

Retail & Consumer Service

(In Billions of Yen)

	FY24	FY25	Difference	Main factors of change
Gross profit	65.2	70.9	5.7	Profit increased due to steady performance in the marine products businesses and domestic retail businesses, as well as gains from the partial sale of the domestic commercial facility development and operation business
SG&A expenses	(51.2)	(55.6)	(4.4)	
Share of profit (loss) of investments accounted for using the equity method	2.6	3.4	0.8	
Profit for the year	11.4	14.2	2.8	
	FY24	FY25	Difference	Main factors of change
Segment assets	586.8	717.8	131.0	Increase in trade receivables and other assets, mainly in tobacco trading

* The amount presented for “Profit for the year” is profit for the year attributable to owners of the parent.

(4) Significant Estimates and Underlying Assumptions for Accounting

The preparation of the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS Accounting Standard) requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from such estimates.

Estimates and underlying assumptions thereof are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

The significant estimates and underlying assumptions applied by the Group for the preparation of the Consolidated Financial Statements are as follows.

(a) Fair Value of Financial Instruments

Sojitz Group uses observable market data, to the extent available, to measure the fair value of assets or liabilities. The specific fair value calculations are as follows.

1) Equity instruments

The fair value of listed shares is the quoted price on an exchange. The fair value of unlisted shares is calculated using valuation methods including discounted future cash flow, market prices of comparable companies, net asset value, and other valuation methods. Measuring the fair value of unlisted shares involves the use of unobservable inputs such as discount rate and valuation multiples, as well as any necessary adjustments including discounts for a lack of liquidity or a non-controlling interest. The Group's corporate departments determine the policies and procedures for measuring the fair value of unlisted shares, and validate their approach to measuring fair value, including the valuation model, by periodically confirming matters such as the operating circumstances associated with particular equities, the availability of relevant business plans, and data from comparable public companies.

2) Derivative financial assets and liabilities

Currency-related derivatives

The fair values of foreign exchange transactions, spot/forward transactions, currency option transactions, and currency swap transactions are calculated based on the forward exchange rate as of the closing date.

Interest rate-related derivatives

The fair value of interest-rate swaps is the present value of future cash flow discounted by an interest rate that reflects time to settlement and credit risk.

Commodity-related derivatives

The fair value of commodity futures transactions is calculated using final prices on commodities exchanges as of the fiscal year-end. The fair values of commodity forward transactions, commodity option transactions, and commodity swap transactions are calculated based on the index prices publicly announced at the fiscal year-end.

(b) Impairment of Non-Financial Assets

At each fiscal year-end, the Group determines whether there is any indication of an impairment loss with respect to the Group's non-financial assets, and, if so, the Group estimates the recoverable amount of such assets. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that there may be an impairment with respect thereof. If the carrying amount of an individual asset or a cash-generating unit exceeds the recoverable amount, such carrying amount is reduced to equal the recoverable amount and an impairment loss is recognized.

Recoverable amount is either the fair value or the value in use (whichever is the higher value) after deducting disposal costs from individual assets or cash-generating units. Fair value is calculated using reasonable estimated prices, obtainable through orderly transactions between market participants. Value in use is calculated by discounting estimated future cash flow using a pre-tax discount rate that reflects the current market value in relation to the inherent risks of cash-generating units or individual assets, and the time value of money. In principle, the business plan used to estimate future cash flow is limited to five years. The Group makes appropriate use of outside experts according to the complexity of calculating the value in use and fair value.

With respect to impairment losses of assets other than goodwill that were recognized in previous fiscal years, the Group determines at each fiscal year-end whether such impairment losses have ceased to exist or there are indications that the same have decreased. If any such indications exist, the Group will estimate the recoverable amount of such assets. If such recoverable amount exceeds the carrying amount of such assets, the carrying amount of the assets is increased to equal the recoverable amount and reversal of impairment losses is recognized. Impairment losses recognized with respect to goodwill are not reversed in subsequent periods.

In addition, because goodwill that constitutes part of the carrying amount of an investment with respect to an investment accounted for using the equity method is not separately recognized, it is not tested for impairment separately. If it is suggested that there may be an impairment loss with respect to an investment made to an investment accounted for using the equity method, the entire carrying amount of such investment will be tested for impairment as a single asset, by comparing the recoverable amount with such carrying amount.

The Group's accounting estimates, including accounting for impairment of fixed assets, are made based on the information available when creating the consolidated financial statements.

(c) Provisions

A provision is recognized only when the Group has a present obligation (legal or presumptive) as a result of a past event, there is a probability that an outflow of resources embodying economic benefits will be required to settle such obligation, and a reliable estimate can be made regarding the amount of such obligation.

Where there is materiality in the effects of time value of money, provisions are discounted using a pre-tax rate that reflects the risks specific to said liability.

(d) Measurement of Defined Benefit Obligations

Defined benefit plans refer to retirement benefit plans other than a defined contribution plan. Defined benefit obligations are calculated separately for each plan by estimating the future amount of benefits that employees will have earned in return for their services provided in the current and prior periods and discounting such amount in order to determine the present value. The fair value of any plan assets is deducted from the present value of the defined benefit obligations.

The discount rates are principally equivalent to the market yields of AA credit-rated corporate bonds at the fiscal year-end that have maturity terms which are approximately the same as those of the Group's obligations and use the same currencies as those used for future benefit payments.

Past service cost is immediately recognized as profit or loss.

The Group immediately recognizes all of the remeasurements of the net defined benefit liability (asset) as other comprehensive income and promptly reclassifies them as retained earnings.

(e) Recoverability of Deferred Tax Assets

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amount of an asset and liability in the statement of financial position and its tax base, the unused tax losses carried forward, and the unused tax credits carried forward. The amounts of tax assets and liabilities are calculated under the expected tax rate or tax law applicable as of the period in which assets are realized or liabilities settled based on a statutory tax rate or the same substantially enacted as of the fiscal year-end.

Deferred tax assets are recognized for deductible temporary differences, the unused tax losses carried forward, and the unused tax credits carried forward to the extent that it is probable that they can be used against future taxable profit. The carrying amount of deferred tax assets is reassessed at each fiscal year-end, and such carrying amount will be reduced to the extent it is no longer probable that related tax benefits from such assets will be realized.

(Status of Achievement of Target Management Indicators, etc.)

Please refer to **2. Operating and Financial Review and Prospects**, 1. Management Policies, Operating Environment, and Management Issues, (2) Progress of the “Medium-Term Management Plan 2026” .

(Sales, Purchases and Contracts)

(a) Sales

Please refer to (1) Analysis of Operating Results” and “**5. Financial Information**, 1. Consolidated Financial Statements, Notes, 5 Segment information.

(b) Purchases

Purchase is generally linked to sales, so the information is omitted.

(c) Status of Contracts

Contracts signed are generally linked to sales, so the information is omitted.

*Caution regarding Forward-looking Statements

This document contains forward-looking statements based on information available to the Company at the time of disclosure and certain assumptions that management believes to be reasonable. Actual results may differ materially based on various factors including the changes in economic conditions in key markets, both in and outside of Japan; and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

5. Material Contracts

The Group has entered into loan agreements that include the following financial covenants; however, there were no instances of non-compliance with these covenants as of March 31, 2026.

• Adjusted consolidated profit before tax of the Group shall not be negative for two consecutive fiscal years.

Details of the agreement are as follows.

As of March 31, 2026				
Contract date	Loan period	Lender type	Balance as of March 31, 2026 (millions of yen)	Collateral
March 17, 2017	March 31, 2028	City bank	79,825	None
September 29, 2017	March 31, 2028	City bank	63,952	None
March 27, 2019	March 31, 2029	City bank, etc.	10,000	None
March 27, 2020	March 31, 2030	City bank, etc.	12,000	None
October 31, 2022	March 31, 2031	City bank	18,934	None
December 2, 2022	March 31, 2033	City bank	86,229	None

6. Research & Development

There are no R&D activities for which disclosure is required.

3. Equipment and Facilities

1. Overview of Capital Expenditures

(1) Sojitz

There were no significant capital investments, disposals or sales of facilities in the year ended March 31, 2026.

(2) Domestic Subsidiaries

Equipment and facilities below were added as major equipment and facilities of Sojitz Group in the year ended March 31, 2026.

Segment	Office Name	Type of Equipment and Facilities	Location	Land Acreage (1,000m ²)	Land	Buildings	Right-of-use assets	Investment property	Others
					Carrying Amount (Millions of yen)				
Chemicals	NIPPON A&L INC.	Head office and factory	Chuo-ku, Osaka-shi, Osaka etc.	82	-	2,309	562	-	9,605

(Note)

The carrying amount is as of March 31, 2026.

(3) Overseas Subsidiaries

Equipment and facilities below were added as major equipment and facilities of Sojitz Group in the year ended March 31, 2026.

Segment	Office Name	Type of Equipment and Facilities	Location	Land Acreage (1,000m ²)	Land	Buildings	Right-of-use assets	Investment property	Others
					Carrying Amount (Millions of yen)				
Automotive	BLOOMING DEVELOPMENTS S.A.	Branches and head office etc.	Panama, Panama	38	4,742	3,452	-	-	363

(Note)

The carrying amount is as of March 31, 2026.

Due to the change in the scope of consolidation, equipment and facilities below were excluded from major equipment and facilities of Sojitz Group in the year ended March 31, 2026.

Segment	Office Name	Type of Equipment and Facilities	Location	Land Acreage (1,000m ²)	Land	Buildings	Right-of-use assets	Investment property	Others
					Carrying Amount (Millions of yen)				
Aerospace, Transportation & Infrastructure	Southwest Rail Industries, Inc.	Freight car	Texas, the United States	-	-	36	-	-	24,516

(Note)

The carrying amount is as of March 31, 2025.

The oil and gas interests and related facility (Segment: Energy Solutions & Healthcare ; Location: British North Sea territory) owned by Sojitz Energy Development Ltd. which were listed in "2. Status of Major Facilities" in the previous fiscal year, have been omitted because they have become insignificant due to a reclassification to assets held for sale.

2. Status of Major Facilities

As of March 31, 2026, major equipment and facilities of Sojitz and its consolidated subsidiaries are below.

(1) Sojitz

Segment	Office Name	Type of Equipment and Facilities	Location	Number of Employees (persons)	Land Acreage (1,000m ²)	Land	Buildings	Right-of-use assets	Investment property	Others (Note)
						Carrying Amount (Millions of yen)				
Others	Tokyo Head Office	Head Office	Chiyoda-ku, Tokyo	1,874	-	-	1,109	23,923	-	339
Others	Kansai Office	Branch Office	Kita-ku, Osaka-shi, Osaka	55	-	-	115	713	-	7
Retail & Consumer Service	Seishin Chuo SC	Commercial facility	Nishi-ku, Kobe-shi, Hyogo	-	-	-	-	-	2,035	-

(Note)

"Others" includes structures, equipment and intangible assets.

(2) Domestic Subsidiaries

Segment	Office Name	Type of Equipment and Facilities	Location	Number of Employees (persons)	Land Acreage (1,000m ²)	Land	Buildings	Right-of-use assets	Investment property	Others (Note 1)
						Carrying Amount (Millions of yen)				
Energy Solutions & Healthcare	Mirai Soden Kami-Mio Corporation	Solar power plant	Iizuka-shi, Fukuoka	-	-	-	-	205	-	2,700
Chemicals	NI Chemical Corporation	Tank facility	Mihama-ku, Chiba-shi, Chiba	28	57	2,096	257	9	40	1,945
	NIPPON A&L INC.	Head office and factory	Chuo-ku, Osaka-shi, Osaka etc.	349	82	-	2,309	562	-	9,605
Consumer Industry & Agriculture Business	Sojitz Goto Kaihatsu Co., Ltd.	Resort Hotel	Goto-shi, Nagasaki	3	16	84	1,806	25	-	350
Retail & Consumer Service	Sojitz Logitech Co., Ltd. (Note 2)	Logistics center	Kasamatsu-cho, Hashima-gun, Gifu	42	74	1,969	110	31	375	61
	The Marine Foods Corporation	Head office and factory	Minato-ku, Tokyo etc.	934	86	1,571	1,456	970	-	1,946

(Note)

1. "Others" includes structures, equipment, machinery, vehicles and intangible assets.

2. DAICHIBO Co., Ltd. changed its name to Sojitz Logitech Co., Ltd. on May 1, 2025.

(3)Overseas Subsidiaries

Segment	Office Name	Type of Equipment and Facilities	Location	Number of Employees (persons)	Land Acreage (1,000㎡)	Land	Buildings	Right-of-use assets	Investment property	Others (Note 1)
						Carrying Amount (Millions of yen)				
Automotive	Sojitz Automotive Group, Inc.	Branches and head office etc.	California, the United States	434	148	2,629	5,451	11,169	-	11,874
	Albert Automotive Holdings Pty Ltd	Branches and head office etc.	Victoria, Australia etc.	254	71	-	233	3,328	-	4,884
	PREMIUM PROPERTIES INTERNATIONAL, S.A.	Branches and head office etc.	Panama, Panama	-	104	12,237	3,419	-	-	365
	BLOOMING DEVELOPMENTS S.A.	Branches and head office etc.	Panama, Panama	-	38	4,742	3,452	-	-	363
Aerospace, Transportation & Infrastructure	Sojitz Transit & Railway Canada Inc.	In-house factory	Montreal, Canada etc.	426	137	2,335	1,476	324	-	2,264
	Long Duc Investment Co., Ltd. (Note 2)	Industrial Park, infrastructure etc.	Dong Nai, Vietnam	62	2,700	-	101	193	2,607	991
	PT. SDI PROPERTIES INDONESIA	Rental housing etc.	Bekasi, Indonesia	62	11	932	2,509	0	-	98
Energy Solutions & Healthcare	S4 Chile SpA	Solar power plant	Tarapacá, Chile	-	3,000	-	-	221	-	20,691
	LBS Digital Infrastructure Corp.	Telecommunication Tower	Cagayan, Philippines etc.	109	-	-	0	3,341	-	12,345
Metals, Mineral Resources & Recycling	Sojitz Resources (Australia) Pty.Ltd.	Bauxite interests and alumina refining facility	Worsley, Australia	-	4,513	254	-	3,748	-	13,334
	Sojitz Development Pty Ltd	Coal Mining Interests and related facility	Gregory, Australia etc.	-	164,212	666	820	791	-	36,081
Chemicals	PT. Kaltim Methanol Industri	Head office and factory	Jakarta, Indonesia	216	-	-	2	364	-	1,809
Consumer Industry & Agriculture Business	Thai Central Chemical Public Co., Ltd.	Head office and factory	Bangkok, Thailand	864	376	1,425	1,160	180	141	7,351
	Saigon Paper Corporation	Head office and factory	Ho Chi Minh, Vietnam	1,027	-	-	40	362	-	11,170
Retail & Consumer Service	KHANH VINH CORPORATION LIMITED LIABILITY COMPANY	Warehouse etc.	Long An, Vietnam	187	-	-	4	2,939	-	352
Others	Sojitz Corporation of America	Head Office etc.	New York, the United States	90	-	-	133	1,288	-	316

(Note)

1. "Others" includes structures, equipment, machinery, vehicles and intangible assets.

2. Long Duc Investment Co., Ltd. changed its name to SOJITZ INFRASTRUCTURE VIETNAM COMPANY LIMITED on April 1, 2026.

3. Plans for New Additions or Disposals

There are no plans for new additions or disposals for which disclosure is required.

4. Corporate Information

1. Status on the Sojitz's Shares

(1) Total Number of Shares and Other Related Information

(a) Total Number of Shares

Class	Total Number of Shares authorized to be issued
Common Stock	500,000,000
Total	500,000,000

(b) Number of Shares Issued

Class	Number of Shares outstanding (as of March 31, 2026)	Number of Shares outstanding as of issuance date of this report (as of June 9, 2026)	Names of stock exchange on which Sojitz is listed or names of authorized financial instruments firms association	Description
Common Stock	210,000,000	210,000,000	Tokyo Stock Exchange (listed on the Prime Market)	All outstanding shares are shares with full voting rights and have identical rights. The number of shares constituting one unit is 100.
Total	210,000,000	210,000,000	-	-

(2) Status of the Share Subscription Rights

(a) Stock Option Plans

Not applicable.

(b) Rights Plan

Not applicable.

(c) Other Information about Share Subscription Rights

Not applicable.

(3) Exercise Status of Bonds with Share Subscription Rights Containing a Clause for Exercise Price Adjustment

Not applicable.

(4) Trends in the Number of shares Issued, Amount of Share Capital, and Others

Date	Change in the number of shares issued (share)	Balance of the number of shares issued (share)	Changes in share capital (Millions of Yen)	Balance of share capital (Millions of Yen)	Changes in additional paid-in capital (Millions of Yen)	Balance of additional paid-in capital (Millions of Yen)
October 1, 2021 (Note 1)	(1,001,199,601)	250,299,900	-	160,339	-	152,160
April 7, 2023 (Note 2)	(15,299,900)	235,000,000	-	160,339	-	152,160
September 29, 2023 (Note 3)	(10,000,000)	225,000,000	-	160,339	-	152,160
August 29, 2025 (Note 4)	(15,000,000)	210,000,000	-	160,339	-	152,160

(Note)

- As a result of the consolidation of stocks on October 1, 2021, whereby five shares of common stock were consolidated into one share, the total number of shares outstanding decreased by 1,001,199,601 shares.
- The Company cancelled its treasury stock on April 7, 2023 in accordance with the resolution of the Board of Directors meeting held on March 31, 2023, the number of shares issued decreased by 15,299,900 shares.
- The Company cancelled its treasury stock on September 29, 2023 in accordance with the resolution of the Board of Directors meeting held on September 22, 2023, the number of shares issued decreased by 10,000,000 shares.
- The Company cancelled its treasury stock on August 29, 2025 in accordance with the resolution of the Board of Directors meeting held on August 22, 2025, the number of shares issued decreased by 15,000,000 shares.

(5) Status of Shareholders

As of March 31, 2026

AS of March 31, 2020

Classification	Status of Shares (1 unit = 100 shares)								Shares under one unit (Number of shares)
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders		Individuals and others	Total	
					Foreign shareholders other than individuals	Individuals			
Number of shareholders (persons)	-	72	57	1,304	443	302	153,801	155,979	-
Number of shares held (units)	-	634,907	114,738	72,310	569,042	682	681,259	2,072,938	2,706,200
Ratio(%)	-	30.62	5.54	3.49	27.45	0.03	32.87	100.00	-

(Note)

- Regarding treasury stock of 654,463 shares, 6,544 units are included in “Individuals and Other” and 63 shares are included in “Shares under one unit”.
- Regarding 480 shares registered in the name of Japan Securities Depository Center, Inc., 4 units are included in “Other Corporations” and 80 shares are included in “Shares under one unit”.

(6) Status of Major Shareholders

As of March 31, 2026

Name of shareholders	Location	Number of shares held (Thousands)	Percentage of common stock issued (excluding treasury stocks) (%)
The Master Trust Bank of Japan, Ltd. (trust account) (Note3)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	31,605	15.10
Custody Bank of Japan, Ltd. (trust account) (Note3)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	15,570	7.44
The Nomura Trust and Banking Co., Ltd. (investment trust account) (Note3)	2-2, Otemachi 2-chome, Chiyoda-ku, Tokyo	4,600	2.20
STATE STREET BANK AND TRUST COMPANY 505001 (Standing agent: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS, USA (15-1, Konan 2-chome, Minato-ku, Tokyo)	4,126	1.97
STATE STREET BANK AND TRUST COMPANY 505103 (Standing agent: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS, USA (15-1, Konan 2-chome, Minato-ku, Tokyo)	3,047	1.46
JP Morgan Chase Bank 385781 (Standing agent: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (15-1, Konan 2-chome, Minato-ku, Tokyo)	2,987	1.43
JAPAN SECURITIES FINANCE CO., LTD.	2-10, Nihonbashi-kayabacho 1-chome, Chuo-ku, Tokyo	2,926	1.40
Goldman Sachs Japan Co., Ltd. BNYM	6-1, Toranomon, 2-chome, Minato-ku, Tokyo	2,436	1.16
JP Morgan Securities Japan Co., Ltd.	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	2,395	1.14
Custody Bank of Japan, Ltd. (trust account 4) (Note3)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	2,206	1.05
Total	-	71,898	34.35

(Note)

1. The number of shares held is rounded down to the nearest thousand, and the percentage of shares held to the total number of issued shares (excluding treasury stocks) is rounded to the nearest hundredth.
2. The number of shares held by each shareholder is no longer aggregated with the trust account, etc.
3. Of the above number of shares held, the number of shares related to trust business is as follows.

The Master Trust Bank of Japan, Ltd. (trust account)	31,387 thousand shares
Custody Bank of Japan, Ltd. (trust account)	15,494 thousand shares
The Nomura Trust and Banking Co., Ltd. (investment trust account)	4,600 thousand shares
Custody Bank of Japan, Ltd. (trust account 4)	709 thousand shares

4. In the report of possession of large volume available for public inspection on October 6, 2025, it is stated that Nomura Securities Co., Ltd. and its joint holders own the following shares as of September 30, 2025, but as the Company has not been able to confirm the actual number of shares held as of March 31, 2026, it has not been included in the above list of major shareholders.

The contents of the report are as follows.

Name of shareholders	Location	Number of shares held (Thousands)	Percentage of common stock issued (%)
Nomura Securities Co.,Ltd.	13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	1,331	0.63
NOMURA INTERNATIONAL PLC	1 ANGEL LANE, LONDON EC4R 3AB, UNITED KINGDOM	341	0.16
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2-chome, Koto-ku, Tokyo	13,120	6.25

5. In the report of possession of large volume available for public inspection on November 4, 2025, it is stated that Mitsubishi UFJ Financial Group, Inc. and its joint holders own the following shares as of October 27, 2025, but as the Company has not been able to confirm the actual number of shares held as of March 31, 2026, it has not been included in the above list of major shareholders.

The contents of the report are as follows.

Name of shareholders	Location	Number of shares held (Thousands)	Percentage of common stock issued (%)
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	4,467	2.13
Mitsubishi UFJ Asset Management Co., Ltd.	9-1, Higashi-shimbashi 1-chome, Minato-ku, Tokyo	3,514	1.67
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	643	0.31

6. In the report of possession of large volume available for public inspection on February 5, 2026, it is stated that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holders own the following shares as of January 30, 2026, but as the Company has not been able to confirm the actual number of shares held as of March 31, 2026, it has not been included in the above list of major shareholders.

The contents of the report are as follows.

Name of shareholders	Location	Number of shares held (Thousands)	Percentage of common stock issued (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakoen 1-chome, Minato-ku, Tokyo	6,587	3.14
Amova Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	3,982	1.90

(7) Voting rights

(a) Issued shares

As of March 31, 2026

Category	Number of Shares	Number of voting rights	Description
Shares with no voting rights	-	-	-
Shares with restricted voting rights (Treasury shares, etc.)	-	-	-
Shares with restricted voting rights (Other)	-	-	-
Shares with full voting rights (Treasury shares, etc.)	(Treasury shares) Ordinary share 654,400	-	The number of shares constituting one unit is 100.
	(Reciprocal holding) Ordinary share 40,000	-	The number of shares constituting one unit is 100.
Shares with full voting rights (Other)	Ordinary share 206,599,400	2,065,994	The number of shares constituting one unit is 100.
Shares less than one unit	Ordinary share 2,706,200	-	Shares less than one unit (100 shares)
Total number of issued shares	210,000,000	-	-
Number of voting rights held by all shareholders	-	2,065,994	-

(Note)

- The Company's shares owned by the trust account related to the BIP (Board Incentive Plan) trust for directors' remuneration (the BIP trust) are included in the common stock of 1,285,200 shares (12,852 voting rights) in the "Shares with full voting rights (Other)".
- Treasury shares and the Company's shares owned by the trust account related to the BIP trust included in shares less than one unit are as follows.

Sojitz Corporation	63 Shares
BIP Trust Account	96 Shares

- Shares registered for forfeiture in the name of Japan Securities Depository Center, Inc. are included in "Shares with full voting rights (Other)" with 400 shares (4 voting rights) and in "Shares less than one unit" with 80 shares.

(b) Treasury shares, etc.

As of March 31, 2026

Name of shareholder	Address of shareholder	Number of shares held in own name	Number of shares held in others' names	Total number of shares held	Shareholding ratio
Sojitz Corporation (Treasury shares)	1-1, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo	654,400	-	654,400	0.31
Fuji Nihon Corporation (Reciprocal holding)	6-7, Kabutocho, Nihonbashi, Chuo-ku, Tokyo	40,000	-	40,000	0.02
Total	-	694,400	-	694,400	0.33

(Note)

The Company's shares owned by the trust account related to the BIP trust, amounting to 1,285,296 shares, and 63 shares less than one unit held by the Company are not included in the treasury shares stated above.

(8) Details of the Officer and Employee Stock Ownership Plan

Performance-Linked Share Remuneration System for Directors and Other Officers

At the 21st Ordinary General Shareholders' Meeting, which was held on June 18, 2024, the continuation and partial amendment of the performance-linked share remuneration system for Directors and Executive Officers (excluding Independent Directors, Directors who are Audit and Supervisory Committee Members, and individuals not residing in Japan; hereinafter referred to as "Directors, etc.") were approved. This decision was made with the goal of providing a highly transparent and objective officers remuneration system that is strongly linked to Company performance and that serves to heighten the commitment of Directors, etc. to contributing to improvements in performance and corporate value over the medium to long term. This system is designed to evaluate the contributions of Directors, etc. to medium- to long-term performance based on their aggregate term of service. These evaluations are used to determine total numbers of shares to be delivered to applicable Directors, etc., including those issued after their resignation.

(a) Overview of Performance-Linked Share Remuneration System

The performance-linked share remuneration system utilizes the BIP Trust. Similar to the performance-linked share remuneration and share with transfer restriction remuneration systems employed of the United States and Europe, the BIP Trust delivers shares of the Company's stock, monetary amounts equivalent to price of shares, and dividends associated with shares to applicable Directors, etc. based on their rank and the degree of accomplishment of performance targets.

(b) Total Amount of Shares to be Delivered to Applicable Directors, etc.

On August 7, 2018, the BIP Trust acquired 1,727,600 shares of the Company's stock with an acquisition price of ¥689 million.

Following the 1-for-5 consolidation of shares of common stock conducted with an effective date of October 1, 2021, the BIP Trust acquired 700,100 shares of the Company's stock with an acquisition price of ¥1,342 million on December 1, 2021, 538,300 shares of the Company's stock with an acquisition price of ¥2,006 million on August 21, 2024.

Accordingly, the total number and book value of the shares held by the BIP Trust on March 31, 2026, was 1,285,296 shares and ¥3,431 million, respectively.

(c) Scope of Beneficiaries

Applicable Directors, etc. who have retired and fulfill other criteria.

2. Acquisitions and disposals of treasury shares

(Class of shares, etc.)

Acquisitions of shares of common stock falling under Article 155, Items 3, 7 and 8 of the Companies Act of Japan

(1) Acquisitions by resolution of shareholders meeting

Not applicable.

(2) Acquisitions by resolution of board of directors meeting

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (May 1, 2025) (Acquisitions period: May 2, 2025 to July 31, 2025)	2,800,000	10,000,000,000
Treasury shares acquired before the current fiscal year	-	-
Treasury shares acquired during the current fiscal year	2,800,000	9,956,291,082
Number of shares and total amount of outstanding shares of resolution	-	-
Ratio of non-exercised portion at the end of the current fiscal year (%)	-	-
Treasury shares acquired during the current period for acquisitions	-	-
Ratio of non-exercised portion as of filing date of this report (%)	-	-

(Note) The Acquisitions of treasury shares based on the resolution at the meeting of the Board of Directors held on May 1, 2025 was completed with the acquisitions of treasury shares on July 31, 2025.

(3) Acquisitions of treasury shares not based on a resolution approved at the Ordinary General Shareholders' Meeting or a resolution approved by the Board of Directors

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury shares acquired during the current fiscal year	4,732	22,055,672
Treasury shares acquired during the current period for acquisitions	357	2,275,341

(Note) "Treasury share acquired during the current period for acquisitions" does not include shares consisting of less than one full unit purchased during the period from May 1, 2026 to the issuance date of this report.

(4) Disposal of acquired treasury shares and number of treasury shares held

Classification	Current fiscal year		Current period	
	Number of shares (Shares)	Total disposition amount (Yen)	Number of shares (Shares)	Total disposition amount (Yen)
Acquired treasury shares for which subscribers were solicited	-	-	-	-
Acquired treasury shares that were disposed of	15,000,000	50,353,403,901	-	-
Acquired treasury shares for which transfer of shares was conducted in association with merger/stock exchange/share delivery/corporate separation	-	-	-	-
Others (Decrease due to sale of shares constituting less than one full unit upon request for additional purchase)	480	2,271,280	-	-
Number of treasury shares held	654,463	-	654,820	-

(Note)

1 "Number of treasury shares held" for the current period for acquisition does not include shares constituting less than one full unit purchased during the period from May 1, 2026 to the issuance date of this report.

2 "Number of treasury shares held" for the current fiscal year and the current period does not include the Company's shares held by the trust account related to the BIP Trust.

3. Dividend Policy

Sojitz's basic dividend policy and top management priority is to pay stable dividends to shareholders on an ongoing basis, and to commit to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing earnings.

Based on the basic dividend policy, under the "Medium-Term Management Plan 2026", approximately 30% of the Core operating cash flows (*1) over the cumulative three-year period of the plan will be allocated to shareholder returns. In addition, the plan sets a progressive dividend policy based on a shareholder's equity DOE (*2) of 4.5%.

(*1) Core operating cash flow: Cash flow after deducting changes in working capital from operating cash flows calculated for accounting purposes

(*2) Shareholder's equity DOE: Dividend paid / Shareholder's equity

(*3) Shareholder's equity: After deducting other components of equity from total equity at the end of the previous fiscal year

The Company's Articles of Incorporation provide that, pursuant to Article 459, Paragraph 1 of the Companies Act, dividends from surplus and other matters may be determined by resolution of the Board of Directors.

(1) Year-End Dividend

The year-end dividend for the year ended March 31, 2026, was decided as follows based on a comprehensive evaluation of business results, total equity, and other factors.

(a) Type of property to be distributed as dividends

Cash

(b) Total value of dividend distribution and its allocation among shareholders

¥82.50 per share of Sojitz common stock, ¥17,271 million in total

For the year ended March 31, 2026, Sojitz will issue annual dividend payments of ¥165 per share, when including the interim dividend of ¥82.50 per share made on December 1, 2025. This will make for total dividend payments of ¥34,542 million.

(c) Effective date of dividends from surplus

June 10, 2026

Dividends paid from surplus for the year ended March 31, 2026 are as shown below.

Date of resolution	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)
May 1, 2025 Resolution of the Board of Directors	17,271	82.50
May 1, 2026 Resolution of the Board of Directors	17,271	82.50

(2) FY2026 Dividends

At a meeting of the Board of Directors held on May 1, 2026, the Company resolved that the interim dividend for the fiscal year ending March 31, 2027, will be ¥90.00 per share for common shares outstanding as of September 30, 2026, the record date for the dividend. The total amount of the interim dividend is expected to be ¥18,841 million (effective date: December 1, 2026). For details, please refer to the "Notice Concerning Cash Dividends (Year-End Dividend for the Fiscal Year Ended March 2026 and Interim Dividend for the Fiscal Year Ending March 2027)" announced on May 1, 2026.

4. Corporate Governance

(1) Overview of Corporate Governance

a. Basic concept

We strive to improve our corporate value over the medium- to long-term based on the “Sojitz Group Statement” , as well as the “2030 Vision of Sojitz.”

In order to materialize these, based on our belief that the enhancement of our corporate governance is an important issue of management, we have striven to establish a highly sound, transparent and effective management structure, while also working toward the fulfillment of our management responsibilities and accountability to our shareholders and other stakeholders. Based on this concept, since June 2020, Sojitz has had an Independent Director serve as Chair of the Board of Directors and appointed a majority of the Nomination Committee and the Remuneration Committee as Independent Directors. Further, as of June 2023 the Company decided that the majority of the Board of Directors would be Independent Directors. In June 2024, we transitioned to a Company with Audit and Supervisory Committee, which includes Directors responsible for auditing and supervision of the execution of duties by Directors as members of the Board of Directors. This transition aims to strengthen the supervisory function of the Board of Directors and to expedite decision-making by delegating authority from the Board of Directors to Executive Directors. As such, the Company aimed to ensure the transparency of management and strengthen the corporate governance system.

Under this structure, we will enhance the quality and speed of our management decisions and improve the corporate value of the Group in a constantly changing business environment.

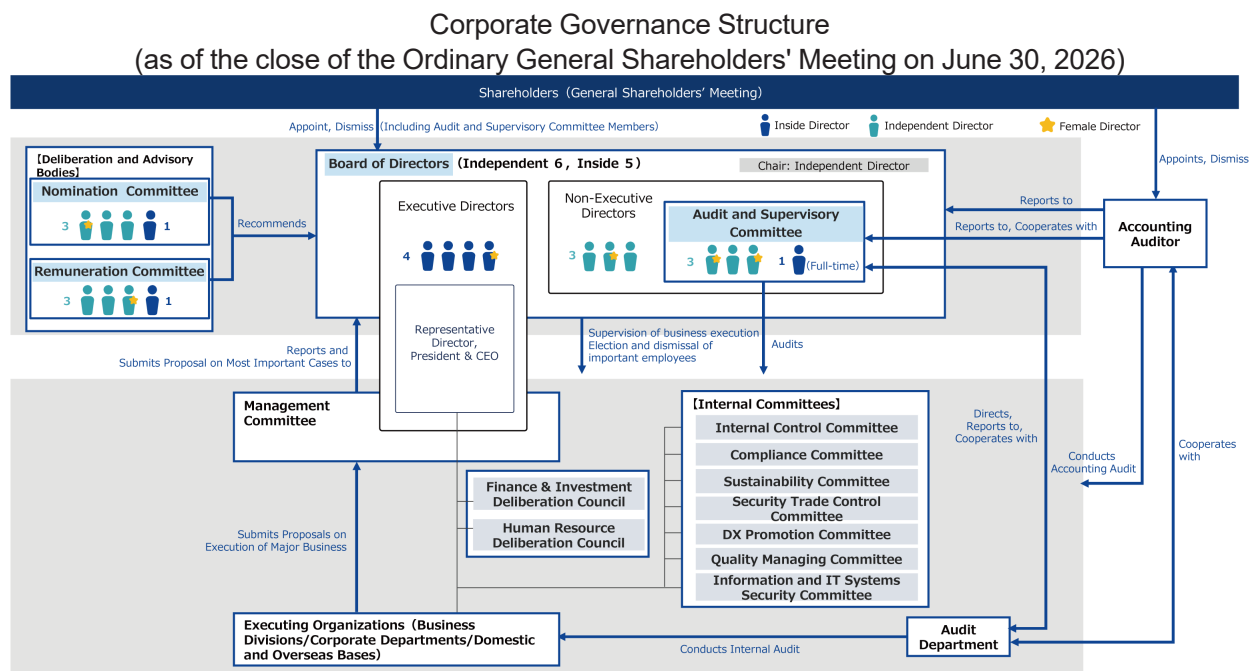
b. Outline of the corporate governance system and reasons for adopting the system

Our Company operates under a governance structure as a Company with an Audit and Supervisory Committee. By appointing Audit and Supervisory Committee Members – who are responsible for overseeing the execution of duties by Directors – as members of the Board of Directors, we further strengthen the Board’s supervisory function. At the same time, by delegating certain authority from the Board of Directors to Directors responsible for business execution, we seek to accelerate decision-making.

In addition, to further enhance the Board’s oversight of business execution and ensure that the Board receives appropriate advice and recommendations from objective and diverse perspectives, a majority of the Board of Directors consists of Independent Directors, and the Chair of the Board is also an Independent Director. Furthermore, the Nomination Committee and Remuneration Committee, both of which serve as advisory bodies to the Board of Directors, are structured so that a majority of their members are Independent Directors, with the chairs of both committees also serving as Independent Directors. This framework helps ensure the appropriateness and transparency of Director nominations and remuneration decisions.

The executive function comprises the Management Committee, chaired by the President, who is also the Chief Executive Officer. The Management Committee is responsible for the review and approval of important managerial and executive agendas from a Group-wide and medium- to long-term viewpoint. In addition, we have established the Finance & Investment Deliberation Council for the review and approval of important investments and loans, the Human Capital Deliberation Council for the review and approval of major human resource matters, and internal committees to handle issues to be addressed from cross-organizational perspectives. All of these bodies report directly to the President.

The term of Directors (excluding Directors who are Audit and Supervisory Committee Members) and Executive Officers is set at one year in order to facilitate swift and appropriate responses to rapid changes in the operating environment and clarify responsibilities related to management.



c. Company institutions

1) Board of Directors

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

(a) Policy for appointing Directors

In appointing candidates for Directors, we take into consideration the diversity such as gender, age, international experience or other characteristics, and appoint multiple candidates who possess abundant experience, specialized knowledge and advanced expertise from both inside and outside Sojitz, to ensure decision-making and management supervision appropriate to a general trading company involved in a wide range of businesses.

(b) Procedure for appointing Directors

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

(c) Composition of the Board of Directors

Sojitz's Articles of Incorporation stipulate that the number of members of the Board of Directors shall be no more than 12 (including 5 or less Directors who are Audit and Supervisory Committee Members).

As of the issuance date of this report, the Board of Directors consists of 11 Directors. The breakdown of the composition of the Board of Directors is as follows. The Company aims to achieve highly transparent management through the strengthening of the supervisory functions of the Board of Directors.

As resolutions (matters discussed) at the 23rd Ordinary General Shareholders' Meeting scheduled for June 30, 2026, the Company will propose "Election of 7 Directors (excluding Directors who are Audit and Supervisory Committee Members)" and "Election of 3 Directors who are Audit and Supervisory Committee Members." If these proposals are approved as drafted, the breakdown of the composition of the Board of Directors will also be as stated below. It also incorporates details about the resolutions of the Board of Directors meeting and Audit and Supervisory Committee meeting scheduled immediately after the Ordinary General Shareholders' Meeting.

<Composition Breakdown>

- 6 of 11 Directors are Independent Directors (majority)
- There are 7 Directors (excluding Directors who are Audit and Supervisory Committee Members) (of which 3 are Independent Directors), and 4 Directors who are Audit and Supervisory Committee Members (of which 3 are Independent Directors)
- 4 of 11 Directors are female (36.4%)
- Chair of the Board of Directors is an Independent Director

(d) Skill matrix

For the execution of the Group's management strategy, the Board of Directors must support prompt and resolute decision-making of executive members and properly supervise execution of business.

In order to achieve this, it is important for the Board of Directors to have the knowledge of international circumstances, economics, and culture as well as a global perspective that is capable of accepting diversity and engaging in dialogues. In addition, knowledge of planning and execution of management strategy and initiatives, knowledge of M&A, investments and loans, finance, and digital transformation to create opportunities toward sustainable growth, and experience in business management to increase business value are all important.

Further, knowledge of risk management, litigation, financial affairs, accounting, human capital, and internal controls are necessary to solidify the business foundation. Expertise in environmental and social issues is also necessary in order to realize a decarbonized society and promote the resolution of social issues such as human rights.

Name	Masayoshi Fujimoto	Kosuke Uemura	Makoto Shibuya	Tomomi Arakawa	Tsuyoshi Kameoka	Yumiko Jozuka	Mamoru Morita	Yoshiki Manabe	Haruko Kokue	Kazuhiko Takeda	Junko Watanabe
Position, etc.	Executive Director	Executive Director	Executive Director	Executive Director	Independent Director/Chair of the Board of Directors	Independent Director	Independent Director	Director (Full-time Audit and Supervisory Committee Member and Committee Chair)	Independent Director (Audit and Supervisory Committee Members)	Independent Director (Audit and Supervisory Committee Members)	Independent Director (Audit and Supervisory Committee Members)
Advisory body	—	Nomination Remuneration	—	—	Nomination Remuneration	Nomination Remuneration	Nomination Remuneration	—	—	—	—
Global	●	●		●	●		●		●	●	●
Company Management	●	●	●		●		●		●	●	
Legal/Risk Management	●					●		●			●
Business investment /M&A		●	●		●		●	●			
Financial affairs/ accounting			●					●		●	●
Human Capital strategy/ Human Capital management		●		●		●					
Internal controls			●			●		●	●		●
Environmental and social	●			●	●	●			●		
Digital				●			●			●	

*Skills, careers, and expertise required of the Board of Directors will be reviewed based on changes to the business environment and management policy.

*Of the knowledge of each Director, areas of particular importance for supervision of management have been marked with ●.

*In section "Advisory body", committees chaired by each individual are indicated in white text.

Skill selection reasons

Global	The Company believes that insights related to international circumstances, economics, and culture gained from overseas business management experience are important as we expand diverse businesses globally.
Company management	The Company believes that knowledge related to business management and corporate governance gained from management experience at business companies in and outside Japan and overseas operating sites as well as business execution experience at headquarters is important.
Legal/Risk management	The Company believes that knowledge to foresee important risks from business execution and oversee whether appropriate contractual practices and risk management are being conducted is important.
Business investment/M&A	The Company believes that it is important to have knowledge to make business decisions and supervise business investments and M&A, taking into consideration the management strategy, governance policy, and social/environmental impact.
Financial affairs/Accounting	The Company believes that expert knowledge in the fields of financial affairs, accounting, and tax affairs is important for sustainable growth, raising corporate value, and strengthening the financial foundation.
Human Capital strategy/Human Capital management	The Company believes that knowledge about sustainable initiatives that strengthen human capital and improve organizational culture is important to become “a general trading company that constantly cultivates new businesses and human capital.”
Internal controls	The Company believes that expert knowledge of supervisory, confirmation, and control functions of business execution as well as the ability to supervise the appropriate compliance with laws and regulations, operation, and improvements is important.
Environmental and social	The Company aims to generate two values: “value for Sojitz,” which refers to business expansion and sustainable growth, and “value for society,” which refers to regional economic development and environmental conservation. The Company believes that knowledge of international environmental and social issues is important in order to realize them.
Digital	Under the banner of “Digital in All,” the Company aims to utilize digital technology in all businesses. The Company believes that digital knowledge to oversee “offensive” DX such as transformation and generation of the business model and “defensive” DX such as improved efficiency and strengthening of security is important.

(e) Activities of the Board of Directors in FY2025

The Sojitz’s Board of Directors meets once a month and as needed, and attendance at the Board of Directors meetings in FY2025 is as follows.

	Name	Board of Directors	Attendance rate
Directors who are not Audit and Supervisory Committee Members	Masayoshi Fujimoto	15/15	100%
	Kosuke Uemura	15/15	100%
	Makoto Shibuya	15/15	100%
	Tomomi Arakawa	15/15	100%
	Tsuyoshi Kameoka	15/15	100%
	Ungyong Shu (*1)	15/15	100%
	Yumiko Jozuka (*2)	11/11	100%
Directors who are Audit and Supervisory Committee Members	Yoshiki Manabe	15/15	100%
	Haruko Kokue	15/15	100%
	Satoko Suzuki (*1)	15/15	100%
	Kazuhiko Takeda (*2)	11/11	100%

*1 Mr. Ungyong Shu and Ms. Satoko Suzuki are scheduled to retire upon the close of the Annual General Shareholders' Meeting to be held on 30 June 2026.

*2 Ms. Yumiko Jozuka and Mr. Kazuhiko Takeda attended all eleven meetings of the Board of Directors held after their appointment as Directors on 18 June 2025.

(f) Matters deliberated by the Board of Directors

The Board of Directors reviews and resolves fundamental matters concerning management among the Group, involving management policy, business plans and important personnel based on the internal rules of the Board of Directors in addition to laws, regulations and the Articles of Incorporation. It also reviews and resolves important matters related to business execution, such as investments and loans of high quantitative importance. As for business execution other than these matters resolved by the Board of Directors, the President, the Chief Executive Officer, or the executing bodies reporting to the President & CEO; the Management Committee, the Finance & Investment Deliberation Council, the Human Capital Deliberation Council, etc. review and approve matters depending on the contents, scale, importance and risks of each matter.

In addition, at meetings of the Board of Directors in FY2025, the Board continued – following FY2024 – to engage in active discussions regarding the Medium-Term Management Plan and investment and financing proposals. As in the previous fiscal year, these topics accounted for the largest portion of total deliberation time, representing 40% of all discussions.

Main deliberations at the Board of Directors meetings held during FY2025

Growth strategy, Investment & Loans (40%)	Development and progress report for Medium-Term Management Plan 2026 and overseas General Manager reports; Entry into the Australian public transportation sector; and other investment and financing proposals
Financial Results, Performance Progress (10%)	Results-related, budget-related, quarterly financial progress reports, etc.
Sustainability, Human Capital, Governance (23%)	Sustainability initiatives report, progress report on personnel policies, assessment of effectiveness of the Board of Directors, the Board of Directors' annual plan, Nomination and Remuneration Committees reports, etc.
Internal Controls, Audits (5%)	Reports on the establishment and operation status of the internal control system (including reports from the Compliance Committee, Security Trade Control Committee, and other various committees), internal audit reports, etc.
DX, Systems (5%)	DX promotion activities report (status of initiatives for each DX measure, digital HR development, AI governance, etc.), cyberattack response, etc.
Others (17%)	President Report, Executive personnel and remuneration, etc.

(Note) The figures shown in parentheses indicate the percentage of total deliberation time in FY2025 allocated to each agenda item

(g) Support system/information sharing system for Directors

We take the following initiatives to enable Directors to appropriately fulfill their roles and responsibilities.

- The Board Meeting Operation Office has been established as an organization which is comprised of four full-time staff (as of March 31, 2026), who support the Directors by reporting to, providing information to, and communicating with Directors in a timely and appropriate manner.
- In order for Directors to deepen their understanding of proposal details, materials are distributed up to five business days before the pre-meeting briefing of the Board of Directors meeting in order to secure sufficient deliberation time. A pre-meeting briefing on proposals will be established up to two business days before the Board of Directors meeting to provide sufficient information about the proposals.
- We provide newly appointed Directors with opportunities to participate in lectures on the Medium-Term Management Plan, DX promotion activities, the internal control, risk management structure, IR and sustainability initiatives by each business executing department, and the business operations of each Sales Headquarters. In addition, external lawyers also provide lectures about the duties and responsibilities of Directors and Audit and Supervisory Committee Members.
- We offer Directors opportunities to attend seminars, etc. held by external organizations as needed.

In addition, we establish opportunities to provide and share information with independent Directors as below, to deepen their understanding of the Company businesses, promote communication and mutual understanding between Directors, and facilitate constructive discussions in the Board of Directors meetings.

- Information sharing meetings between Executive Directors and Independent Directors (held monthly in principle)
- Off-site meetings among all Directors (2 times/year)
- Independent Director meeting (held once a month, in principle)
- Meetings and opinion exchanges between Independent Directors who are and are not Audit and Supervisory Committee Members (2 times/year)
- Business office visits by Independent Directors (2 times/year)
- Participation in summer sessions (2-day 1-night executive training camps) (1 time/year)
- Sharing materials from Management Committee and Finance & Investment Deliberation Council meetings
- Sharing reports by securities analysts, and internal newsletters
- Provide opportunities to participate in the Finance & Investment Deliberation Council meetings as an observer

(h) Analysis/assessment of effectiveness of the Board of Directors

Each year, we analyze and assess the effectiveness of the Board of Directors as a whole in order to improve its functions. The evaluation methodology and results for FY2025, together with the policy for initiatives to be implemented in FY2026 based on those results, are outlined below.

a) Assessment method(Self-evaluation)

Target	All 11 Directors
Method of implementation	<ul style="list-style-type: none">- A questionnaire (using a four-point scale and including free-comment fields for each question) was distributed to all Directors, and the Board Secretariat collected and compiled the responses.- Based on the questionnaire results, the Board Secretariat conducted individual interviews with all Directors. As a culture of open and candid discussion has already become well established, beginning in FY2025 the free-comment responses in the questionnaire and comments provided during interviews have been shared among all Directors on an attributable (non-anonymous) basis.- Matters identified through the questionnaires and interviews – including issues raised and proposals for improvement – were discussed at meetings of the Independent directors.- Following analysis of the questionnaire and interview results, the Board Secretariat prepared a draft evaluation of the Board's effectiveness, which was then deliberated upon and finalized by the Board of Directors.
Questionnaire items	<ol style="list-style-type: none">1. Roles and Responsibilities of the Board of Directors2. Composition of the Board of Directors3. Decision-Making Processes of the Board of Directors4. Support Framework for Board Members5. Composition and Roles of the Nomination and Remuneration Committees6. Composition and Roles of the Audit and Supervisory Committee7. Matters Relating to Independent directors8. Dialogue with Investors, Human Capital, Sustainability, and DX9. Other Matters
Interview items	Interview focused on issues grasped from comments and suggestions entered in free style in the additional notes column and points in the questionnaire.

b) Effective assessment results

Confirmed that the effectiveness of the Company's Board of Directors has been ensured at a generally high level.

(i) Evaluated items

Through the questionnaire and individual interviews, the following areas were identified as having received particularly high evaluations. The overall average score across all 33 questionnaire items was 3.5 out of 4. Furthermore, 24 of the 33 items (72.7%) achieved an average score of 3.5 or higher, indicating that the Board was generally evaluated highly from a quantitative perspective as well.

i) Delegation of Authority from the Board of Directors

- Upon transitioning to a company with an Audit and Supervisory Committee structure in FY2024, the scope of authority delegated by the Board was determined following thorough deliberation, and the current delegation framework is considered appropriate.
- As a result of this effective delegation of authority, management has been able to accelerate decision-making while ensuring sufficient time for deliberation on important agenda items
- In addition, significant matters are reported to the Board in a timely manner, even when formal Board approval is not required.

ii) Composition of the Board of Directors

- Independent directors constitute a majority of the Board, and the Board Chair is also an Outside Director, reflecting a sound governance structure.
- The Independent directors bring diverse professional expertise and backgrounds, and four of the eleven Directors are women.

iii) Decision-Making Processes

- The Board fosters an environment in which Directors are able to express their views openly, and sufficient time is allocated for deliberation, enabling thorough discussion of agenda items.
- Chair briefings are conducted in advance, during which the Chair organizes key discussion points and reviews relevant information and materials to enhance the quality of Board deliberations.
- For important proposals, detailed pre-briefings are provided one to two months prior to formal submission, ensuring that Directors have a comprehensive understanding of the matters before decisions are made.

iv) Composition of the Nomination and Remuneration Committees

- The committees are appropriately structured to encourage active discussion, and transparency is further enhanced through the participation of Audit and Supervisory Committee Members as observers.

v) Support Framework for Independent directors

Independent directors are provided with ample opportunities to communicate with executive officers

- through a variety of forums beyond Board meetings, including pre-briefings, information-sharing sessions, summer sessions, and site visits.

The Board of Directors Operation Office (Secretariat), a dedicated organization, provides sufficient support for the outside directors to exercise their monitoring function.

(ii) FY2025 Initiatives and Status of Responses

i) Ongoing discussion in the Board of Directors meeting, etc. about the medium- to long-term strategy and distribution of management resources

FY2025 Policy Priorities	Status of Responses
<ul style="list-style-type: none"> - By leveraging the additional time created through the reduction in agenda items following the transition to a company with an Audit and Supervisory Committee structure, the Board will continue to engage in ongoing discussions regarding medium- to long-term strategy and the allocation of management resources aimed at achieving Medium-Term Management Plan 2026 and the Next Stage goal of doubling corporate value. - In conducting these discussions, careful attention will be given to communication and explanations that address any gaps in understanding or information between the executive side and the Independent directors. Opportunities outside formal Board meetings will also be utilized to further enhance the quality and substance of deliberations. - In addition, Directors will proactively identify and propose specific themes and issues that warrant deeper discussion at the Board level, with the aim of further strengthening the depth and effectiveness of Board deliberations. 	<ul style="list-style-type: none"> - Through regular progress reports on Medium-Term Management Plan 2026 and the enhanced Headquarters Reports, which were formally added as Board agenda items beginning in FY2025, the Board has further deepened discussions on the medium- to long-term strategies of the Company and each Headquarters as they work toward the Next Stage. - Monthly information-sharing sessions are held between the executive side and the Independent directors to address gaps in understanding and information. In addition, beginning in FY2025, the President's Report has been established as a standing monthly agenda item, enabling the sharing of the President's current perspectives and concerns and helping to inform Board discussions. - The frequency of meetings among the Independent directors has also been increased, with such meetings now held monthly in principle. These meetings provide a forum for exchanging views on themes and agenda items where discussion has been insufficient or where deeper deliberation is considered necessary.

ii) Efforts to provide information to Independent Directors in order to enhance supervisory functions

FY2025 Policy Priorities	Status of Responses
<ul style="list-style-type: none"> - While continuing to promote active exchanges of views through pre-briefings and discussions outside formal Board meetings, the Board will further refine agenda-setting and the level of detail provided in information and materials so that Board meetings can serve as a forum for more high-level and substantive deliberations. - To enable Independent directors to freely share their understanding and perspectives regarding executive matters and key challenges – and to ensure that such exchanges contribute effectively to the Board’s monitoring discussions – the Company will continue its existing information-sharing frameworks, including meetings of Independent directors and opinion-exchange sessions between Audit and Supervisory Committee Members and non-committee Independent directors, while making improvements as appropriate. 	<ul style="list-style-type: none"> - Chair briefings continue to be conducted, during which the Chair organizes key discussion points and reviews relevant information and materials in advance. This has contributed to enhancing the quality of deliberations at Board meetings. - Existing information-sharing mechanisms have also been maintained. In addition, the increased frequency of meetings among the Independent directors, now held monthly in principle, has facilitated more active exchanges of views and perspectives on current executive matters and challenges, thereby further strengthening the Board’s monitoring function.

c) FY2026 Policy Priorities

(i) Continued Constructive Discussions Contributing to Medium- to Long-Term Enhancement of Corporate Value

- The Board will further deepen discussions aimed at enhancing the clarity and specificity of growth strategies designed to achieve Medium-Term Management Plan 2026 and the Next Stage goal of doubling corporate value.
- With respect to the next Medium-Term Management Plan, the Board will participate from the early stages of its formulation, engaging in careful deliberations and ensuring that the Board’s perspectives are appropriately reflected in the planning process.

(ii) Ongoing Review of the Board’s Role to Maintain and Further Strengthen Governance

- The Board will continue to review its role based on the results of the annual Board effectiveness evaluation, as well as societal expectations and feedback obtained through dialogue with shareholders, investors, and other stakeholders.
- In addition, the Company will further strengthen communication among the Board, the Audit and Supervisory Committee, and the Nomination and Remuneration Committees, while pursuing additional improvements in the operation of the Nomination and Remuneration Committees.

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

Sojitz has established a Nomination Committee, which serves as an advisory body to the Board of Directors and deliberates on, and makes recommendations regarding, the criteria and procedures for the selection of candidates for Director and Executive Officer positions, as well as the selection of such candidates. The Company has also established a Remuneration Committee, which deliberates on, and makes recommendations regarding, compensation levels for Directors and Executive Officers, as well as various evaluation and remuneration-related systems. At the 23rd Annual General Shareholders’ Meeting scheduled to be held on June 30, 2026, the Company plans to submit a proposal for the election of seven Directors (excluding Directors who are Audit and Supervisory Committee Members). If the proposal is approved as originally submitted, the composition of both committees will be as described in “1) Board of Directors (d) Skill matrix.”

(a) Activities in FY2025

In FY2025, the Nomination Committee and Remuneration Committee held a total of 9 and 8 meetings, respectively. The attendance of each member of both the Nomination Committee and Remuneration Committee was as follows.

Name	Attendance at the Nomination Committee meetings (Total of 9 meetings)	Attendance at the Remuneration Committee meetings (Total of 8 meetings)
Ungyong Shu	9 times	8 times
Tsuyoshi Kameoka	9 times	8 times
Yumiko Jozuka	8 times	7 times
Kosuke Uemura	9 times	7 times

(Note) Ms. Yumiko Jozuka attended all 8 meetings of the Nomination Committee and all 7 meetings of the Remuneration Committee held after she was appointed as a member of both committees on June 18, 2025. Mr. Kosuke Uemura attended all 7 meetings of the Remuneration Committee held after he was appointed as a member of the committee on June 18, 2025.

(b) Main deliberations at each committee in FY2025

	Main deliberations
Nomination Committee	Monitoring of officers considering the succession of management positions
	Selection of candidates for Directors and Executive Officers for FY2026
	FY2026 Skills Matrix of Directors
	Nomination Committee report of activities for FY2025 and plan of activities for FY2026
Remuneration Committee	Establishment of performance targets, etc. to be used in calculating performance-linked remuneration (short-term) for Directors (excluding Independent Directors) and Executive Officers in FY2025
	Evaluation method and progress evaluation of ESG-related indicators of performance-linked remuneration (medium- to long-term) for Directors (excluding Independent Directors) and Executive Officers in FY2024
	Next year executive remuneration system
	Remuneration Committee report of activities for FY2025 and plan of activities for FY2026

3) Audit and Supervisory Committee

As of the issuance date of this report, the Audit and Supervisory Committee consists of 4 members (2 males, 2 females), including 1 full-time Inside Director and 3 Independent Directors. To ensure the effectiveness of audits by the Audit and Supervisory Committee, we appoint 1 Inside Director who is familiar with the Group's business as a full-time Audit and Supervisory Committee Member and Chair of the Audit and Supervisory Committee. 3 members of the Audit and Supervisory Committee have considerable knowledge of finance and accounting as follows.

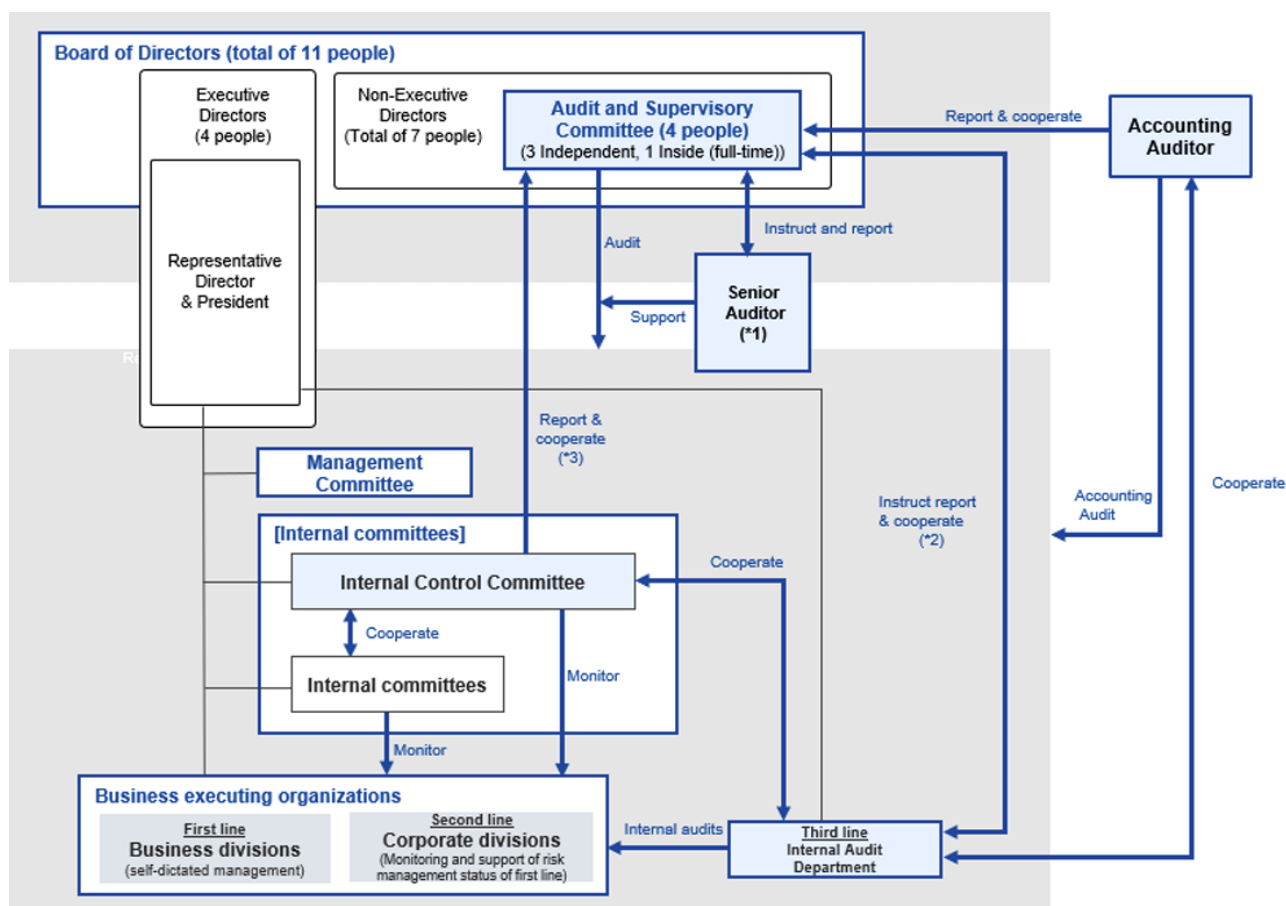
- Mr. Yoshiki Manabe, a full-time Inside Director, has served as COO, been responsible for accounting and finance, and held other important positions at Sojitz. He has considerable knowledge of finance and accounting.
- Ms. Satoko Suzuki, an Independent Director, opened a certified public accountant office after serving as a certified public accountant at an audit firm, and has been engaged in auditing services for many years. She has considerable knowledge of finance and accounting.
- Mr. Kazuhiko Takeda, an Independent Director, has been responsible for corporate planning and control and accounting at Sony Corporation (currently Sony Group Corporation) and held important positions including CFO at major subsidiaries of Sony Corporation. He has considerable knowledge of finance and accounting.

As resolutions (matters discussed) at the 23rd Ordinary General Shareholders' Meeting scheduled for June 30, 2026, the Company will propose "Election of 3 Directors who are Audit and Supervisory Committee Members." If this proposal is passed as drafted, the breakdown of the composition of the Audit and Supervisory Committee will also be expected to remain unchanged at 2 males and 2 females. Further, the Company plans to appoint 1 Inside Director who is familiar with the Group's business as a full-time Audit and Supervisory Committee Member and Chair of the Audit and Supervisory Committee at the Audit and Supervisory Committee meeting scheduled immediately after the Ordinary General Shareholders' Meeting.

Of the above, Ms. Satoko Suzuki is scheduled to retire upon the conclusion of the Ordinary General Shareholders' Meeting, and Ms. Junko Watanabe is scheduled to assume office as an Audit and Supervisory Committee Member (Independent Director). Ms. Junko Watanabe also has considerable knowledge of finance and accounting, as described below.

- Ms. Junko Watanabe, who is scheduled to assume office as an Independent Director, possesses considerable knowledge of finance and accounting, having spent many years engaged in auditing, M&A support, internal controls, and IFRS/accounting advisory services at organizations including Price Waterhouse (New York), Aoyama Audit Corporation, and Deloitte Tohmatsu.

The audit framework is as described below; in addition, we have established the 'Senior Auditor' described later and, in coordination with the Accounting Auditor, the Internal Audit Department, and the Internal Control Committee, we strive to ensure the effectiveness of the audits.



***1 Senior Auditor**

- Two Senior Auditors are assigned to ensure the effectiveness of audits by the Audit and Supervisory Committee.
- Senior Auditors are persons who are familiar with the Group's business and operations and have knowledge of finance and accounting, risk management, and other relevant areas. They complement and support the duties of the Audit and Supervisory Committee from the same perspective as Audit and Supervisory Committee Members.
- The Senior Auditor performs their duties under the direction of the Audit and Supervisory Committee.
- Senior Auditors' personnel evaluation and transfers are subject to consultation with the Audit and Supervisory Committee to ensure the independence of audits.

***2 Establishment of a reporting line from the Internal Audit Department to the Audit and Supervisory Committee**

- The Audit and Supervisory Committee receives regular reports on the audit status from the Internal Audit Department.
- The Audit and Supervisory Committee may ask the Internal Audit Department to make reports and conduct investigations and may give specific instructions to the Internal Audit Department as necessary.

***3 Establishment of a reporting line from the Internal Control Committee to the Audit and Supervisory Committee**

- The Internal Control Committee, which is an executing body under the management of the President, oversees the implementation and enforcement of the internal control system and conducts periodic monitoring. While cooperating with other committees, the Internal Control Committee identifies issues and considers countermeasures related to the internal systems and frameworks, points out these issues to the relevant departments, and makes improvements.

- The Audit and Supervisory Committee receives regular reports from the Internal Control Committee on the establishment and operation status of the internal control system in business execution.

In addition, the Audit and Supervisory Committee, the Internal Audit Department and the Accounting Auditor meet regularly to share the status of their respective audits and exchange opinions to promote cooperation among them.

d. Business executing bodies

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

1) Management Committee

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

2) Finance & Investment Deliberation Council

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

3) Human Capital Deliberation Council

The Council consists of Executive Directors and corporate department supervisors. It discusses and resolves important issues pertaining to human resources from a Group-wide viewpoint. The Council meetings are held twice a month in principle.

4) Internal committees

In order to enhance corporate value, we have established the following internal committees that act as executing bodies under the direct supervision of the President to advance management initiatives that need to be handled across the organization. Each internal committee regularly reports on its discussions to the Board of Directors and the Management Committee. Details on the meetings of each committee for FY2025 as follows.

	Roles	Frequency of meetings
Internal Control Committee	The Internal Control Committee formulates policies to maintain and improve our internal control system, and monitors this internal control system, its enforcement among the Group, and monitors risks from a Group-wide viewpoint.	Once a quarter in principle
Compliance Committee	The Compliance Committee examines and formulates fundamental policies and measures to ensure compliance.	Once a quarter in principle
Sustainability Committee	Based on the Sustainability Challenge, the Sustainability Committee examines and formulates various policies and measures related to sustainability, focusing on the realization of a decarbonized society and respect for human rights in the supply chain.	Once a quarter in principle
Security Trade Control Committee	The Security Trade Control Committee expedites responses to changing security trade control issues associated with the Sojitz Group and establishes appropriate trade control systems.	In addition to the annual meeting, convened as needed
Quality Management Committee	The Quality Management Committee builds and maintains a companywide quality management system and studies and formulates measures to develop business (B to C business) from a market-oriented perspective and to increase corporate value.	Once a quarter in principle
DX Promotion Committee	The DX Promotion Committee monitors the overall picture of DX promotion aimed at improving corporate value, and shares the progress and status of efforts, and verifies their effects, with the goal of realizing increased corporate value through business transformation and enhanced competitiveness, while pursuing reforms in business models, human resources, and operational processes by utilizing digitalization.	Once a month in principle
Information and IT Systems Security Committee	Information and IT Systems Security Committee promotes task setting, the formulation of action plans, and the implementation of countermeasures relating to the security of companywide information assets and IT systems to improve corporate value, while grasping the focus and importance of risks that arise in business where digital data and IT are utilized in conjunction with the accelerated promotion of DX.	Once a half in principle

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

e. Matters pertaining to Directors

1) Number of Directors

As stipulated in the Articles of Incorporation of the Company, the Company shall have 12 or less Directors (including 5 or less Directors who are Audit and Supervisory Committee Members).

2) Resolutions for appointment of Directors

As stipulated in the Articles of Incorporation of the Company, resolutions to appoint Directors shall be adopted by a majority vote of the shareholders present at the General Shareholders' Meeting holding an aggregate of one-third or more of the total number of voting rights of shareholders who are entitled to vote, and cumulative voting shall not be used in the appointment of Directors.

f. Resolutions by the General Shareholders' Meeting

1) Matters for which a resolution by the Board of Directors may be made in place of a resolution by the General Shareholders' Meeting

(a) Acquisition of own shares

As stipulated in the Articles of Incorporation of the Company, the Company may acquire its own shares through market transactions based on resolutions by the Board of Directors in accordance with Article 165, Paragraph 2 of the Companies Act of Japan. This provision is meant to allow for the flexible implementation of financial and other management measures.

(b) Exemption from liability for Directors

As stipulated in the Articles of Incorporation of the Company, pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act of Japan, the Company may, by resolution of the Board of Directors, exempt Directors (including former Directors and former Audit and Supervisory Board Members) from liability for damages prescribed in Article 423, Paragraph 1 of said act, to the extent allowed by applicable laws and regulations. This provision is based on the assumption that Directors are acting in good faith and that excessive losses will not be incurred and is meant to allow Directors to fulfill their expected roles in an efficient and effective manner.

(c) Dividends of surplus, etc.

As stipulated in the Articles of Incorporation of the Company, the Company may, by resolution of the Board of Directors, pay dividends from surplus pursuant to Article 459, Paragraph 1 of the Companies Act of Japan.

2) Matters requiring resolution by the General Shareholders' Meeting

As stipulated in the Articles of Incorporation of the Company, resolutions of the General Shareholders' Meeting prescribed in Article 309, Paragraph 2 of the Companies Act of Japan shall be adopted by two-thirds or more of the voting rights of the shareholders who are present thereat and entitled to vote and holding an aggregate of one-third or more of the total number of shares with voting rights are present. This provision is meant to allow for flexible proceedings of the General Shareholders' Meeting.

g. Dialogue with shareholders and investors

Sojitz's basic policy is to engage in constructive dialogue with shareholders and investors by providing appropriate information on management policies and initiatives for sustainable growth and medium- to long-term corporate value enhancement in a timely manner. This information will be presented in a clear and logical manner. We will also report and reflect the opinions of our shareholders and investors in our management.

To ensure fair and appropriate information disclosure to shareholders, investors, and other stakeholders, Sojitz has established internal regulations in accordance with the spirit of the Fair Disclosure Rule, including the Insider Trading Prevention Regulations and the Information Disclosure Regulations. These regulations are based on the basic principles of compliance with laws and regulations, transparency, timeliness, fairness, continuity, and confidentiality. We adhere to these principles in our disclosure practices as well as work to ensure that each officer and employee is thoroughly informed.

1) Providing information to shareholders and investors

Based on the basic policy to share information fairly and equally to all shareholders and investors in Japan and overseas, Sojitz discloses its Medium-Term Management Plan and financial results on TDnet and the Sojitz website promptly after the resolution of the Board of Directors. Additionally, in order to promote the understanding of our management philosophy, vision, business activities and business models, Sojitz has engaged in active disclosure of information, such as publishing Integrated Reports and stakeholder communication magazines, holding Sojitz IR Day and briefings for individual shareholders, participating in briefings for individual investors, and disclosure of related information on Sojitz's website.

2) Structures and initiatives regarding dialogue with shareholders and investors

Senior management led by the President and CFO serves as the main speakers at individual meetings, small meetings and briefings with investors. In addition, a dedicated IR department shares views and opinions from shareholders and investors gained during the dialogue with the Company as appropriate.

Furthermore, the investors considering Sojitz as an investment target have spread widely, and Sojitz aims to develop corporate value by deepening dialogue through briefing sessions and meetings, after verifying attributes, whether new or existing, in Japan or overseas. Moreover, Sojitz has assigned personnel to engage in IR activities in the United States and is focusing on enhancing the relationship with stakeholders.

<Main topics and concerns of dialogue with shareholders and investors>

- Progress of Medium-Term Management Plan 2026 and Long-term vision (Next Stage)
- Initiatives in order to standardize PBR of over 1.0 times; initiatives to eliminate the valuation gap with other trading companies
- Equity distribution, Sojitz competitive advantages and distinction from competitors
- Cash flow management, cash allocation, shareholder return policy
- Sustainability philosophy and initiatives
- Human resources strategy
- Governance system
- Matters related to proposals of General Shareholders' Meeting
- Investment policies, expectations and requests from investors

<Dialogue held in FY2025>

Contents	Correspondents	Participants	Operated Times
General Shareholders' Meeting	Chairman President CFO Inside and Independent Directors Audit and Supervisory Committee Members Executive Officers	Shareholders	Once
Financial Results Briefings	President CFO	Institutional investors Analysts	4 times
Briefing sessions for individual shareholders and investors	President CFO Executive Officers Dedicated IR department	Individual shareholders Individual investors	Twice
Small meetings	President CFO Executive Officers	Institutional investors Analysts	4 times
Sojitz IR Day	Independent Directors Executive Officers	Institutional investors Analysts	Once
Domestic and overseas IR and SR meetings	President CFO Executive Officers Dedicated IR department U.S. -based IR personnel	Shareholders Institutional investors Analysts	562 times (number of participating companies)

Relevant Links:

Each IR event

<https://www.sojitz.com/en/ir/meetings/>

h. Basic Policy on the Internal Control System and Its Development Status

1) Basic Policy on the Internal Control System

Sojitz, based on the "Sojitz Group Statement", has established an internal control system, including regulations, organization, and structure. The "Basic Policy on the Development of a System to Ensure the Proper Conduct of Our Group's Operations" has been resolved by the Board of Directors as follows:

<https://www.sojitz.com/en/corporate/governance/governance/04/>

2) Overview of the Development Status of the Internal Control System

(a) Overall internal control system

The Internal Control Committee, which functions as an executive body under the President, oversees the development and operation of the Company's internal control system. Through regular monitoring, the Committee identifies companywide issues relating to internal rules and organizational structures, examines necessary countermeasures, issues instructions to the relevant departments, and implements improvements. During the fiscal year, the Internal Control Committee convened four times, and the details of its deliberations were reported to the Board of Directors.

(b) Compliance

The Sojitz Group has established the Sojitz Group Compliance Code of Conduct as a globally applicable standard of conduct that underpins all business activities and serves as a guide for the practical implementation of the Group's corporate philosophy. To ensure that all Group officers and employees worldwide share a common compliance mindset, the Code has been published in 25 languages, including Japanese, and disseminated globally. In addition to the Code of Conduct, the Group has also established the Sojitz Group Compliance Program, which sets forth specific procedures for ensuring thorough compliance. The Program is reviewed annually.

To deepen understanding of the Code of Conduct and the Compliance Program, the Group provides e-learning training to officers and employees both in Japan and overseas. Furthermore, in order to foster a strong compliance culture, the Group conducts a variety of compliance education initiatives tailored to each region, including training programs, case studies, and discussion-based sessions.

The Group has established a Compliance Committee at the headquarters level, chaired by the Chief Compliance Officer (CCO). In principle, each domestic and overseas consolidated Group company also appoints a Compliance Officer and establishes a Compliance Committee, thereby creating a Group-wide framework for promoting compliance with laws and corporate ethics in a coordinated manner.

To prevent and promptly detect compliance violations, the Group has established four reporting channels, including a reporting channel to external attorneys and a multilingual reporting line. In addition, an external contact point has been established on the Company's website, enabling reports and information to be received from both internal and external sources.

Details

Sojitz Group Compliance Code of Conduct

https://s3-ap-northeast-1.amazonaws.com/sojitz-doc/pdf/en/sustainability/sojitz_esg/g/compliance/compliance_e.pdf

(c) Risk management Framework

Within the Sojitz Group, the Internal Control Committee, which functions as an executive body under the President, oversees companywide risk management. Taking into account changes in the business environment, the Committee identifies major risks from a Group-wide perspective, evaluates their materiality, and deliberates on and determines risk response policies. Individual risks are managed and operated under internal rules and regulations established for risk management rules, while the Internal Control Committee also conducts cross-organizational monitoring to ensure detailed responses tailored to each specific risk. The status and results of this monitoring are regularly reported to the Management Committee and the Board of Directors.

Through this framework, the Group continuously works to further enhance the sophistication of its risk management practices.

For further details regarding the Group's companywide risk management framework and individual risks, please refer to "2. Operating and Financial Review and Prospects, 3. Risk Factors" .

(d) Internal Control over Financial Reporting

The Sojitz Group evaluates the effectiveness of internal control over financial reporting in accordance with the Standards for Evaluation and Auditing of Internal Control over Financial Reporting and the Implementation Standards for Evaluation and Auditing of Internal Control over Financial Reporting. Based on the results of this evaluation, management confirmed that the Group's internal control over financial reporting was effective as of March 31, 2026.

(e) Framework for Ensuring the Proper Conduct of Subsidiary Operations

The Sojitz Group has established a group-wide management framework through the Basic Rules for Group Management and the Rules for Group Management Operations. Based on these rules, each Group company develops and maintains its own internal systems under the supervision of the responsible Chief Operating Officers (the Heads of the Business Divisions or supervising Divisions).

The supervising officer receives regular reports from Group companies, including annual business reports and monthly business activity reports. In addition, the supervising officer monitors the management status of each Group company through Audit and Supervisory Committee members dispatched from Sojitz. The supervising officer is responsible for the overall management of each Group company, including the establishment and operation of appropriate governance structures and management foundations.

Furthermore, the Internal Audit Department conducts periodic audits to verify whether governance, risk management, and internal controls are functioning effectively within each organization. The Department also provides practical and effective recommendations aimed at preventing losses and addressing identified issues. Audit results are regularly reported to the President, the Board of Directors, and the Audit and Supervisory Committee.

(2) Status of directors

a. List of Directors

1) The status of directors as of June 9, 2026 is as follows.

7 male Directors and 4 female Directors (percentage of female: 36.4%)

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Representative Director, Chairman	Masayoshi Fujimoto	Jan. 9, 1958 (Male)	Apr. 1981 Apr. 2005 Dec. 2008 Aug. 2012 Oct. 2014 Apr. 2015 Oct. 2015 Apr. 2016 Jun. 2017 Apr. 2024 Apr. 2025	Joined Nissho Iwai Corporation General Manager of Automotive Department 3, Sojitz Corporation Director President, MMC Automotriz S.A. Sojitz Corporation of America Regional General Manager, Machinery Division, Americas Corporate Officer Senior General Manager, Corporate Planning, Sojitz Corporation Executive Officer Managing Executive Officer Senior Managing Executive Officer Representative Director, President & CEO Representative Director, Chairman & CEO Representative Director, Chairman (current position)	(Note)3	215,171 (170,051)
Representative Director, President & CEO	Kosuke Uemura	May 18, 1968 (Male)	Apr. 1993 Aug. 2013 Jun. 2015 Apr. 2018 Mar. 2020 Apr. 2021 Apr. 2023 Jan. 2024 Apr. 2024 Jun. 2024 Apr. 2025	Joined Nissho Iwai Corporation Sojitz Corporation of America General Manager, Energy & Metal Division, Americas Director Senior Vice President, Sojitz Energy Venture Inc. General Manager, Project Development Office, Chemicals Division Vice COO, Chemicals Division General Manager, Project Development Office, Chemicals Division Executive Officer, COO, Chemicals Division Executive Officer, COO, Corporate Planning Department Executive Officer, COO, Corporate Planning Department, Energy Transformation Decarbonization Area President & COO Representative Director, President & COO Representative Director, President & CEO (current position)	(Note)3	71,546 (63,286)
Representative Director, Senior Managing Executive Officer, CFO (Corporate Departments, Executive Management of Corporate Planning Department)	Makoto Shibuya	Jun. 20, 1971 (Male)	Apr. 1994 Oct. 2014 Apr. 2021 Apr. 2023 Apr. 2024 Jun. 2024	Joined Nissho Iwai Corporation General Manager, Corporate Planning Department, Sojitz Corporation Executive Officer, COO, Corporate Planning Department, Corporate Sustainability Office Managing Executive Officer, CFO, Executive Management of M&A, Strategy & Value Creation, IR, Sustainability, Financial Solutions, and Finance, COO, General Accounting Department and Business Accounting Department Senior Managing Executive Officer, CFO Representative Director, Senior Managing Executive Officer, CFO (current position)	(Note)3	49,065 (35,305)
Director, Senior Managing Executive Officer, CDO & CIO (Executive Management of Digital Department)	Tomomi Arakawa	Sep. 16, 1961 (Female)	Apr. 1985 Jan. 1998 Jul. 2015 Oct. 2021 Dec. 2021 Apr. 2023 Apr. 2024 Jun. 2024	Joined IBM Japan, Ltd. Retail Segment Executive, General Business Unit, IBM Asia Pacific Service Corporation Board of Director and Chief Digital Officer and Vice President, Digital Sales, IBM Japan, Ltd. Corporate Advisor, Sojitz Corporation Executive Officer, CDO Managing Executive Officer, CDO, CIO, COO, Digital Department Senior Managing Executive Officer, CDO, CIO Director, Senior Managing Executive Officer, CDO, CIO (current position)	(Note)3	30,835 (28,635)

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Independent Director	Ungyong Shu	Oct. 19, 1962 (Male)	Apr. 1986 May. 2001 Jul. 2005 May. 2007 Jul. 2010 Jul. 2011 Nov. 2013 Jun. 2021 Jun. 2022 Sep. 2022	Joined Morgan Guaranty Trust Company of New York, Tokyo Office Managing Director, J.P. Morgan Securities Head of Financial Institutions Division (retired in May 2007) Chairman of Financial Institutions Group, Investment Banking Division, Merrill Lynch Japan Securities Limited Co-Head of Investment Banking Division Vice Chairman (retired in March 2013) Representative Director, The Core Value Management, Inc. (current position) Independent Director, Sojitz Corporation (current position) Independent Director, Monex Group, Inc. (to be retired in June 2025) Visiting Professor, Graduate School of Business Administration, Hitotsubashi University (current position)	(Note)3	-
Independent Director	Tsuyoshi Kameoka	Oct. 18, 1956 (Male)	Apr. 1979 Apr. 2005 Mar. 2006 Nov. 2008 Mar. 2009 Mar. 2013 Mar. 2015 Apr. 2019 Jun. 2020 Jun. 2021 Apr. 2022 Jun. 2022 Sep. 2022 Jun. 2023	Joined Shell Sekiyu K.K. (currently Idemitsu Kosan Co., Ltd.) Senior Officer and Kinki Area Manager, Showa Shell Sekiyu K.K. (currently Idemitsu Kosan Co., Ltd.) Executive Officer and Kinki Area Manager Executive Officer and General Manager, Head Office Sales Division Corporate Executive Officer Executive Officer, Vice President, Oil Business COO President & Representative Director, Group CEO Representative Director, Vice Chairman and Executive Officer, Idemitsu Kosan Co., Ltd. (retired in June 2020) Special Advisor (retired in June 2022) Independent Director, Kawasaki Kisen Kaisha, Ltd. Standing Trustee and Board Member, Kwansei Gakuin University (current position) Outside Director, J-Oil Mills, Inc. (retired in June 2025) Corporate Advisor, Sojitz Corporation (retired in March 2023) Independent Director, Sojitz Corporation (current position)	(Note)3	1,700
Independent Director	Yumiko Jozuka	Mar. 19, 1962 (Female)	Apr. 1984 May. 2014 Jun. 2016 Jul. 2018 Jul. 2019 Aug. 2020 Jun. 2021 Apr. 2022 Jun. 2023 Jul. 2024 Jun. 2025	Joined the Ministry of Labour (currently the Ministry of Health, Labour and Welfare) Councillor, Cabinet Bureau of Personnel Affairs, Cabinet Secretariat Director General, Social Welfare and War Victims' Relief Bureau, the Ministry of Health, Labour and Welfare Director General Director General for Human Resource Development Retired from the Ministry of Health, Labour and Welfare Outside Director, Tokyu Fudosan Holdings Corporation (current position) Outside Director, SHIMIZU CORPORATION (current position) Director, Japan Legal Support Center (retired in April 2025) Representative Director (Chairman), Japan Institute for Women's Empowerment & Diversity Management (current position) Corporate Advisor, Sojitz Corporation (retired in May 2025) Independent Director, Sojitz Corporation (current position)	(Note)3	-

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Director (Full-time Audit and Supervisory Committee Members)	Yoshiki Manabe	Jun. 6, 1963 (Male)	Apr. 1986 Apr. 2012 Jul. 2017 Apr. 2019 Apr. 2021 Apr. 2023 Jun. 2023 Jun. 2024	Joined Nissho Iwai Corporation General Manager, Controller Office, Energy & Metal Division, Sojitz Corporation CFO & CAO for the Americas CFO & CAO, Sojitz Corporation of America Executive Officer, COO, General Accounting Department, Finance Department, Structured Finance Department, IR Office Managing Executive Officer, COO, General Accounting Department, Business Accounting Department, Finance Department, IR Office Senior Managing Executive Officer, Executive Management of Corporate Departments Representative Director, Senior Managing Executive Officer, Executive Management of Corporate Departments Director, Audit and Supervisory Committee Member (current position)	(Note)4	55,998 (39,798)
Independent Director, (Audit and Supervisory Committee Members)	Haruko Kokue	Jan. 17, 1959 (Female)	Apr. 1981 Apr. 2006 Apr. 2011 Apr. 2013 Apr. 2016 Apr. 2020 Jun. 2020 May 2021 Jun. 2022 Jun. 2023 Jun. 2024 Jun. 2026	Joined Mitsui Petrochemical Industries (currently Mitsui Chemicals, Inc.) General Manager, Mitsui Phenols Singapore Pte. Ltd. General Manager, SCM Division, Mitsui Chemicals, Inc. Senior Director, General Manager, CSR Division Senior Director, General Manager, Corporate Communications Division Counselor (retired in March 2021) Outside Director, Toppan Forms Co., Ltd. (currently TOPPAN Inc.) (retired in June 2022) Corporate Advisor, Sojitz Corporation (retired in January 2022) Independent Director, Sojitz Corporation (current position) Outside Director, KINDEN CORPORATION (current position) Audit and Supervisory Committee Member, Sojitz Corporation (current position) Outside Director of ACHILLES CORPORATION (to be appointed)	(Note)4	-
Independent Director, (Audit and Supervisory Committee Members)	Satoko Suzuki	Nov. 22, 1973 (Female)	Oct. 1996 Sep. 2003 Aug. 2005 Mar. 2006 Sep. 2012 Jul. 2015 Jun. 2019 Jun. 2022 Jun. 2023 Jun. 2024	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC, retired in August 2005) Certified Public Accountant registration Representative, Suzuki Satoko CPA Office (current position) Certified Public Tax Accountant registration Director, non-profit Accounting & Tax Professionals Network Supervisory Director, Ichigo Hotel REIT Investment Corporation Outside Director, Bull-Dog Sauce Co., Ltd. Outside Director, Audit and Supervisory Committee Member, UBE Corporation (current position) External Corporate Auditor, Helios Techno Holding Co., Ltd. (current position) Independent Director, Audit and Supervisory Committee Member, Sojitz Corporation (current position)	(Note)4	500

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Independent Director, (Audit and Supervisory Committee Members)	Kazuhiko Takeda	Nov. 10, 1959 (Male)	Apr. 1983	Joined Sony Corporation (currently Sony Group Corporation)	(Note)5	800
			Oct. 2001	Vice President in charge of Accounting, Sony Ericsson Mobile Communications Inc		
			Apr. 2006	Executive Officer; CFO, Sony NEC Optiarc Inc.		
			Aug. 2008	Senior Vice President in charge of Corporate Management and Accounting, Sony Europe Limited		
			Oct. 2013	Vice President; Senior General Manager of Corporate Planning & Control Division, Sony Corporation		
			Jun. 2015	Senior Vice President Corporate Executive in charge of Corporate Planning & Control and Accounting		
			Jan. 2018	Senior Vice President Corporate Executive in charge of Corporate Planning & Control and Accounting, CIO		
			Jul. 2018	Senior Vice President Deputy President and CFO, Sony Interactive Entertainment LLC (retired in June 2021)		
			Jun. 2022	Outside Director and Chairperson of the Audit Committee, Mitsubishi Materials Corporation (current position)		
			Mar. 2025	Corporate Advisor, Sojitz Corporation (retired in May 2025)		
			Jun. 2025	Independent Director, Audit and Supervisory Committee Member, Sojitz Corporation (current position)		
Total						425,615 (337,075)

(Note)

- 1 Mr. Ungyong Shu, Mr. Tsuyoshi Kameoka and Ms. Yumiko Jozuka are Independent directors.
- 2 Ms. Haruko Kokue, Ms. Satoko Suzuki and Mr. Kazuhiko Takeda are Independent directors (Audit and Supervisory Committee Members).
- 3 The term of office for directors (excluding those who are Audit and Supervisory Committee Members) is from the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ended March 2025 to the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ending March 2026.
- 4 The term of office for directors (Audit and Supervisory Committee Members), Mr. Yoshiki Manabe, Ms. Haruko Kokue and Ms. Satoko Suzuki is from the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ended March 2024 to the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ending March 2026.
- 5 The term of office for directors (Audit and Supervisory Committee Members), Mr. Kazuhiko Takeda is from the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ended March 2025 to the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ending March 2027.
- 6 Sojitz has submitted a Notification of Independent Directors to the Tokyo Stock Exchange, designating Mr. Ungyong Shu, Mr. Tsuyoshi Kameoka, Ms. Yumiko Jozuka, Ms. Haruko Kokue, Ms. Satoko Suzuki and Mr. Kazuhiko Takeda as Independent directors.
- 7 The number of shares held includes the number of shares to be delivered after retirement under the stock compensation plan (as of June 9, 2026) and holding through shareholding associations.

2) Sojitz has proposed the "Election of 7 Directors (Excluding Directors who are Audit and Supervisory Committee Members)" and "Election of 3 Director who are Audit and Supervisory Committee Members" as an agenda item (matter to be resolved) at Ordinary General Shareholders' Meeting to be held on June 30, 2026, and if the proposal is approved and passed, the status of directors will be as follows. The details of the resolutions of the Board of Directors' meeting scheduled to be held immediately after Ordinary General Shareholders' Meeting on June 30, 2026 (such as positions) are included below.

7 male Directors and 4 female Directors (percentage of female: 36.4%)

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities	Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Representative Director, Chairman	Masayoshi Fujimoto	Jan. 9, 1958 (Male)	As stated in 1)	(Note)3	215,171 (170,051)
Representative Director, President & CEO	Kosuke Uemura	May 18, 1968 (Male)	As stated in 1)	(Note)3	71,546 (63,286)
Representative Director, Senior Managing Executive Officer, CFO (Corporate Departments, Executive Management of Corporate Planning Department)	Makoto Shibuya	Jun. 20, 1971 (Male)	As stated in 1)	(Note)3	49,065 (35,305)
Director, Senior Managing Executive Officer, CDO & CIO (Executive Management of Digital Department)	Tomomi Arakawa	Sep. 16, 1961 (Female)	As stated in 1)	(Note)3	30,835 (28,635)
Independent Director	Tsuyoshi Kameoka	Oct. 18, 1956 (Male)	As stated in 1)	(Note)3	1,700
Independent Director	Yumiko Jozuka	Mar. 19, 1962 (Female)	As stated in 1)	(Note)3	-

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Independent Director	Mamoru Morita	Apr. 12, 1959 (Male)	Apr. 1983 Jul. 2008 Apr. 2015 Apr. 2016 Apr. 2020 Apr. 2022 Apr. 2024 Apr. 2025 Jun. 2025 Nov. 2025 Jun. 2026	Joined Hitachi, Ltd. Vice President, Hitachi Global Storage Technologies General Manager, Strategy Planning Division, Hitachi, Ltd. Vice President and Executive Officer, General Manager, Strategy Planning Division Senior Vice President and Executive Officer, CSO, General Manager of Strategy Planning Division, General Manager of Future Investment Division Senior Vice President and Executive Officer, CSO, General Manager of Strategy Planning Division Executive Advisor Strategic Expert, Nuclear Energy Business Unit (retired in March 2026) Outside Director, NIHON KOHDEN CORPORATION (current position) Corporate Advisor, Sojitz Corporation (retired in May 2026) Independent Director, Sojitz Corporation (to be appointed)	(Note)3	-
Director (Audit and Supervisory Committee Members)	Yoshiki Manabe	Jun. 6, 1963 (Male)	As stated in 1)		(Note)4	55,998 (39,798)
Independent Director (Audit and Supervisory Committee Members)	Haruko Kokue	Jan. 17, 1959 (Female)	As stated in 1)		(Note)4	-
Independent Director, (Audit and Supervisory Committee Members)	Kazuhiko Takeda	Nov. 10, 1959 (Male)	As stated in 1)		(Note)5	800
Independent Director, (Audit and Supervisory Committee Members)	Junko Watanabe	Jan. 2, 1962 (Female)	Feb. 1987 Sep. 1989 Mar. 1991 Jun. 2001 Nov. 2013 Nov. 2015 Aug. 2018 Jun. 2022 Dec. 2024 Apr. 2026 Jun. 2026	Joined Price Waterhouse (currently PricewaterhouseCoopers) (New York) Joined Aoyama Audit Corporation Certified Public Accountant in the United States Registration. (California) Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Member of the Executive Management Committee, Deloitte Touche Tohmatsu LLC Board Member, Deloitte Tohmatsu LLC (currently Deloitte Tohmatsu Group Japan LLC) and Deloitte Touche Tohmatsu LLC (retired in July 2022) Board Member, Deloitte Asia Pacific Limited (retired in May 2026) Deputy Chair, Deloitte Asia Pacific Limited (retired in May 2026) Board Member, Deloitte Touche Tohmatsu Limited (retired in May 2026) Partner, Deloitte Tohmatsu Risk Advisory LLC (currently Deloitte Touche Tohmatsu LLC) (retired in May 2026) Corporate Advisor, Sojitz Corporation (retired in May 2026) Independent Director, Audit and Supervisory Committee Member, Sojitz Corporation (to be appointed) External Corporate Auditor, Japan Airlines Co., Ltd (to be appointed)	(Note)4	-
Total						425,115 (337,075)

(Note)

- 1 Mr. Tsuyoshi Kameoka, Ms. Yumiko Jozuka and Mr. Mamoru Morita are Independent directors.
- 2 Ms. Haruko Kokue, Mr. Kazuhiko Takeda and Ms. Junko Watanabe are Independent directors (Audit and Supervisory Committee Members).
- 3 The term of office for directors (excluding those who are Audit and Supervisory Committee Members) is from the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ended March 2026 to the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ending March 2027.
- 4 The term of office for directors (Audit and Supervisory Committee Members), Mr. Yoshiki Manabe, Ms. Haruko Kokue and Ms. Junko Watanabe is from the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ended March 2026 to the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ending March 2028.
- 5 The term of office for directors (Audit and Supervisory Committee Members), Mr. Kazuhiko Takeda is from the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ended March 2025 to the conclusion of the Ordinary General Shareholders' Meeting for the fiscal year ending March 2027.
- 6 Sojitz has submitted a Notification of Independent Directors to the Tokyo Stock Exchange, designating Mr. Tsuyoshi Kameoka, Ms. Yumiko Jozuka, Mr. Mamoru Morita, Ms. Haruko Kokue, Mr. Kazuhiko Takeda and Ms. Junko Watanabe as Independent directors.
- 7 The number of shares held includes the number of shares to be delivered after retirement under the stock compensation plan (as of June 30, 2026) and holding through shareholding associations.

(Reference) Executive Officers as of June 9, 2026 are as follows:

Title	Name	Positions
*Chairman	Masayoshi Fujimoto	
*President	Kosuke Uemura	CEO
Senior Managing Executive Officer	Masaaki Bito	Representative Director, Executive Vice President, Metal One Corporation
Senior Managing Executive Officer	Koichi Yamaguchi	President & CEO for the Americas President, Sojitz Corporation of America President, Sojitz Canada Corporation
*Senior Managing Executive Officer	Makoto Shibuya	CFO Executive Management of Corporate Departments
*Senior Managing Executive Officer	Tomomi Arakawa	CDO, CIO COO, Digital Department
Managing Executive Officer	Satoru Takahama	General Manager, Kansai Office
Managing Executive Officer	Masakazu Hashimoto	COO, Aerospace & Transportation Infrastructure Division
Managing Executive Officer	Hiroto Murai	President & CEO for Asia & Oceania Managing Director, Sojitz Asia Pte. Ltd. General Manager, Singapore Branch
Managing Executive Officer	Tatsuya Morita	CCO, CISO COO, Legal Department, Internal Control Administration Department
Managing Executive Officer	Yasuhisa Nakao	Executive Management of Economic Security Affairs Vice President for the Americas General Manager, Washington Branch, Sojitz Corporation of America
Managing Executive Officer	Kazuhisa Yumikura	COO, Finance Department
Managing Executive Officer	Toshiaki Kasai	Representative Director & CEO, JALUX Inc.
Managing Executive Officer	Hideo Hatada	COO, Automotive Division
Executive Officer	Taro Okamura	President & CEO for Middle East & Africa
Executive Officer	Yumie Endo	COO, PR Department, IR & Corporate Sustainability Department Deputy to the President, Sojitz Corporation of America
Executive Officer	Tatsuhiko Kanetake	Representing Director, President & CEO, Sojitz Tech-Innovation Co., Ltd.
Executive Officer	Osamu Matsuura	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.
Executive Officer	Takefumi Nishikawa	COO, Energy Solutions & Public Infrastructure Division
Executive Officer	Katsunori Okada	COO, Metals, Mineral Resources & Recycling Division
Executive Officer	Hitoshi Oda	COO, Risk Management Department
Executive Officer	Kenji Maeda	COO, Chemicals Division
Executive Officer	Mizue Nakazawa	COO, General Accounting Department, Business Accounting Department
Executive Officer	Shigeru Ogura	COO, Human Capital Department
Executive Officer	Sari Miida	President & CEO for Europe Managing Director, Sojitz Corporation of Europe B.V.
Executive Officer	Takahiro Matsunaga	COO, Corporate Planning Department, M&A Strategy & Value Creation Office, NEXT Innovation Department
Executive Officer	Takahiro Yamashita	COO, Consumer Industry & Agriculture Business Division
Executive Officer	Hidenobu Saito	COO, Retail & Consumer Service Division

(Note) * Serves concurrently as Director

b. Information about Independent Directors

As of the issuance date of this report, Sojitz has 6 Independent Directors (3 of which are Directors who are Audit and Supervisory Committee Members). As resolutions (matters discussed) at the 23rd Ordinary General Shareholders' Meeting scheduled for June 30, 2026, the Company will propose "Election of 7 Directors (excluding Directors who are Audit and Supervisory Committee Members)" and "Election of 3 Directors who are Audit and Supervisory Committee Members." If these proposals are passed as drafted, there will be 6 Independent Directors (3 of which are Directors who are Audit and Supervisory Committee Members).

1) Policies on appointment and standards for independence of Independent Directors

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

(Reference) Standards Concerning the Appointment and Independence of Candidates for Independent Directors

Standards Concerning the Appointment of Candidates for Independent Director

Sojitz appoints Independent Directors from those with a wide range of knowledge, deep insight, excellent character, mental and physical health conditions, and abundant experience in industries and administrative fields, such as those who have management experience in business corporations and government agencies, and who have objective and specialist viewpoints toward world affairs, social and economic trends, and corporate management. Sojitz also ensures the diversity of the candidates' gender, age and internationality from the perspective of reflecting the viewpoints of a variety of stakeholders in the supervision of business activities.

Independence Standards for Independent Directors

Sojitz judges Independent Directors to be independent by confirming that they do not fall under any of the following standards, in addition to the independence standards prescribed by financial instruments exchanges.

1. A major shareholder of Sojitz (a shareholder holding 10% or more of Sojitz's total voting rights) or a member of business personnel thereof
2. A major creditor to Sojitz (a creditor from whom Sojitz owed an amount exceeding 2% of consolidated total assets in the most recent fiscal year) or a member of business personnel thereof
3. A major business partner of Sojitz (a business partner whose transaction amount with Sojitz exceeded 2% of Sojitz's annual consolidated revenue in the most recent fiscal year) or a member of business personnel thereof
4. A party whose major business partner is Sojitz (an entity whose transaction amount with Sojitz exceeded 2% of its annual consolidated revenue, etc. in the most recent fiscal year) or a member of business personnel thereof
5. An attorney, certified public accountant, certified tax accountant, consultant or other professional who received money or other property from Sojitz for his/her services as an individual, in an amount exceeding ¥10 million annually on average over the past three fiscal years, other than remuneration as an officer (if such money or property was received by an organization, such as a corporation or partnership, this item refers to a person who belongs to the organization that received money or other property from Sojitz in an amount exceeding ¥10 million annually on average over the past three fiscal years or in an amount of 2% of the annual gross income or annual consolidated revenue, etc. of the organization, whichever the greater.)
6. A person who receives donations or grants from Sojitz in an amount exceeding ¥10 million annually (if such donations or grants are received by an organization, such as a corporation or partnership, this item refers to a member of business personnel of the organization.)
7. A person who serves as Sojitz's Accounting Auditor or a person who is engaged in auditing Sojitz's activities as an employee of the Accounting Auditor
8. A person who has fallen under any of the above items 1. to 7. in the past three years
9. A spouse or relative within the second degree of kinship of a person falling under any of the above items 1. to 8. (limited to the person holding the position of officer or other important positions)
10. A spouse or relative within the second degree of kinship of a member of business personnel of Sojitz or any of its consolidated subsidiaries (limited to the person holding the position of officer or other important positions)
11. A person with concerns about his/her independence, such as having constant and substantial conflict of interest with general shareholders as a whole in performing the duties of Independent Director

2) Views on the Independent Directors' interests in the Company, their functions and roles in the Company's corporate governance, and the status of their appointment.

(a) The status of the Independent Directors as of the issuance date of this report is as follows, and Sojitz has no special interest in or relationship with the Independent Directors.

With regard to the capital relationship, the shareholdings of each Independent Director in the Company are listed in "a. List of Directors".

<Independent Directors (excluding Directors who are Audit and Supervisory Committee Members)>

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Tsuyoshi Kameoka	<p>Mr. Tsuyoshi Kameoka served as Representative Director, Deputy Chairman and Executive Officer of Idemitsu Kosan Co., Ltd. until June 2020. Transactions between the Company and Idemitsu Kosan Co., Ltd. in the most recent fiscal year prior to this filing were less than 1% of the Company's annual consolidated revenue and less than 1% of Idemitsu Kosan Co., Ltd.'s annual consolidated net sales.</p> <p>Mr. Kameoka received remuneration as an advisor to the Company from September 2022 to March 2023; however, the remuneration amount was below the threshold set out in the Company's independence criteria. Furthermore, the remuneration was paid as compensation for advice he provided to Sojitz management based on his experience and insight, and therefore does not affect his independence.</p> <p>Based on the above, we believe that he satisfies the independence requirements of Sojitz's Independence Standards for Independent Directors, and we are confident in his ability to remain independent.</p>	<p>Mr. Tsuyoshi Kameoka has served in key positions such as President & Representative Director, Group CEO of Showa Shell Sekiyu K.K. and brings a wealth of experience and deep insight regarding management through his involvement in overseeing the business integration of Idemitsu Kosan, Co., Ltd. and other initiatives. Since 2023, he has served as an Independent Director of the Company, overseeing business execution and providing strategic advice based on his management experience in other industries, and he has demonstrated strong leadership as Chair of the Board of Directors since 2024. In light of these factors, the Company has appointed him as an Independent Director with the expectation that he will contribute to enhancing corporate value by strengthening the supervisory function over business execution and improving the effectiveness of the Board of Directors.</p>

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Ungyong Shu	None	Mr. Ungyong Shu has served in key positions at J.P. Morgan Securities and Merrill Lynch Japan Securities Limited and possesses extensive experience as a corporate executive in financial institutions, in addition to broad networks and deep insight in M&A strategy as well as financial and capital policy. Leveraging these experiences and expertise, he contributes to enhancing discussions at the Board of Directors by providing appropriate advice on important management issues, including strategic business investments. He also leads discussions as Chair of the Remuneration Committee regarding the design and operation of executive compensation systems that support the achievement of the Company's vision. In light of these factors, the Company has appointed him as an Independent Director with the expectation that he will contribute to further development of the Company and enhancement of corporate value by exercising appropriate supervisory functions over management from an independent and objective standpoint.
Yumiko Jozuka	<p>Ms. Yumiko Jozuka received remuneration as an advisor to the Company from July 2024 to May 2025; however, the remuneration amount was below the threshold set out in the Company's independence criteria. Furthermore, the remuneration was paid as compensation for advice she provided to Sojitz management based on her experience and insight, and therefore does not affect her independence.</p> <p>Based on the above, we believe that she satisfies the independence requirements of Sojitz's Independence Standards for Independent Directors, and we are confident in her ability to remain independent.</p>	Ms. Yumiko Jozuka has served in key positions at the Ministry of Health, Labour and Welfare, including Director-General of the Social Welfare and War Victims' Relief Bureau, Director-General of the Minister's Secretariat, and Deputy Director-General for Human Resource Development. Ms. Jozuka possesses a high level of insight regarding health, labor, and welfare administration, as well as a wide range of knowledge related to human capital management, including human resources and labor management, human resource development, and the promotion of women in the workplace. Since 2025, she has served as an Independent Director of the Company and Chair of the Nomination Committee, appropriately fulfilling her role in overseeing management from an independent and objective standpoint based on her experience and expertise. In light of these factors, the Company has appointed her as an Independent Director with the expectation that she will contribute to strengthening corporate governance and enhancing corporate value.

<Independent Directors who are Audit and Supervisory Committee Members>

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Haruko Kokue	<p>Ms. Haruko Kokue served as Counselor at Mitsui Chemicals, Inc. until March 2021. Transactions between the Company and Mitsui Chemicals, Inc. in the most recent fiscal year prior to this filing were less than 1% of the Company's annual consolidated revenue and less than 1% of Mitsui Chemicals, Inc.'s annual consolidated revenue.</p> <p>Ms. Kokue received remuneration as an advisor to the Company from May 2021 to January 2022; however, the remuneration amount was below the threshold set out in the Company's independence criteria. Furthermore, the remuneration was paid as compensation for advice she provided to Sojitz management based on her experience and insight, and therefore does not affect her independence.</p> <p>Based on the above, we believe that she satisfies the independence requirements of Sojitz's Independence Standards for Independent Directors, and we are confident in her ability to remain independent.</p>	<p>Ms. Haruko Kokue has cultivated extensive experience in supply chain management, public relations, investor relations, and international business management since joining Mitsui Chemicals, Inc. She also possesses in-depth expertise in stakeholder communications and supply chains. Since 2022, she has served as an Independent Director of the Company, appropriately fulfilling her role in auditing and overseeing management from an independent and objective standpoint based on her experience and expertise. In light of these factors, the Company has appointed her as an Independent Director with the expectation that she will contribute to strengthening corporate governance and enhancing corporate value.</p>
Satoko Suzuki	None	<p>Ms. Satoko Suzuki has engaged in auditing services at Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC), after which she established her own certified public accountant office. In addition, she has served as a Supervisory Director of REIT Investment Corporation and as an Outside Director who is an Audit and Supervisory Committee Member at a major diversified chemicals manufacturer. Through these experiences, she possesses extensive insight in finance and accounting as well as a high level of expertise in auditing. Since 2024, she has served as an Independent Director of the Company, appropriately fulfilling her role in auditing and overseeing management from an independent and objective standpoint based on her experience and expertise. In light of these factors, the Company has appointed her as an Independent Director with the expectation that she will contribute to strengthening corporate governance and enhancing corporate value.</p>

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Kazuhiko Takeda	<p>Mr. Kazuhiko Takeda received remuneration as an advisor to the Company from March 2025 to May 2025; however, the remuneration amount was below the threshold set out in the Company's independence criteria. Furthermore, the remuneration was paid as compensation for advice he provided to Sojitz management based on his experience and insight, and therefore does not affect his independence.</p> <p>Based on the above, we believe that he satisfies the independence requirements of Sojitz's Independence Standards for Independent Directors, and we are confident in his ability to remain independent.</p>	<p>Mr. Kazuhiko Takeda has served in key roles at Sony Corporation (currently Sony Group Corporation), including Executive Officer and CIO as well as Executive Vice President and CFO at its major subsidiaries, and he possesses extensive experience and in-depth insight on corporate management. In addition to his expertise in management and corporate governance developed through these experiences, he also possesses extensive knowledge in the fields of finance and accounting. Since 2025, he has served as an Independent Director of the Company, appropriately fulfilling his role in auditing and overseeing management from an independent and objective standpoint based on his experience and expertise. In light of these factors, the Company has appointed him as an Independent Director with the expectation that he will contribute to strengthening corporate governance and enhancing corporate value.</p>

(b) The Company has submitted, as resolutions (matters to be resolved) at the Ordinary General Shareholders' Meeting scheduled for June 30, 2026, proposals for the "Election of 7 Directors (excluding Directors who are Audit and Supervisory Committee Members)" and "Election of 3 Directors who are Audit and Supervisory Committee Members." The status of Independent Directors, assuming these proposals are approved and adopted, is as follows.

Sojitz has no special interest in or relationship with the Independent Directors. With regard to the capital relationship, the shareholdings of each Independent Director in the Company are listed in "a. List of Directors" .

<Independent Directors (excluding Directors who are Audit and Supervisory Committee Members) >

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Tsuyoshi Kameoka	Same as described in (a) above.	Same as described in (a) above.
Yumiko Jozuka	Same as described in (a) above.	Same as described in (a) above.

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Mamoru Morita	<p>Mr. Mamoru Morita served as Senior Vice President and Executive Officer of Hitachi, Ltd. until March 2024 and served as Strategic Expert of the Nuclear Energy Business Unit at Hitachi, Ltd. until March 2026. Transactions between the Company and Hitachi, Ltd. in the most recent fiscal year prior to this filing were less than 1% of the Company's annual consolidated revenue and less than 1% of Hitachi, Ltd.'s annual consolidated revenue.</p> <p>Mr. Morita received remuneration as an advisor to the Company from November 2025 to May 2026; however, the remuneration amount was below the threshold set out in the Company's independence criteria. Furthermore, the remuneration was paid as compensation for advice he provided to Sojitz management based on his experience and insight, and therefore does not affect his independence.</p> <p>Based on the above, we believe that he satisfies the independence requirements of Sojitz's Independence Standards for Independent Directors, and we are confident in his ability to remain independent.</p>	Mr. Mamoru Morita has been involved in companywide strategy, investments and loans, and business development at Hitachi, Ltd. for many years. He brings a global perspective to corporate management through his management experience in the United States and knowledge of infrastructure fields including nuclear power. We expect that his extensive experience and broad insight will enable him to appropriately fulfill his role in overseeing management and providing advice from an objective and neutral standpoint on matters including capital allocation, business portfolio, and risk management. In light of these factors, the Company has appointed him as an Independent Director with the expectation that he will contribute to strengthening corporate governance and enhancing corporate value.

<Independent Directors who are Audit and Supervisory Committee Members>

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Haruko Kokue	Same as described in (a) above.	Same as described in (a) above.
Kazuhiko Takeda	Same as described in (a) above.	Same as described in (a) above.

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Junko Watanabe	<p>Ms. Junko Watanabe served as a board member at Deloitte Tohmatsu LLC (currently Deloitte Tohmatsu Group Japan LLC) until July 2022 and as a partner at Deloitte Tohmatsu Risk Advisory LLC (currently Deloitte Tohmatsu LLC) until May 2026. Transactions between the Company and Deloitte Tohmatsu Group Japan LLC in the most recent fiscal year prior to this filing were less than 1% of the Company's annual consolidated revenue and less than 1% of Deloitte Tohmatsu Group's annual service revenue (group total).</p> <p>Ms. Watanabe received remuneration as an advisor to the Company from April 2026 to May 2026; however, the remuneration amount was below the threshold set out in the Company's independence criteria. Furthermore, the remuneration was paid as compensation for advice she provided to Sojitz management based on her experience and insight, and therefore does not affect her independence.</p> <p>Based on the above, we believe that she satisfies the independence requirements of Sojitz's Independence Standards for Independent Directors, and we are confident in her ability to remain independent.</p>	<p>Ms. Junko Watanabe has an extensive career in auditing, M&A support, internal controls, and IFRS and accounting advisory services at Price Waterhouse (New York), Aoyama Audit Corporation, and Deloitte Tohmatsu. We expect that her extensive insight and high level of expertise cultivated through these experiences will enable her to appropriately fulfill her role in auditing and overseeing management from an independent and objective standpoint. In light of these factors, the Company has appointed her as an Independent Director with the expectation that she will contribute to strengthening corporate governance and enhancing corporate value.</p>

c. Outline of Limited liability agreements

Sojitz has a limited liability agreement with Directors (excluding Executive Directors) limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.

d. Directors' and corporate auditors' liability insurance policies

Sojitz has its Directors, etc. and its subsidiaries' Directors and Corporate Auditors insured under directors' and corporate auditors' liability insurance policies, which cover damages and litigation expenses incurred by the insured in the event of a claim for damages arising from the insured's acts (including omissions) in the course of his or her duties as a Corporate Officer. However, criminal acts such as bribery, or damage caused by an officer who intentionally commits an illegal act, are excluded from coverage, thereby preventing loss of propriety in the performance of duties by officers and other employees. All insurance premiums are paid by the Company.

(3) Corporate Audits, Accounting Audits and Internal Audits

a. Audits by the Audit and Supervisory Committee

1) Organization and Personnel

The Audit and Supervisory Committee consists of 4 members, and the attendance of each Audit and Supervisory Committee Member is as follows.

Position	Name	Attendance at the Audit and Supervisory Committee meetings FY2025 (Total of 17 meetings)	Attendance at the Board of Directors meetings FY2025 (Total of 15 meetings)
Full-time Audit and Supervisory Committee Member	Yoshiki Manabe	17 (100%)	15 (100%)
Independent Audit and Supervisory Committee Member	Haruko Kokue	17 (100%)	15 (100%)
Independent Audit and Supervisory Committee Member	Satoko Suzuki	17 (100%)	15 (100%)
Independent Audit and Supervisory Committee Member	Kazuhiko Takeda	12 (100%)	11 (100%)

With respect to Mr. Kazuhiko Takeda, the information provided reflects the status following his appointment as an Audit and Supervisory Committee Member on June 18, 2025. Ms. Satoko Suzuki is scheduled to retire upon the conclusion of the Ordinary General Shareholders' Meeting to be held on June 30, 2026, and Ms. Junko Watanabe is scheduled to assume office as a new Independent Audit and Supervisory Committee Member.

2) Activities of Audit and Supervisory Committee

(a) Activities of Audit and Supervisory Committee Members and Audit and Supervisory Committee:

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

The Audit and Supervisory Committee receives explanations about audit plans and regular audit reports from the Accounting Auditor, which they use to conduct effective audits and monitor the independence of the Accounting Auditor. It also approves internal audit plans from the Internal Audit Department, and receives reports on the status of audits. The Audit and Supervisory Committee has thus established a system for ascertaining the status of the Company in a timely and appropriate fashion, based on cooperation with the Accounting Auditor and the Internal Audit Department.

Through the Internal Control Administration Department, an administrative bureau, the Company has built a reporting line with the Internal Control Committee to receive regular reports on the establishment and operation status of the internal control systems in business execution.

The Audit and Supervisory Committee conducted audits while having sufficient communication with domestic and overseas consolidated subsidiaries through on-site audits and remote audits using the web conference system.

Audit and Supervisory Committee concentrated on the following matters during FY2025.

(i) Implementation Status of the Medium-Term Management Plan

Verify the validity and feasibility of specific measures to strengthen the growth foundation and human capital, aimed at realizing the Sojitz Growth Story.

(ii) Status of group governance

Monitor and audit the business execution of Sojitz and domestic and overseas Sojitz Group companies to ensure that it is conducted in a responsible manner, with constant awareness of social responsibility and based on fair and appropriate judgment.

(iii) Status of group compliance

Promote Group-wide awareness of compliance and ensure strict adherence to laws, regulations, and internal rules to prevent the occurrence of corporate scandals and other events that may cause significant damage to Sojitz.

(iv) Internal control system

Monitor the implementation and operation of the Internal Control System and verify its effectiveness in cooperation with the Accounting Auditor, departments in charge of internal audits and internal controls, as well as auditors of group companies.

Furthermore, monitor the status of the system for ensuring the reliability of financial reporting as stipulated in the Financial Instruments and Exchange Act and verify it in the same manner as above, as a component of the internal control system in the broad sense of the term.

(v) Asset and business management follow-up system

In order to maintain and ensure the profitability of the entire Group's business and the quality of its assets in the midst of changing internal and external environments, verify the process of asset evaluation and business follow-up, including investments and loans, to monitor and audit whether appropriate decisions are made in a timely manner.

(vi) Internal cooperation in internal control system

Enhance the organizational audits using an internal control system and strengthen the communication with the Audit Department. Also, improve the quality and efficiency of audits by receiving regular reports on the establishment and operation status of the internal control system from the Internal Control Committee.

Main Activities of Audit and Supervisory Committee Members	Frequency of meetings	Task Assignments	
		Full-time	Independent
Attendance at advisory committees of the Board of Directors (Nomination Committee, Remuneration Committee)	At appropriate times	—	○
Attendance at important meetings and the internal committees (Management Committee, Finance & Investment Deliberation Council, Internal Control Committee, Compliance Committee, Sustainability Committee, Security Trade Control Committee, Quality Management Committee, DX Promotion Committee, Information and IT Systems Security Committee)	At appropriate times	○	△ (*1)
Meetings with Executive Directors	Twice a year	○	○ (*2)
Meetings with Independent Directors who are not Audit and Supervisory Committee Members	Twice a year	○	○
Meetings with COOs of business and function divisions, Presidents and CEOs of overseas operations	Once or twice a year	○	△
On-site audits of domestic and overseas group companies (including remote audits)	43 companies a year	○	△
Meetings with full-time auditors of group companies	Twice a year	○	—
Attendance at reporting meetings on audit plans and audits and midterm communications, and interviews with the Accounting Auditor	10 times a year	○	○
Attendance at audit report meetings, attendance at review meetings of internal audits	54 times a year	○	—
Review of important documents relevant to major business decisions	Once a quarter	○	—

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

(*1) Independent Audit and Supervisory Committee Members attended the Finance & Investment Deliberation Council meetings as observers.

(*2) At least 1 Independent Audit and Supervisory Committee Member attended generally.

(*3) Reports from the Internal Control Committee and the Compliance Committee are submitted directly to the Audit and Supervisory Committee through their respective secretariat departments. In addition, the Internal Audit Department regularly reports the results of internal audits directly to the Audit and Supervisory Committee.

(b) Activities of Audit and Supervisory Committee:

As a general rule, the Audit and Supervisory Committee meets once a month, as well as on an as-needed basis. During FY2025, the Audit and Supervisory Committee met 17 times, each meeting lasting approximately 2 hours.

The main resolutions, matters discussed, and matters reported by the Audit and Supervisory Committee are as follows.

Matters discussed, resolutions, reports	Specific content
Audit policies and plans	The audit policy is formulated in consideration of materiality, timeliness, and other necessary factors, while also noting our business environment and the status of the establishment and operation of the Internal Control System. The audit plan is prepared by appropriately selecting audit targets, methods, and timing of audits, and important audit issues are set as key audit areas.
Evaluation of the Accounting Auditor	Meetings with the Accounting Auditor, hearings regarding accounting audit activities from the General Accounting Department, the Business Accounting Department, the Internal Control Administration Department, and the Internal Audit Department. In addition, referring to evaluation criteria of the Accounting Auditor determined by the Audit and Supervisory Committee, independence and expertise are confirmed and evaluated.
Key Audit Matters (KAMs)	With regard to Key Audit Matters (KAMs), Audit and Supervisory Committee discussed them with the Accounting Auditor, received reports on the status of its audits, and requested explanations as necessary. The Audit and Supervisory Committee exchanged opinions with the Accounting Auditor on the contents of the KAMs regarding whether or not they were consistent with Sojitz's business risks, and whether or not we should consider them from a more multifaceted perspective.
Evaluation of the effectiveness of the Audit and Supervisory Committee	In order to improve the effectiveness of the Audit and Supervisory Committee, the frequency and operation of the Audit and Supervisory Committee meetings, the appropriateness of the content of deliberations, collaboration with Directors, the Accounting Auditor, and the Internal Audit Department, and the nature of the reporting system, etc. were self-evaluated in a questionnaire format. In addition, discussions were held to review the methods of audits by Audit and Supervisory Committee and to improve future audit plans.
Audit activities conducted by full-time Audit and Supervisory Committee Member	Full-time Audit and Supervisory Committee Member reads important documents and attends important meetings and states opinions if needed. He also maintains auditing environment, and works on the collection and analysis of internal information proactively. For Independent Audit and Supervisory Committee Members, he reports the attendance of important meetings such as Management Committee, the meetings with Executive Directors, COOs of business and function divisions, and the result of the on-site audits of domestic and overseas group companies at Audit and Supervisory Committee meetings.
Communication with COOs	Audit and Supervisory Committee Members communicate with Executive Directors, executive management officers, Presidents and CEOs of overseas operations, COOs of business and function divisions once a half year. In the year ended March 31, 2026, the meeting was held 42 times, and more than 1 Independent Audit and Supervisory Committee Members attended 24 times.

Matters discussed, resolutions, reports	Specific content
On-site audit	<p>Audit and Supervisory Committee Members strive to ascertain frontline circumstances by proactively conducting on-site audits of domestic and overseas group companies and operating bases. Regarding the selection of sites where the Audit and Supervisory Committee Members conduct on-site audit, they consider qualitative factors such as business environment, operational status of internal control, and evaluation of risks in addition to quantitative factors such as assets and business activities.</p> <p>On-site audits were carried out in a coordinated way, both physically and remotely through the implementation of remote audits using the web conference system. As a result, Audit and Supervisory Committee Members have had dialogues with COOs of 24 overseas group companies in 10 countries and 19 domestic group companies and reported the results of their on-site audits and observations to Executive Directors. At least 1 Independent Audit and Supervisory Committee Member has participated in on-site audits and observations of 18 overseas group companies in 9 countries and 14 domestic group companies.</p>
Reports from the Internal Audit Department	<p>Full-time Audit and Supervisory Committee Member attends audit review meetings and audit reporting meetings to ascertain the status of internal audits accordingly. The Audit and Supervisory Committee approves and receives regular reports from the General Manager of the Internal Audit Department on the internal audit plan and its progress.</p>
Three-way audit meetings	<p>In addition to regular reports from the Accounting Auditor, full-time Audit and Supervisory Committee Member holds a three-way audit meeting with the Accounting Auditor and the Internal Audit Department on a quarterly basis to share the status of their respective audits and exchange their opinions.</p>

(Reference) Reporting meetings and cooperation with the Accounting Auditor

Description (FY2025 Results)	Description	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Audit plans	Explanation on the overview of audit and review plans				●								
Quarterly discussion	Q1, Q3 Quarterly discussion					●						●	
Reports on progress in audits reviews	Reports on the overview of progress in annual reviews							●	●				
Reports on audits	Reports on the overview of the results of audits under the Companies Act and the Financial Instruments and Exchange Act		●	●									
Reports on internal control audits	Reports on the overview of the results of internal control audits			●									
Three-way audit meetings	Information sharing among the Accounting Auditor, the Internal Audit Department, and full-time Audit and Supervisory Committee Member	●					●			●			●
Information and opinion exchange	Exchange of information and opinions on the quality management system employed by the Accounting Auditor and its independence, new audit methods and challenges, and KAMs		●			●			●			●	●

b. Internal audits

The Company has established the Internal Audit Department as an organization independent of other business execution departments. The Internal Audit Department (comprising 37 people as of March 31, 2026) conducts internal audits covering the business divisions, corporate departments, and consolidated subsidiaries to verify that the various management activities and operational controls of the Sojitz Group are being properly executed in compliance with laws, regulations, and internal rules.

Internal audits conducted by the Internal Audit Department are intended to ensure the development and enhancement of internal controls, contribute to the detection and prevention of fraud, and to the effective achievement of management objectives, and the status of their implementation is as follows.

- The Department develops an annual audit plan with an annual operating policy, priority items, and annual schedule, among other things, and conducts internal audits in accordance with the plan.
- During the audit, the Internal Audit Department investigates whether organizational governance, risk management, and internal controls are functioning appropriately and makes proposals for effective improvements to prevent loss and resolve issues.
- After the audit is completed, the Internal Audit Department convenes an audit review meeting for the audited organization to present the audit results, exchange opinions on problem areas, and discuss improvement measures. Attendees include the president of the audited organization, COOs responsible for corporate departments, and full-time Audit and Supervisory Committee Members. After the audit review meeting, an internal audit report is prepared and submitted to the audit report meeting (comprising the Chairman, the President, the CFO, full-time Audit and Supervisory Committee Members, and other persons deemed necessary by the president).
- To address the problems identified in the audits, the Internal Audit Department receives reports about improvements by the audited organizations for the three- and six-month periods after the audits and conducts a follow-up audit to check their progress.

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

- The Internal Audit Department's annual audit plan is determined by the resolution of the Audit and Supervisory Committee and reported to the Management Committee and Board of Directors.
- The Internal Audit Department reports the results of internal audits not only to the President, but also to the Board of Directors and the Audit and Supervisory Committee on a regular basis.
- The General Manager of the Internal Audit Department, full-time Audit and Supervisory Committee Members, and their assistants hold regular meetings to share findings and challenges, among other things, in their respective audit activities in a timely manner and exchange their opinions.
- The Internal Audit Department, Audit and Supervisory Committee, and the Accounting Auditor convene quarterly to share their respective audit results and exchange opinions.
- Deliberations and assessments of the Internal Audit Department's organizational performance, as well as individual evaluations of the General Manager of the Internal Audit Department, require consultation with the Audit and Supervisory Committee, ensuring the independence of the internal audits.

c. Accounting audits

1) Name of Accounting Auditor

KPMG AZSA LLC

2) The period successively involved in the audit

23 years

Asahi & Co., one of the predecessors of the current auditor, KPMG AZSA LLC, has been auditing the financial statements of Nissho Iwai Corporation, the predecessor of the Company, since 1969.

3) The certified public accountants executing audits

Atsushi Fukui, Ryohei Tomita, Tsugunobu Hikishikibayashi

4) The member of assistants involved executing audits

27 certified public accountants, 68 others

5) Evaluation of Accounting Auditor by the Audit and Supervisory Committee and, Policy and reason for selection of Accounting Auditor

The Audit and Supervisory Committee evaluated and selected the Accounting Auditor, under comprehensive consideration, according to the evaluation standards for Accounting Auditor set out by the Audit and Supervisory Committee, by having interviews, etc., with the Accounting Auditor, and from such perspectives as quality control, results of examination by external institutions, the auditing team's independence, expertise and member configuration, auditing fees, effectiveness and efficiency of audit, communication with the Audit and Supervisory Committee Members and management and group auditing.

Based on such a policy, the Audit and Supervisory Committee decided to reappoint KPMG AZSA LLC as the Accounting Auditor of the Company.

6) Policy for determining dismissal or non-reappointment of Accounting Auditor

In the event that the Audit and Supervisory Committee deems that any Accounting Auditor falls under any of the Items of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall dismiss the Accounting Auditor based on the consent of all Directors who are Audit and Supervisory Committee Members.

In addition, the Audit and Supervisory Committee shall make comprehensive judgments on the Accounting Auditor's execution of their duties, etc., and in case the Accounting Auditor is deemed incapable of executing proper audits, the Audit and Supervisory Committee shall decide on the contents of proposal on dismissal or non-reappointment of the Accounting Auditor, to be submitted to the General Shareholders' Meeting, by the resolution of the Audit and Supervisory Committee.

d. Information about audits

1) Details of fees paid to the certified public accountant auditor

(Millions of Yen)

Classification	Year ended March 31, 2025		Year ended March 31, 2026	
	Audit fees	Non-Audit fees	Audit fees	Non-Audit fees
Sojitz	453	3	437	5
Consolidated Subsidiaries	360	3	349	3
Total	813	6	786	8

The Company enlists the services of certified public accountants for non-auditing services including the preparation of comfort letters.

Consolidated subsidiaries enlist the services of certified public accountants for non-auditing services including the performance of procedures based on predetermined agreements.

2) Payment of compensation to certified public accountant responsible for auditing and network thereof (KPMG Group) (excluding cases applicable under 1) above)

(Millions of Yen)

Classification	Year ended March 31, 2025		Year ended March 31, 2026	
	Audit fees	Non-Audit fees	Audit fees	Non-Audit fees
Sojitz	6	17	8	18
Consolidated Subsidiaries	760	100	890	96
Total	766	118	899	115

The Company enlists the services of certified public accountants for non-auditing services including assurance services related to non-financial information.

Consolidated subsidiaries enlist the services of certified public accountants for non-auditing services including the performance of procedures related to taxation.

3) Payment of compensation for the preparation of verification of audits

Sojitz Corporation of America, The Marine Foods Corporation, and Thai Central Chemical Public Co., Ltd., all significant consolidated subsidiaries of the Company, pay compensation to Deloitte & Touche LLP, Deloitte Touche Tohmatsu LLC, and Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., respectively, for audit attestation services.

4) Policies for determining compensation for audits

Pursuant to the provisions of Article 399, Paragraph 1 and Paragraph 3 of the Companies Act of Japan, the amount of compensation to be paid for audits is decided based on factors including the number of days required to perform audits after receiving approval from the Audit and Supervisory Committee.

5) Reason for issuance of approval by the Audit and Supervisory Committee with regard to compensation to be paid to the Accounting Auditor

Pursuant to the provisions of Article 399, Paragraph 1 and Paragraph 3 of the Companies Act of Japan, the Audit and Supervisory Committee has approved the amount of compensation to be paid to the Accounting Auditor proposed by the Board of Directors after verifying the appropriateness of the audit plan presented by the Accounting Auditor, the process of performing the accounting audit, and the basis for calculating compensation estimates as needed.

(4) Remuneration of Directors and Audit and Supervisory Committee Members

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

(Millions of Yen)

Position	Number of persons to be paid	Basic remuneration	Performance-linked remuneration		Total
		Monetary (*2)	Monetary (short-term)	Share (medium- to long-term) (*3, 4)	
Director	8	343	117	219	681
(of which, Independent Directors)	(4)	(44)	-	-	(44)
Directors who are Audit and Supervisory Committee Members	5	100	-	-	100
(of which, Independent Directors)	(4)	(47)			(47)

(Notes)

*1 Figures are rounded down to the nearest million yen.

*2 As of the end of March 2026, there were seven directors and four directors who are members of the Audit and Supervisory Committee. The total amount of directors' compensation, etc., includes the remuneration of one director who resigned upon the completion of the 2025 Ordinary General Shareholders' Meeting held on June 18, 2025, due to the expiration of their term, as well as the remuneration of one director who resigned from the Audit and Supervisory Committee at the same time.

*3 Regardless of whether before or after the transition to a Company with Audit and Supervisory Committee, as the Board of Directors confirmed that the amounts of remuneration for individual Directors for FY2025, including the target of each evaluation indicator, based on the Executive Remuneration Policy, basic remuneration (fixed remuneration) by rank, the calculation method for performance-linked remuneration (short-term), and the calculation method for performance-linked remuneration (medium- to long-term) were consistent with the determination policy described in below, the details of such remuneration were judged to be in line with the policy.

*4 The performance-linked remuneration (medium- to long-term) is a share remuneration system based on the Board Incentive Plan (BIP) Trust. The total amount of the aforementioned share remuneration represents the amount reported as expenses for FY2025 associated with the share delivery points regarding the BIP Trust, including the persons who are scheduled to retire in FY2025.

b. Details of the resolution

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

Position		Type of remuneration		Maximum remuneration		Resolution of General Shareholders' Meeting	Number of company officers at the time of resolution
Directors (excluding Directors who are Audit and Supervisory Committee Members)	Directors (excluding Independent Directors)	Basic remuneration	Monetary remuneration	¥720 million per year		June 18, 2024	4 persons
			Monetary remuneration (short-term)				
		Performance-linked remuneration	Share (medium- to long-term) Eligible persons: - Excluding non-residents in Japan - Including Executive Officers	Upper limit of cash contributed by Sojitz	¥3,600 million in total for three fiscal years		
				Upper limit of the number of Sojitz shares subject to delivery to Directors, etc.	The upper limit of points to be granted to Directors, etc. shall be 1.5 million points (equivalent to 1.5 million shares) for three fiscal years		
	Independent Directors	Basic remuneration	Monetary remuneration	¥60 million per year		June 18, 2024	3 persons
Directors who are Audit and Supervisory Committee Members		Basic remuneration	Monetary remuneration	¥160 million per year		June 18, 2024	4 persons

c. Total remuneration paid to individual Directors and Audit and Supervisory Committee Members

The names and positions of individuals receiving more than ¥100 million in total remuneration in the year ended March 31, 2026, are as follows.

(Millions of Yen)

Name	Position	Company	Basic remuneration	Performance-linked remuneration		Total
			Monetary	Monetary (short-term)	Share (medium- to long-term)	
Masayoshi Fujimoto	Director	Sojitz	85	35	79	201
Kosuke Uemura	Director	Sojitz	93	41	92	227
Makoto Shibuya	Director	Sojitz	63	21	24	108

(Notes)

*1 Figures are rounded down to the nearest million yen.

*2 The performance-linked remuneration (medium- to long-term) is a share remuneration system based on the Board Incentive Plan (BIP) Trust. The total amount of the aforementioned share remuneration represents the amount reported as expenses for FY2025 associated with the share delivery points regarding the BIP Trust.

d. Policy for determining the amount of remuneration for Directors and Audit and Supervisory Committee Members or the method of calculating the amount of remuneration

1) Executive Remuneration Policy

Sojitz's basic policy on remuneration for Directors is to create a system that is closely linked to the Company business performance and that will ensure transparency and objectivity with the aim of raising the motivation of Directors to contribute to improved performance and corporate value over the medium to long term. In accordance with this basic policy on Remuneration Policy (Company policy for determining amounts of remuneration paid to individual Directors, etc.) was approved at the Board of Directors held on March 22, 2024. The details of the Executive Remuneration Policy are as follows.

Basic view	<p>Sojitz's basic view on remuneration for Directors and Executive Officers (the "Officers") is based on the following two considerations.</p> <ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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.
Breakdown of remuneration	<p><Level of remuneration> In line with the basic policies, the level of remuneration shall stay attractive and commensurate with the job responsibilities of each of the Officers. The level of remuneration shall be determined in consideration of factors such as other general trading companies, surveys conducted by third parties on executive remuneration at listed corporations in Japan, along with the level of employee salary. The level of Sojitz's executive remuneration shall be subject to review as appropriate depending on the changes in the external business environment.</p> <p><Structure of remuneration> Sojitz's remuneration consists primarily of basic remuneration and performance-linked remuneration. Medium- to long-term performance-linked remuneration applies a "pay for mission" approach, which takes into consideration factors such as the fulfillment of our corporate statement and the creation and provision of the two types of value.</p> <ul style="list-style-type: none"> - Basic remuneration (fixed remuneration): Monetary remuneration determined by the individual's rank, commensurate with job responsibilities - Performance-linked remuneration (short-term): Monetary remuneration linked to corporate performance in a single year as well as the progress made with the Medium-Term Management Plan - Performance-linked remuneration (medium- to long-term): Share remuneration linked to the achievement of the Medium-Term Management Plan and the increase in corporate value (in terms of ESG and share price) *

Breakdown of remuneration	<p><Remuneration mix> [Officers (excluding Independent Directors)] The proportion of basic remuneration among total compensation will be lowered to between approximately 40% and 64%, based on job responsibilities, and the proportion of performance-linked remuneration will be raised</p>		
	Basic remuneration	Performance-linked remuneration (short-term)	Performance-linked remuneration (medium- to long-term)
	40% – 64%	20% – 22%	16% – 40%
	<p>[Independent Directors (excluding Directors who are Audit and Supervisory Committee Members)] Remuneration consists wholly of basic remuneration, while special allowance shall be paid separately to the Chairman of the Board of Directors, and the Chairs of the Nomination Committee and the Remuneration Committee.</p> <p><Timing of the payment of remuneration> - Basic remuneration: Paid monthly - Performance-linked remuneration (short-term): Paid once a year at a certain time - Performance-linked remuneration (medium- to long-term): After the retirement*</p>		
Determination method of performance-linked remuneration	Determined based on factors such as the degree of accomplishment of targets, progress made with the Medium-Term Management Plan and individual contribution to corporate performance.		
Forfeiture of remuneration (claw back clause, malus clause)	If a resolution is passed by the Board of Directors for a post-closing correction of accounts due to serious accounting errors or fraud, or if a wrongdoing by an Officer is confirmed by the Board of Directors, Sojitz may restrict the payment of performance-linked remuneration or request the refund of the remuneration the Officer has received.		
Governance over remuneration	The amount of remuneration of each of the Officers shall be determined by the Board of Directors, after deliberations at the Remuneration Committee chaired by an Independent Director, with the majority of committee members being Independent Directors. The amount of remuneration for Directors who are Audit and Supervisory Committee Members shall be determined through discussion among the Directors who are Audit and Supervisory Committee Members.		

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

2) Director remuneration systems for the year ended March 31, 2026

In accordance with the Executive Remuneration Policy, the following systems will be utilized for remuneration of Directors in the year ended March 31, 2026.

(a) Types of remuneration

Remuneration of Directors (excluding Independent Directors and Directors who are Audit and Supervisory Committee Members) is comprised of basic remuneration (fixed remuneration), performance-linked remuneration (short-term), and performance-linked remuneration (medium- to long-term). Remuneration of Independent Directors consists only of basic remuneration (fixed remuneration). When an Independent Director serves as the Chair of the Board of Directors, the Nomination Committee, or the Remuneration Committee, such Director will receive monthly allowance in a designated amount in addition to basic remuneration (fixed remuneration).

(b) Basic remuneration

Basic remuneration (fixed remuneration) is monetary remuneration paid in an amount determined based on the individual's rank, commensurate with job responsibilities. This remuneration is paid annually, with the amount determined based on rank being divided by 12 and paid each month.

(c) Performance-linked remuneration (short-term)

Performance-linked remuneration (short-term) is paid as monetary remuneration in an amount that is linked to corporate performance in a single year as well as the progress made with the Medium-Term Management Plan. An amount of performance-linked remuneration (short-term) shall be paid to Directors of the appropriate rank in cash determined based on the standard amount set for the given rank (remuneration amount when all targets are 100% met), consolidated profit for the year (attributable to owners of the Company), degree of progress on consolidated profit for the year (attributable to owners of the Company) (degree of progress toward the target during the period of "Medium-Term Management Plan 2026" (the years ended March 31, 2025–2027)), return on equity (ROE), core operating cash flow, and degree of progress on core operating cash flow (degree of progress toward the target during the period of "Medium-Term Management Plan 2026" (the years ended March 31, 2025–2027)) and the degree of accomplishment of targets for evaluation indicators.

The degree of accomplishment of targets for evaluation indicators shall be calculated by comparing the target for each evaluation indicator to actual performance. Target amounts for evaluation indicators shall be determined at the beginning of each fiscal year in April or May via resolution by the Board of Directors after deliberations at the Remuneration Committee. The precise method for calculating performance-linked remuneration (short-term) is as described below. Performance-linked remuneration (short-term) is paid in July following the conclusion of the applicable fiscal year.

The targets and actual performance used for calculating performance-linked remuneration (short-term) in the year ending March 31, 2026, are as described in the section "Composition of Remuneration" below.

The targets used for calculating performance-linked remuneration (short-term) in the year ending March 31, 2027, are as follows.

Evaluation indicators	Targets
1. Consolidated profit for the year (single-year target)	¥130.0 billion
2. Consolidated profit for the year total for Medium-Term Management Plan period	¥344.2 billion
3. ROE (single-year target)	12.0%
4. Core operating cash flow (single-year target)	¥150.0 billion
5. Core operating cash flow total for Medium-Term Management Plan period	¥421.6 billion

(d) Performance-linked remuneration (medium- to long-term)

Performance-linked remuneration (medium- to long-term) is a share remuneration linked to the achievement of the Medium-Term Management Plan and increases in corporate value (in terms of ESG and share price). An amount of performance-linked remuneration (medium- to long-term) will be paid to Directors of the appropriate rank by allocating basic points in amounts calculated each fiscal year based on the standard remuneration amount for the given individual's rank and the defined share price, calculating share delivery points by multiplying the aggregate amount of basic points accrued by a coefficient determined based on the degree of accomplishment of targets for evaluation indicators after the conclusion of three fiscal years, and then issuing shares of the Company's stock and monetary payments in amounts calculated based on the aggregate amount of share delivery points accrued when the given individual resigns from their position, on the condition that they fulfill all the given requirements.

In calculating share delivery points, consolidated profit for the year (attributable to owners of the Company), stock growth rate (ratio of total shareholder return to growth rate of dividend-included TOPIX for the applicable period); and separate ESG-related criteria will be used as evaluation indicators during the period of Medium-Term Management Plan 2026 (the years ending March 31, 2025–2027). Target amounts for evaluation indicators shall be determined via resolution by the Board of Directors after deliberations at the Remuneration Committee.

The outline of frameworks and precise calculation method for performance-linked remuneration (medium- to long-term) are described below.

The targets used for calculating performance-linked remuneration (medium- to long-term) are as indicated in "Composition of remuneration" below.

(e) Composition of remuneration

With the aim of further enhancing the link between remuneration and business performance and creating a remuneration system that includes a system of evaluation criteria that more fully reflect the efforts and progress made toward improving corporate value in the medium- to long-term, Sojitz has decided to lower the proportion of basic remuneration among total compensation for Directors (excluding Independent Directors and Directors who are Audit and Supervisory Committee Members) and Executive Officers to between approximately 40% and 64%, based on their job responsibilities, and raise the proportion of performance-linked remuneration from the year ending March 31, 2025. In order to ensure that the executive remuneration system is closely linked to Sojitz's corporate performance and is highly transparent and objective, the target of each indicator was determined by resolution of the Board of Directors after deliberations at the Remuneration Committee, reflecting the targets set out in Medium-Term Management Plan 2026.

< Composition of remuneration for Directors and Executive Officers (excluding Independent Directors) >

Type of remuneration			Description	Performance-linked index(KPI)	Evaluation weighting	Remuneration variation range	Timing of the payment	FY25 Target	Performance against target
Basic	Fixed	Monetary (40%-64%)	Determined by the individual's rank based on their job responsibilities	—	—	—	Monthly	—	—
Performance-linked remuneration	Variation	Short-term	Linked to corporate performance in a single year as well as the progress made with the Medium-Term Management Plan	Consolidated profit for the year(Note 1)(degree of accomplishment of single-year target)	30%	0-150% (Note 2)	Once a year during a fixed period	¥120.0bn	¥103.6bn
				Consolidated profit for the year(Note 1)(degree of progress toward the aggregate Medium-Term Management Plan target)	30%			¥230.6bn	¥214.2bn
				ROE	20%			12.0%	10.1%
				Core operating cash flow(degree of accomplishment of single-year target)	10%			¥150.0bn	¥136.5bn
				Core operating cash flow(degree of progress toward the aggregate Medium-Term Management Plan target)	10%			¥285.2bn	¥271.5bn
	Medium-/long-term	Share (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)	Aggregate consolidated profit for the year(Note 1)during the three fiscal years	40%	60-200%	Share-based payment after retirement	¥360.0bn	—
				Stock growth rate(Note 3)	40%			110%	
				ESG related	20%			(Note 4)	

(Notes)

1. 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 dividend-included TOPIX.
4. The evaluation method for ESG areas is described in “ 9) Methods of calculating performance-linked remuneration (medium- to long-term), Method of calculating share delivery points, *3 ESG coefficient” .

(f) Reduction, non-payment, and request for refund of remuneration

In the following cases, the Company may elect to reduce or not pay the unpaid portion of basic remuneration (fixed remuneration), performance-linked remuneration (short-term), or performance-linked remuneration (medium- to long-term) or request the refund of some or all of the paid portion of said remuneration.

- a) Should a resolution be made by the Board of Directors that a post-closing correction of the Company's accounts is necessary due to serious accounting errors or fraud
- b) Should an individual cause significant damage to the Company through acts based on intent or gross negligence (including but not limited to violations of laws, regulations, internal rules, or the Articles of Incorporation or violations of duty of care or fiduciary duty in the execution of duties)
- c) Should an individual resign for personal reasons in opposition to the desires of the Company (except for in cases of unavoidable resignation due to illness, injury, or other causes)
- d) Should an individual be dismissed from his/her position as a Director for valid reasons
- e) Should an individual accept employment at a competitor without the permission of the Company

3) Methods for determining executive remuneration

As for remuneration for Directors, the Executive Remuneration Policy, rank-based standard amounts for basic remuneration (fixed remuneration), and calculation methods of performance-linked remuneration (short-term) and performance-linked remuneration (medium- to long-term) (including the targets for each of the evaluation indicators) are decided based on resolutions made by the Board of Directors after deliberations at the Remuneration Committee. Based on these decisions, amounts of remuneration paid to individual Directors are calculated and determined. Amounts of remuneration paid to individual Audit and Supervisory Committee Members are determined through discussion by the Audit and Supervisory Committee.

The Remuneration Committee is an advisory body to the Board of Directors tasked with deliberation and proposals related to levels of remuneration for Directors and Executive Officers and evaluation and remuneration systems.

4) Method of calculation for performance-linked remuneration (short-term)

Performance-linked remuneration (short-term) shall be the sum of the amounts calculated for evaluation indicators using calculation equations i.–v. below for the given fiscal year.

Performance-linked remuneration (short-term) = i + ii + iii + iv + v

a. $\frac{\text{Consolidated profit for the year (attributable to owners of the Company) for the given fiscal year}}{\text{Target for consolidated profit for the year (attributable to owners of the Company) for the given fiscal year}} \times 465,000 \times 30\% \times (\text{number of months served in payment period}^{*1} \div 12) \times \text{Rank coefficient}^{*2,*3}$

b. $\frac{\text{Aggregate consolidated profit for the year (attributable to owners of the Company)}}{\text{Target for aggregate consolidated profit for the year (attributable to owners of the Company)}} \times 465,000 \times 30\% \times (\text{number of months served in payment period}^{*1} \div 12) \times \text{Rank coefficient}^{*2,*3}$

c. $\frac{\text{ROE for the given fiscal year}}{\text{Target for ROE for the given fiscal year}} \times 465,000 \times 20\% \times (\text{number of months served in payment period}^{*1} \div 12) \times \text{Rank coefficient}^{*2,*3}$

d. $\frac{\text{Core operating cash flow for the given fiscal year}}{\text{Target for core operating cash flow for the given fiscal year}} \times 465,000 \times 10\% \times (\text{number of months served in payment period}^{*1} \div 12) \times \text{Rank coefficient}^{*2,*3}$

e. $\frac{\text{Aggregate core operating cash flow}}{\text{Target for aggregate core operating cash flow}} \times 465,000 \times 10\% \times (\text{number of months served in payment period}^{*1} \div 12) \times \text{Rank coefficient}^{*2,*3}$

*1 Figures for number of months served are truncated to the nearest month. Should the rank of an applicable individual change within the payment period, the number of months served shall be calculated by counting the month in which the change in rank took place based on the rank that the individual held for the largest number of days within the given month (should the number of days be the same, the post-change rank shall be used). Should an Executive Officer that does not serve concurrently as Director assume a concurrent position as Director during his/her term of service, the payment period for said individual shall be from July 1 to June 30 of the following year.

*2 Rank coefficients are as follows.

< Executive Officers serving concurrently as Directors >

Rank	With right of representation	Without right of representation
Director / Chairman & CEO	100.0	–
Director / Chairman	86.0	79.6
Director / Vice Chairman	51.0	46.2
Director / President & CEO	100.0	–
Director / President & COO	91.4	–
Director / Executive Vice President	67.1	61.7
Director / Senior Managing Executive Officer	51.0	46.2
Director / Managing Executive Officer	42.6	38.1
Director / Executive Officer	–	30.8

*3 Amounts shall be rounded to the nearest ¥10,000.

*4 “Aggregate consolidated profit for the year (attributable to owners of the Company)” refers to the total of the amounts of consolidated profit for the year (attributable to owners of the Company) for each fiscal year during the period of “Medium-Term Management Plan 2026” (the years ending March 31, 2025–2027), and “Target for aggregate consolidated profit for the year (attributable to owners of the Company)” refers to the target for the total of the amounts of consolidated profit for the year (attributable to owners of the Company) for the fiscal years during the aforementioned period.

- *5 “Aggregate core operating cash flow” refers to the total of the amounts of core operating cash flow for each fiscal year during the period of “Medium-Term Management Plan 2026” (the years ending March 31, 2025–2027), and “Target for aggregate core operating cash flow” refers to the target for the total of the amounts of core operating cash flow for the fiscal years during the aforementioned period.
- *6 The upper limit for the degree of accomplishment of the targets for each indicator (calculated using the underlined parts in the equations for i.–v. above) is 1.50 (representing 150% accomplishment of the respective target) while the lower limit is 0.40 (representing 40% accomplishment of the respective target). Should the calculated figure fall below 0.40, remuneration associated with said indicator shall not be paid.
- *7 Performance in relation to the evaluation indicators shall be treated as follows should an individual resign or pass away during his/her term.
- Consolidated profit for the year (attributable to owners of the Company) shall be calculated by translating the amount of consolidated profit for the period (attributable to owners of the Company) disclosed in the most recent quarterly financial statements to a full-year amount for consolidated profit for the year (attributable to owners of the Company) (e.g. multiplying first-quarter consolidated profit for the period (attributable to owners of the Company) by four in the event that the first-quarter financial statements are the most recently disclosed).
 - The above method shall also be applied to the calculation of core operating cash flow.
 - ROE shall be calculated by translating the amount of consolidated profit for the period (attributable to owners of the Company) disclosed in the most recent quarterly financial statements to a full-year amount for consolidated profit for the year (attributable to owners of the Company) and then dividing the amount by total equity disclosed in the most recent quarterly financial statements.

The upper limits for performance-linked remuneration (short-term) by rank are as follows.

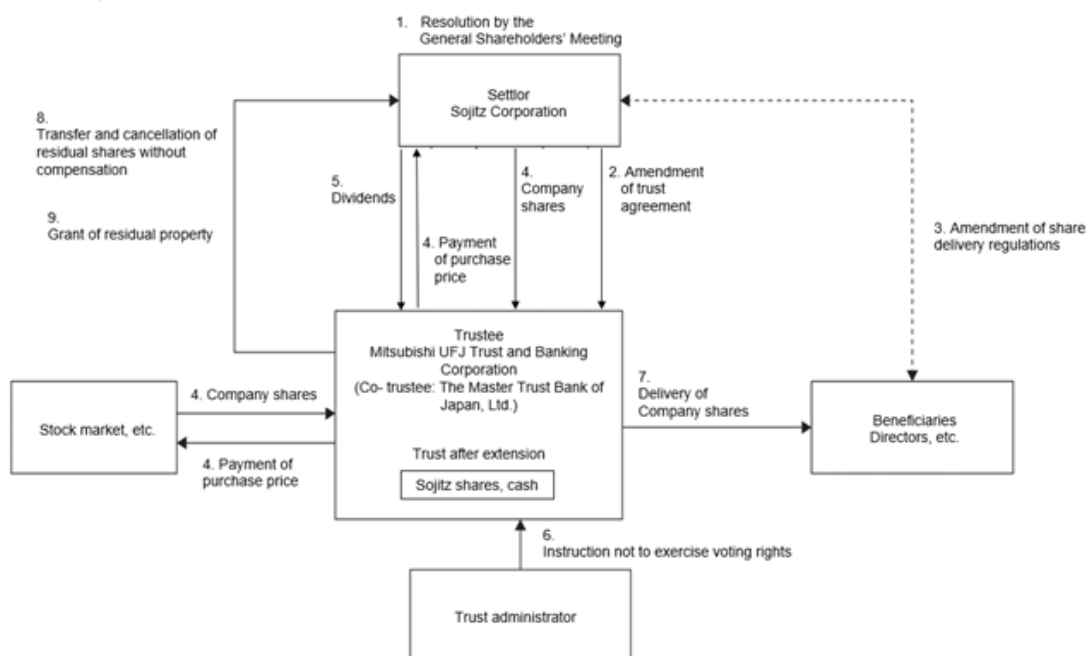
Rank	(Millions of Yen)											
	Upper Limit for Evaluation Indicators											
	i	ii	iii	iv	v	Total	i	ii	iii	iv	v	Total
	With right of representation						Without right of representation					
Director / Chairman & CEO	21	21	14	7	7	70	–	–	–	–	–	–
Director / Chairman	18	18	12	6	6	60	17	17	12	6	6	58
Director /Vice Chairman	11	11	8	4	4	38	10	10	7	4	4	35
Director / President & CEO	21	21	14	7	7	70	–	–	–	–	–	–
Director / President & COO	20	20	13	7	7	67	–	–	–	–	–	–
Director / Executive Vice President	15	15	10	5	5	50	13	13	9	5	5	45
Director /Senior Managing Executive Officer	11	11	8	4	4	38	10	10	7	4	4	35
Director / Managing Executive Officer	9	9	6	3	3	30	8	8	6	3	3	28
Director / Executive Officer	–	–	–	–	–	–	7	7	5	3	3	25

5) Performance-linked remuneration (medium- to long-term)

At the 21st Ordinary General Shareholders' Meeting, which was held on June 18, 2024, the continuation and partial amendments of the performance-linked share remuneration system for Directors and Executive Officers (excluding Independent Directors, Directors who are Audit and Supervisory Committee Members, and individuals not residing in Japan; hereinafter referred to as "Directors, etc.") were approved. This decision was made with the goal of providing a highly transparent and objective executive remuneration system that is strongly linked to corporate performance and that serves to heighten the commitment of Directors, etc. to contributing to improvements in performance and corporate value over the medium to long term.

This system is designed to evaluate the contributions of Directors, etc. to medium- to long-term performance based on their aggregate term of service. These evaluations are used to determine total numbers of shares to be delivered to applicable Directors, etc., delivered after their resignation.

The performance-linked share remuneration system utilizes a BIP Trust. Similar to the performance-linked share remuneration and share with transfer restriction remuneration systems employed in the United States and Europe, the BIP Trust delivers shares of the Company's stock, monetary amounts equivalent to price of shares, and dividends associated with shares to applicable Directors, etc. based on their rank and the degree of accomplishment of performance targets (see chart below for details).



- Sojitz obtained approval at the 21st Ordinary General Shareholders' Meeting, which was held on June 18, 2024, for the partial amendments to the system.
- Sojitz will, based on the consent to the amendment to the trust agreement, make monetary contribution to the trust not exceeding the limit as approved by resolution of the General Shareholders' Meeting in i. above, thereby extending the trust period of the trust for the benefit of Directors, etc. who meet the beneficiary requirements.
- In conjunction with the extension of the system, Sojitz will make partial amendments to the share delivery regulations.
- The trust will, under the instruction of the trust administrator, acquire Sojitz shares from Sojitz (through disposal of its own shares) or from the stock market, using cash remaining as part of the trust property at the time of the amendment to the trust agreement, as well as cash contributed in ii. The number of shares to be acquired by the trust after the extension of the trust period shall not exceed the limit as approved by resolution of the General Shareholders' Meeting in i.
- Payment of dividends for Sojitz shares held in the trust shall be treated in the same way as other Sojitz shares.

- f. Voting rights for Sojitz shares held in the trust will not be exercised throughout the trust period. vii. Each year during the trust period, Directors, etc. shall be granted a certain number of basic points commensurate with their individual rank. After the expiry of the applicable period, the number of the share delivery points shall be determined by multiplying the number of the accumulated points by rate of accomplishment of targets for evaluation indicators. Directors, etc. who meet certain beneficiary requirements shall, after their retirement from the office of Directors, etc. receive delivery of Sojitz shares equivalent to a certain percentage of the accumulated share delivery points, while receiving, after conversion of the number of Sojitz shares equivalent to the remaining accumulated share delivery points pursuant to the provisions of the trust agreement to fund tax payments, the cash proceeds from the conversion, as well as the cash dividends paid in v. on Sojitz shares held in the trust, commensurate with the number of the accumulated share delivery points as of the dividend record date.
- g. If residual shares occur upon the expiry of the trust period, due to reasons such as the failure to achieve the performance targets for each fiscal year during the trust period, Sojitz will, by amending the trust agreement or making additional contribution to the trust, renew and continue to use the trust after extension as part of the system as it is, or as part of a similar but new share remuneration system, or alternatively, will transfer the residual shares from the trust to Sojitz without compensation, to achieve cancellation thereof based on the resolution by the Board of Directors.
- h. At the termination of the trust, residual property remaining after the distribution to the beneficiaries will belong to Sojitz to the extent of the trust expense reserve, which is the trust fund less the share acquisition fund, while the portion in excess of the trust expense reserve will be donated to organizations that have no interest in Sojitz and Directors, etc.

6) Methods of calculating performance-linked remuneration (medium- to long-term)

The methods of calculating basic points and share delivery points are as follows.

(a) Method of calculating basic points

Basic points = $(930,000 \times \text{Number of months served in payment period}^{*1} \div 12 \times \text{Rank coefficient}^{*2})^{*3} \times 0.9 \div \text{Defined share price}^{*4}$

The method of calculation for basic points to be allocated in the final fiscal year of the applicable period shall be as follows.

Basic points = $[(930,000 \times \text{Number of months served in payment period} \div 12 \times \text{Rank coefficient})^{*3} \times 0.9 \div \text{Defined share price}] + [(930,000 \times \text{Number of months served in period of executing duties in relation to the final fiscal year of the applicable period} \div 12 \times \text{Rank coefficient})^{*3} \times \text{Service period adjustment coefficient}^{*5} \div \text{Defined share price}]$

*1 Figures for number of months served are truncated to the nearest month. Should the rank of an applicable individual (should a Director serve concurrently as Executive Officer, the rank of said individual shall be Executive Officer; the same applies hereinafter) change within the payment period, the number of months served shall be calculated by counting the month in which the change in rank took place based on the rank that the individual held for the largest number of days within the given month (should the number of days be the same, the post-change rank shall be used).

Should an Executive Officer who does not serve concurrently as Director assume a concurrent position as Director during his/her term of service, the payment period for said individual shall be from July 1 to June 30 of the following year.

*2 Rank coefficients are as follows.

< Executive Officers serving concurrently as Directors >

Rank	With right of representation	Without right of representation
Director / Chairman & CEO	100.0	—
Director / Chairman	86.0	79.6
Director / Vice Chairman	26.6	24.0
Director / President & CEO	100.0	—
Director / President & COO	91.4	—
Director / Executive Vice President	39.2	36.1
Director / Senior Managing Executive Officer	26.6	24.0
Director / Managing Executive Officer	19.4	17.2
Director / Executive Officer	—	12.0

*3 Amounts shall be rounded to the nearest ¥10,000.

*4 The defined share price is the average closing price for the Company's stock on the Tokyo Stock Exchange over the month of July 2024 (figures past the decimal point were truncated). Should the trust period be extended, a new defined share price will be set using the average closing price of the month preceding the extension.

*5 The service period adjustment coefficients are as follows.

Applicable beneficiaries	Coefficient
1. Beneficiaries or prospective beneficiaries of the system for continuous period of three years during the applicable period	0.3
2. Beneficiaries or prospective beneficiaries of the system for continuous period of two years during the applicable period (excluding beneficiaries applicable under 1. above)	0.2
3. Beneficiaries not applicable under 1. or 2. above	0.1

(b) Method of calculating share delivery points

Share delivery points shall be calculated in two segments (A + B and C), and figures past the decimal point shall be truncated.

Share delivery points = A + B + C

A: Accumulated basic points × 0.4 × Consolidated profit for the year coefficient^{*1}

B: Accumulated basic points × 0.4 × Stock growth coefficient^{*2}

C: Accumulated basic points × 0.2 × ESG coefficient^{*3}

*1 Consolidated profit for the year coefficient

- Consolidated profit for the year coefficient shall be calculated based on the degree of accomplishment of the target for aggregate consolidated profit for the year (attributable to owners of the Company) over the applicable period in accordance with the following table.
- Degree of accomplishment = (Aggregate consolidated profit for the year (attributable to owners of the Company) ÷ ¥360.0 billion) × 100 (truncated to the second decimal place)

Degree of accomplishment	Consolidated profit for the year coefficient
40% or less	60%
More than 40% – less than 100%	Degree of accomplishment × 66.7% + 33.3%
100% or more – less than 150%	Degree of accomplishment × 200% – 100%
150% or more	200%

*2 Stock growth coefficient

- The stock growth coefficient shall be calculated as the ratio of the Company's total shareholder return (TSR) to the growth rate of dividend-included TOPIX in accordance with the following table.
- The Company's TSR shall be calculated as follows.

TSR (%) = (B + C) ÷ A × 100 (truncated to the second decimal place)

A: Average closing price for the Company's stock on the Tokyo Stock Exchange over three months from January to March 2024

B: Average closing price for the Company's stock on the Tokyo Stock Exchange over three months from January to March 2027

C: Aggregate dividends per share over the years ending March 31, 2025–2027

- The growth rate of dividend-included TOPIX shall be calculated as follows.
Growth rate of dividend-included TOPIX (%) = E ÷ D × 100 (truncated to the second decimal place)
- D: Average for dividend-included TOPIX over three months from January to March 2024
- E: Average for dividend-included TOPIX over three months from January to March 2027

Note: "Average for dividend-included TOPIX" is calculated based on *Stock Price Index & Stock Price Average (End of Year/Month/Daily)* released by Japan Exchange Group.

- Stock growth rate = TSR ÷ Growth rate of dividend-included TOPIX × 100 (truncated to second decimal place)

Stock growth rate (ratio of TSR to dividend-included TOPIX)	Stock growth coefficient
40% or less	60%
More than 40% – less than 110%	Stock growth rate × 57.1% + 37.1%
110% or more – less than 150%	Stock growth rate × 250% – 175%
150% or more	200%

*3 ESG coefficient

- The ESG coefficient shall be calculated by aggregating the scores for the following four items arrived at through qualitative and quantitative evaluations by the Remuneration Committee.

The upper limit of aggregate scores shall be 60 while the lower limit shall be 18.

$$\text{ESG coefficient (\%)} = \frac{\text{Aggregate scores for the fiscal years within the applicable period}}{30} \times 100$$

ESG areas	Evaluation indicators	Evaluation criteria
Decarbonization	1. Reduction in direct energy use by the Company 2. Reduction in thermal coal, coking coal, and oil field interests	Amount for reduction from March 31, 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 described on the left
Human capital	1. Diversity 2. Challenges 3. Open and comfortable working environment	1. Ratio of female employees with experience working outside the company 2. 3. Degree of improvements in items of challenge-taking index and open and comfortable working environment index on the employee awareness survey instituted in November 2023

Note: The following procedures shall be taken should a beneficiary resign or pass away during his/her term.

- Should a beneficiary resign (including in cases of unavoidable resignation due to illness, injury, or other causes, excluding cases of resignation for other personal reasons), a beneficiary to whom a reassignment order that makes him/her a non-resident of Japan be issued, or a beneficiary pass away during the payment period, basic points shall be allocated on the date of the event.
- Should a beneficiary resign, a beneficiary to whom a reassignment order that makes him/her a non-resident of Japan be issued, or a beneficiary pass away prior to the conclusion of the payment period in the final fiscal year of the applicable period, share delivery points for the payment period shall be allocated to the beneficiary in an amount equivalent to the accumulated basic points held by the beneficiary on the date of the event.

The upper limits for share delivery points by rank are as follows.

(Thousands of Points)

Rank	With right of representation				Without right of representation			
	(A)	(B)	(C)	(A)+(B)+(C)	(A)	(B)	(C)	(A)+(B)+(C)
Director / Chairman & CEO	90	90	45	225	—	—	—	—
Director / Chairman	77	77	39	193	72	72	36	180
Director / Vice Chairman	24	24	12	60	22	22	11	55
Director / President & CEO	90	90	45	225	—	—	—	—
Director / President & COO	82	82	41	205	—	—	—	—
Director / Executive Vice President	36	36	18	90	33	33	17	83
Director / Senior Managing Executive Officer	24	24	12	60	22	22	11	55
Director / Managing Executive Officer	18	18	9	45	16	16	8	40
Director / Executive Officer	—	—	—	—	11	11	6	28

New basic points and share delivery points will not be allocated to Directors (excluding Independent Directors and Directors who are Audit and Supervisory Committee Members) or Executive Officers under the system during the period when they do not reside in Japan. Rather, these individuals shall be provided with cash in amounts calculated using the aforementioned calculation methods for basic points and share delivery points.

7) Remuneration system of Directors who are Audit and Supervisory Committee Members

Performance-linked remuneration is not paid to Audit and Supervisory Committee Members out of consideration for their role in auditing Directors' execution of their duties. As a result, Audit and Supervisory Committee Members only receive basic remuneration (monetary). The amount of such remuneration is determined through discussion among the Directors who are Audit and Supervisory Committee Members.

(5) Equity securities held

a. Criteria and concept of the classification of investment shares

The Company classifies its holdings of investment shares for pure investment purpose and for purposes other than pure investment as follows.

Investment shares for pure investment purpose: Shares held for the purpose of earning capital gains, etc.

Investment shares held for purposes other than pure investment: Shares held for purposes other than pure investment

b. Investment shares held for purposes other than pure investment

1) Policy on Share Ownership and Voting Rights Execution

[Policies for Shareholdings under Medium-Term Management Plan 2026]

For listed shares held as strategic shareholdings, the Company conducts an annual review of the rationale for each individual holding. This review includes a quantitative assessment of whether dividends and related income generated by the holding exceed the cost of capital (WACC), as well as a qualitative assessment of whether the holding contributes to enhancing the Company's corporate value. Where the review confirms that a holding continues to possess sufficient strategic significance, the Company maintains the holding and seeks to realize the associated benefits. For holdings whose strategic significance has diminished, the Company either pursues improvement within a specified period or, where improvement is unlikely, considers divestment. The rationale for each strategic shareholding is reviewed individually by both the Board of Directors and the Management Committee.

(Reference)

The ratio of Sojitz's holdings on a non-consolidated basis to total equity on a consolidated basis (plan and results) is indicated below:

< Holding status of listed shares and unlisted shares >

	2024/3 End	2025/3 End	2026/3 End
① Individual Shares (Book Value)	799	761	1,022
Listed Shares	562	525	777
Unlisted Shares	237	236	244
② Total Shares (Book Value)	9,556	10,076	11,538
③ Total Shares Ratio (%)	8%	8%	9%

(Note) The figures for listed shares reflect share prices at each point in time.

[Exercise of Voting Rights]

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

2) Number of issues and amount on balance sheet

Classification	Number of issues (Issues)	Total amount on balance sheet (Millions of Yen)
Unlisted shares	121	24,476
Shares excluding unlisted shares	27	77,764

(Issues whose number of shares increased in the year ended March 31, 2026)

Classification	Number of issues (Issues)	Acquisitions costs associated to the increase in shares (Millions of Yen)	Reason for increase in number of shares
Unlisted shares	4	2,683	The number of shares has increased due to the acquisition of shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships.
Shares excluding unlisted shares	2	987	The number of shares has increased due to a change in classification from investments accounted for using the equity method as a result of a decrease in the ownership ratio, and also due to the acquisition of shares for the purpose of maintaining and strengthening business relationships.

(Issues whose number of shares decreased in the year ended March 31, 2026)

Classification	Number of issues (Issues)	Sales value associated to the decrease in shares (Millions of Yen)
Unlisted shares	9	1,292
Shares excluding unlisted shares	5	7,234

3) Number of shares and amount on balance sheet of each Specified Investment Shares and Deemed Stock holdings

Specified Investment Shares

Issue	FY2025	FY2024	Purpose of holding, quantitative effect of holding (*1) and reason for increase in number of shares	Holding of Sojitz Stock (*2)
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
NHK SPRING CO., LTD.	13,199,462	13,199,462	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of metal parts and motorcycle parts, etc. in Automotive and Metals, Mineral Resources & Recycling.	Yes
	31,995	21,198		
SAKURA internet Inc.	5,963,300	-	Sojitz holds shares for the purpose of collaboration in the digital and AI domains, including joint initiatives related to GPU cloud services. As a portion of the shares was sold on March 18, 2026, the investment has been reclassified from an equity method affiliate to a specified investment beginning in the current fiscal year.	Yes
	14,794	-		
NICHIRIN CO., LTD.	1,144,000	1,144,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of metal materials, etc. in Metals, Mineral Resources & Recycling.	No
	4,644	4,095		
Yamazaki Baking Co., Ltd.	1,199,544	1,199,544	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of baking ingredients, etc. in Consumer Industry & Agriculture Business.	Yes
	4,253	3,454		
SINFONIA TECHNOLOGY CO., LTD.	308,400	308,400	Sojitz holds shares for the purpose of acquiring business opportunities, functions, and experience, and maintaining and strengthening business relationships involving aircraft and other related transactions in Aerospace, Transportation & Infrastructure.	Yes
	3,198	1,844		
Tokuyama Corporation	648,420	648,420	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of industrial salt and soda ash, etc. in Chemicals.	No
	2,423	1,808		
RENT CORPORATION	387,000	-	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of the construction machinery and mobility segments within the automotive field. As the company was listed on June 30, 2025, the holding is included in the disclosures beginning with the current fiscal year.	Yes
	2,132	-		
ANA HOLDINGS INC.	706,800	1,413,600	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of Boeing commercial aircraft, etc. in Aerospace, Transportation & Infrastructure. A portion of the shares was sold during the fiscal year.	No
	1,981	3,900		
Nisshin Seifun Group Inc.	886,805	886,805	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of wheat products, etc. in Consumer Industry & Agriculture Business.	Yes
	1,858	1,534		
Showa Sangyo Co., Ltd.	500,000	500,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of wheat products, etc. in Consumer Industry & Agriculture Business.	Yes
	1,630	1,417		
NIPPON FINE CHEMICAL CO., LTD.	540,700	540,700	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of cosmetic materials, etc. in Chemicals.	Yes
	1,313	1,081		
NIPPON CORPORATION	419,064	419,064	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of wheat products, etc. in Consumer Industry & Agriculture Business.	Yes
	1,136	909		
Skymark Airlines Inc.	3,009,900	3,009,900	Sojitz holds shares for the purpose of acquiring business opportunities, functions, and experience, and maintaining and strengthening business relationships involving Boeing commercial aircraft and other related transactions in Aerospace, Transportation & Infrastructure.	No
	1,134	1,556		
ADEKA CORPORATION	280,700	561,400	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of addition agent, etc. in Chemicals. A portion of the shares was sold during the fiscal year.	Yes
	1,013	1,509		

Issue	FY2025	FY2024	Purpose of holding, quantitative effect of holding (*1) and reason for increase in number of shares	Holding of Sojitz Stock (*2)
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
OSAKA SODA CO., LTD.	580,510	580,510	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of special resins, etc. in Chemicals.	Yes
	990	942		
Japan Investment Adviser Co., Ltd.	400,000	400,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of aircraft related, etc. in Aerospace, Transportation & Infrastructure.	No
	750	729		
Braskem S.A.	3,015,862	3,659,062	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of green polyethylene, etc. in Chemicals. A portion of the shares was sold during the fiscal year.	No
	746	1,073		
TAYCA CORPORATION	225,096	225,096	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of pigments and metal raw materials, etc. in Chemicals and Metals, Mineral Resources & Recycling.	Yes
	381	300		
PT Nippon Indosari Corpindo Tbk	42,407,750	61,949,750	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of wheat products, etc. in Consumer Industry & Agriculture Business. A portion of the shares was sold during the fiscal year.	No
	298	529		
Kansai Paint Co., Ltd.	114,761	108,831	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of solvent, etc. in Chemicals. Additionally, the number of shares has increased due to acquisitions by the business partner stock ownership plan. However, we are reviewing the significance of holding these shares by thoroughly examining both quantitative and qualitative aspects.	No
	268	232		
Hokuetsu Corporation	256,500	256,500	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of bleaching agent, etc. in Chemicals.	Yes
	234	313		
Gun Ei Chemical Industry Co., Ltd.	27,800	27,800	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of phenol, etc. in Chemicals.	Yes
	146	82		
Toabo Corporation	271,000	271,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of textile raw materials, etc. in Chemicals.	Yes
	133	106		
Archean Chemical Industries Limited	123,053	123,053	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of industrial salt, etc. in Chemicals.	No
	123	112		
KUNIMINE INDUSTRIES CO., LTD.	76,000	76,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of metal raw materials, etc. in Metals, Mineral Resources & Recycling.	Yes
	98	78		
Green Earth Institute Co., Ltd.	150,000	150,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and acquiring new business opportunities utilizing biomass-derived chemical manufacturing technologies in Chemicals.	No
	61	64		
PicoCELA Inc.	42,150	1,264,500	Sojitz holds shares for the purpose of developing telecommunications services through the sale of communication devices in Energy Solutions & Healthcare. Additionally, the number of shares has decreased due to a share consolidation	No
	15	107		
ALPHAX・FOOD・SYSTEM CO., LTD	-	172,100	Sojitz holds shares for the purpose of establishing a sales system and expanding sales for serving and guidance robots manufactured by OrionStar Robotics in Automotive.; however, the company was delisted during the fiscal year.	No
	-	60		
Japan Airport Terminal Co., Ltd.	-	845,000	Although Sojitz held shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of domestic and foreign airport operations in Aerospace, Transportation & Infrastructure and Retail & Consumer Service.; however, all shares were sold during the fiscal year.	No
	-	3,474		

(Note)

- *1 The quantitative effect of holding cannot be provided as the effect includes transaction volumes with business partners. However, the Company has confirmed that the effect of all holdings surpasses cost of capital. For information on the method of verifying the rationale of holdings, please refer to “1) Policy on Share Ownership and Voting Rights Execution.”
- *2 Holdings of shares of the Company’s stock have been listed to the extent that such holdings can be confirmed via the shareholder registry on March 31, 2026.

Deemed Stock holdings

There are no applicable issues.

c. Investment shares held for pure investment purposes

There are no applicable issues.

d. Names, number of shares and amount on balance sheet of investment shares whose holding purpose was changed from pure investment purpose to purposes other than pure investment during the current fiscal year

There are no applicable issues.

e. Names, number of shares and amount on balance sheet of investment shares whose holding purpose was changed from purposes other than pure investment to pure investment purpose during the current fiscal year and the four preceding fiscal years

There are no applicable issues.

5. Employees

(1) Basic Policy for Human Resources strategy

For further details regarding basic policy for human resources strategy, please refer to “2. Operating and Financial Review and Prospects 2. Sustainability Policies and Initiatives (8) Basic Policy for Human Resources Strategy” .

(2) Employees

a. Sojitz & Subsidiaries

As of March 31, 2026

Operating Segment	Number of Employees	
Automotive	5,787	[1,395]
Aerospace, Transportation & Infrastructure	1,218	[69]
Energy Solutions & Healthcare	3,766	[671]
Metals, Mineral Resources & Recycling	828	[53]
Chemicals	2,054	[207]
Consumer Industry & Agriculture Business	3,792	[1,441]
Retail & Consumer Service	6,159	[1,734]
Others	3,185	[470]
Total	26,789	[6,040]

(Note) The number of employees includes employees that have been assigned to the Company Group from companies outside the Company Group and excludes employees that have been assigned to companies outside the Company Group. The figures in parentheses in the number of employees column indicate the annual average number of contract employees.

b. Sojitz

As of March 31, 2026

Number of Employees	Average Age	Average Years of Service	Average Yearly Salary (Yen)	Year-on-year change in Average Yearly Salary (%)
2,519	40.5	14.7	12,571,801	(1.3)

The number of employees includes 83 employees locally hired at overseas offices and 34 employees that have been assigned to the Company from companies outside the Company, and excludes 542 employees that have been assigned to companies outside the Company, is 2,094. The number of employees by operating segment is as follows.

Operating Segment	Employees(persons)	
Automotive	109	[2]
Aerospace, Transportation & Infrastructure	158	[4]
Energy Solutions & Healthcare	166	[2]
Metals, Mineral Resources & Recycling	187	[4]
Chemicals	215	[2]
Consumer Industry & Agriculture Business	124	[5]
Retail & Consumer Service	130	[1]
Others	1,005	[39]
Total	2,094	[59]

(Note) 1The figures in parentheses in the number of employees column indicate the annual average number of contract employees.

2Average Yearly Salary includes bonuses and overtime pay etc.

c. Trade Union

No material items to report.

d. “Ratio of Female Managers,” “Male Childcare Leave Acquisition Rate,” and “Gender Wage Gap” under the Act on Promotion of Women’s Participation and Advancement in the Workplace and Related Laws

Sojitz Corporation (Unit %)	Proportion of Female Employees in Managerial Positions (Note 1)	Male Childcare Leave Acquisition Rate (Recipients / Eligible Employees)		Gender Wage Gap (Note 4)		
				All Employees	Regular Employees	Non-Regular Employees (Note 5)
Sojitz Corporation	7.4	Statutory (Note 2)	108.9 (49/45)	59.6	59.8	53.3
		Actual (Note 3)	100.0 (45/45)			

For the factors contributing to the gender wage gap, please refer to the next page: “Factors Contributing to the Gender Wage Gap at Our Company (Submitting Company).”

Contributing to the Gender Wage Gap at Our Company (Submitting Company):							
Domestic Consolidated Subsidiaries (Unit: %)	Proportion of Female Employees in Managerial Positions (Note 1)	Male Childcare Leave Acquisition Rate (Recipients / Eligible Employees)		Gender Wage Gap (Note 4)			
				All Employees	Regular Employees	Non-Regular Employees (Note 5)	
Over 300 persons							
The Marine Foods Corporation	5.1	Statutory (Note 2)	125.0	(20/16)	59.2	63.3	71.8
Sojitz Tech-Innovation Co., Ltd.	6.7		92.9	(13/14)	78.8	78.4	83.6
Sojitz LifeOne Corporation	12.2		100.0	(8/8)	98.9	64.2	96.7
Sojitz Royal In-flight Catering Co., Ltd.	8.3		100.0	(3/3)	70.5	79.0	75.8
Sojitz Infinity Inc.	0.0		-	(0/0)	58.3	74.4	70.3
Sojitz Machinery Corporation	4.8		100.0	(4/4)	71.4	69.3	55.9
Sojitz Building Materials Corporation	4.7		100.0	(5/5)	60.2	59.3	50.1
101 – 300 persons							
Sojitz Foods Corporation	4.8	Statutory (Note 2)	66.7	(2/3)	65.1	64.7	41.3
Sojitz Pla-Net Corporation	7.0		0.0	(0/1)	60.6	60.4	58.8
Sojitz Auto Group Osaka Co., Ltd	11.1		50.0	(3/6)	70.8	73.0	86.6
Cas Co., Ltd.	0.0		100.0	(2/2)	71.9	65.7	82.1
TRY Inc.	0.0		100.0	(1/1)	58.8	58.5	78.0
Create Co., Ltd.	0.0		0.0	(0/1)	76.0	73.7	94.0
Sojitz Aerospace Corporation	0.0		60.0	(3/5)	57.8	58.7	50.0
Sojitz Auto Group Tokyo Co., Ltd.	7.1		66.7	(2/3)	69.9	73.2	79.8
Sojitz Shared Service Corporation	50.0		100.0	(1/1)	114.6	113.6	75.8
Autoplatz Corporation	5.3		-	(0/0)	75.9	57.8	82.0
Kushiro Marusui Co., Ltd.	33.3		-	(0/0)	61.1	78.8	62.0
Sojitz Auto Group Japan Corporation	8.3		100.0	(1/1)	60.3	59.5	72.2
Sojitz Logistics Corporation	31.3		100.0	(2/2)	77.6	84.6	62.0

*1 Persons in supervisory or managerial positions as defined in Article 41, Item 2 of the Labor Standards Act

*2 Ratio of (b) to (a)

(a) Number of male employees whose children were born during FY2024

(b) Number of male employees who took childcare leave for the first time during FY2024 to care for a child less than one year after birth or equivalent special leave prescribed by the company for the purpose of caring for a child

Based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991), the percentage of child-care leave, etc. taken is calculated as per Article 71-6-1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25, 1991). The number in (b) includes the number of male employees whose children were born during FY2023.

*3 Ratio of (d) to (c)

(c) Number of male employees whose children were born during FY2024

(d) Of the number in (c), the sum of those who took childcare leave or equivalent special leave for the first time during FY2024 and those who were confirmed to be planning to take it for the first time in FY2025 within one year after the birth of their child

*4 Ratio of average annual wages of female employees to average annual wages of male employees

*5 Includes employees with individually concluded employment contracts (contract employees) who have converted from fixed-term employment contracts to indefinite-term employment contracts.

〈Factors Contributing to the Gender Wage Gap at Our Company (Submitting Company)〉

	All Employees	Regular Employees	General (Sogo) Employees	Clerical Employees	Non-Regular Employees (Post-Retirement Reemployment, etc.)
Wage Difference	59.6%	59.8%	71.0%	-	53.3%

Number of Employees (persons)	Male	1,658	1,549	1,549	-	109
	Female	861	806	438	368	55
	Total	2,519	2,355	1,987	368	164

For regular employees, wages are determined based on roles and responsibilities corresponding to job categories and role grades. Grade assignments are reviewed based on the degree to which employees demonstrate the expected responsibilities for each grade, and the standard amount of compensation is set according to the assigned grade. Bonuses are determined based on the standard amount for the role grade, taking into account both individual performance and organizational results.

Our regular employees are classified into general (sogo) and clerical positions. General employees take on active roles in core business operations, while clerical employees support general employees and are responsible for overall administrative tasks. Non-regular employees are primarily those re-employed after reaching the retirement age. Our company applies a role-grade system for each job type, and roles are determined based on the individual's qualities, abilities, and willingness to engage, regardless of age or gender. Within the same role grade, there is no wage difference based on gender for similar job content or transfer scope (excluding variable factors such as overtime). The primary factors contributing to the gender wage gap are as follows:

1) In our general employee category, the proportion of female employees in management positions is low. As part of our strategic human resources initiatives, we are promoting female participation and advancement. By the 2030s, we aim for women to constitute approximately 50% of all employees and approximately 50% of section manager positions. In addition to increasing the recruitment of female general employees through both new graduate and mid-career hiring, we are actively enhancing work–childcare balance, developing talent pipelines across generations, accumulating experience, and fostering career awareness. We anticipate that the gender wage gap resulting from this factor will shrink as the proportion of female managers increases.

For more information on talent pipeline development across generations, please refer to “2. Operating and Financial Review and Prospects 2. Sustainability Policies and Initiatives (8) Basic Policy for Human Resources Strategy b.Strategy 1) HR Strategy 1: "Build diverse teams of employees who take on new challenges and achieve growth" (c) Promotion of women in the workplace.”

2) Another contributing factor to the gender wage gap is that all clerical employees (as of March 31, 2026) are women, which differs from the general employee role. We consider clerical positions to be one form of flexible working style and plan to continue recruitment. Although clerical positions are open to all genders, applicants for both new graduate and mid-career positions are women, so this will continue to impact the gender wage gap. At the same time, our company provides a system allowing employees to transfer between general and clerical positions, enabling career and work-style adjustments for both men and women after joining the company.

3) Non-regular employees are mainly those re-employed after retirement at age 60 under the post-retirement re-employment system, as well as those re-employed as fixed-term employees following resignation from executive positions. Wages for re-employed retirees are determined according to the role grade corresponding to the position and responsibilities undertaken after retirement. However, they are also influenced by the roles and responsibilities held prior to retirement, which affects gender wage differences among non-regular employees.

〈Trends in the Gender Wage Gap Over the Past Five Years〉

	Gender Wage Gap				Number of Employees			
	All Employees	Regular Employees	Of which, General (Sogo) Employees	Non-Regular Employees	All Employees	Regular Employees	Of which, General (Sogo) Employees	Non-Regular Employees
FY2025 (this report)	59.6%	59.8%	71.0%	53.3%	2,519	2,355	1,987	164
FY2024	59.2%	59.4%	70.9%	54.8%	2,486	2,335	1,976	151
FY2023	58.2%	58.6%	70.3%	61.4%	2,513	2,346	1,977	167
FY2022	57.3%	58.0%	70.1%	52.0%	2,523	2,350	1,978	173
FY2021	58.6%	58.8%	72.0%	57.6%	2,558	2,380	1,999	178

5. Financial Information

Consolidated Statement of Financial Position

	Note	Millions of yen		Thousands of U.S. dollars
		2025	2026	2026
Assets				
Current assets				
Cash and cash equivalents	33	192,299	245,145	1,532,156
Time deposits		6,883	10,905	68,156
Trade and other receivables	7	899,822	1,092,352	6,827,200
Derivative financial assets	34	4,014	6,630	41,437
Inventories	8	275,871	340,519	2,128,243
Income tax receivables		3,711	5,572	34,825
Other current assets	17	190,913	223,109	1,394,431
Subtotal		1,573,516	1,924,235	12,026,468
Assets held for sale	9	1,605	4,164	26,025
Total current assets		1,575,122	1,928,400	12,052,500
Non-current assets				
Property, plant and equipment	10	259,230	268,466	1,677,912
Right-of-use assets	11	90,729	93,526	584,537
Goodwill	12	151,306	179,662	1,122,887
Intangible assets	13	113,884	145,403	908,768
Investment property	14	8,700	6,726	42,037
Investments accounted for using the equity method	15	642,236	700,784	4,379,900
Trade and other receivables	7	95,742	102,956	643,475
Other investments	34	134,637	196,596	1,228,725
Derivative financial assets	34	364	5,052	31,575
Other non-current assets	17	5,551	7,226	45,162
Deferred tax assets	30	9,744	13,220	82,625
Total non-current assets		1,512,130	1,719,623	10,747,643
Total assets		3,087,252	3,648,023	22,800,143

Note: The U.S. dollar amounts represent translations of Japanese yen at the approximate exchange rate on March 31, 2026 of ¥160=\$1.

		Millions of yen		Thousands of U.S. dollars
	Note	2025	2026	2026
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	18	596,546	749,927	4,687,043
Lease liabilities	11	19,729	21,601	135,006
Bonds and borrowings	19	199,725	299,474	1,871,712
Derivative financial liabilities	34	3,437	7,685	48,031
Income tax payables		8,838	13,269	82,931
Provisions	21	6,227	5,613	35,081
Other current liabilities	22	151,072	136,227	851,418
Subtotal		985,578	1,233,800	7,711,250
Liabilities directly associated with assets held for sale	9	—	7,124	44,525
Total current liabilities		985,578	1,240,924	7,755,775
Non-current liabilities				
Lease liabilities	11	82,849	84,105	525,656
Bonds and borrowings	19	886,748	996,142	6,225,887
Trade and other payables	18	12,606	44,432	277,700
Derivative financial liabilities	34	2,828	5,738	35,862
Retirement benefits liabilities	20	23,279	24,581	153,631
Provisions	21	39,082	43,913	274,456
Other non-current liabilities	22	8,709	7,963	49,768
Deferred tax liabilities	30	37,954	46,419	290,118
Total non-current liabilities		1,094,057	1,253,298	7,833,112
Total liabilities		2,079,636	2,494,223	15,588,893
Equity				
Share capital	23	160,339	160,339	1,002,118
Capital surplus	23	96,782	47,456	296,600
Treasury stock	23	(45,701)	(5,230)	(32,687)
Other components of equity		190,096	272,375	1,702,343
Retained earnings	23	567,439	615,428	3,846,425
Total equity attributable to owners of the parent		968,956	1,090,369	6,814,806
Non-controlling interests		38,659	63,430	396,437
Total equity		1,007,616	1,153,800	7,211,250
Total liabilities and equity		3,087,252	3,648,023	22,800,143

Consolidated Statement of Profit or Loss

		Millions of yen		Thousands of U.S. dollars
	Note	2025	2026	2026
Revenue	24			
Sales of goods		2,388,732	2,621,347	16,383,418
Sales of services and others		120,982	136,003	850,018
Total revenue		2,509,714	2,757,350	17,233,437
Cost of sales		(2,162,921)	(2,389,861)	(14,936,631)
Gross profit		346,793	367,489	2,296,806
Selling, general and administrative expenses	25	(269,903)	(305,116)	(1,906,975)
Other income (expenses)				
Gain (loss) on disposal of fixed assets, net	10,11,13	(531)	(12)	(75)
Impairment loss on fixed assets	10,11,13	(918)	(17,123)	(107,018)
Gain on reorganization of subsidiaries/associates	27	17,253	41,746	260,912
Loss on reorganization of subsidiaries/associates	27	(2,343)	(12,623)	(78,893)
Other operating income		11,717	12,997	81,231
Other operating expenses	28	(12,871)	(14,863)	(92,893)
Total other income (expenses)		12,306	10,121	63,256
Financial income				
Interest earned	29	14,866	20,628	128,925
Dividends received	29	7,375	5,218	32,612
Other financial income		744	3,783	23,643
Total financial income		22,987	29,630	185,187
Financial costs				
Interest expenses	29	(26,509)	(30,512)	(190,700)
Total financial costs		(26,509)	(30,512)	(190,700)
Share of profit (loss) of investments accounted for using the equity method	15	49,627	44,017	275,106
Profit before tax		135,300	115,630	722,687
Income tax expenses	30	(21,101)	(7,983)	(49,893)
Profit for the year		114,199	107,647	672,793
Profit attributable to:				
Owners of the parent		110,636	103,611	647,568
Non-controlling interests		3,562	4,035	25,218
Total		114,199	107,647	672,793
	Note	Yen		U.S. dollars
		2025	2026	2026
Earnings per share				
Basic earnings (losses) per share	31	513.74	494.95	3.09
Diluted earnings (losses) per share	31	513.74	494.84	3.09

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Millions of yen		Thousands of U.S. dollars
	Note	2025	2026	2026
Profit for the year		114,199	107,647	672,793
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Financial assets measured at FVTOCI	32	(6,346)	12,452	77,825
Remeasurements of defined benefit pension plans	32	408	917	5,731
Share of other comprehensive income of investments accounted for using the equity method	15,32	2,538	(13,724)	(85,775)
Total items that will not be reclassified to profit or loss ...		(3,399)	(354)	(2,212)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	32	(1,014)	49,710	310,687
Cash flow hedges	32	(2,510)	3,984	24,900
Share of other comprehensive income of investments accounted for using the equity method	15,32	(831)	32,252	201,575
Total items that may be reclassified subsequently to profit or loss		(4,356)	85,947	537,168
Other comprehensive income for the year, net of tax		(7,756)	85,592	534,950
Total comprehensive income for the year		106,443	193,239	1,207,743
Total comprehensive income attributable to:				
Owners of the parent		103,239	187,859	1,174,118
Non-controlling interests		3,203	5,379	33,618
Total		106,443	193,239	1,207,743

Consolidated Statement of Changes in Equity

Millions of yen												
	Note	Attributable to owners of the parent										
		Other components of equity										Total equity attributable to owners of the parent
		Share capital	Capital surplus	Treasury stock	Foreign currency translation differences for foreign operations	Financial assets measured at FVTOCI	Cash flow hedges	Remeasurements of defined benefit pension plans	Total other components of equity	Retained earnings	Non-controlling interests	
Balance as of April 01, 2024		160,339	96,448	(21,915)	107,740	79,573	11,876	—	199,190	490,013	924,076	955,627
Profit for the year										110,636	110,636	114,199
Other comprehensive income ..					(2,690)	(3,630)	(1,537)	460	(7,397)	(7,397)	(358)	(7,756)
Total comprehensive income for the year		—	—	—	(2,690)	(3,630)	(1,537)	460	(7,397)	110,636	103,239	106,443
Purchase of treasury stock	23		(7)	(23,989)						(23,997)		(23,997)
Disposal of treasury stock	23		(201)	203						1		1
Dividends	23									(31,721)	(31,721)	(34,859)
Change in ownership interests in subsidiaries without loss/ acquisition of control					1				1	(804)	(802)	3,140
Written put options and forward contracts with non-controlling shareholders.....										(2,357)	(2,357)	(2,357)
Reclassification from other components of equity to retained earnings						(1,273)		(460)	(1,734)	1,734	—	—
Share-based payment transaction...	26		543							543		543
Other changes					36				36	(62)	(26)	3,073
Total contributions by and distributions to owners of the Company		—	333	(23,786)	38	(1,273)	—	(460)	(1,696)	(33,211)	(58,359)	(54,454)
Balance as of March 31, 2025		160,339	96,782	(45,701)	105,088	74,669	10,339	—	190,096	567,439	968,956	1,007,616
Profit for the year					78,116	(1,500)	6,559	1,072	84,247	103,611	103,611	107,647
Other comprehensive income ...										84,247	1,344	85,592
Total comprehensive income for the year		—	—	—	78,116	(1,500)	6,559	1,072	84,247	103,611	187,859	193,239
Purchase of treasury stock	23		(16)	(9,978)						(9,994)		(9,994)
Disposal of treasury stock	23		(93)	96						2		2
Cancellation of treasury stock.....	23		(50,353)	50,353						—		—
Dividends	23									(33,182)	(33,182)	(37,262)
Change in ownership interests in subsidiaries without loss/ acquisition of control					200		(7)		193	175	368	(2,040)
Written put options and forward contracts with non-controlling shareholders.....										(22,948)	(22,948)	(22,948)
Reclassification from other components of equity to retained earnings						(1,090)		(1,072)	(2,162)	2,162	—	—
Share-based payment transaction...	26		1,137							1,137		1,137
Other changes										(1,830)	(1,830)	24,049
Total contributions by and distributions to owners of the Company		—	(49,325)	40,471	200	(1,090)	(7)	(1,072)	(1,969)	(55,623)	(66,447)	(47,055)
Balance as of March 31, 2026		160,339	47,456	(5,230)	183,405	72,077	16,891	—	272,375	615,428	1,090,369	1,153,800

Thousands of U.S. dollars												
	Note	Attributable to owners of the parent										
		Other components of equity										Total equity attributable to owners of the parent
		Share capital	Capital surplus	Treasury stock	Foreign currency translation differences for foreign operations	Financial assets measured at FVTOCI	Cash flow hedges	Remeasurements of defined benefit pension plans	Total other components of equity	Retained earnings	Non-controlling interests	
Balance as of March 31, 2025		1,002,118	604,887	(285,631)	656,800	466,681	64,618	—	1,188,100	3,546,493	6,055,975	6,297,600
Profit for the year					488,225	(9,375)	40,993	6,700	526,543	647,568	25,218	672,793
Other comprehensive income										526,543	8,400	534,950
Total comprehensive income for the year		—	—	—	488,225	(9,375)	40,993	6,700	526,543	647,568	33,618	1,207,743
Purchase of treasury stock	23		(100)	(62,362)						(62,462)		(62,462)
Disposal of treasury stock	23		(581)	600						12		12
Cancellation of treasury stock.....	23		(314,706)	314,706						—		—
Dividends	23									(207,387)	(207,387)	(232,887)
Change in ownership interests in subsidiaries without loss/ acquisition of control					1,250		(43)		1,206	1,093	2,300	(12,750)
Written put options and forward contracts with non-controlling shareholders.....										(143,425)	(143,425)	(143,425)
Reclassification from other components of equity to retained earnings						(6,812)		(6,700)	(13,512)	13,512	—	—
Share-based payment transaction...	26		7,106							7,106		7,106
Other changes										(11,437)	(11,437)	150,306
Total contributions by and distributions to owners of the Company		—	(308,281)	252,943	1,250	(6,812)	(43)	(6,700)	(12,306)	(347,643)	(415,293)	(294,093)
Balance as of March 31, 2026.....		1,002,118	296,600	(32,687)	1,146,281	450,481	105,568	—	1,702,343	3,846,425	6,814,806	7,211,250

Consolidated Statement of Cash Flows

		Millions of yen		Thousands of U.S. dollars
	Note	2025	2026	2026
Cash flows from operating activities				
Profit for the year		114,199	107,647	672,793
Depreciation and amortization		44,133	49,860	311,625
Impairment loss on fixed assets		918	17,123	107,018
Finance (income) costs		3,522	881	5,506
Share of (profit) loss of investments accounted for using the equity method		(49,627)	(44,017)	(275,106)
(Gain) loss on disposal of fixed assets, net		531	12	75
Income tax expenses		21,101	7,983	49,893
Changes in trade and other receivables		(55,792)	(122,821)	(767,631)
Changes in inventories		11,977	(26,317)	(164,481)
Changes in trade and other payables		(65,296)	78,575	491,093
Changes in other assets and liabilities		(36,615)	(35,000)	(218,750)
Changes in retirement benefits liabilities		(212)	318	1,987
Others	33(4)	(16,831)	(28,022)	(175,137)
Subtotal		(27,991)	6,222	38,887
Interest earned		13,530	20,720	129,500
Dividends received		35,974	39,870	249,187
Interest paid		(26,161)	(30,313)	(189,456)
Income tax paid		(12,039)	(19,740)	(123,375)
Net cash provided (used) by/in operating activities		(16,688)	16,759	104,743
Cash flows from investing activities				
Purchase of property, plant and equipment		(43,364)	(40,060)	(250,375)
Proceeds from sale of property, plant and equipment ..		4,099	2,485	15,531
Purchase of intangible assets		(3,540)	(5,675)	(35,468)
(Increase) decrease in short-term loans receivable		(6)	(2,110)	(13,187)
Payment for long-term loans receivable		(8,735)	(500)	(3,125)
Collection of long-term loans receivable		4,055	24,397	152,481
Net proceeds from (payments for) acquisition of subsidiaries	33(2)	(41,121)	(55,361)	(346,006)
Net proceeds from (payments for) sale of subsidiaries	33(3)	4,797	8,350	52,187
Purchase of investments		(23,207)	(69,574)	(434,837)
Proceeds from sale of investments		14,563	52,444	327,775
Others		(1,646)	(1,004)	(6,275)
Net cash provided (used) by/in investing activities		(94,106)	(86,608)	(541,300)
Cash flows from financing activities				
Increase (decrease) in short-term borrowings and commercial paper	33(5)	50,243	48,073	300,456
Proceeds from long-term borrowings	33(5)	419,598	657,848	4,111,550
Repayment of long-term borrowings	33(5)	(282,358)	(538,581)	(3,366,131)
Proceeds from issuance of bonds	33(5)	1,129	11,605	72,531
Redemption of bonds	33(5)	(10,000)	—	—
Repayment of lease liabilities.....	33(5)	(16,833)	(18,043)	(112,768)
Proceeds from sale of subsidiaries' interests to non-controlling interest holders.....		620	181	1,131
Payment for acquisition of subsidiary's interests from non-controlling interest holders.....		(811)	(4,200)	(26,250)
Proceeds from share issuance to non-controlling interest holders		3,484	1,181	7,381
Proceeds from sale of treasury stock		121	39	243
Purchase of treasury stock	23	(23,989)	(9,978)	(62,362)
Dividends paid	23	(31,721)	(33,182)	(207,387)
Dividends paid to non-controlling interest holders		(3,093)	(3,953)	(24,706)
Others		—	(774)	(4,837)
Net cash provided (used) by/in financing activities		106,388	110,217	688,856
Net increase (decrease) in cash and cash equivalents ...		(4,405)	40,368	252,300
Cash and cash equivalents at the beginning of year	33(1)	196,275	192,299	1,201,868
Effect of exchange rate changes on cash and cash equivalents .		549	12,590	78,687
Decrease in cash and cash equivalents resulting from change in scope of consolidation.....		(119)	(113)	(706)
Cash and cash equivalents at the end of year	33(1)	192,299	245,145	1,532,156

Notes to Consolidated Financial Statements

1 REPORTING ENTITY

Sojitz Corporation (the "Company") is a company domiciled in Japan. The Consolidated Financial Statements of the Company as of and for the year ended March 31, 2026 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures. The Group is a general trading company engaged in a wide range of business activities on a global basis. Its headquarters includes business sections that handle merchandising, trading, product manufacturing, services, project planning and management, investments and financing activities, both domestically and internationally.

2 BASIS OF PRESENTATION

(1) Compliance with International Financial Accounting Standards

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

(2) Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the cases stated separately in Note 3 MATERIAL ACCOUNTING POLICIES.

(3) Functional currency and presentation currency

The Consolidated Financial Statements are presented in Japanese yen, which is the Company's functional currency. All financial information presented in Japanese yen has been rounded down to the nearest million yen.

For the convenience of readers outside Japan, the accompanying Consolidated Financial Statements are presented in United States dollars by translating Japanese yen amounts at the exchange rate of ¥160 to U.S.\$1, the approximate rate of exchange as of March 31, 2026. Such translations should not be construed as representations that the Japanese yen amounts could be converted into United States dollars at that or any other rate.

(4) Use of estimates and judgments

The preparation of the Consolidated Financial Statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from such estimates. Estimates and underlying assumptions thereof are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Significant Estimates and Underlying Assumptions for Accounting for the year ended March 31, 2025 and the year ended March 31, 2026 are as follows.

1) Impairment test of non-financial assets

Non-financial assets are tested for impairment when there is an indication of impairment, while goodwill and intangible assets with indefinite useful life are tested upon such an indication or at least annually.

In addition, because goodwill that constitutes a part of the carrying amount of an investment accounted for using the equity method is not separately recognized, it is not tested for impairment separately. If it is suggested that there may be an impairment loss with respect to an investment accounted for using the equity method, the entire carrying amount of such investment will be tested for impairment as a single asset, by comparing the recoverable amount with such carrying amount.

In impairment testing, the recoverable amount of a cash-generating unit is estimated. If the carrying amount of the cash-generating unit exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized. The recoverable amount is determined as the higher of fair value less costs of disposal and value in use.

In calculating the recoverable amount, estimates based on discounted future cash flow may be used, with key inputs including business plans prepared by the management and discount rates.

In this case, the assumptions underlying the business plan include the management's judgments regarding significant factors affecting future cash flows, and the calculation of the discount rate requires a high level of expert knowledge in selecting the calculation method and input data.

Therefore, accounting estimates used in impairment tests of certain non-financial assets involve a degree of uncertainty and are considered to be material.

In principle, future cash flows used in the calculation of value in use are projected for a period of up to five years. A pre-tax discount rate reflecting current market assessments of the time value of money and risks specific to individual assets or cash-generating units is applied. In addition, external experts are engaged as necessary, depending on the complexity of estimating value in use and fair value.

These accounting estimates are prepared based on information available at the time of preparing the consolidated financial statements.

Significant use of estimates and judgments for impairment test of non-financial assets for the year ended March 31, 2025 and the year ended March 31, 2026 were as follows.

Valuation of property, plant and equipment relating to oil and gas interests in the North Sea within the U.K. territory.

For the year ended March 31, 2025, Sojitz Energy Development Ltd. which is a consolidated subsidiary included in the Energy Solutions & Healthcare segment, holds property, plant and equipment related to oil and gas interests in the North Sea within the U.K. territory.

For the year ended March 31, 2025, the recoverable amount of these assets is measured at fair value less costs of disposal. The fair value less costs of disposal is measured by valuation techniques including discounted future cash flow and is classified within Level 3 of the fair value hierarchy.

The future cash flows used to measure fair value less costs of disposal were estimated based on the business plan prepared by management and include key assumptions involving management judgment, such as future resource prices, the recoverable reserves that were applied to determine production volume, and the feasibility of the development plan.

The carrying amount of the property, plant and equipment as of March 31, 2025 was ¥6,530 million, and as a result of the impairment test performed in the year ended March 31, 2025, no impairment loss on the property, plant and equipment was recognized because its recoverable amount exceeded the carrying amount.

As of March 31, 2026, a share sale agreement had been executed for the sale of all shares in the consolidated subsidiary. Therefore, the Company has determined that there was no materiality to the use of accounting estimates and judgments in the year ended March 31, 2026.

Valuation of goodwill related to the wholesale and retail used car business in Australia

As of March 31, 2025 and March 31, 2026, the Company recognized goodwill when the Company obtained control of Albert Automotive Holdings Pty Ltd, a wholesale and retail used car business in Australia, which is included in the Automotive segment.

In the years ended March 31, 2025 and March 31, 2026, for impairment tests on goodwill, the recoverable amount of a cash-generating units including goodwill was measured at fair value less costs of disposal, which is classified within fair value hierarchy Level 3.

The future cash flows used to measure fair value less costs of disposal were estimated based on the business plan prepared by management and include key assumptions involving management judgment.

For the year ended March 31, 2025, store expansion and improvements in gross profit margin of the retail business and sales growth rates of the wholesale business were used as key assumptions. For the year ended March 31, 2026, the gross profit margin rates of the retail business and the increase in the number of retail stores were used as key assumptions in view of the latest business environment and future outlook.

As a result of the impairment test performed for the year ended March 31, 2025, no impairment loss on the goodwill was recognized because its recoverable amount exceeded the carrying amount, which was ¥8,441million as of March 31, 2025.

As a result of the impairment test performed for the year ended March 31, 2026, an impairment loss of ¥(6,190) million (U.S.\$(38,687) thousand) was recognized on the goodwill as a loss on reorganization of subsidiaries/associates because its recoverable amount was below the carrying amount, and the carrying amount of the goodwill after recognizing an impairment loss was ¥3,646 million (U.S.\$22,787 thousand) as of March 31, 2026.

Valuation of property, plant and equipment and intangible assets relating to the coal business in Australia

As of March 31, 2026, Sojitz Development Pty Ltd, a consolidated subsidiary engaged in the coal business in Australia, which is included in the Metals, Mineral Resources & Recycling segment, recognized property, plant and equipment and other items relating to the Gregory Crinum coking coal mine, which is managed and operated in Queensland, Australia.

For the year ended March 31, 2026, the Company performed an impairment test because there was an indication of impairment for the group of cash-generating units relating to the coking coal mine.

For impairment tests, the recoverable amount of a cash-generating unit was measured at fair value less costs of disposal, which is classified within fair value hierarchy Level 3.

The future cash flows used to measure fair value less costs of disposal were estimated based on the business plan prepared by management and include key assumptions involving management judgment, such as commodity prices and foreign exchange rates which were used in assumptions for sales prices, and production volume.

As a result of the impairment test performed for the year ended March 31, 2026, an impairment loss on fixed assets of ¥(16,174) million (U.S.\$(101,087) thousand) was recognized because the recoverable amount of the cash-generating units was below the carrying amount.

The primary components of the group of cash-generating units as of March 31, 2026 after recognizing an impairment loss were property, plant and equipment of ¥18,365 million (U.S.\$114,781 thousand) and intangible assets of ¥1,226 million (U.S.\$7,662 thousand).

2) Other critical estimates and judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements is included in the following notes:

- Note 3 (1) – Basis of consolidation
- Note 3 (14) – Revenue from Contracts with Customers

Information about uncertainties of estimates and assumptions that have a significant risk of resulting in material adjustments within the next consolidated fiscal year is included in the following notes:

- Note 20 – EMPLOYEE BENEFITS
- Note 21 – PROVISIONS
- Note 30 – DEFERRED TAXES AND INCOME TAX EXPENSES
- Note 36 – FAIR VALUES OF FINANCIAL INSTRUMENTS

(5) Changes in Presentation

"Purchase commitments for non-controlling interests' shares", which was separately presented in the Consolidated Statements of Changes in Equity for the year ended March 31, 2025, has been changed to "Written put options and forward contracts with non-controlling shareholders" for the year ended March 31, 2026 in order to aggregate items with similar characteristics and provide more structured presentation.

As a result, the amount of ¥(2,357) million which was presented in "Retained earnings" under "Purchase commitments for non-controlling interests' shares" in the Consolidated Statements of Changes in Equity for the year ended March 31, 2025, has been reclassified as "Written put options and forward contracts with non-controlling shareholders" for the year ended March 31, 2026.

(6) Changes in accounting policies

The accounting policies applied by the Group in Consolidated Financial Statements are those required to be applied for the year ended March 31, 2026, except for the following standards and interpretations that have been early adopted.

IFRS	Title	Summaries of new / amended standards and interpretations
IFRS 9 IFRS 7	Financial Instruments Financial Instruments: Disclosures (amended in December 2024)	Amendments to accounting for Contracts Referencing Nature-dependent Electricity

The adoptions of new standards had no material impact on the Consolidated Financial Statements.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements, and have been applied consistently by the Group.

(1) Basis of consolidation

1) Subsidiaries

Subsidiaries are entities that are controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When the Group holds a majority of the voting rights of another entity, such entity is considered to be a subsidiary of the Group as it is determined that control exists, unless there is clear evidence that shares in such entity do not provide for control. In addition, in the case that the Group holds less than or equal to 50 percent of the voting rights of another entity, if it is determined through agreements or the like with other investment companies that the Group has significant control over such entity's finance and management, such entity is considered to be a subsidiary of the Group.

The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date the Group obtains control of the subsidiaries until the date the Group loses such control of the subsidiaries. In the case that the accounting policies adopted by subsidiaries are different from the Group's accounting policies, the financial statements of such subsidiaries are, as needed, adjusted in order to be consistent with the Group's accounting policies.

In addition, the Consolidated Financial Statements include the financial statements of certain subsidiaries which use different fiscal year end date from that of the Company. The reason being the impracticability of unifying the fiscal year end date of such subsidiaries with that of the Company due to requirements of local laws and regulations, characteristics of local business or the like.

When the financial statements of subsidiaries used in the preparation of the Consolidated Financial Statements are prepared with fiscal year end dates that are different from that of the Company, adjustments are made for the effects of significant transactions or events that occurred between the fiscal year end dates of such subsidiaries and that of the Company. The fiscal year end date for the majority of such subsidiaries is December 31. The difference between the fiscal year end dates of such subsidiaries and that of the Company never exceeds three months.

If there are changes in the Group's interest in a subsidiary, but the Company retains control over the subsidiaries, such transaction is accounted for as an equity transaction. Any difference between the adjustment to the non-controlling interests and the fair value of the consideration received is recognized directly in equity as equity attributable to owners of the parent.

If control is lost with respect to a subsidiary, the Group derecognizes such subsidiary's assets and liabilities or any non-controlling interests, or the other components of equity, related to such subsidiary.

Any surplus or deficit arising from such loss of control is recognized as profit or loss. If the Group retains any interest in such subsidiary after the control is lost, then such interest is measured at fair value at the date that control is lost.

2) Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. The Group presumes to exist significant influence over each of such entities when the Group owns between 20 percent and 50 percent of the voting rights of each such entity.

In the case that the Group holds less than 20 percent of the voting rights of another entity, if it is determined that the Group has significant influence over such entity based on the provision of a board member, a shareholders' agreement or the like, such entity is considered to be an associate of the Group.

Joint ventures are those entities with respect to which multiple parties, including the Group, have joint control over the economic activities by contract and unanimous consent of all of such parties is required when deciding on financial/management strategies, whereby the Group has rights to the net assets of the arrangement.

Except for those that are classified as assets held for sale in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), investments made to associates and joint ventures are accounted for using the equity method in principle (such associates and joint ventures hereinafter referred to collectively as "Entities subject to Equity Method".) Investments made to Entities subject to Equity Method are each accounted for as the carrying amount following the application of the equity method less accumulated impairment losses. Such carrying amount includes goodwill recognized at the time of acquisition.

The Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of Entities subject to Equity Method from the date the Group obtains significant influence or joint control until the date the Group loses such significant influence or joint control. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the Entities subject to Equity Method. In the case that the accounting policies adopted by Entities subject to Equity Method are different from the Group's accounting policies, the financial statements of such entities are adjusted, as needed.

In addition, the Consolidated Financial Statements include investments made to Entities subject to Equity Method on dates that differ from the fiscal year end date. This is due to the impracticability of unifying the fiscal year end date as a result of relationships with other shareholders or the like. The fiscal year end date for the majority of Entities subject to Equity Method is December 31. Adjustments are made for the effects of significant transactions or events occurred between the fiscal year end date of Entities subject to Equity Method and that of the Company.

3) Business combinations

Business combinations are accounted for using the acquisition method. The Group measures goodwill as excess the consideration transferred measured in acquisition-date fair value and the amount of any non-controlling interest in the acquiree over the net of the acquisition - date amounts of the identifiable assets acquired and the liabilities assumed generally measured in fair value. When such difference is in the negative, such difference is immediately recognized as profit or loss.

Non-controlling interests are measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets, and the measurement method to be applied at the date of acquisition is determined on a transaction-by-transaction basis. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

4) Transactions eliminated under consolidation

Intra-group balances and transactions, and any unrealized profits or losses through intra-group transactions, are eliminated when preparing the Consolidated Financial Statements.

(2) Foreign currency translation

1) Foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of each company at exchange rates at the dates of such transactions.

Monetary items in foreign currency at the reporting date are retranslated to the functional currency at the exchange rate at such date.

Foreign exchange translation differences on monetary items are recognized as profit or loss in the period incurred.

Non-monetary items that are measured based on historical cost of the foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items in foreign currency that are measured at fair value of such foreign currency are retranslated to the functional currency at the exchange rate as of the measurement date of fair values thereof. With respect to the foreign exchange translation differences of non-monetary items, if gains or losses on non-monetary items are recognized as other comprehensive income, the exchanged portion of such gains or losses will be recognized as other comprehensive income. On the other hand, if gains or losses on non-monetary items are recognized as profit or loss, the exchanged portions of such gains or losses will be recognized as profit or loss.

2) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisitions thereof, are translated to the presentation currency using the exchange rate at the reporting date. In addition, the income and expenses of foreign operations are translated to the presentation currency using the average exchange rate for the year excluding cases in which exchange rates are fluctuating significantly.

Foreign exchange translation differences are recognized as other comprehensive income. If the Group's foreign operation is disposed of, the cumulative amount of the foreign exchange translation differences related to such foreign operation are reclassified to profit or loss at the time of such disposal.

Based on the application of the exemption clauses under IFRS 1 "First-time Adoption of International Financial Reporting Standards," the Group reclassified the cumulative translation differences as of the transition date to retained earnings.

(3) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in the bank that may be withdrawn at any time and short-term investments with maturity of three months or less from the acquisition date that are readily convertible into cash and not subject to any price fluctuation risk.

(4) Inventories

Inventories are measured at the lower of cost and net realizable value.

The costs of inventories include purchasing costs, processing costs and all other costs incurred in the process of bringing such inventories to the present location and condition, and are mainly determined based on the average method. Non-fungible inventories are measured based on the specific identification method.

Inventories that have been acquired with the purpose of generating profits from short-term fluctuations in price are measured at fair value less costs to sell, and changes in the fair values of such inventories are recognized as profit or loss.

(5) Property, plant and equipment

After initial recognition, the Group applies the cost model, under which property, plant and equipment are measured at cost less any accumulated depreciation and accumulated impairment losses.

The costs of property, plant and equipment include costs directly attributable to the acquisition of such assets. If a material component of property, plant and equipment is consumed differently, then such component is accounted for as a separate item of property, plant and equipment.

Depreciation of property, plant and equipment is mainly computed under the straight-line method based on the estimated useful life of each component thereof, and the depreciation expense is recognized in "Cost of sales" and "Selling, general and administrative expenses" in the Consolidated Statement of Profit or Loss. The estimated useful lives of the following items are mainly as follows:

Buildings and structures:	2 – 80 years
Machinery and vehicles:	2 – 40 years
Tools, furniture & fixtures:	2 – 30 years

The depreciation methods, useful lives and residual values are reviewed at least every fiscal year end and amended as needed.

(6) Goodwill and intangible assets

1) Goodwill

Goodwill is measured at cost less any accumulated impairment losses.

2) Intangible assets

After initial recognition, the Group applies the cost model and intangible assets are measured at cost less any accumulated amortization and accumulated impairment losses.

At initial recognition, intangible assets acquired individually are measured at cost. The costs of intangible assets acquired from business combinations are measured at fair value at the date of acquisition. With respect to internally-generated intangible assets that do not meet the criteria for asset recognition, expenditures related thereto are accounted for as expenses at the time they are incurred. With respect to internally-generated intangible assets that meet the criteria for asset recognition, the total of expenditures related thereto that were incurred from the date such criteria were first met is treated as cost.

Intangible assets, for which useful lives may be determined, include mainly Software, Mining rights and Customer-related assets. These are amortized under the straight-line method for the period of such estimated use, except for mining rights. With respect to mining rights, they are amortized using the production output method based on estimated mine reserves. In addition, the estimated useful life of software used by the Group is approximately 5 years.

The amortization methods, the useful lives and residual values of intangible assets with finite useful lives are reviewed at least every fiscal year end and amended as needed.

Intangible assets for which useful lives cannot be determined are mainly franchise agreements acquired through business combinations and these are not amortized. The Company conducts a review to determine whether the events or circumstances supporting the judgment that useful lives cannot be determined continue to exist at every fiscal year end.

(7) Investment property

An investment property is a property held either to earn rental income or for capital appreciation or for both. An investment property does not include a property held for sale in the ordinary course of business or property used for the production or supply of goods or service or for other administrative purpose.

After initial recognition, the Group applies the cost model and investment property is measured at cost less any accumulated depreciation and accumulated impairment losses.

Depreciation of an investment property is mainly computed under the straight-line method based on the applicable estimated useful life. The estimated useful lives are mainly between 6 years and 50 years. The depreciation methods, useful lives and residual values are reviewed at least every fiscal year end and amended as needed.

Rental income from investment property is included in "Sales of services and others" and "Other operating income" in the Consolidated Statement of Profit or Loss.

Expenses arising from investment property that correspond to rental income from investment property are included in "Cost of sales", "Selling, general and administrative expenses" and "Other operating expenses" in the Consolidated Statement of Profit or Loss.

(8) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset, which takes a considerable period of time before it is ready for its intended use or sale, are capitalized as part of the cost of such asset. All other borrowing costs are recognized as expenses in the period incurred.

(9) Impairment of non-financial assets

At each fiscal year end, the Group determines whether there is any indication of an impairment loss with respect to the Group's non-financial assets, and, if so, the Group estimates the recoverable amount of such assets. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that there may be an impairment with respect thereof. If the carrying amount of an individual asset or a cash-generating unit exceeds the recoverable amount, such carrying amount is reduced to equal the recoverable amount and an impairment loss is recognized.

Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. Fair value is measured by using reasonable estimated prices, obtainable through orderly transactions between market participants. Value in use is measured by discounting estimated future cash flow using a pre-tax discount rate that reflects the current market value in relation to the inherent risks of cash-generating units or individual assets, and the time value of money. Such estimates of cash flow are based on business plans that are based on the budgets reflected historical performance, and such business plans are limited to five years in principle. The Group makes appropriate use of outside experts according to the complexity of measurement the value in use and fair value.

With respect to impairment losses of assets other than goodwill that were recognized in previous fiscal years, the Group determines at each fiscal year end whether such impairment losses have ceased to exist or there are indications that the same have decreased. If any such indications exist, the Group will estimate the recoverable amount of such assets. If such recoverable amount exceeds the carrying amount of such assets, the carrying amount of the assets is increased to equal the recoverable amount and reversal of impairment losses is recognized. Impairment losses recognized with respect to goodwill are not reversed in subsequent periods.

In addition, because goodwill that constitutes part of the carrying amount of an investment with respect to an Entity subject to Equity Method is not separately recognized, it is not tested for impairment separately. If it is suggested that there may be an impairment loss with respect to an investment made to an Entity subject to Equity Method, the entire carrying amount of such investment will be tested for impairment as a single asset, by comparing the recoverable amount with such carrying amount.

(10) Financial instruments

1) Financial Assets

The Group recognizes a financial asset when the Group becomes party of the contractual provisions of the instrument and derecognizes financial asset in cases in which the contractual right with respect to the cash flow from a financial asset is extinguished or the contractual right to receive cash flow from a financial asset has been transferred, and substantially all the risks and rewards associated with the ownership of such asset are removed.

In regular way of purchase or sale of financial assets, the Group recognizes or derecognizes financial assets measured at amortized cost and debt instruments measured at FVTOCI on the settlement date, whereas the Group recognizes or derecognizes other financial assets on the transaction date.

Initially recognized financial assets are classified as financial assets measured at amortized cost, debt instruments measured at FVTOCI, equity instruments measured at FVTOCI, and financial assets measured at FVTPL.

The Group liquidates certain trade receivables by discounting notes or the like. However, with respect to some liquidated receivables, the Group may be obligated to make payments as recourse for non-payment by the debtor. The Group continues to recognize such liquidated receivables as they do not meet the criteria for derecognition of financial assets.

(a) Financial assets measured at amortized cost

A financial asset that meets the following conditions is classified as financial asset measured at amortized cost.

- The asset is held based on a business model whose objective is to hold an asset in order to collect cash flow under a contract, and;
- Based on the contractual terms with respect to the financial asset, the cash flow, which is intended only for payment of principal and interests on the outstanding principal balance, arises on a specified date.

At initial recognition, financial assets measured at amortized cost are measured at fair value plus transaction costs directly attributable to acquisition of such assets. After initial recognition, the carrying amount of such financial assets measured at amortized cost is measured by using the effective interest method.

(b) Debt instruments measured at FVTOCI

Financial assets that meet the following criteria are classified as debt instruments measured through other comprehensive income.

- The asset is held based on a business model whose objective is to achieve both collecting cash flow under a contract and selling the financial assets, and;
- Based on the contractual terms with respect to the financial asset, the cash flow, which is intended only for payment of principal and interests on the outstanding principal balance, arises on a specified date.

At initial recognition, debt instruments measured at FVTOCI are measured at fair value plus transaction costs directly attributable to the acquisition of such assets. After initial recognition, they are measured at fair value and the subsequent changes in fair value are recognized as other comprehensive income. However, when such subsequent changes in fair value are financial revenue based on the effective interest method or differences due to foreign exchange and impairment loss, they are recognized as profit or loss. Furthermore, if the equity investment is derecognized, the accumulated amount is reclassified as profit or loss.

(c) Equity instruments measured at FVTOCI

In regards to equity instruments invested in not for the purpose of purchase and sale, an irrevocable election may be made at initial recognition to present subsequent changes to the fair value of such assets as other comprehensive income. With respect to investments made in equity instruments held for the purpose of maintaining and strengthening relationships with business partners, the Group has elected such investments as financial assets measured at FVTOCI in consideration of such purpose.

At initial recognition, equity instruments measured at FVTOCI are measured at fair value plus transaction costs directly attributable to the acquisition of such assets. After initial recognition, they are measured at fair value, and the subsequent changes in fair value are recognized as other comprehensive income. When the equity instruments measured at FVTOCI is derecognized, or the decrease in fair value compared to acquisition cost is substantial, the accumulated amount of other comprehensive income is reclassified as retained earnings, not as profit or loss. Dividends are recognized as profit or loss.

(d) Financial assets measured at FVTPL

All other financial assets are classified as financial assets measured at FVTPL. These assets are measured at fair value at initial recognition, with transaction costs directly attributable to the acquisition recognized as profit or loss at the date of occurrence. After initial recognition, they are measured at fair value, and the subsequent changes in fair value are recognized as profit or loss.

At initial recognition, trade receivables which do not include any significant financing component are measured at trade value.

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit loss on financial assets measured at amortized cost, debt instruments measured at FVTOCI, lease receivables, contractual assets, and financial guarantee contracts.

If credit risk on financial instruments has not significantly increased since the initial recognition on the reporting date, the Group measures the loss allowance for the financial instrument based on expected credit loss that result from default events that would be possible within the 12-months after the reporting date (12-month expected credit loss.) If credit risk on financial instruments has significantly increased since initial recognition on the reporting date, however, the Group measures the loss allowance based on expected credit loss from all possible default events over the expected life of the financial instruments (lifetime expected credit loss.) However, loss allowance for trade receivables and contractual assets are measured based on lifetime expected credit loss. When determining whether credit risk significantly increases or not from the initial recognition, the Group refers to obtainable, reasonable and supportable information, such as changes in external and internal credit ratings and past due information. Expected credit loss is based on the difference between contractual cash flow and collectable cash flow, and its estimate incorporates obtainable, reasonable, and supportable information regarding past non-performance, financial standing of the issuer or borrower, and future predictions.

If it is determined that all or part of the financial assets cannot be collected or extremely difficult to collect, such as there has been a significant financial difficulty of the issuer or borrower or a breach of contract including past due event, the financial assets are regarded as non-performing. In confirming evidence of credit impairment, the Group makes this determination based on matters such as a significant financial difficulty of the issuer or borrower or a breach of contract including past due event. In addition, when there is evidence of credit impairment for the financial assets on the reporting date, the Group estimates expected credit loss separately and measures the loss allowance. For the financial assets for which there is no evidence of credit impairment, the Group classify these together based on similarities in credit risk specifics and the internal credit rating. Then estimate expected credit risk comprehensively to measures the loss allowance.

If there is no reasonable expectation for the partial or full collection of the Group's claims associated with a financial asset, the Group directly deducts the value from the carrying amount of total financial assets.

3) Financial liabilities

The Group recognizes a financial liability when the Group becomes party of the contractual provisions of the instrument and these are classified as financial liabilities measured at FVTPL or financial liabilities measured at amortized cost.

Financial liabilities are no longer recognized when they are extinguished, i.e., when obligations specified under a contract are discharged, cancelled or expires.

(a) Financial liabilities measured at amortized cost

Financial liabilities, other than financial liabilities measured at FVTPL, are classified as financial liabilities measured at amortized cost. At initial recognition, financial liabilities measured at amortized cost are measured at fair value less any transaction costs directly attributable to incurring of such liabilities. After initial recognition, such financial liabilities are measured at amortized cost using the effective interest method.

The balance of the current maturities of loans from financial institutions is classified as non-current liabilities up to the unused balance of long-term commitment line, as it can be refinanced.

(b) Financial liabilities measured at FVTPL

At initial recognition, financial liabilities measured at FVTPL are measured at fair value. After initial recognition, financial liabilities are measured at fair value and subsequent changes in the fair value thereof are recognized as profit or loss.

4) Derivatives and hedge accounting

In order to hedge the foreign currency fluctuation risk, interest rate fluctuation risk and commodity price fluctuation risk, the Group conducts derivative transactions, such as forward exchange transactions, interest rate swap transactions and commodity futures and forwards transactions.

Derivatives are initially recognized at fair value. After initial recognition, derivatives are measured at fair value and subsequent changes in the fair value thereof are accounted for as follows:

(a) Fair value hedges

The Group designates commodity futures and forwards contracts as hedging instruments to hedge the changes in fair values of firm commitments or inventories and designates interest rate swaps as hedging instruments to hedge the change in fair value of fixed-rate borrowings.

The changes in fair value of a derivative used as a hedging instrument are recognized as profit or loss. The carrying amount of hedged items is measured at fair value and the gains or losses on such hedged items arising from changes in the fair values attributable to the hedged risks are recognized as profit or loss.

(b) Cash flow hedges

The Group designates interest rate swaps as hedging instruments to hedge the variability of cash flows relating to floating-rate borrowings and designates forward exchange transactions as hedging instruments to hedge the variability of cash flows concerning firm commitments or forecast transaction in foreign currency.

Of the changes in fair value of a derivative used as a hedging instrument, portions determined to be effective are recognized as other comprehensive income and included as another component of equity.

The amount recognized as other comprehensive income is reclassified from other components of equity to profit or loss in the same period that the hedged transaction affects profit or loss; provided however, that if hedging of a scheduled transaction subsequently results in the recognition of a non-financial asset or liability, the amount recognized as other comprehensive income is then accounted for as revision to the initial carrying amount of such non-financial asset or liability. The ineffective portion is immediately recognized as profit or loss.

When the hedge no longer meets the criteria for hedge accounting, the hedge instrument expires or is sold, terminated or exercised, or designation of the hedge is revoked, hedge accounting is discontinued prospectively. If the scheduled transaction is no longer expected to occur, the amount of the effective portions of the hedge that have been recognized as other comprehensive income is immediately reclassified from other components of equity to profit or loss.

(c) Hedges of net investments in foreign operations

The Group designates forward exchange transactions and foreign currency borrowings as hedging instruments to hedge the risk of change in exchange rate concerning net investments in a portion of foreign operations.

Hedges of net investments in foreign operations are accounted in the same manner as cash flow hedges, and of the changes in fair value of derivatives and non-derivatives used as a hedge instrument (loans, etc.), portions determined to be effective are recognized as other comprehensive income and included as another other component of equity. This effective portion recognized as other comprehensive income is reclassified from other components of equity to profit or loss at the time of disposition of a foreign operation.

(d) Derivatives not designated as hedging instruments

The changes in the fair value of such derivatives are recognized as profit or loss.

5) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount of such offset is presented in the consolidated statements of financial position only when the Group has a legally enforceable right to offset the recognized amounts and intends either to settle them on a net basis or realize the assets and settle the liabilities simultaneously.

(11) Provisions

A provision is recognized only when the Group has a present obligation (legal or presumptive) as a result of a past event, there is a probability that an outflow of resources embodying economic benefits will be required to settle such obligation and a reliable estimate can be made regarding the amount of such obligation.

Where there is materiality in the effects of time value of money, provisions are discounted using a pre-tax rate that reflects the risks specific to said liability, and any related interest expense is included in "Interest expenses" in the Statement of Profit or Loss.

(12) Non-current assets held for sale

As a result of the Group decision to sell assets or disposal group as part of asset replacement activities or changes holding policies, non-current assets or disposal groups to be recovered principally through sales transactions rather than through continuing use are classified as held for sale.

To be classified as held for sale, the asset or disposal group must be available for immediate sale in its present condition and must be highly probable for such sale. In addition, management must be committed to a plan to sell such asset or disposal group and complete such sale within one year from the date of classification.

Immediately before being classified as held for sale, an asset or disposal group are re-measured in accordance with the Group's accounting policies. After the classification as held for sale, such asset or disposal group is measured at the lower of its carrying amount and the fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets on a pro rata basis. Impairment losses of an asset or disposal group that was initially classified as held for sale, and subsequent gains or losses arising following the remeasurement are recognized as profit or loss.

Property, plant and equipment, intangible assets and investment property classified as held for sale are not depreciated or amortized.

When the Group is committed to a sale plan involving the loss of control of a subsidiary, the Group classifies all the assets and liabilities of its subsidiary as held for sale, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

(13) Equity

1) Share capital and capital surplus

Proceeds from issuance of equity instruments by the Company are included in share capital and capital surplus. Transaction costs directly attributable to the issuance of equity instruments are deducted from capital surplus.

2) Treasury stock

When the Group reacquires treasury stocks, the consideration paid is recognized as a deduction from equity. Transaction costs directly attributable to the reacquisition of treasury stocks are deducted from capital surplus.

In addition, when the Group sells treasury stocks, the consideration received is recognized as an increase in equity.

(14) Revenue from Contracts with Customers

The Group recognizes revenue as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, based on the five-step approach below.

Step 1: Identify the contract with the customer.

Step 2: Identify the separate performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the separate performance obligations.

Step 5: Recognize revenue when or as the Group satisfies each performance obligations.

The Group identifies distinct goods or services included in a contract with customer and performance obligations (the basic transactional unit). Since the Group may fulfill a intermediaries or agent function in normal business transactions, the Group must consider whether it functions as a principal or agent in identifying performance obligations. In cases where the performance obligations essentially promise that the Group itself will provide specific goods or services, the Group is deemed to be a principal; in cases where the performance obligations is to arrange provision of goods or services by another party, the Group is deemed to be an agent. The following indicators are used to determine whether the Group is principal or agent.

- The Group has primary responsibility for performance of the promised provision of specified goods or services
- The Group bears inventory risk prior to transferring the specified goods or services to the customer or after transferring the goods or services under the control of the customer
- Price of the goods or services is set at the discretion of the Group

In cases where the Group is the principal party to the transaction, the Group recognizes revenue when or as the Group satisfies each performance obligations, as a monetary amount reflecting the expected consideration that the Group is entitled to receive from the exchange of the specified goods or services. Furthermore, in cases where the Group is acting as agent, the Group recognizes revenue when or as the Group satisfies each performance obligations, in the amount of any fee commission, or net revenue the Group is entitled to receive in exchange for arranging provision of the specified goods or services by another party.

The Group recognizes revenue as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue does not include consumption tax, VAT, or other money recovered as tax agent. Variable consideration is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently removed. With regards to transaction price, revenue which includes variable consideration is immaterial.

In the case where, at the start of the contract, the Group assumes that it will take a year or less between the Group transferring the promised goods or services to the customer and receiving payment from the customer for those goods and services, the Group does not adjust revenue to reflect the impact of significant financing components on the promised consideration for the goods.

These receivables that correspond to revenue from contracts with customers refer to any notes receivable and accounts receivable included under "Trade and other receivables" in the Consolidated Statement of Financial Position. The contract assets are presented in "Trade and other receivables," and contract liability is in "Other current liabilities" and "Other non-current liabilities".

The Group recognizes revenue for major transactions at the following points:

(a) Revenue from sale of products

Revenue from sale of products primarily includes wholesaling, retail, sale of products through manufacturing/processing, and sales of real estate. The Group recognizes revenue at the point goods have been delivered, undergone inspection, and met the terms and conditions for delivery as named in the contract. At this point, the Group deems goods to be under the control of the customer and performance obligations to have been satisfied.

In most cases, the Group will receive revenue from the sale of products within one year of meeting performance obligations. This amount does not include significant financing components.

(b) Revenue from rendering of services or other kinds of sale

Revenue from rendering of services or other kinds of sale mainly includes provision of services related to IT systems, automotive part inspections, and building maintenance. Revenue from these services which meets any of the requirements below entails control of the service being transferred for over time. The Group thus determines whether performance obligations have been fulfilled, before recognizing profit according to the degree of progress on performance obligations. The qualities of the goods or services transferred to the customer will be considered in measuring the degree of progress on performance obligations.

Requirements:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced.
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If the Group does not meet above requirements, the Group will recognize revenue at the point that duties have been completed and the Group may claim payment from the customer, since the Group will have been deemed to have satisfied its performance obligations.

In most cases, the Group will receive revenue from rendering of services or other kinds of sale within one year of meeting performance obligations. This amount does not include significant financial components.

(15) Financial income and costs

Financial income comprises interest income, dividend income and other financial income. Other financial income mainly includes gain on sales of financial instruments and gain arising from change in the fair value of financial instruments. Interest income is recognized at the time of occurrence by using the effective interest method. Dividend income is recognized on the date when the Group's right to receive payment is established.

Financial costs comprise interest expenses and other financial costs. Other financial costs mainly include loss on sales of financial instruments and loss arising from change in the fair value of financial instruments.

(16) Employee benefits

1) Post-employment benefits

(a) Defined benefit plans

Defined benefit plans refer to retirement benefit plans other than a defined contribution plan. Defined benefit obligations are measured separately for each plan by estimating the future amount of benefits that employees will have earned in return for their services provided in the current and prior periods and discounting such amount in order to determine the present value. The fair value of any plan assets is deducted from the present value of the defined benefit obligations.

The discount rates are principally equivalent to the market yields of AA credit-rated corporate bonds at the fiscal year end that have maturity terms that are approximately the same as those of the Group's obligations and use the same currencies as those used for future benefits payments.

Past service cost is immediately recognized as profit or loss.

The Group immediately recognizes all the remeasurements of the net defined benefit liability (asset) as other comprehensive income and promptly reclassifies them as retained earnings.

(b) Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities and will have no legal or presumptive obligation to pay any amount over its contribution amount. The obligations already paid or to be paid as contributions under the defined contribution plans are recognized as expenses in the period in which the employees provided the services related thereto.

(c) Multi-employer plans

Certain subsidiaries participate in multi-employer pension plans classified as defined benefit plan. In regards to such pension plans, sufficient information to calculate the proportionate share of such plan assets cannot be obtained. Thus, the Group accounts for such pension plans in the same manner in which it recognizes defined contribution plans. In other words, contributions to such multi-employer plans are recognized as expenses in the period in which the employees provided their services.

2) Other long-term employee benefits

Obligations in respect of long-term employee benefits other than post-employment benefits are measured by estimating the future amount of benefits that employees will have earned in return for their services in the current and prior periods and discounting such amount in order to determine the present value.

3) Short-term employee benefits

Short-term employee benefits are not discounted. Instead, they are accounted for as expenses at the time services related thereto are provided.

With respect to bonuses, the Group owes legal and presumptive payment obligations as a consequence of past employee services provided. If such amount of payment obligations can be reliably estimated, such estimated amount to be paid based on such bonus system is recognized as a liability.

(17) Share-based remuneration

The Group has introduced an equity-settled share-based remuneration system which provides directors and the like with performance-linked share remuneration.

Under this system, the service received are measured at the fair value of Sojitz shares at the grant date, and recognized as expense over the period from the grant date to the vesting date with a corresponding amount as an increase in capital surplus.

(18) Income taxes

Income tax expenses comprise current tax expenses and deferred tax expenses. These are recognized as profit or loss, except when they arise from items that are directly recognized as other comprehensive income or equity, and from a business combination.

Current tax expenses are measured at the expected taxes receivable from or taxes payable to tax authorities, and the tax amounts are measured at using tax rates that have been enacted or substantially enacted by the fiscal year end.

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amount of an asset and liability in the statement of financial position and its tax base, the unused tax losses carried forward and unused tax credits carried forward. The amounts of tax assets and liabilities are measured at the expected tax rate or tax law applicable as of the period in which assets are realized or liabilities settled based on a statutory tax rate or the same substantially enacted as of the fiscal year end. Deferred tax assets and liabilities are not recognized in the following cases:

- when taxable temporary differences arise from initial recognition of goodwill;
- when they arise from initial recognition of assets or liabilities in a transaction that is neither a business combination, affects accounting profit and taxable profit (or loss) at the time of the transaction, nor does not give rise to equal taxable and deductible temporary differences at the time of the transaction; and,
- with respect to taxable temporary differences associated with investments in subsidiaries and associates, or interests in joint arrangements, when the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.
- deferred tax assets and liabilities arising from tax law enacted to implement the Pillar Two model rules published by the OECD (applying the temporary exception prescribed in IAS 12, "Income Taxes.")

Deferred tax assets and liabilities are offset only when the Group has a legally enforceable right to set off the current tax assets against current tax liabilities, and, such deferred tax assets and liabilities relate to income taxes levied on the same taxation entity. However, even in the case of different taxable entities, the Group can set off if the tax taxable entities intend either to settle current tax liabilities and assets on a net bases, or to realize the assets and settle the liabilities simultaneously.

Deferred tax assets are recognized for deductible temporary differences, the unused tax losses carried forward and unused tax credits carried forward to the extent that it is probable that they can be used against future taxable profit. The carrying amount of deferred tax assets are reassessed at each fiscal year end, and such carrying amount will be reduced to the extent it is no longer probable that related tax benefits from such assets will be realized.

(19) Lease

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1) As lessee

The Group leases real estate such as office buildings, machinery and other equipment as lessee. Concerning these leases, the Group recognizes the right-of-use assets and the lease liabilities at the commencement date of the lease.

The Group measures the lease liability at the present value of the lease payments that are not paid at that date. After the commencement date, the carrying amount of the lease liability is measured by increasing or reducing to reflect interest on the lease liability and the lease payments made. If the interest rate implicit in the lease cannot be readily determined, the Group's incremental borrowing rate will be used, and in general the Group will use the incremental borrowing rate as the discount rate. When measuring lease liability, the choice was made to recognize both lease components and related non-lease components as a single lease component instead of separating them.

The right-of-use asset is measured at cost deducting any initial direct costs from the amount of the initial measurement of the lease liability at initial recognition. After the commencement date, the carrying amount of the right-of-use asset is measured by deducting accumulated depreciation and accumulated impairment losses. The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line basis.

Lease term is determined as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Lease payments for short-term leases and leases of a low-value are recognized as expenses using the straight-line basis over the lease term.

2) As lessor

The Group leases out railcars, real estate, and other assets and it classifies leases as either a finance lease or an operating lease at the commencement date. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

If the Group is an intermediate lessor, the sublease is classified with reference not to the underlying asset but to the right-of-use asset arising from the head lease. However, if the head lease is a short-term lease, the sublease is classified as an operating lease.

(a) Finance lease

The recognition of assets owned based on the finance lease is suspended at the commencement date, and the lease receivable is recognized as an amount equivalent to the net investment in the lease. After the initial recognition, the collection of credit associated with lease receivable from the lessee is recognized, and will be recognized throughout the lease period as financial income in order to achieve a constant rate of profit on the net investment in the lease.

(b) Operating lease

The underlying assets that are the subject of the operating lease will continue to be recognized in the Consolidated Statement of Financial Position. Lease payments from the operating lease are recognized as earnings using either the straight-line basis or another regular basis. Furthermore, the underlying assets that are the subject of the operating lease will be depreciated using a consistent method used for other similar assets. The initial direct costs that arise from the acquisition of the operating lease contract are added to the carrying amount of the associated underlying asset. Throughout the lease period, they are recognized as expenses on the same basis as lease income.

(20) Fair value measurement

Specific assets and liabilities are measured at fair value, using valuation techniques such as the market approach, the cost approach, and the income approach. Also, the input used in measurement is classified into the following three levels.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable input

4 NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The new or amended major standards, interpretations that have been issued prior to the approval date of the consolidated financial statements (i.e., March 31, 2026) and which the Group has not yet to apply are as follows. Effects on the Group due to application of the below are still being considered and cannot be estimated at this time.

IFRS	Title	Reporting period on or after which the application is required	The Group's applicable reporting period	Summaries of new / amended standards and interpretations
IFRS 18	Presentation and Disclosure in Financial Statements	Period starting from January 1, 2027	Period ending on March 31, 2028	Introduction of three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies

5 SEGMENT INFORMATION

(1) Summary of reportable segments

Reportable segments are the Group's components for which discrete financial information is available, and whose operating results are regularly reviewed by the Board of Directors for the purposes of making decisions about resources to be allocated to such segments and assessing their performance.

The Group is an integrated trading company engaged in a wide range of business activities on a global basis. Headquarters includes business sections that handle merchandising, trading, product manufacturing, services, project planning and management, investments and financial activities, both domestically and internationally.

Main goods and services of each reportable segment is shown in "1. Overview of Sojitz and Its Subsidiaries 3. Business Overview".

In addition, the following "Others" consists of, network services, domestic regional operating companies, logistics and insurance services, etc.

(2) Information regarding reportable segments

The accounting methods for the reported business segments are mostly consistent with those stated in Note 3 MATERIAL ACCOUNTING POLICIES, except with respect to the calculation of income tax expenses.

Transaction prices between segments are based on general market prices.

2025

	Millions of yen					
	Reportable segments					
	Automotive	Aerospace, Transportation & Infrastructure	Energy Solutions & Healthcare	Metals, Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Total revenue	433,625	81,891	194,755	479,468	587,207	264,345
Gross profit	65,474	26,946	40,249	35,942	65,171	35,081
Selling, general and administrative expenses	(58,441)	(18,584)	(39,125)	(16,881)	(34,828)	(25,928)
Share of profit (loss) of investments accounted for using the equity method ...	697	4,464	22,566	17,629	(483)	1,174
Profit for the year (attributable to owners of the parent).....	1,571	12,206	22,561	29,186	20,049	6,406
Segment assets	289,703	378,835	606,131	487,116	309,716	244,131
Other:						
Investments accounted for using the equity method	9,996	47,911	222,492	245,110	12,159	23,011
Capital expenditure ..	12,443	7,591	12,244	10,981	2,560	2,548

	Millions of yen				
	Reportable segments				
	Retail & Consumer Service	Total	Others	Reconciliations	Consolidated
Total revenue	419,321	2,460,614	49,755	(655)	2,509,714
Gross profit	65,201	334,066	13,382	(655)	346,793
Selling, general and administrative expenses	(51,234)	(245,023)	(25,698)	818	(269,903)
Share of profit (loss) of investments accounted for using the equity method ...	2,640	48,688	926	12	49,627
Profit for the year (attributable to owners of the parent).....	11,448	103,431	979	6,226	110,636
Segment assets	586,847	2,902,482	332,865	(148,095)	3,087,252
Other:					
Investments accounted for using the equity method	63,970	624,651	17,620	(35)	642,236
Capital expenditure ..	2,955	51,325	5,885	—	57,210

	Millions of yen					
	Reportable segments					
	Automotive	Aerospace, Transportation & Infrastructure	Energy Solutions & Healthcare	Metals, Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Total revenue	422,749	121,366	348,457	495,084	608,524	264,849
Gross profit	66,009	27,514	65,859	17,046	72,542	33,499
Selling, general and administrative expenses	(63,347)	(19,633)	(56,862)	(16,114)	(42,378)	(25,061)
Share of profit (loss) of investments accounted for using the equity method ...	1,810	4,171	15,162	17,971	(113)	1,539
Profit (loss) attributable to owners of the parent).....	(5,286)	15,506	31,932	4,823	19,989	5,902
Segment assets	348,538	453,888	758,584	499,771	382,710	244,271
Other:						
Investments accounted for using the equity method	11,805	83,802	213,913	264,690	14,940	23,804
Capital expenditure ..	9,698	5,345	18,571	8,506	4,620	4,240

	Millions of yen				
	Reportable segments				
	Retail & Consumer Service	Total	Others	Reconciliations	Consolidated
Total revenue	442,845	2,703,878	54,133	(661)	2,757,350
Gross profit	70,882	353,354	14,791	(657)	367,489
Selling, general and administrative expenses	(55,585)	(278,982)	(27,067)	933	(305,116)
Share of profit (loss) of investments accounted for using the equity method ...	3,421	43,962	17	37	44,017
Profit (loss) attributable to owners of the parent).....	14,246	87,113	10,613	5,884	103,611
Segment assets	717,810	3,405,576	338,663	(96,215)	3,648,023
Other:					
Investments accounted for using the equity method	69,471	682,426	18,354	3	700,784
Capital expenditure ..	5,686	56,669	8,228	—	64,898

	Thousands of U.S. dollars					
	Reportable segments					
	Automotive	Aerospace, Transportation & Infrastructure	Energy Solutions & Healthcare	Metals, Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Total revenue	2,642,181	758,537	2,177,856	3,094,275	3,803,275	1,655,306
Gross profit	412,556	171,962	411,618	106,537	453,387	209,368
Selling, general and administrative expenses	(395,918)	(122,706)	(355,387)	(100,712)	(264,862)	(156,631)
Share of profit (loss) of investments accounted for using the equity method ...	11,312	26,068	94,762	112,318	(706)	9,618
Profit (loss) attributable to owners of the parent).....	(33,037)	96,912	199,575	30,143	124,931	36,887
Segment assets	2,178,362	2,836,800	4,741,150	3,123,568	2,391,937	1,526,693
Other:						
Investments accounted for using the equity method	73,781	523,762	1,336,956	1,654,312	93,375	148,775
Capital expenditure ..	60,612	33,406	116,068	53,162	28,875	26,500

	Thousands of U.S. dollars				
	Reportable segments				
	Retail & Consumer Service	Total	Others	Reconciliations	Consolidated
Total revenue	2,767,781	16,899,237	338,331	(4,131)	17,233,437
Gross profit	443,012	2,208,462	92,443	(4,106)	2,296,806
Selling, general and administrative expenses	(347,406)	(1,743,637)	(169,168)	5,831	(1,906,975)
Share of profit (loss) of investments accounted for using the equity method ...	21,381	274,762	106	231	275,106
Profit (loss) attributable to owners of the parent).....	89,037	544,456	66,331	36,775	647,568
Segment assets	4,486,312	21,284,850	2,116,643	(601,343)	22,800,143
Other:					
Investments accounted for using the equity method	434,193	4,265,162	114,712	18	4,379,900
Capital expenditure ..	35,537	354,181	51,425	—	405,612

Reconciliation of "Profit (loss) attributable to owners of the Company" includes the difference between the Group's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally and unallocated dividends received related to corporate assets and others. There was no materiality to those amounts for the years ended March 31, 2025, and March 31, 2026.

The reconciliation amount of segment assets includes elimination of inter-segment transactions or the like and corporate assets not allocated to each segment, which mainly consist of the Company's surplus funds including cash and deposits, and marketable securities. Elimination of inter-segment transactions for the years ended March 31, 2025 and March 31, 2026, amounted to (234,389) million yen and (199,480) million yen (U.S.\$(1,246,750) thousand) respectively and total corporate assets were 86,294 million yen and 103,264 million yen (U.S.\$645,400 thousand) respectively.

Capital expenditure includes the amount related to right-of-use assets.

In addition, effective April 1, 2025, the Company partially reorganized its Aerospace, Transportation & Infrastructure and Energy Solutions & Healthcare and changed its reporting segment classification method. Segment information for the year ended March 31, 2025 has been restated to reflect the change in reportable segments. From the current fiscal year, "Selling, general and administrative expenses" are disclosed by segment in order to provide additional related information.

Revenue arising from contracts with customers is disaggregated by each reportable segment based on economic factors. In addition, disclosures relating to the disaggregation of revenue have been consolidated into this note from the current fiscal year.

(3) Information regarding products and services

Information regarding the revenue for each product/service was not separately presented because the same information was presented in the reporting segments.

(4) Geographical information

1) External revenue

Revenue is classified by country or region based on the locations of customers.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Japan	1,067,899	1,229,885	7,686,781
The Americas	393,764	459,404	2,871,275
Europe	151,194	186,216	1,163,850
Asia and Oceania	879,124	869,287	5,433,043
Others	17,731	12,557	78,481
Total	2,509,714	2,757,350	17,233,437

2) Non-current assets (excluding financial assets and deferred tax assets)

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Japan	170,302	185,337	1,158,356
The Americas	214,238	228,003	1,425,018
Europe	40,696	49,359	308,493
Asia and Oceania	203,294	237,445	1,484,031
Others	872	865	5,406
Total	629,403	701,012	4,381,325

(5) Information about major customers

There was no single customer whose transaction volume was equal to 10% or more of the Group's revenue for either the year ended March 31, 2025 or the year ended March 31, 2026.

6 BUSINESS COMBINATIONS

Significant business combinations for the years ended March 31, 2025 and March 31, 2026 were as follows.

(1) Acquisition of Freestate Electric, LLC

1) Overview of business combinations

Name of acquiree	Freestate Electric, LLC
Business activities	Electrical construction and maintenance services
Primary reason for the business combination	A strategic partnership with Freestate will allow Sojitz to provide a full range of integrated energy solutions designed to meet the increasingly diverse needs of its customers for electrification, decarbonization and energy conversion while further enhancing its energy solution offerings through collaboration with its group companies that implement energy conservation measures.
Acquisition date	October 11, 2024
Voting equity interests after the business combination	90%

2) Assets acquired, Liabilities assumed, and Goodwill recognized

	Millions of yen	Thousands of U.S. dollars
	2025	2025
Fair value of consideration	15,590	103,933
Assets acquired and liabilities assumed		
Trade and other receivables	15,042	100,280
Other assets acquired	9,225	61,500
Trade and other payables	(5,859)	(39,060)
Other liabilities assumed	(8,296)	(55,306)
Net amount of assets acquired and liabilities assumed ..	10,111	67,406
Non-controlling interests	(1,011)	(6,740)
Goodwill recognized	6,490	43,266

Non-controlling interests as of the acquisition date are measured based on the proportionate share of the net fair value of the acquired assets and assumed liabilities.

Goodwill recognized reflects the excess earning power expected to be generated by the future business activities of the acquiree including the synergy with the group.

3) The acquisition-date fair value of each major class of consideration transferred

	Millions of yen	Thousands of U.S. dollars
	2025	2025
Cash and cash equivalents	15,590	103,933
Fair value of consideration	15,590	103,933

The payments about considerations above are included in "Net proceeds from (payments for) acquisition of subsidiaries" on Consolidated Statement of Cash Flows for the year ended March 31, 2025.

4) Other information concerning business combinations

There is no materiality to acquisition - related costs related to this business combination.

The impact of profit and loss information and pro forma profit and loss information (unaudited information) for this business combination after the acquisition date on the consolidated financial statements as a whole is immaterial.

(2) Acquisition of Capella Capital Pty Ltd and Capella Infrastructure Investments Pty Ltd

1) Overview of business combinations

Name of acquiree	<ul style="list-style-type: none"> Capella Capital Pty Ltd Capella Infrastructure Investments Pty Ltd
Business activities	<ul style="list-style-type: none"> Development of and financial advisory services concerning infrastructure business Investment in infrastructure business
Primary reason for the business combination	<ul style="list-style-type: none"> The Group aims to expand the scale of its business with an increasing number of business development and commercialization cases by acquiring and strengthening a leading developer and developing human resources through ample business development opportunities. The Group aims to establish a stable business foundation of a certain scale, improve cash and revenue efficiency, and acquire knowledge of infrastructure business operations in Australia through the recycling of businesses and assets that will be developed by the Group going forward, in addition to the existing infrastructure assets held by the acquiree (hospitals, beltways, tunnels, and subway stations).
Acquisition date	June 19, 2025
Voting equity interests after the business combination	94.03%

2) Assets acquired, Liabilities assumed, and Goodwill recognized

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Fair value of consideration	20,747	129,668
Assets acquired and liabilities assumed.....		
Investments accounted for using the equity method	10,428	65,175
Other assets acquired	6,317	39,481
Liabilities assumed	(4,025)	(25,156)
Net amount of assets acquired and liabilities assumed..	12,720	79,500
Non-controlling interests	(1,320)	(8,250)
Goodwill recognized	9,347	58,418

For the year ended March 31, 2026, an adjustment was made to the provisional amounts of goodwill recognized on the acquisition date, assets acquired, and liabilities assumed. The amounts recognized for this business combination are provisional because the initial accounting has not been completed. Goodwill recognized reflects the excess earning power expected to be generated by the future business activities of the acquiree including the synergy with the group.

3) The acquisition-date fair value of each major class of consideration transferred

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Cash and cash equivalents	20,747	129,668
Fair value of consideration	20,747	129,668

The payments about considerations above are included in "Net proceeds from (payments for) acquisition of subsidiaries" on Consolidated Statement of Cash Flows for the year ended March 31, 2026.

4) Other information concerning business combinations

There is no materiality to acquisition - related costs related to this business combination.

The impact of profit and loss information and pro forma profit and loss information (unaudited information) for this business combination after the acquisition date on the consolidated financial statements as a whole is immaterial.

(3) Acquisition of NIPPON A&L INC.

1) Overview of business combinations

Name of acquiree	NIPPON A&L INC.
Business activities	Manufacture, sale, and research and development of SBR latexes used as anode binders for lithium-ion batteries (LiB), SBR latexes for paper processing, ABS resins, etc.
Primary reason for the business combination	The Group intends to enter the business of manufacturing parts and components related to EVs and storage batteries by leveraging its global customer network and knowledge of product needs to capture the growth of the EV and storage battery markets toward realizing a decarbonized society.
Acquisition date	June 30, 2025
Voting equity interests after the business combination	66.5%

2) Assets acquired, Liabilities assumed, and Goodwill recognized

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Fair value of consideration	16,209	101,306
Assets acquired and liabilities assumed.....		
Trade and other receivables	11,224	70,150
Inventories	13,959	87,243
Property, plant and equipment.....	13,594	84,962
Other assets acquired	12,670	79,187
Trade and other payables	(14,815)	(92,593)
Other liabilities assumed	(12,540)	(78,375)
Net amount of assets acquired and liabilities assumed..	24,093	150,581
Non-controlling interests	(7,884)	(49,275)

The amounts of assets acquired, liabilities assumed and goodwill recognized are provisional because the initial accounting has not been completed. There is no materiality to goodwill recognized as a result of this business combination.

3) The acquisition-date fair value of each major class of consideration transferred

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Cash and cash equivalents	16,209	101,306
Fair value of consideration	16,209	101,306

The payments about considerations above are included in "Net proceeds from (payments for) acquisition of subsidiaries" on Consolidated Statement of Cash Flows for the year ended March 31, 2026.

4) Other information concerning business combinations

There is no materiality to acquisition - related costs related to this business combination.

The impact of profit and loss information and pro forma profit and loss information (unaudited information) for this business combination after the acquisition date on the consolidated financial statements as a whole is immaterial.

(4) Acquisition of Nexus Energia S.A.

1) Overview of business combinations

Name of acquiree	Nexus Energia S.A.
Business activities	Electricity and gas retail, market representation, solar power generation
Primary reason for the business combination	By raising its shareholding ratio, the Group aims to strengthen its sales base for electricity and gas in the Spanish and Portuguese electricity markets, in which demand is expected to continue to grow steadily going forward, and to achieve medium- to long-term profitability improvement and corporate value enhancement of the Group by enabling its strategic growth investments targeting new overseas markets to accelerate.
Acquisition date	February 12, 2026
Voting equity interests after the business combination	52.56%

2) Assets acquired, Liabilities assumed, and Goodwill recognized

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Fair value of consideration	11,996	74,975
Assets acquired and liabilities assumed.....		
Cash and cash equivalents	7,115	44,468
Trade and other receivables	22,061	137,881
Other assets acquired	25,875	161,718
Trade and other payables	(20,837)	(130,231)
Bonds and borrowings	(9,247)	(57,793)
Other liabilities assumed	(4,387)	(27,418)
Net amount of assets acquired and liabilities assumed..	20,580	128,625
Non-controlling interests	(9,764)	(61,025)
Goodwill recognized	1,180	7,375

The amounts of assets acquired, liabilities assumed and goodwill recognized are provisional because the initial accounting has not been completed. Goodwill recognized reflects the excess earning power expected to be generated by the future business activities of the acquiree including the synergy with the group.

3) The acquisition-date fair value of each major class of consideration transferred

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Cash and cash equivalents	4,218	26,362
Fair value of the equity interest held immediately before the business combination	7,778	48,612
Fair value of consideration	11,996	74,975

The payments about considerations above are included in "Net proceeds from (payments for) acquisition of subsidiaries" on Consolidated Statement of Cash Flows for the year ended March 31, 2026. The gain or loss arising from the remeasurement at fair value of the equity interest held immediately before the business combination is immaterial.

4) Other information concerning business combinations

As a transaction separate from the acquisition of assets and the assumption of liabilities, the Group granted a written put option with non-controlling shareholders. The liability related to the written put option is recognized in “Trade and other payables” in the Consolidated Statement of Financial Position. The amount of this liability as of the acquisition date was ¥11,036 million (U.S.\$68,975 thousand), which represents the present value of the exercise price. There is no materiality to acquisition - related costs related to this business combination. The impact of profit and loss information and pro forma profit and loss information (unaudited information) for this business combination after the acquisition date on the consolidated financial statements as a whole is immaterial.

(Note)The U.S. dollar amounts represent translations of Japanese yen at the approximate exchange rate at March 31, 2025 of ¥150=\$1.

7 TRADE AND OTHER RECEIVABLES

(1) Breakdown of trade and other receivables

The breakdown of trade and other receivables as of March 31, 2025 and March 31, 2026 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Trade notes and accounts receivable	603,294	703,285	4,395,531
Loans receivable	55,601	68,338	427,112
Others.....	336,668	423,684	2,648,025
Total	995,564	1,195,308	7,470,675

The amounts of trade notes and accounts receivable includes contract assets. As of March 31, 2025 and March 31, 2026, the amounts of contract assets were not material.

(2) Loss allowance

1) Increases/decreases in allowance for doubtful accounts and the carrying amount of financial assets

The gross carrying amount of financial assets subject to loss allowance for loss is as follows.

2025

Millions of yen					
	12-month expected credit loss	Lifetime expected credit loss			Total
		Simplified approach	Financial assets that have experienced a significant increase in credit risk	Credit impaired financial assets	
Trade receivables, etc.	—	627,878	—	63,186	691,065
Loans receivable, etc.	119,112	—	107	5,864	125,084

2026

Millions of yen					
12-month expected credit loss	Lifetime expected credit loss			Total	
	Simplified approach	Financial assets that have experienced a significant increase in credit risk	Credit impaired financial assets		
Trade receivables, etc.	—	748,939	—	49,583	798,523
Loans receivable, etc.	133,887	—	0	1,295	135,182

2026

Thousands of U.S. dollars					
	12-month expected credit loss	Lifetime expected credit loss			Total
		Simplified approach	Financial assets that have experienced a significant increase in credit risk	Credit impaired financial assets	
Trade receivables, etc.	—	4,680,868	—	309,893	4,990,768
Loans receivable, etc.	836,793	—	0	8,093	844,887

Trade receivables, etc. include trade notes, accounts receivable, etc., and loans receivable, etc. include loans receivable and other financial assets.

The carrying amount of financial assets that are not credit-impaired mainly includes receivables from customers/clients whose internal credit rating is "normal."

The gross carrying amount of credit impaired financial assets includes customers/clients whose internal credit rating is "doubtful" or "in bankruptcy or rehabilitation."

There were no significant changes in the gross carrying amount that affected movements in the loss allowance for the year ended March 31, 2025, and March 31, 2026, respectively.

2) Movements in the loss allowance

Movements in the loss allowance are as follows.

1) Trade receivables, etc.

2025

Millions of yen			
	Lifetime expected credit loss		Total
	Simplified approach	Credit impaired financial assets	
Balance at beginning of year	741	56,654	57,396
Remeasurements	(184)	1,160	976
Incurred and charged against allowance	(6)	(81)	(87)
Others	(6)	39	32
Balance at end of year	543	57,773	58,317

2026

Millions of yen			
	Lifetime expected credit loss		Total
	Simplified approach	Credit impaired financial assets	
Balance at beginning of year	543	57,773	58,317
Remeasurements	(6)	(936)	(943)
Incurred and charged against allowance	(0)	(15,389)	(15,389)
Others	1,071	4,188	5,260
Balance at end of year	1,608	45,636	47,244

2026

Thousands of U.S. dollars			
	Lifetime expected credit loss		Total
	Simplified approach	Credit impaired financial assets	
Balance at beginning of year	3,393	361,081	364,481
Remeasurements	(37)	(5,850)	(5,893)
Incurred and charged against allowance	(0)	(96,181)	(96,181)
Others	6,693	26,175	32,875
Balance at end of year	10,050	285,225	295,275

"Remeasurements" includes increases/decreases in expected credit loss allowance arising from changes in expected credit losses.

"Others" mainly includes the impact of foreign currency translation and changes in the scope of consolidation.

2) Loans receivable, etc.

2025

Millions of yen				
	12-month expected credit loss	Lifetime expected credit loss		Total
		Financial assets that have experienced a significant increase in credit risk	Credit impaired financial assets	
Balance at beginning of year	52	0	5,121	5,174
Remeasurements	25	—	(418)	(392)
Incurred and charged against allowance	(0)	—	(407)	(407)
Others	(1)	(0)	(242)	(243)
Balance at end of year	77	0	4,053	4,130

2026

Millions of yen				
	12-month expected credit loss	Lifetime expected credit loss		Total
		Financial assets that have experienced a significant increase in credit risk	Credit impaired financial assets	
Balance at beginning of year	77	0	4,053	4,130
Remeasurements	(15)	—	0	(15)
Incurred and charged against allowance	(3)	—	(963)	(967)
Others	3	(0)	(2,282)	(2,278)
Balance at end of year	61	0	807	869

2026

Thousands of U.S. dollars				
	12-month expected credit loss	Lifetime expected credit loss		Total
		Financial assets that have experienced a significant increase in credit risk	Credit impaired financial assets	
Balance at beginning of year	481	0	25,331	25,812
Remeasurements	(93)	—	0	(93)
Incurred and charged against allowance	(18)	—	(6,018)	(6,043)
Others	18	(0)	(14,262)	(14,237)
Balance at end of year	381	0	5,043	5,431

"Remeasurements" includes increases/decreases in expected credit loss allowance arising from changes in expected credit losses.

"Others" mainly includes the impact of foreign currency translation and changes in the scope of consolidation.

8 INVENTORIES

The breakdown of inventories was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Commodities and finished goods	226,454	262,289	1,639,306
Real estate held for development and resale	4,679	16,445	102,781
Materials and consumables	44,738	61,785	386,156
Total	275,871	340,519	2,128,243
Inventories to be sold more than one year after	220	16,526	103,287

In addition, write-downs of inventories recognized as expenses for the years ended March 31, 2025 and March 31, 2026 were ¥3,482 million and ¥3,704 million (U.S.\$23,150 thousand), respectively.

9 ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH

Assets held for sale and liabilities directly associated with that were material as of March 31, 2026 were as follows. There were no material assets held for sale and liabilities directly associated with as of March 31, 2025.

Reclassification to a disposal group held for sale relating to oil and gas interests in the North Sea within the U.K. territory

For the year ended March 31, 2026, the Group entered into an agreement to sell all shares of the consolidated subsidiary owning oil and gas interests in the North Sea within the U.K. territory, which is included in the Energy Solutions & Healthcare segment.

As a result, the assets and liabilities of the subsidiary were classified as a disposal group held for sale as of March 31, 2026.

The major components of the disposal group consist of “Property, Plant and Equipment” and “Provisions” relating to asset retirement obligations.

10 PROPERTY, PLANT AND EQUIPMENT

(1) Carrying amounts, costs, and accumulated depreciation and accumulated impairment losses of property, plant and equipment

The details of costs, accumulated depreciation, accumulated impairment losses, and carrying amounts of property, plant and equipment as of March 31, 2025 and March 31, 2026 were as follows.

[Costs]

	Millions of yen					
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of April 1, 2024	185,879	232,189	19,779	42,468	7,858	488,175
Acquisitions	3,565	13,893	2,671	970	22,371	43,471
Acquisitions through business combinations	7,503	1,573	858	176	772	10,884
Reclassification from construction in progress ...	4,754	6,146	840	—	(11,742)	—
Disposals	(4,075)	(6,735)	(1,644)	(526)	(99)	(13,080)
Exchange translation differences for foreign operations	(2,308)	(3,788)	(22)	(475)	(430)	(7,025)
Others	(317)	1,308	121	(477)	(150)	484
Balance as of March 31, 2025 ...	195,001	244,587	22,605	42,136	18,579	522,909
Acquisitions	6,770	10,624	3,110	242	20,292	41,039
Acquisitions through business combinations ...	10,967	9,546	573	5,178	1,126	27,391
Reclassification from construction in progress ...	6,982	7,521	1,088	—	(15,592)	—
Disposals	(2,017)	(4,622)	(1,270)	(0)	(255)	(8,165)
Reclassification to assets held for sale	(47,094)	(38)	(38)	—	—	(47,170)
Exchange translation differences for foreign operations	13,630	19,185	1,396	2,076	1,858	38,147
Others	(1,147)	(37,563)	(119)	92	(1,022)	(39,761)
Balance as of March 31, 2026 ..	183,093	249,239	27,345	49,724	24,986	534,390

	Thousands of U.S. dollars					
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of March 31, 2025 ..	1,218,756	1,528,668	141,281	263,350	116,118	3,268,181
Acquisitions	42,312	66,400	19,437	1,512	126,825	256,493
Acquisitions through business combinations	68,543	59,662	3,581	32,362	7,037	171,193
Reclassification from construction in progress	43,637	47,006	6,800	—	(97,450)	—
Disposals	(12,606)	(28,887)	(7,937)	(0)	(1,593)	(51,031)
Reclassification to assets held for sale	(294,337)	(237)	(237)	—	—	(294,812)
Exchange translation differences for foreign operations	85,187	119,906	8,725	12,975	11,612	238,418
Others	(7,168)	(234,768)	(743)	575	(6,387)	(248,506)
Balance as of March 31, 2026	1,144,331	1,557,743	170,906	310,775	156,162	3,339,937

[Accumulated depreciation and accumulated impairment losses]

Millions of yen						
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of April 1, 2024	(94,849)	(139,665)	(13,802)	(5,500)	(16)	(253,835)
Depreciation expenses	(5,647)	(10,994)	(1,983)	—	—	(18,625)
Impairment losses	(8)	(67)	(0)	(52)	—	(128)
Disposals	3,314	2,734	1,267	89	—	7,406
Exchange translation differences for foreign operations	997	2,282	(22)	32	0	3,290
Others	(964)	(1,281)	(106)	573	(7)	(1,786)
Balance as of March 31, 2025..	(97,157)	(146,991)	(14,648)	(4,858)	(23)	(263,679)
Depreciation expenses	(5,900)	(12,810)	(2,493)	—	—	(21,204)
Impairment losses	(9,039)	(4,841)	(37)	—	—	(13,918)
Disposals	1,013	2,932	1,112	—	—	5,058
Reclassification to assets held for sale	41,744	7	16	—	—	41,767
Exchange translation differences for foreign operations	(7,103)	(12,853)	(802)	(109)	(3)	(20,872)
Others	(751)	7,575	92	—	8	6,924
Balance as of March 31, 2026 ..	(77,194)	(166,983)	(16,759)	(4,967)	(18)	(265,923)

Thousands of U.S. dollars						
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of March 31, 2025 ...	(607,231)	(918,693)	(91,550)	(30,362)	(143)	(1,647,993)
Depreciation expenses	(36,875)	(80,062)	(15,581)	—	—	(132,525)
Impairment losses	(56,493)	(30,256)	(231)	—	—	(86,987)
Disposals	6,331	18,325	6,950	—	—	31,612
Reclassification to assets held for sale	260,900	43	100	—	—	261,043
Exchange translation differences for foreign operations ...	(44,393)	(80,331)	(5,012)	(681)	(18)	(130,450)
Others	(4,693)	47,343	575	—	50	43,275
Balance as of March 31, 2026 ...	(482,462)	(1,043,643)	(104,743)	(31,043)	(112)	(1,662,018)

[Carrying amounts]

Millions of yen						
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of March 31, 2025 ...	97,844	97,595	7,957	37,278	18,555	259,230
Balance as of March 31, 2026 ...	105,898	82,256	10,586	44,757	24,967	268,466
Balance as of March 31, 2026 (Thousands of U.S. dollars) ...	661,862	514,100	66,162	279,731	156,043	1,677,912

"Others" mainly includes the impact of changes in the scope of consolidation.

The amounts of expenditures relating to property, plant and equipment in the course of its construction are presented under the "Construction in progress" column.

(2) Gain (loss) relating to property, plant and equipment

For the year ended March 31, 2026, material impairment losses and gains (losses) on disposal of property, plant and equipment were as follows. There were no material gains (losses) for the year ended March 31, 2025.

Impairment loss on property, plant and equipment relating to the coal business in Australia

For the year ended March 31, 2026, the Group recognized an impairment loss on property, plant and equipment relating to the coal business in Australia, which is included in the Metals, Mineral Resources & Recycling segment. Details are provided in Note 2 BASIS OF PRESENTATION (4) Use of estimates and judgements.

11 LEASES

(1) As lessee

1) Carrying amount of right-of-use assets

The breakdown of the carrying amount of right-of-use assets by class of underlying asset was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Buildings and structures	73,522	71,444	446,525
Machinery and vehicles	5,181	6,953	43,456
Land.....	11,636	14,815	92,593
Others	388	314	1,962
Total	90,729	93,526	584,537

Increases in right-of-use assets in the year ended March 31, 2025, and the year ended March 31, 2026, were ¥10,134 million and ¥19,065 million (U.S. \$119,156 thousand), respectively.

2) Expenses, income, and cash flow relating to leases as lessee

Major items of expenses, income, and cash flow relating to leases as lessee were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Depreciation			
Buildings and structures	(14,710)	(15,312)	(95,700)
Machinery and vehicles	(1,589)	(1,655)	(10,343)
Land	(845)	(1,105)	(6,906)
Others	(209)	(153)	(956)
Total	(17,355)	(18,227)	(113,918)
Interest expenses for lease liabilities	(2,422)	(2,983)	(18,643)
Expenses for short-term leases	(5,361)	(6,309)	(39,431)
Expenses for leases of low-value	(2,083)	(2,178)	(13,612)

There is no materiality to expenses for variable lease payments not included in the measurement of lease liabilities, income from subleasing right-of-use assets, and gains or losses from sale and leaseback transactions for the years ended March 31, 2025 and March 31, 2026.

Total cash outflows relating to leases in the year ended March 31, 2025, and the year ended March 31, 2026, were ¥26,710 million and ¥29,523 million (U.S. \$184,518 thousand), respectively.

3) Lease liabilities

The maturity analysis of lease liabilities was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Within one year to due date	17,782	23,355	145,968
Between one and five years to due date	47,792	51,053	319,081
Over five years to due date	54,322	58,838	367,737
Total undiscounted lease payments.....	119,899	133,248	832,800
Interest expenses.....	(17,320)	(27,541)	(172,131)
Total	102,578	105,706	660,662

(2) As lessor

1) Finance leases

The maturity analysis of lease payments receivable relating to finance leases was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Within one year to due date	519	321	2,006
Between one and two years to due date	327	288	1,800
Between two and three years to due date	274	267	1,668
Between three and four years to due date	265	209	1,306
Between four and five years to due date	212	178	1,112
Over five years to due date	4,842	4,688	29,300
Total undiscounted lease payments to be received	6,442	5,953	37,206
Unearned financial income	(3,382)	(3,282)	(20,512)
Net investment in the lease	3,060	2,671	16,693

Financial income on net investment in leases is not material for the years ended March 31, 2025 and March 31, 2026.

2) Operating leases

The maturity analysis of lease payments to be received relating to operating leases was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Within one year to due date	5,215	1,403	8,768
Between one and two years to due date	4,038	1,207	7,543
Between two and three years to due date	3,113	983	6,143
Between three and four years to due date	2,198	729	4,556
Between four and five years to due date	1,221	512	3,200
Over five years to due date	6,777	5,098	31,862
Total	22,564	9,934	62,087

The amounts of income relating to operating leases recorded in the year ended March 31, 2025, and the year ended March 31, 2026, were ¥15,044 million and ¥3,921 million (U.S. \$24,506 thousand), respectively. Among the income, there was no materiality to any income relating to variable lease payments that do not depend on an index or rate.

(3) Gains or losses relating to right-of-use assets

There is no materiality to gain (loss) on disposal of, and impairment loss on, right-of-use assets for the years ended March 31, 2025 and March 31, 2026.

12 GOODWILL

(1) Costs, accumulated impairment losses and carrying amounts

The details of cost, accumulated impairment losses, and carrying amounts of goodwill as of March 31, 2025 and March 31, 2026 were as follows.

[Costs]

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Balance at beginning of year	138,582	158,258	989,112
Acquisitions through business combinations	23,250	24,256	151,600
Exclusion of subsidiaries from the scope of consolidation.....	(1,586)	(1,063)	(6,643)
Exchange translation differences for foreign operations ...	(1,987)	9,218	57,612
Others	—	2,198	13,737
Balance at end of year	158,258	192,868	1,205,425

[Accumulated impairment losses]

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Balance at beginning of year	(5,984)	(6,952)	(43,450)
Impairment losses	(936)	(6,249)	(39,056)
Exchange translation differences for foreign operations ...	(31)	(3)	(18)
Balance at end of year	(6,952)	(13,205)	(82,531)

[Carrying amounts]

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Carrying amounts	151,306	179,662	1,122,887

(2) Impairment test of goodwill

A cash-generating unit group to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that it may be impaired.

The carrying amounts of goodwill that are significant in comparison with the total carrying amount of goodwill of the Group and an outline of the impairment tests for such goodwill are as follows.

Overseas energy conservation business

The carrying amount of goodwill allocated to the subsidiary engaged in the overseas energy conservation business in the Energy Solutions & Healthcare segment as of March 31, 2025 and March 31, 2026 were ¥12,356 million and ¥13,213 million (U.S. \$82,581 thousand), respectively.

In the impairment test of goodwill, the recoverable amount is determined based on value in use, estimated using discounted future cash flows derived from business plans approved by management.

The business plans used for the estimation are based on budgets that reflect past performance, and the key assumption is the growth rate of gross profit. This key assumption is consistent with forecasts of nominal GDP growth rates of the countries in which the cash-generating units operate.

For future cash flows beyond the business plan period, a growth rate that does not exceed the long-term average growth rate of the countries in which the Group operates is used.

The pre-tax discount rates used to estimate the recoverable amount of cash-generating units for the years ended March 31, 2025 and March 31, 2026 were 8.8% to 15.2% and 8.5% to 15.9%, respectively.

Overseas commercial food wholesale business

The carrying amount of goodwill allocated to the subsidiary engaged in the overseas commercial food wholesale business in the Retail & Consumer Service segment as of March 31, 2025 and March 31, 2026 were ¥15,130 million and ¥15,648 million (U.S. \$97,800 thousand), respectively.

In the impairment test of the goodwill, the recoverable amount is determined based on fair value less costs of disposal, which is estimated using discounted future cash flows based on assumptions of market participants. The fair value is classified within Level 3 of the fair value hierarchy.

In measuring fair value less costs of disposal, the Group uses the growth rate of gross profit as the key assumption, which is consistent with forecasts of nominal GDP growth rates of the countries in which the cash-generating units operate.

The pre-tax discount rates used to estimate the recoverable amount of cash-generating units for the years ended March 31, 2025 and March 31, 2026 were 15.1% and 13.4%, respectively.

Even if the key assumptions used in the impairment tests are changed within a reasonably possible range, it is unlikely that the recoverable amounts of goodwill will fall below their carrying amounts.

(3) Impairment losses on goodwill

For the year ended March 31, 2026, material losses on goodwill were as follows. There were no material losses on goodwill for the year ended March 31, 2025.

Impairment loss on goodwill relating to the wholesale and retail used car business in Australia

For the year ended March 31, 2026, the Group recognized an impairment loss on goodwill relating to the wholesale and retail used car business in Australia, which is included in the Automotive segment. Details are provided in Note 2 BASIS OF PRESENTATION (4) Use of estimates and judgements.

13 INTANGIBLE ASSETS

(1) Carrying amounts, costs, and accumulated amortization and accumulated impairment losses of intangible assets

The details of costs, accumulated amortization and accumulated impairment losses, and carrying amounts of intangible assets as of March 31, 2025 and March 31, 2026 were as follows.

[Costs]

	Millions of yen				
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of April 1, 2024.....	44,375	35,127	44,754	57,815	182,072
Acquisitions	2,330	12	—	1,504	3,847
Acquisitions through business combinations	900	—	24,913	2,001	27,815
Disposals	(1,519)	—	—	(5)	(1,525)
Exchange translation differences for foreign operations ..	(90)	(1,647)	(865)	(1,225)	(3,828)
Others.....	1,089	(115)	—	(855)	118
Balance as of March 31, 2025	47,086	33,376	68,802	59,234	208,499
Acquisitions	3,453	—	—	2,098	5,552
Acquisitions through business combinations	1,795	—	9,733	19,253	30,781
Disposals	(1,891)	—	—	(263)	(2,155)
Exchange translation differences for foreign operations ..	802	5,783	4,982	5,458	17,027
Others.....	2,930	—	(1,323)	(2,016)	(409)
Balance as of March 31, 2026	54,175	39,160	82,195	83,765	259,296

	Thousands of U.S. dollars				
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of March 31, 2025	294,287	208,600	430,012	370,212	1,303,118
Acquisitions	21,581	—	—	13,112	34,700
Acquisitions through business combinations	11,218	—	60,831	120,331	192,381
Disposals	(11,818)	—	—	(1,643)	(13,468)
Exchange translation differences for foreign operations ..	5,012	36,143	31,137	34,112	106,418
Others	18,312	—	(8,268)	(12,600)	(2,556)
Balance as of March 31, 2026	338,593	244,750	513,718	523,531	1,620,600

[Accumulated amortization and accumulated impairment losses]

	Millions of yen				
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of April 1, 2024	(32,867)	(31,143)	(10,396)	(15,494)	(89,901)
Amortization expenses	(2,375)	(452)	(3,391)	(1,185)	(7,404)
Impairment losses	(4)	—	(696)	(3)	(704)
Disposals	1,489	—	—	3	1,492
Exchange translation differences for foreign operations ..	57	1,489	208	67	1,822
Others	24	—	—	56	80
Balance as of March 31, 2025	(33,676)	(30,106)	(14,275)	(16,556)	(94,615)
Amortization expenses	(2,999)	(386)	(3,815)	(2,464)	(9,665)
Impairment losses	(33)	(2,466)	—	(143)	(2,643)
Disposals	1,747	—	—	77	1,825
Exchange translation differences for foreign operations ..	(349)	(5,278)	(1,750)	(1,067)	(8,446)
Others	(448)	—	(33)	132	(348)
Balance as of March 31, 2026	(35,759)	(38,236)	(19,875)	(20,021)	(113,893)

Thousands of U.S. dollars					
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of March 31, 2025	(210,475)	(188,162)	(89,218)	(103,475)	(591,343)
Amortization expenses	(18,743)	(2,412)	(23,843)	(15,400)	(60,406)
Impairment losses	(206)	(15,412)	—	(893)	(16,518)
Disposals	10,918	—	—	481	11,406
Exchange translation differences for foreign operations ..	(2,181)	(32,987)	(10,937)	(6,668)	(52,787)
Others	(2,800)	—	(206)	825	(2,175)
Balance as of March 31, 2026	(223,493)	(238,975)	(124,218)	(125,131)	(711,831)

[Carrying amounts]

Millions of yen					
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of March 31, 2025	13,409	3,270	54,527	42,677	113,884
Balance as of March 31, 2026.....	18,416	923	62,320	63,743	145,403
Balance as of March 31, 2026 (Thousands of U.S. dollars) ..	115,100	5,768	389,500	398,393	908,768

There were no material intangible assets as of March 31, 2025 and March 31, 2026.

The value of intangible assets with indefinite useful lives included above were ¥10,541 million as of March 31, 2025, and ¥13,156 million (U.S.\$82,225 thousand) as of March 31, 2026. Such assets consisted primarily of franchise agreements. These franchise agreements were acquired through business combinations and were expected to exist as long as business continues. Therefore, management considers the useful lives of these assets to be indefinite.

There were no material internally-generated intangible assets as of March 31, 2025 and March 31, 2026.

(2) Gains or losses relating to intangible assets

For the year ended March 31, 2026, material impairment losses and gains (losses) on disposal of intangible assets were as follows. There were no material gains (losses) for the year ended March 31, 2025. There were no intangible assets with indefinite useful lives that were material compared to the carrying amount of the Group as of March 31, 2025 and March 31, 2026.

Impairment loss on intangible assets relating to the coal business in Australia

For the year ended March 31, 2026, the Group recognized an impairment loss on intangible assets relating to the coal business in Australia, which is included in the Metals, Mineral Resources & Recycling segment. Details are provided in Note 2 BASIS OF PRESENTATION (4) Use of estimates and judgements.

14 INVESTMENT PROPERTY

(1) Carrying amounts and fair values

Costs, accumulated depreciation and impairment losses, carrying amounts, and fair values of investment property were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Costs.....	15,839	14,497	90,606
Accumulated depreciation and impairment losses.....	(7,138)	(7,771)	(48,568)
Carrying amount.....	8,700	6,726	42,037
Fair value	8,850	6,817	42,606

The decrease in the carrying amount of investment property in the year ended March 31, 2025 was ¥1,281 million, which was mainly attributable to depreciation.

The decrease in the carrying amount of investment property in the year ended March 31, 2026 was ¥1,974 million (U.S. \$12,337 thousand), which was mainly attributable to reclassification to assets held for sale.

The fair values of investment property are measured at amounts that the Group estimated based on an independent appraiser's appraisals and the "real estate appraisal standards" of the country in which the investment properties are located. In measuring fair value, the Company uses valuation techniques, such as a sales comparison approach and discounted future cash flow approach, in addition to referring to public offering prices. Major inputs used to measure fair value include unobservable inputs, such as estimated future cash flows and discount rates. Accordingly, Investment property is categorized within fair value hierarchy Level 3. The outline of valuation techniques used to measure fair value is described in Note 3 MATERIAL ACCOUNTING POLICIES.

(2) Profit or loss relating to investment property

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Rental income from investment property	4,657	4,524	28,275
Expenses arising from investment property	(3,417)	(3,322)	(20,762)
Profit	1,240	1,202	7,512

There is no materiality to gain/loss on disposal/sale of investment property for the years ended March 31, 2025 and March 31, 2026.

15 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(1) Investments accounted for using the equity method and share of profit (loss) of investments accounted for using the equity method

The breakdown of investments accounted for using the equity method as of March 31, 2025 and March 31, 2026 was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Associates	513,089	505,691	3,160,568
Joint ventures	129,146	195,093	1,219,331
Investments accounted for using the equity method	642,236	700,784	4,379,900

The breakdown of share of profit (loss) of investments accounted for using the equity method and share of other comprehensive income of investments accounted for using the equity method for the years ended March 31, 2025 and March 31, 2026 was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Share of profit (loss) of investments accounted for using the equity method			
Associates	34,102	32,807	205,043
Joint ventures	15,525	11,209	70,056
Total share of profit (loss) of investments accounted for using the equity method	49,627	44,017	275,106
Share of other comprehensive income of investments accounted for using the equity method			
Associates	(5,109)	23,644	147,775
Joint ventures	6,816	(5,116)	(31,975)
Total share of other comprehensive income of investments accounted for using the equity method	1,707	18,527	115,793
Total comprehensive income for the year	51,335	62,545	390,906

(2) Significant Entities subject to the Equity Method

The condensed financial statements of significant Entities subject to Equity Method are as follows.

1) Metal One Corporation

Metal One Corporation ("Metal One"), one of the Group's Entities subject to the Equity Method, is a material Group associate.

In the steel products business, the Group will expand its domestic and overseas customer base and sales network for steel products through Japan's one of the largest integrated steel trading companies, Metal One. At the same time, the Group will enhance and create global value chains by further expanding steel product trading through stronger collaboration and alliances with the Company's other businesses, such as energy-related and overseas business.

Metal One is not publicly listed.

Summarized financial information of Metal One and a reconciliation of the carrying amount of the Group's interest in Metal One were as follows. Summarized financial information has been prepared by adjusting Metal One's financial statements based on the Group's accounting policies.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Percentage ownership interest	40 %	40 %	40 %
Current assets	803,201	775,393	4,846,206
Non-current assets	240,888	256,378	1,602,362
Current liabilities	507,379	488,618	3,053,862
Non-current liabilities	69,677	59,341	370,881
Equity	467,033	483,812	3,023,825
Non-controlling interests	41,534	43,157	269,731
Equity after deduction of non-controlling interests	425,499	440,655	2,754,093
Group's share of equity	170,199	176,262	1,101,637
Goodwill and consolidated adjustment ...	3,981	3,980	24,875
Carrying amount of interest	174,181	180,242	1,126,512

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Gross profit	138,151	132,777	829,856
Profit for the year	28,845	28,472	177,950
Other comprehensive income	(4,634)	15,409	96,306
Total comprehensive income for the year	24,211	43,882	274,262
Share of:			
Profit for the year	11,538	11,389	71,181
Other comprehensive income ...	(1,853)	6,163	38,518
Total comprehensive income for the year	9,684	17,553	109,706
Dividends received by the Group	14,010	11,512	71,950

2) LNG Japan Corporation

LNG Japan Corporation ("LNG Japan"), one of the Group's Entities subject to Equity Method, is a material Group joint venture.

The Group is participating in large-scale LNG projects in Asia, Oceania and the Middle East through LNG Japan.

LNG Japan is not publicly listed.

Summarized financial information of LNG Japan and a reconciliation of the carrying amount of the Group's interest in LNG Japan were as follows. Summarized financial information has been prepared by adjusting LNG Japan's financial statements based on the Group's accounting policies.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Percentage ownership interest	50 %	50 %	50 %
Current assets	60,151	44,258	276,612
Non-current assets	336,770	356,068	2,225,425
Current liabilities	31,041	18,450	115,312
Non-current liabilities	149,991	162,261	1,014,131
Equity	215,888	219,613	1,372,581
Non-controlling interests	53,406	61,116	381,975
Equity after deduction of non-controlling interests	162,481	158,497	990,606
Group's share of equity	81,240	79,248	495,300
Goodwill and consolidated adjustment ...	2,143	2,192	13,700
Carrying amount of interest	83,384	81,441	509,006

The balances of cash and cash equivalents that are included in current assets as of March 31, 2025 and March 31, 2026 are ¥38,377 million and ¥23,917 million (U.S.\$149,481 thousand), respectively.

The balances of financial liabilities (excluding trade and other payables, and provisions) that are included in current liabilities as of March 31, 2025 and March 31, 2026 are ¥10,078 million and ¥5,480 million (U.S.\$34,250 thousand), respectively.

The balances of financial liabilities (excluding trade and other payables, and provisions) that are included in non-current liabilities as of March 31, 2025 and March 31, 2026 are ¥115,350 million and ¥126,223 million (U.S.\$788,893 thousand), respectively.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Gross profit	29,429	27,393	171,206
Depreciation and amortization expenses	(90)	(90)	(562)
Interest earned	833	759	4,743
Interest expenses	(3,304)	(2,636)	(16,475)
Income tax expenses	(13,419)	(8,368)	(52,300)
Profit for the year	18,914	16,061	100,381
Other comprehensive income	15,003	(7,809)	(48,806)
Total comprehensive income for the year	33,918	8,251	51,568
Share of:			
Profit for the year	9,457	8,030	50,187
Other comprehensive income ...	7,501	(3,904)	(24,400)
Total comprehensive income for the year	16,959	4,125	25,781
Dividends received by the Group	5,000	6,000	37,500

(3) Individually Immaterial associates and joint ventures

The carrying amounts of interests of individually insignificant associates and joint ventures as of March 31, 2025 and March 31, 2026 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Associates	338,908	325,448	2,034,050
Joint ventures	45,762	113,652	710,325
Total	384,670	439,100	2,744,375

The share of profit (loss) of investments accounted for using the equity method and the share of other comprehensive income of investments accounted for using the equity method from individually insignificant associates and joint ventures as of March 31, 2025 and March 31, 2026 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Share of profit for the year			
Associates	22,564	21,418	133,862
Joint ventures	6,068	3,178	19,862
Total of share of profit for the year.....	28,632	24,596	153,725
Share of other comprehensive income for the year			
Associates	(3,255)	17,480	109,250
Joint ventures	(685)	(1,211)	(7,568)
Total of share of other comprehensive income for the year.....	(3,940)	16,269	101,681
Total of comprehensive income for the year	24,692	40,865	255,406

(4) Other income (loss) related to Entities subject to Equity Method

For the year ended March 31, 2026, material other items of income (loss) related to entities accounted for using the equity method were as follows. There were no material items for the year ended March 31, 2025.

Gain on reorganization of subsidiaries/associates arising from the partial sale of the Entity subject to Equity Method related to the cloud service business

For the year ended March 31, 2026, the Group sold a part of its ownership interest in an Entity subject to the Equity Method related to the cloud service business, which is included in the Others segment, and recognized a gain of ¥17,079 million (U.S.\$106,743 thousand) as "Gain on reorganization of subsidiaries/associates" in the Consolidated Statement of Profit or Loss.

As a result of the partial sale of the ownership interest, the Group lost significant influence over the investee. Accordingly, the Group discontinued the application of the Equity Method as of the date of sale, and the remaining interest was recognized as "Other investments" in the Consolidated Statement of Financial Position, measured at fair value.

The fair value of the remaining interest is classified within Level 1 of the fair value hierarchy as it is determined based on the quoted market price as of the date of sale, and the gain arising from the fair value measurement is included in the "Gain on reorganization of subsidiaries/associates."

16 FINANCIAL ASSETS MEASURED AT FVTOCI

With respect to investments made in equity instruments held for the purpose of maintaining and strengthening relationships with business partners, the Group has designated such investments as financial assets measured at FVTOCI in consideration of such purpose.

1) Fair values per name (of investments)

Of the investments in equity instruments designated to be measured at FVTOCI, the fair value at these investments with active market is as follows.

2025

Name of investments	Millions of yen
	Amount
NHK SPRING CO., LTD	21,198
NICHIRIN CO.,LTD.	4,095
ANA HOLDINGS INC.	3,900
Japan Airport Terminal Co., Ltd.	3,474
Yamazaki Baking Co., Ltd.	3,454
SINFONIA TECHNOLOGY CO., LTD.	2,213
Mitsui DM Sugar Co., Ltd. (Note)	2,139
NIKE, Inc.	1,898
Tokuyama Corporation	1,808
Skymark Airlines Inc.	1,556

2026

Name of investments	Millions of yen	Thousands of U.S. dollars
	Amount	Amount
NHK SPRING CO., LTD	31,995	199,968
SAKURA internet Inc.	14,794	92,462
NICHIRIN CO.,LTD.	4,644	29,025
Yamazaki Baking Co., Ltd.	4,253	26,581
Al Suwadi Power Company SAOG	3,993	24,956
SINFONIA TECHNOLOGY CO., LTD.	3,838	23,987
Al Batinah Power Company SAOG	3,812	23,825
Tokuyama Corporation	2,423	15,143
Mitsui DM Sugar Co., Ltd. (Note)	2,155	13,468
RENT CORPORATION	2,132	13,325

(Note) As of April 1, 2025, Mitsui DM Sugar Holdings Co., Ltd. changed its company name to Mitsui DM Sugar Co.,Ltd..

2) Dividends received

Dividends received recognized in relation to financial assets measured at FVTOCI for the years ended March 31, 2025 and March 31, 2026 were ¥7,349 million and ¥5,218 million (U.S.\$32,612 thousand), respectively.

There was no materiality to the amounts of dividends received on investments derecognized during the reporting period for the years ended March 31, 2025 and March 31, 2026.

3) Financial assets measured at FVTOCI that were derecognized during the reporting period

The Group disposes of financial assets measured at FVTOCI for the purpose of periodic portfolio reviews and management of risk assets. The fair values of such financial assets at the dates of the disposal and the cumulative gains (before taxes) on disposal were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Fair value at the date of disposal	2,071	11,122	69,512
Cumulative gains on disposal	902	4,400	27,500

4) Reclassification to retained earnings

The Group reclassifies to retained earnings cumulative gains or losses arising from changes in the fair values of financial assets measured at FVTOCI in either of the following cases: when an investment is disposed of; and, when there is a significant decline in the fair value. Such cumulative other comprehensive income totals (net of taxes) that were reclassified to retained earnings for the years ended March 31, 2025 and March 31, 2026 were gains of ¥1,273 million and gains of ¥1,090 million (U.S.\$6,812 thousand), respectively.

17 OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS (NON-FINANCIAL ASSETS)

The breakdown of other current assets and other non-current assets (non-financial assets) as of March 31, 2025 and March 31, 2026 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Advance payments	163,832	188,808	1,180,050
Others	32,632	41,528	259,550
Total	196,465	230,336	1,439,600

18 TRADE AND OTHER PAYABLES

The breakdown of trade and other payables as of March 31, 2025 and March 31, 2026 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Trade notes and accounts payable	481,066	614,843	3,842,768
Deposits received	60,971	58,756	367,225
Others	67,114	120,760	754,750
Total	609,153	794,360	4,964,750

19 BONDS AND BORROWINGS

(1) Bonds and borrowings

The breakdown of bonds and borrowings was as follows.

	Millions of yen		Average interest rate	Maturity date	Thousands of U.S. dollars
	2025	2026			2026
Short-term loans	114,522	171,473	3.72%	—	1,071,706
Commercial paper.....	65,000	76,841	1.23%	—	480,256
Current portion of bonds payable	—	—	—	—	—
Current portion of long-term loans	20,202	51,160	1.69%	—	319,750
Bonds payable (excluding current portion) ..	53,035	64,991	—	—	406,193
Long-term loans (excluding current portion)	833,712	931,151	2.05%	April 2027— October 2053	5,819,693
Total	1,086,473	1,295,617			8,097,606

"Average interest rate" is presented as the weighted average interest rate against the balance of the borrowings or the like at the end of the year. Borrowings hedged by derivative transactions, such as interest rate swaps or the like, for the purpose of avoiding the interest rate fluctuation risk, are calculated at the interest rate under such derivative transactions. "Interest rate" of bonds is presented in "(2) Bonds."

As of March 31, 2026, to provide additional financial flexibility and liquidity, the Group maintains long-term Commitment Lines of ¥100 billion (not used) and U.S.\$2.475 billion (U.S.\$1.648 billion used).

In addition, certain agreements related to bank borrowings or the like require the Group to maintain certain financial conditions under financial covenants, such as that the adjusted consolidated profit before tax of the Group for the year shall not be negative for two consecutive fiscal years. The Group monitors compliance with these covenants to ensure that the required levels are maintained.

(2) Bonds

The details of the bonds are as follows.

Company name	Bond name	Date of issuance	Millions of yen				Maturity date	Thousands of U.S. dollars
			2025	2026	Interest rate	Collateral		2026
The Company	The 34th unsecured bond	June 1, 2017	9,986	9,992	0.72 %	None	June 1, 2027	62,450
The Company	The 35th unsecured bond	March 8, 2018	9,982	9,988	0.61 %	None	March 8, 2028	62,425
The Company	The 36th unsecured bond	November 27, 2019	9,971	9,977	0.47 %	None	November 27, 2029	62,356
The Company	The 37th unsecured bond	September 14, 2020	9,967	9,973	0.56 %	None	September 13, 2030	62,331
The Company	The 38th unsecured bond	May 27, 2021	9,962	9,968	0.55 %	None	May 27, 2031	62,300
The Company	The 39th unsecured bond	September 18, 2025	—	9,955	1.52 %	None	September 18, 2030	62,218
Consolidated Subsidiaries	Others	July 1, 2022— January 15, 2026	3,164	5,134	4.95— 9.2 %	None	June 23, 2035— January 15, 2046	32,087
Total	—	—	53,035	64,991	—	—	—	406,193

20 EMPLOYEE BENEFITS

(1) Post-employment benefit

1) General outline of retirement benefit plans

The Company has a defined contribution pension plan, a lump-sum payment plan and a prepaid retirement allowance plan as its retirement benefit plans.

Certain domestic subsidiaries have corporate pension funds and/or lump-sum payment plans that are primarily defined benefit plans. Certain foreign subsidiaries also have defined benefit plans.

Payments by these plans are calculated using criteria including employee rank and salary level.

In some cases, employees receive severance pay upon retirement.

2) Defined benefit plan

(a) Net defined benefit liability (asset)

Changes in the net defined benefit liability (asset) for the years ended March 31, 2025 and March 31, 2026 were as follows.

	Millions of yen		
	Present value of the defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
Balance as of April 1, 2024	32,232	(8,320)	23,911
Current service cost	1,843	—	1,843
Interest expense (income)	438	(228)	210
Remeasurements of the net defined benefit liability (asset)	(731)	151	(580)
Past service cost and (gain) loss from settlements.....	33	—	33
Exchange translation differences for foreign operations	(289)	51	(238)
Employer contributions to the plan	—	(230)	(230)
Benefits paid	(2,770)	697	(2,073)
Business combinations and disposals	43	—	43
Others	43	(6)	36
Balance as of March 31, 2025	30,841	(7,884)	22,956
Current service cost	2,368	—	2,368
Interest expense (income)	774	(249)	525
Remeasurements of the net defined benefit liability (asset)	(1,132)	(196)	(1,328)
Past service cost and (gain) loss from settlements.....	13	—	13
Exchange translation differences for foreign operations	1,231	(213)	1,017
Employer contributions to the plan	—	(213)	(213)
Benefits paid	(3,440)	808	(2,632)
Business combinations and disposals	3,211	(2,257)	954
Others	(7)	(14)	(21)
Balance as of March 31, 2026	33,860	(10,220)	23,639

	Thousands of U.S. dollars		
	Present value of the defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
Balance as of March 31, 2025	192,756	(49,275)	143,475
Current service cost	14,800	—	14,800
Interest expense (income)	4,837	(1,556)	3,281
Remeasurements of the net defined benefit liability (asset)	(7,075)	(1,225)	(8,300)
Past service cost and (gain) loss from settlements.....	81	—	81
Exchange translation differences for foreign operations	7,693	(1,331)	6,356
Employer contributions to the plan	—	(1,331)	(1,331)
Benefits paid	(21,500)	5,050	(16,450)
Business combinations and disposals	20,068	(14,106)	5,962
Others	(43)	(87)	(131)
Balance as of March 31, 2026	211,625	(63,875)	147,743

(b) Plan assets

The fair value of plan assets at March 31, 2025 was as follows.

	Millions of yen	
	Plan assets with a quoted market price in an active market	Plan assets without a quoted market price in an active market
Equity instruments	412	—
Debt instruments	8	5,524
Cash and cash equivalents	41	—
General accounts of life insurance companies	—	1,788
Others	—	109
Total	461	7,422

The fair value of plan assets at March 31, 2026 was as follows.

	Millions of yen	
	Plan assets with a quoted market price in an active market	Plan assets without a quoted market price in an active market
Equity instruments	281	—
Debt instruments	5	5,558
Cash and cash equivalents	208	—
General accounts of life insurance companies	—	2,083
Others	—	2,083
Total	495	9,725

	Thousands of U.S. dollars	
	Plan assets with a quoted market price in an active market	Plan assets without a quoted market price in an active market
Equity instruments	1,756	—
Debt instruments	31	34,737
Cash and cash equivalents	1,300	—
General accounts of life insurance companies	—	13,018
Others	—	13,018
Total	3,093	60,781

(c) Significant actuarial assumption

Significant actuarial assumptions used for determining the present value of the defined benefit obligation were as follows.

	2025	2026
Discount rate	2.8%	3.4%
The expected rate of salary increase	2.7%	2.6%

As of March 31, 2025 and March 31, 2026, the increase in defined benefit plan obligations in the case of a 0.5% decline in discount rates was ¥1,367 million and ¥1,279 million (U.S.\$7,993 thousand), respectively, and the decrease in defined benefit plan obligations in the case of a 0.5% rise in discount rates was ¥(985) million and ¥(932) million (U.S.\$(5,825) thousand), respectively.

(d) Maturity profile for the defined benefit obligation

The weighted average duration of the defined benefit obligation for the years ended March 31, 2025 and March 31, 2026 was 9.4 years and 9.6 years, respectively.

(e) Expected contribution to the plan for the year ending March 31, 2027

The Group expects to contribute ¥309 million (U.S.\$ 1,931 thousand) to plan assets for the year ending March 31, 2027.

3) Defined contribution plan

Expenses recognized for the defined contribution plan for the years ended March 31, 2025 and March 31, 2026 were ¥3,066 million and ¥3,142 million (U.S.\$19,637 thousand), respectively.

4) Multi-employer plans

Expenses recognized for multi-employer defined contribution plans for the years ended March 31, 2025 and March 31, 2026 were ¥282 million and ¥2,307 million (U.S.\$14,418 thousand), respectively.

(2) Employee benefit expenses

Employee benefit expenses recognized for the years ended March 31, 2025 and March 31, 2026 were ¥175,064 million and ¥190,376 million (U.S.\$1,189,850 thousand), respectively. Employee benefit expenses are included in "Cost of sales" and "Selling, general and administration expenses" in the Consolidated Statement of Profit or Loss.

21 PROVISIONS

The breakdown of increases/decreases in provisions was as follows.

	Millions of yen		
	Asset retirement obligations	Other provisions	Total
Balance as of April 1, 2025	40,719	4,591	45,310
Increase for the year	1,297	4,943	6,240
Decrease for the year (incurred and charged against provisions) ...	(5,535)	(934)	(6,469)
Decrease for the year (unused amounts reversed)	—	(1,836)	(1,836)
Interest expenses for discounting	1,658	—	1,658
Change in discount rate	(228)	—	(228)
Exchange translation differences for foreign operations	4,668	569	5,238
Others	(2,318)	1,932	(386)
Balance as of March 31, 2026	40,261	9,265	49,527

	Thousands of U.S. dollars		
	Asset retirement obligations	Other provisions	Total
Balance as of April 1, 2025	254,493	28,693	283,187
Increase for the year	8,106	30,893	39,000
Decrease for the year (incurred and charged against provisions) ...	(34,593)	(5,837)	(40,431)
Decrease for the year (unused amounts reversed)	—	(11,475)	(11,475)
Interest expenses for discounting	10,362	—	10,362
Change in discount rate	(1,425)	—	(1,425)
Exchange translation differences for foreign operations	29,175	3,556	32,737
Others	(14,487)	12,075	(2,412)
Balance as of March 31, 2026	251,631	57,906	309,543

"Others" mainly includes the impact of changes in the scope of consolidation and the decrease in liabilities directly associated with assets held for sale.

Asset retirement obligations mainly consist of removal costs relating to mining facilities or the like for coal. Such costs are mainly expected to be paid after at least one year has passed, subject to effects from future business plans or the like.

22 OTHER CURRENT LIABILITIES AND OTHER NON-CURRENT LIABILITIES (NON-FINANCIAL LIABILITIES)

The breakdown of other current liabilities and other non-current liabilities (non-financial liabilities) as of March 31, 2025 and March 31, 2026 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Advances received	108,783	83,315	520,718
Others.....	50,999	60,875	380,468
Total	159,782	144,191	901,193

23 EQUITY

(1) Capital management

In order to enhance its enterprise value, the Company has as its basic policies the maintenance of a healthy financial position and stability in its funding structure, accumulation of its own equity (Note 1) through the realization of sustained growth and expansion of its financial base.

The Company uses risk assets ratio (Note 2) as a main indicator for managing the Company's equity. The risk assets ratio is controlled within 1.0 times under certain stress conditions. This indicator is periodically reported and monitored by management.

- Notes: 1. Own equity = Total equity amount less non-controlling interests
2. Risk assets ratio = Risk asset (such asset amount calculated based on assessment of such risk in correspondence to the size of such risk) ÷ Own equity

Risk assets ratios as of March 31, 2025 and March 31, 2026, respectively, were as follows.

	2025	2026
Risk assets ratio (Note 2).....	0.7 times	0.6 times

(2) Number of authorized shares, issued shares and shares of treasury stocks

	Shares	
	2025	2026
Authorized: ordinary no-par value shares.....	500,000,000	500,000,000

	Shares	
	2025	2026
Issued: ordinary no-par value shares		
Balance at beginning of year	225,000,000	225,000,000
Increase or decrease for the year	—	(15,000,000)
Balance at end of year	225,000,000	210,000,000
Treasury stock: ordinary no-par value shares		
Balance at beginning of year	6,996,191	14,170,715
Increase or decrease for the year	7,174,524	(12,230,956)
Balance at end of year	14,170,715	1,939,759

(3) Treasury stock

Under the Companies Act of Japan (“the Companies Act”), a company can purchase its own shares within the limit of distributable amount by determining the number of shares to be purchased, total purchase price, etc., by a resolution of its general meeting of shareholders.

In addition, as stipulated in the Articles of Incorporation of the Company, the Company may purchase its own shares through market transactions by a resolutions by the Board of Directors. The purpose of this is to enable the Company to flexibly execute its financial policies and other various management measures.

The balances of treasury stock as of March 31, 2025 and March 31, 2026 were 14,170,715 shares and 1,939,759 shares, respectively, including 1,320,504 shares and 1,285,296 shares, respectively, of the Company stock held in the Director's Compensation BIP Trust account.

These balances of treasury stock did not include the shares of the Group (ordinary no-par value shares) held by Fuji Nihon Corporation, an equity-method associate of the Group, which were 40,000 shares as of both March 31, 2025 and March 31, 2026.

In the years ended March 31, 2025 and March 31, 2026, the Company carried out the following purchase and cancellation of treasury stocks.

1) Purchase of treasury stocks

Resolution	Type of shares	Number of shares purchased	Purchase period
Board of directors meeting on February 22, 2024	Ordinary shares	4,000,000	February 26, 2024 – April 5, 2024
Board of directors meeting on September 27, 2024	Ordinary shares	6,500,000	October 1, 2024 – March 24, 2025
Board of directors meeting on May 1, 2025	Ordinary shares	2,800,000	May 2, 2025 – July 31, 2025

2) Cancellation of treasury stocks

Resolution	Type of shares	Number of shares canceled	Cancellation date
Board of directors meeting on August 22, 2025	Ordinary shares	15,000,000	August 29, 2025

(4)Reserves

1) Capital surplus

Under the Companies Act, at least 50% of the proceeds of certain issues of ordinary shares shall be credited to share capital. The remainder of the proceeds shall be credited to capital surplus.

The Companies Act also allows a company to transfer the amount of legal capital surplus to share capital by a resolution of its general meeting of shareholders.

2) Retained earnings

The Companies Act requires a company to reserve, in legal capital surplus or legal retained earnings, 10% of the amount of any decrease in reserves resulting from dividends of retained earnings until the total amount of legal capital surplus and legal retained earnings reaches 25% of share capital.

The Companies Act allows a company to reverse such legal retained earnings for the purpose of covering deficit by a resolution of the general meeting of shareholders.

Under the Companies Act, the total amount of dividends and purchase of treasury stock may not exceed the distributable amount of the Company. The distributable amount is calculated based on the amount of retained earnings and other items stated in the non-consolidated financial statements of the Company, which is calculated in accordance with the generally accepted accounting principles in Japan. Adjustments to the consolidated financial statements to conform with IFRS Accounting Standards have no impact on the distributable amount under the Companies Act.

(5) Dividends

1) Amount of dividend payments

Resolution	Type of shares	Source of dividends	Amount of dividends (Millions of yen)	Amount of dividends (Thousands of U.S. dollars)	Dividend per share (Yen)	Recorded date	Effective date
Annual general shareholders' meeting on June 18, 2024	Ordinary shares	Retained earnings	15,322	95,762	70.00	March 31, 2024	June 19, 2024
Board of directors meeting on May 1, 2024	Ordinary shares	Retained earnings	16,398	102,487	75.00	September 30, 2024	December 1, 2024
Board of directors meeting on May 1, 2025	Ordinary shares	Retained earnings	15,911	99,443	75.00	March 31, 2025	June 2, 2025
Board of directors meeting on May 1, 2025	Ordinary shares	Retained earnings	17,271	107,943	82.50	September 30, 2025	December 1, 2025

2) Year-end dividends for the fiscal year ended March 2026

Resolution	Type of shares	Source of dividends	Amount of dividends (Millions of yen)	Amount of dividends (Thousands of U.S. dollars)	Dividend per share (Yen)	Record date	Effective date
Board of directors meeting on May 1, 2026	Ordinary shares	Retained earnings	17,271	107,943	82.50	March 31, 2026	June 10, 2026

3) Interim dividends for the fiscal year ending March 2027

Resolution	Type of shares	Source of dividends	Expected amount of dividends (Millions of yen)	Expected total amount of dividends (Thousands of U.S. dollars)	Dividend per share (Yen)	Record date	Effective date
Board of directors meeting on May 1, 2026	Ordinary shares	Retained earnings	18,841	117,756	90.00	September 30, 2026	December 1, 2026

24 REVENUE

(1) Disaggregation of Revenue

Revenue arising from contracts with customers is disaggregated by each reportable segment based on economic factors. Revenue by reportable segment is described in Note 5 SEGMENT INFORMATION.

(2) Contract asset, contract liability, and revenue recognized from performance obligations satisfied in previous periods

Receivables from contracts with customers refer to any notes receivable and accounts receivable included under "Trade and other receivables." As of March 31, 2025 and March 31, 2026, the amounts of contract assets and contract liabilities were not material.

In addition, for the years ended March 31, 2025 and March 31, 2026, the amount of revenue recognized from performance obligations satisfied in previous periods was not material.

(3) Transaction price allocated to the remaining performance obligations

The following shows the Group's assumed timing for revenue to be recognized in the reporting period from transaction price allocated to the remaining performance obligations as of March 31, 2025 and March 31, 2026.

	Millions of yen			
	Within one year	Between one and five years	Over five years to	Total
Balance as of March 31, 2025	224,727	235,458	92,837	553,022
Balance as of March 31, 2026	201,396	328,302	104,492	634,190

	Thousands of U.S. dollars			
	Within one year	Between one and five years	Over five years to	Total
Balance as of March 31, 2026	1,258,725	2,051,887	653,075	3,963,687

When a variable consideration is included in the transaction price allocated to the remaining performance obligations, it is included in the transaction price only to the extent that is highly probable that it will not result in a significant reversal of the cumulative amount of recognized revenue when any uncertainty concerning the variable consideration is subsequently resolved.

In addition, since the Group applies practical expedients, agreements for which the initial estimated remaining period is within one year are not included in the above table.

(4) Assets recognized from the cost to obtain or fulfill a contract with a customer

As of March 31, 2025 and March 31, 2026, there were no material assets recognized from the cost to obtain or fulfill a contract with a customer. If the amortization period of the asset that the entity otherwise would have recognized is one year or less, the Group recognizes the additional incremental costs of obtaining a contract as an expense at time of occurrence, as a practical expedient.

25 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The breakdown of selling, general and administrative expenses was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Employee benefit expenses	(142,958)	(157,780)	(986,125)
Traveling expenses	(7,746)	(9,084)	(56,775)
Rent expenses	(5,382)	(5,933)	(37,081)
Depreciation and amortization expenses	(29,030)	(33,724)	(210,775)
Sales commissions	(5,425)	(6,199)	(38,743)
Outsourcing expenses	(20,149)	(21,874)	(136,712)
Packing expenses	(8,057)	(11,028)	(68,925)
Advertising expenses	(6,276)	(7,942)	(49,637)
Others	(44,877)	(51,549)	(322,181)
Total	(269,903)	(305,116)	(1,906,975)

26 SHARE-BASED PAYMENT

The Company has introduced an equity-settled share-based remuneration system as a remuneration system closely linked to corporate performance and having high transparency and objectivity, with the objective of heightening directors' and executive officers' awareness toward making contributions to improving Sojitz's performance and to increasing its corporate value over the medium-to-long term.

The system uses a BIP trust (Board Incentive Plan trust) for the purpose of delivering and providing Sojitz shares and cash equivalent to the conversion amount of Sojitz shares ("Sojitz Shares," collectively) as well as dividends on the Sojitz shares to directors, commensurate with factors such as executive rank and achievement level of performance targets. The Company recognizes equity-settled share remuneration expenses based on the share delivery points which the Company anticipates will be granted to directors for each fiscal year.

The Company recorded ¥405 million and ¥400 million (U.S.\$2,500 thousand) in expenses related to this system for the years ended March 31, 2025, and March 31, 2026, respectively.

27 GAIN (LOSS) ON REORGANIZATION OF SUBSIDIARIES/ASSOCIATES

(1) Gain on reorganization of subsidiaries/associates

The amounts of gain on reorganization of subsidiaries/associates recorded for the year ended March 31, 2025, and the year ended March 31, 2026, were ¥17,253 million and ¥41,746 million (U.S. \$260,912 thousand), respectively.

Profit arising from the loss of control over subsidiaries and the like recorded for the year ended March 31, 2025, and the year ended March 31, 2026, were ¥7,172 million and ¥9,971 million (U.S. \$62,318 thousand), respectively. For the year ended March 31, 2026, the gain from the remeasurement of the retained interests in former subsidiaries at fair value on the date of loss of control was ¥3,640 million (U.S. \$22,750 thousand). These amounts for the year ended March 31, 2025 lacked materiality.

(2) Loss on reorganization of subsidiaries/associates

The breakdown of loss on reorganization of subsidiaries/associates was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Loss on sale of subsidiaries/associates and the like ...	(598)	(1,304)	(8,150)
Impairment loss	(1,742)	(11,317)	(70,731)
Loss on allowance for doubtful accounts...	(3)	(2)	(12)
Total	(2,343)	(12,623)	(78,893)

For the year ended March 31, 2026, material losses on reorganization of subsidiaries/associates were as follows. There were no material losses for the year ended March 31, 2025.

Impairment loss on goodwill relating to the wholesale and retail used car business in Australia

For the year ended March 31, 2026, the Group recognized an impairment loss on goodwill relating to the wholesale and retail used car business in Australia, which is included in the Automotive segment. Details are provided in Note 2 BASIS OF PRESENTATION (4) Use of estimates and judgments.

28 EXCHANGE DIFFERENCES

Exchange differences recognized as profit or loss for the years ended March 31, 2025 and March 31, 2026 were loss of ¥4,297 million and loss of ¥2,114 million (U.S.\$13,212 thousand), respectively, and are included in "Other operating expenses" in the Consolidated Statement of Profit or Loss. In addition, each amount includes the profit or loss arising from currency-related derivatives, which were arranged for the purpose of hedging the foreign currency risk.

29 FINANCIAL INCOME AND FINANCIAL COSTS

(1) Interest earned

Interest earned for the years ended March 31, 2025 and March 31, 2026 mainly consisted of interest earned on financial assets measured at amortized cost, such as loans receivable.

(2) Dividends received

Dividends received for the years ended March 31, 2025 and March 31, 2026 mainly consisted of dividends from financial assets measured at FVTOCI.

(3) Interest expenses

Interest expenses for the years ended March 31, 2025 and March 31, 2026 mainly consisted of interest arising from financial liabilities measured at amortized cost, such as bonds and borrowings.

Interest rate-related derivatives are in principle designated as hedging instruments in hedge accounting to fix variable interest rates or convert fixed interest rates to variable interest rates. Accordingly, gains or losses arising from such derivatives are included in "Interest expenses" in the Consolidated Statement of Profit or Loss.

(4) Gain (loss) relating to financial instruments not included in financial income and costs

Net gain or loss arising from change in the fair value of commodity-related derivatives is included in "Sales of goods" in the Consolidated Statement of Profit or Loss, and there was no materiality to these amounts for the years ended March 31, 2025 and March 31, 2026.

Net gain or loss arising from change in the fair value of currency-related derivatives is included in "Other operating income" in the Consolidated Statement of Profit or Loss in the net profit of ¥814 million for the year ended March 31, 2025 and in the net profit of ¥409 million (U.S.\$2,556 thousand) for the year ended March 31, 2026.

30 DEFERRED TAXES AND INCOME TAX EXPENSES

(1) Deferred taxes

1) Breakdown of deferred tax assets and deferred tax liabilities

The components of deferred tax assets and deferred tax liabilities as of March 31, 2025 and March 31, 2026 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Deferred tax assets			
Loss allowance	3,135	9,391	58,693
Unused tax losses carried forward	17,692	13,517	84,481
Other investments	8,355	12,760	79,750
Retirement benefits liabilities	4,851	5,400	33,750
Property, plant and equipment, Intangible assets, Investment property ...	712	477	2,981
Lease liabilities	26,330	20,451	127,818
Others	33,919	48,297	301,856
Total deferred tax assets	94,996	110,297	689,356
Offset with deferred tax liabilities	(85,251)	(97,077)	(606,731)
Total deferred tax assets, net	9,744	13,220	82,625
Deferred tax liabilities			
Property, plant and equipment, Intangible assets, Investment property ...	(34,422)	(31,990)	(199,937)
Other investments	(23,130)	(29,363)	(183,518)
Right-of-use assets	(24,915)	(19,269)	(120,431)
Others	(40,736)	(62,872)	(392,950)
Total deferred tax liabilities	(123,205)	(143,496)	(896,850)
Offset with deferred tax assets	85,251	97,077	606,731
Total deferred tax liabilities, net	(37,954)	(46,419)	(290,118)
Net deferred tax assets	(28,209)	(33,199)	(207,493)

2) Deductible temporary differences, unused tax losses and tax credits, all for which deferred tax assets were not recognized

The breakdown of deductible temporary differences, unused tax losses (by expiry date) and unused tax credits (by expiry date), all for which deferred tax assets were not recognized in the Consolidated Statement of Financial Position was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Deductible temporary differences	187,841	137,563	859,768
Unused tax losses carried forward			
Within one year to the expiry date	2,267	1,167	7,293
Between one and five years to the expiry date	17,171	14,683	91,768
Over five years to the expiry date	32,832	23,112	144,450
Total tax losses carried forward	52,271	38,963	243,518
Unused tax credits carried forward			
Within one year to the expiry date	—	1,317	8,231
Between one and five years to the expiry date	1,470	312	1,950
Over five years to the expiry date	—	790	4,937
Total tax credits carried forward.....	1,470	2,421	15,131

3) Temporary differences associated with investments in subsidiaries and the like for which deferred tax liabilities were not recognized

The total amounts of temporary differences associated with investments in subsidiaries and the like for which deferred tax liabilities were not recognized as of March 31, 2025 and March 31, 2026 were ¥162,149 million and ¥173,070 million (U.S.\$ 1,081,687 thousand), respectively. Because the Group is able to control the timing of the reversal of such temporary differences, and it is probable that such temporary differences will not be reversed within the foreseeable future, the Group did not recognize deferred tax liabilities with respect to such temporary differences.

(2) Income tax expenses

1) Breakdown of income tax expenses

The breakdown of income tax expenses was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Current tax expenses	(19,751)	(21,599)	(134,993)
Deferred tax expenses			
Origination and reversal of temporary differences	(7,229)	(5,210)	(32,562)
Assessment of recoverability of deferred tax assets ...	5,769	18,757	117,231
Change in tax rate	109	69	431
Total deferred tax expenses	(1,350)	13,615	85,093
Total income tax expenses	(21,101)	(7,983)	(49,893)
Income tax concerning other comprehensive income	2,146	(8,357)	(52,231)

The amounts of the benefits arising from previously unrecognized tax losses or temporary differences of a prior period that were used to reduce current tax expenses for the years ended March 31, 2025 and March 31, 2026 were ¥7,572 million and ¥6,917 million (U.S.\$ 43,231 thousand), respectively, and these benefits were included in the current tax expenses.

The income tax arising from the tax laws enacted to implement the Global Anti-Base Erosion Model Rules (Pillar Two) published by the Organization for Economic Co-operation and Development (OECD) is included in "Income tax expenses" in the Consolidated Statement of Profit or Loss for the year ended March 31, 2025 and March 31, 2026, and the amount was immaterial.

2) Reconciliation of applicable tax rate in Japan

Reconciliations between the applicable tax rate in Japan and the Group's average effective tax rate were as follows.

	2025	2026
Applicable tax rate in Japan	30.6%	30.6%
(Reconciliation)		
Effects based on assessment of recoverability of deferred tax assets ...	(4.3)%	(16.2)%
Effects associated with consolidated elimination of dividend income	0.3%	0.8%
Effects from share of profit (loss) of investments accounted for using the equity method	(10.6)%	(11.3)%
Difference in applicable tax rate of foreign subsidiaries	(4.0)%	(4.3)%
Combined income of specified foreign subsidiaries or the like	0.8%	0.4%
Withholding tax in foreign countries	1.3%	2.1%
Others	1.5%	4.8%
Group's average effective tax rate	15.6%	6.9%

The applicable tax rate in Japan for the year ended March 31, 2026 was approximately 30.6% based on Japan's corporate tax, inhabitant tax and business tax.

31 EARNINGS PER SHARE

(1) Basic earnings per share and diluted earnings per share

	Yen		U.S. dollars
	2025	2026	2026
Basic earnings per share	513.74	494.95	3.09
Diluted earnings per share	513.74	494.84	3.09

(2) Basis for calculation of basic earnings per share and diluted earnings per share

[Numerator]

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Profit for the year, attributable to owners of the Company	110,636	103,611	647,568
Profit adjustment amount	—	—	—
Diluted profit for the year, attributable to owners of the Company	110,636	103,611	647,568

[Denominator]

	Thousands of shares	
	2025	2026
Weighted average number of ordinary shares outstanding used in calculating basic earnings per share	215,354	209,337

For the year ended March 31, 2026, dilutive effect of share-based remuneration is 48 thousand shares, and weighted average number of ordinary shares outstanding used in calculating diluted earnings per share is 209,386 thousand shares.

32 OTHER COMPREHENSIVE INCOME

The reclassification adjustment amounts and tax effect amounts for the breakdown of each item of other comprehensive income were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Financial assets measured at FVTOCI			
Amount arising during the year	(4,754)	18,435	115,218
Amount before income tax effect	(4,754)	18,435	115,218
Income tax effect	(1,592)	(5,983)	(37,393)
Financial assets measured at FVTOCI.....	(6,346)	12,452	77,825
Remeasurements of defined benefit pension plans			
Amount arising during the year	580	1,328	8,300
Amount before income tax effect	580	1,328	8,300
Income tax effect	(171)	(411)	(2,568)
Remeasurements of defined benefit pension plans ...	408	917	5,731
Share of other comprehensive income of investments accounted for using the equity method that will not be reclassified to profit or loss.....			
Amount arising during the year	3,636	(10,236)	(63,975)
Amount before income tax effect	3,636	(10,236)	(63,975)
Income tax effect	(1,097)	(3,487)	(21,793)
Share of other comprehensive income of investments accounted for using the equity method	2,538	(13,724)	(85,775)
Exchange translation differences for foreign operations			
Amount arising during the year	(3,830)	56,242	351,512
Reclassification adjustment	828	(6,345)	(39,656)
Amount before income tax effect	(3,001)	49,897	311,856
Income tax effect	1,987	(186)	(1,162)
Exchange translation differences for foreign operations ...	(1,014)	49,710	310,687
Cash flow hedges			
Amount arising during the year	(2,615)	5,463	34,143
Reclassification adjustment	(1,194)	192	1,200
Amount before income tax effect	(3,809)	5,656	35,350
Income tax effect	1,299	(1,671)	(10,443)
Cash flow hedges	(2,510)	3,984	24,900
Share of other comprehensive income of investments accounted for using the equity method that may be reclassified subsequently to profit or loss...			
Amount arising during the year	(678)	26,836	167,725
Reclassification adjustment	(145)	5,379	33,618
Amount before income tax effect	(824)	32,215	201,343
Income tax effect	(6)	36	225
Share of other comprehensive income of investments accounted for using the equity method	(831)	32,252	201,575
Total other comprehensive income for the year	(7,756)	85,592	534,950

33 CASH FLOW INFORMATION

(1) Scop of cash and cash equivalents

"Cash and cash equivalents" in the Consolidated Statement of Cash Flows reconcile to "Cash and cash equivalents" in the Consolidated Statement of Financial Position.

(2) Net proceeds from (payments for) acquisition of subsidiaries

The relationship between payments for acquisition and net proceeds at the time of obtaining control of subsidiaries or other businesses and the breakdown of assets acquired and liabilities assumed are as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Cash and cash equivalents paid as consideration for obtaining control.....	(46,531)	(69,774)	(436,087)
Cash and cash equivalents of subsidiaries or other businesses at the time of obtaining control.....	5,410	14,413	90,081
Net proceeds from (payments for) acquisition of subsidiaries	(41,121)	(55,361)	(346,006)
Assets acquired and liabilities assumed (excluding cash and cash equivalents) of subsidiaries or other businesses at the time of obtaining control			
Current assets	34,106	71,694	448,087
Non-current assets	17,447	58,043	362,768
Current liabilities	35,502	61,864	386,650
Non-current liabilities	5,058	18,956	118,475

(3) Net proceeds from (payments for) sale of subsidiaries

The relationship between proceeds from sale and net proceeds at the time of losing control of subsidiaries or other businesses and the breakdown of disposed assets and transferred liabilities are as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Cash and cash equivalents received as consideration for loss of control	10,019	10,184	63,650
Cash and cash equivalents of subsidiaries or other businesses at the time of losing control	(5,221)	(1,834)	(11,462)
Net proceeds from (payments for) sale of subsidiaries	4,797	8,350	52,187
Assets disposed and liabilities transferred (excluding cash and cash equivalents) of subsidiaries or other businesses at the time of losing control			
Current assets	17,122	3,222	20,137
Non-current assets	1,529	39,568	247,300
Current liabilities	8,036	2,072	12,950
Non-current liabilities	3,607	34,046	212,787

(4) Net cash provided (used) by/in operating activities

"Others" under cash flows from operating activities for the years ended March 31, 2025, and 2026, include, respectively, ¥(17,253) million and ¥(41,746) million (U.S.\$(260,912) thousand) in "Gain on reorganization of subsidiaries/associates", and ¥2,343 million and ¥12,623 million (U.S.\$78,893 thousand) in "Loss on reorganization of subsidiaries/associates" recorded on the consolidated statement of profit or loss.

(5) Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities were as follows:

	Millions of yen			
	Bonds	Borrowings	Commercial paper	Lease liabilities
Balance as of April 1, 2024	61,924	844,780	—	105,090
Changes arising from Cash flows	(8,870)	122,483	65,000	(16,833)
Changes in the scope of consolidation	—	9,274	—	4,711
Exchange translation differences for foreign operations	(48)	(6,915)	—	(707)
New leases	—	—	—	13,215
Others	30	(1,184)	—	(2,897)
Non-cash changes	(17)	1,174	—	14,322
Balance as of March 31, 2025	53,035	968,437	65,000	102,578

	Millions of yen			
	Bonds	Borrowings	Commercial paper	Lease liabilities
Balance as of April 1, 2025	53,035	968,437	65,000	102,578
Changes arising from Cash flows	11,605	162,341	5,000	(18,043)
Changes in the scope of consolidation	—	11,795	6,549	3,706
Exchange translation differences for foreign operations	315	13,610	292	4,309
New leases	—	—	—	19,405
Others	34	(2,400)	—	(6,248)
Non-cash changes	350	23,005	6,841	21,171
Balance as of March 31, 2026	64,991	1,153,784	76,841	105,706

	Thousands of U.S. dollars			
	Bonds	Borrowings	Commercial paper	Lease liabilities
Balance as of April 1, 2025	331,468	6,052,731	406,250	641,112
Changes arising from Cash flows	72,531	1,014,631	31,250	(112,768)
Changes in the scope of consolidation	—	73,718	40,931	23,162
Exchange translation differences for foreign operations	1,968	85,062	1,825	26,931
New leases	—	—	—	121,281
Others	212	(15,000)	—	(39,050)
Non-cash changes	2,187	143,781	42,756	132,318
Balance as of March 31, 2026	406,193	7,211,150	480,256	660,662

34 FINANCIAL INSTRUMENTS

(1) Classes of financial instruments

The breakdown of financial instruments per class was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Financial assets			
Financial assets measured at amortized cost			
Cash and cash equivalents/time deposits	199,182	256,050	1,600,312
Trade and other receivables	726,920	868,199	5,426,243
Other investments	811	828	5,175
Total financial assets measured at amortized cost ..	926,914	1,125,077	7,031,731
Financial assets measured at FVTPL			
Other investments	11,772	33,614	210,087
Derivative financial assets	4,379	11,683	73,018
Total financial assets measured at FVTPL	16,151	45,297	283,106
Financial assets measured at FVTOCI			
Other investments	122,054	162,154	1,013,462
Total financial assets measured at FVTOCI	122,054	162,154	1,013,462
Total financial assets	1,065,120	1,332,529	8,328,306
Financial liabilities			
Financial liabilities measured at amortized cost			
Trade and other payables	609,153	794,360	4,964,750
Bonds and borrowings	1,064,742	1,276,955	7,980,968
Total financial liabilities measured at amortized cost	1,673,895	2,071,316	12,945,725
Financial liabilities measured at FVTPL			
Derivative financial liabilities	6,265	13,424	83,900
Total financial liabilities measured at FVTPL	6,265	13,424	83,900
Total financial liabilities	1,680,161	2,084,740	13,029,625

(2) Derivatives

The breakdown by class of net amount of derivative financial assets and liabilities as of March 31, 2025 and March 31, 2026 was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Currency-related derivatives	(1,972)	1,473	9,206
Interest rate-related derivatives	(1,008)	(2,712)	(16,950)
Commodity-related derivatives	1,094	(501)	(3,131)
Total	(1,886)	(1,741)	(10,881)

1) Currency-related

Type	Millions of yen				Thousands of U.S. dollars	
	2025		2026		2026	
	Amount of contracts	Fair value	Amount of contracts	Fair value	Amount of contracts	Fair value
Forward exchange transactions						
Selling in U.S. dollars/buying in Japanese yen	65,820	603	117,075	(2,588)	731,718	(16,175)
Selling in Japanese yen/buying in U.S. dollars	62,040	19	224,812	3,685	1,405,075	23,031
Others	169,717	(2,596)	150,710	376	941,937	2,350
Total forward exchange transactions	297,578	(1,972)	492,597	1,473	3,078,731	9,206
Total currency-related derivatives	—	(1,972)	—	1,473	—	9,206
Currency-related derivatives not designated as hedges ..	—	717	—	420	—	2,625
Currency-related derivatives designated as hedges ..	—	(2,689)	—	1,052	—	6,575
Total	—	(1,972)	—	1,473	—	9,206

2) Interest rate-related

Type	Millions of yen				Thousands of U.S. dollars	
	2025		2026		2026	
	Amount of contracts	Fair value	Amount of contracts	Fair value	Amount of contracts	Fair value
Interest rate swap transactions						
Floating rate received/fixed rate paid	119,824	208	122,893	941	768,081	5,881
Fixed rate received/floating rate paid	30,000	(1,216)	37,000	(3,654)	231,250	(22,837)
Total interest rate-related derivatives	—	(1,008)	—	(2,712)	—	(16,950)
Interest rate-related derivatives not designated as hedges ...	—	66	—	59	—	368
Interest rate-related derivatives designated as hedges ...	—	(1,075)	—	(2,772)	—	(17,325)
Total	—	(1,008)	—	(2,712)	—	(16,950)

3) Commodity-related

Type	Millions of yen				Thousands of U.S. dollars	
	2025		2026		2026	
	Amount of contracts	Fair value	Amount of contracts	Fair value	Amount of contracts	Fair value
Commodity futures transactions..						
Metals						
Selling	5,489	63	8,505	209	53,156	1,306
Buying	8,825	139	1,984	14	12,400	87
Foods						
Selling	819	(222)	539	(147)	3,368	(918)
Buying	13	0	264	(1)	1,650	(6)
Electricity						
Selling	—	—	5,442	1,297	34,012	8,106
Buying	2,326	(76)	35,903	(1,662)	224,393	(10,387)
Total selling	6,309	(158)	14,486	1,360	90,537	8,500
Total buying	11,165	62	38,152	(1,649)	238,450	(10,306)
Commodity forwards transactions..						
Metals						
Selling	13,846	(97)	6,633	(237)	41,456	(1,481)
Buying	39,766	1,288	30,287	24	189,293	150
Total commodity-related derivatives.	—	1,094	—	(501)	—	(3,131)
Commodity-related derivatives not designated as hedges.....	—	966	—	(320)	—	(2,000)
Commodity-related derivatives designated as hedges.....	—	128	—	(181)	—	(1,131)
Total	—	1,094	—	(501)	—	(3,131)

(3) Offset of financial instruments

As of March 31, 2025 and March 31, 2026, financial assets and financial liabilities recognized with the same counterparties that are subject to an enforceable master netting arrangement or similar agreements mainly consisted of derivatives. The right of set-off for financial instruments that are not offset in the Consolidated Statement of Financial Position becomes enforceable only in specific circumstances, such as when a counterparty is unable to fulfill its obligations due to insolvency. Accordingly, they are not offset in the Consolidated Statement of Financial Position.

For derivatives, the breakdown of financial instruments not offset because they do not meet some or all of the offsetting criteria for financial assets and financial liabilities is as follows.

As of March 31, 2025 and March 31, 2026, the amount of derivative financial assets and derivative financial liabilities offset in the Consolidated Statement of Financial Position was not material

	Millions of yen				Thousands of U.S. dollars	
	2025		2026		2026	
	Derivative financial assets	Derivative financial liabilities	Derivative financial assets	Derivative financial liabilities	Derivative financial assets	Derivative financial liabilities
Net amounts presented in the Consolidated Statement of Financial Position	4,379	6,265	11,683	13,424	73,018	83,900
Offset amount for financial instruments not offset in the Consolidated Statement of Financial Position	(2,396)	(2,396)	(4,691)	(4,691)	(29,318)	(29,318)
Net amounts of financial instruments after deducting	1,983	3,869	6,991	8,733	43,693	54,581

(4) Transfer of financial assets

The Group liquidates certain trade receivables by discounting notes or the like. With respect to some liquidated receivables, the Group may be obligated to make payments as recourse for non-payment by the debtor. The Group continues to recognize such liquidated receivables as they do not meet the criteria for derecognition of financial assets.

The Group recognized such liquidated assets as "Trade and other receivables," and the liabilities relating to the deposit amounts which arose upon the transfer of such assets as "Bonds and borrowings" in the amounts of ¥21,730 million and ¥18,661 million (U.S.\$116,631 thousand) as of March 31, 2025 and March 31, 2026, respectively. Regarding liquidated assets, interest expenses for the period through the initial settlement date arise as the difference between the measurements of liquidated assets and corresponding liabilities. However, as the initial settlement date generally occurs within a short period, any differences between the carrying amounts of the transferred assets and the related liabilities are not material.

Such liabilities are settled when payments for such liquidated assets are made, and the Group may not use such liquidated assets until such settlement occurs.

35 RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

Content of, and policies for managing, risks on financial instruments across the Group are as follows.

(1) Credit risk management

1) Content of, and policies for managing, credit risk

The Group assumes credit risk by extending credit to many domestic and foreign customers through a variety of commercial transactions. The Group mitigates such credit risk by objectively assigning credit ratings to the customers to which it extends credit based on the Company's credit rating system. The Group also controls credit risk by setting rating-based credit limits on a customer-by-customer basis and enforcing the credit limits thus set. The Group employs other safeguards (e.g., collaterals and guarantees) as warranted by the customer's creditworthiness. Additionally, the Group has a system for assessing receivables, in which customers are extracted based on certain criteria, then assessed for their creditworthiness. With respect to such selected customers, the Group also checks for existence of any receivables, protection measures or the like. Through the above, the Group endeavors to more rigorously ascertain credit risk and calculate the allowance for doubtful accounts for each account receivable. Please note that the Group does not carry any excessive credit risk with respect to any specified customer.

In regards to derivative transactions, the Group only deals with financial institutions with high credit ratings, as assigned by internationally-acknowledged rating agencies, so as to minimize the credit risks. The Group endeavors to minimize credit risks based on non-performance by counterparties in such derivative transactions.

2) Maximum exposure to credit risk

Other than guaranteed obligations, the Group's maximum exposure with respect to credit risks without taking into account any collaterals held or other credit enhancements is the carrying amount of financial instruments less impairment losses under the Consolidated Statement of Financial Position. Maximum exposure to credit risk associated with guaranteed obligations is as described in Note 39 CONTINGENT LIABILITIES.

(2) Liquidity risk management

1) Content of, and policies for managing, liquidity risk

The Group raises funds through borrowings from financial institutions or issuance of bonds. Accordingly, in the event of a disruption to financial markets or a significant downgrade to the Group's credit rating by one or more rating agencies, the Group's ability to raise funds may become more restricted, and consequently the Group may not be able to make payments on debt by the due date. To provide additional financial flexibility and liquidity, the Group maintains long-term Commitment Lines of ¥100 billion (not used) and U.S.\$2.475 billion (U.S.\$1.648 billion used). The Group maintains good relationships with financial institutions, including the counterparties to these commitment line agreements.

2) Breakdown of financial liabilities by maturity

The maturity analysis of non-derivative financial liabilities and derivatives as of March 31, 2025 and March 31, 2026 is as follows.

2025

	Millions of yen			Total
	Within one year to due date	Between one and five years to due date	Over five years to due date	
Trade and other payables	596,438	6,280	6,433	609,153
Bonds and borrowings	232,763	561,283	335,217	1,129,264
Interest rate-related derivatives...	130	(295)	(901)	(1,066)
Total	829,333	567,268	340,749	1,737,351

2026

	Millions of yen			Total
	Within one year to due date	Between one and five years to due date	Over five years to due date	
Trade and other payables	743,128	42,792	8,439	794,360
Bonds and borrowings	364,358	649,660	332,908	1,346,927
Interest rate-related derivatives...	(19)	(1,351)	(1,716)	(3,087)
Total	1,107,467	691,101	339,632	2,138,200

2026

	Thousands of U.S. dollars			Total
	Within one year to due date	Between one and five years to due date	Over five years to due date	
Trade and other payables	4,644,550	267,450	52,743	4,964,750
Bonds and borrowings	2,277,237	4,060,375	2,080,675	8,418,293
Interest rate-related derivatives...	(118)	(8,443)	(10,725)	(19,293)
Total	6,921,668	4,319,381	2,122,700	13,363,750

The table above does not include lease liabilities, derivatives other than interest rate-related derivatives, and financial guarantee contracts. For the maturity analysis of lease liabilities and financial guarantee contracts, please refer to Note 11 LEASES and Note 39 CONTINGENT LIABILITIES, respectively.

Derivatives other than interest rate-related derivatives are mainly contracts maturing within one year. There was no materiality to the balances related to foreign exchange-related and commodity-related derivatives classified in the non-current category as of March 31, 2025 and March 31, 2026. For the balances of derivative assets and liabilities by type, please refer to Note 34 FINANCIAL INSTRUMENTS.

(3) Exchange rate fluctuation risk

1) Content of, and policy for managing, exchange rate fluctuation risk

The Group engages in import and export transactions and offshore transactions, both denominated in foreign currencies, as its principal business activity. Whereas the revenues and expenditures associated with such transactions are mainly received/paid out in foreign currencies, the Group's consolidated reporting currency is Japanese yen. The Group is, therefore, exposed to the risk of fluctuations in the yen's value against foreign currencies. To prevent or limit losses stemming from such risk, the Group hedges its foreign currency exposure through forward exchange transactions or the like.

2) Sensitivity analysis of exchange rate fluctuation risk

At the end of the year ended March 31, 2025, and the year ended March 31, 2026, the estimated impact on profit before income taxes and other comprehensive income (before tax effect adjustments), assuming a 1% appreciation of the Japanese yen against the U.S. dollar with respect to financial instruments held by the Group, is as follows. Such analysis is based on the assumption that other factors remain constant.

In addition, such analysis does not include the affected amounts based on translations (into Japanese yen) of financial instruments denominated in functional currency, income and expenses denominated in foreign currency and assets and liabilities of foreign operations.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Profit before tax	363	(118)	(737)
Other comprehensive income	276	(303)	(1,893)

(4) Interest rate fluctuation risk

1) Content of, and policy for managing, exchange rate fluctuation risk

The Group raises funds by borrowing from financial institutions and issuing bonds to acquire fixed assets, invest in securities, and extend credit (e.g., through trade receivables). Asset and liability items are categorized based on whether or not they are sensitive to interest rate changes, with the difference between the value of sensitive assets and sensitive liabilities used to determine an interest rate mismatch value. Based on this amount, the ratios of funds procured from fixed-rate sources and variable-rate sources are adjusted to better manage interest rate fluctuation risks.

2) Sensitivity analysis of interest rate fluctuation risk

In regards to financial instruments held by the Group as of March 31, 2025 and March 31, 2026, the estimated impact on profit before tax in the case that the interest rate increases by 1% was ¥(703) million and ¥(3,134) million (U.S.\$(19,587)thousand), respectively. Such analysis is based on the assumption that other factors remain constant.

Under such analysis, the amount affecting profit before tax is calculated by multiplying the net balance of the financial instruments affected by the interest rate fluctuation at the fiscal year-end by 1%. Please note that other than financial instruments with floating rates (considering fixing and floating interest rates through interest rate swaps), the Group deals with, among others, the following financial instruments that are also affected by interest rate fluctuations: cash and cash equivalents; trade notes and accounts receivable; and, trade notes and accounts payable.

(5) Commodity price fluctuation risk

1) Content of, and policies for managing, commodity price fluctuation risk

As a general trading company, the Group deals in a wide range of commodities through its various businesses. As such, the Group is exposed to commodity price risk due to price fluctuations or the like. For market-traded commodities, the Group manages exposures and controls losses by setting (long and short) position limits and maximum loss amounts (MLA) for each of its organizational units. The Group also prescribes and enforces stop-loss rules (i.e., an internal organizational unit must promptly liquidate losing positions within the range of MLA if unit losses, including valuation losses, exceed 90% of MLA). The positions of each product are monitored, and measures are implemented to control levels as appropriate based on division-specific analyses of movements.

2) Sensitivity analysis of commodity price fluctuation risk

As of March 31, 2025 and March 31, 2026, the estimated impact on profit before tax, assuming a 1% decline in the commodity prices of metal-related derivatives held by the Group was ¥(306)million and ¥(171) million (U.S.\$(1,068) thousand), respectively. Such analysis is based on the assumption that other factors remain constant. The amounts affecting profit before tax due to other commodity price fluctuations are not material.

(6) Stock price fluctuation risk

1) Content of, and policies for managing, stock price fluctuation risk

The Group has held marketable securities and is exposed to the risk of market price fluctuations. In regards to listed shares held by the Group, the Group quantitatively verifies whether the dividends received and related earnings exceed the cost of capital (WACC). Additionally, the Group scrutinizes the qualitative aspects to determine if they contribute to the enhancement of our corporate value and intends to continue to confirm the holding purpose for all holdings for listed shares.

2) Sensitivity analysis of stock price fluctuation risk

As of March 31, 2025 and March 31, 2026, the estimated impact on other comprehensive income (before tax effect adjustments), assuming a 1% decline in the market value of listed stocks held by the Group was ¥(650) million and ¥(972) million (U.S.\$(6,075) thousand), respectively. Such analysis is based on the assumption that other factors remain constant.

36 FAIR VALUES OF FINANCIAL INSTRUMENTS

(1) Financial assets and liabilities measured at amortized cost

The carrying amount and fair value of financial assets measured at amortized cost are as follows.

From the current fiscal year, the presentation method has been partially changed based on materiality.

(a) Trade notes and accounts receivables

The carrying amount of trade notes and accounts receivables for the years ended March 31, 2025 and March 31, 2026, were ¥579,592 million and ¥688,576 million (U.S.\$4,303,600 thousand). As most of these are expected to be settled within one year from the end of the reporting period, their fair value approximates the carrying amount.

(b) Trade notes and accounts payables

The carrying amount of trade notes and accounts payables for the years ended March 31, 2025 and March 31, 2026, were ¥481,066 million and ¥614,843 million (U.S.\$3,842,768 thousand). As most of these are expected to be settled within one year from the end of the reporting period, their fair value approximates their carrying amount.

(c) Bonds and borrowings

The carrying amount of bonds and borrowings for the years ended March 31, 2025 and March 31, 2026, were ¥906,950 million and ¥1,047,302 million (U.S.\$6,545,637 thousand) and the fair value were ¥872,360 million and ¥997,081 million (U.S.\$6,231,756 thousand). Bonds and borrowings with original maturities of one year or less are excluded from the above carrying amounts and fair values, as their fair value approximates their carrying amounts.

The fair value of bonds and borrowings is measured as the present value of total principal and interest, discounted using an assumed interest rate for equivalent new borrowings. The main inputs used in these measurements are observable inputs such as market prices and interest rates; accordingly, these fair values are classified as Level 2 in the fair value hierarchy.

(d) Written put options and forward contracts with non-controlling shareholders

The carrying amount of liabilities related to written put options and forward contracts with non-controlling shareholders for the years ended March 31, 2025 and March 31, 2026, were ¥5,584 million and ¥29,961 million (U.S.\$187,256 thousand), as their fair value approximates their carrying amounts.

(2) Financial assets and liabilities measured at fair value

1) Analysis of fair value by hierarchy level

(a) Other investments

The fair values of listed stocks are measured using quoted marked prices in an active market; therefore, they are categorized into fair value hierarchy Level 1.

The fair values of unlisted stocks were calculated using the discounted future cash flow method, price comparison method based on the prices of similar companies, net asset value method and other valuation methods. Measuring the fair value of unlisted stocks involves the use of unobservable inputs such as discount rates and valuation multiples, as well as any necessary adjustments including discounts for a lack of liquidity or a non-controlling interest, so they are categorized into fair value hierarchy Level 3. The Group's corporate departments determine the policies and procedures for measuring the fair value of unlisted stocks, and validate their approach to measuring fair value by periodically looking into matters such as the operating circumstances, the availability of relevant business plans, and the selection of comparable public companies.

(b) Derivative financial assets and liabilities

Currency-related derivatives are composed of foreign exchange transactions, spot/forward transactions, currency option transactions and currency swap transactions. Their fair values are calculated based on the observable input of the forward exchange rate as of the fiscal year-end, and are thus categorized into fair value hierarchy Level 2.

Interest rate-related derivatives are mainly composed of interest rate swaps. Their fair values are calculated based on the observable input of present values of future cash flows discounted by the interest rate, which take into account the period to maturity and the credit risk, and are thus categorized into fair value hierarchy Level 2.

Commodity-related derivatives are composed of commodity futures transactions, commodity forward transactions, commodity option transactions, commodity swaps, and power-related derivatives. Of these, the fair values of commodity futures transactions are measured using quoted market prices in an active market; therefore, they are categorized into fair value hierarchy Level 1. The fair values of commodity forward transactions, commodity option transactions and commodity swaps are calculated based on the observable input of index prices publicly announced at the fiscal year-end, and are thus categorized into fair value hierarchy Level 2. The fair values of power-related derivatives are calculated based on the unobservable input of discounted present value of future cash flows reflecting the forecasts of power generation volumes and prices, and are thus categorized into fair value hierarchy Level 3.

2) Analysis of fair value by hierarchy level

The breakdown of financial assets and financial liabilities measured at fair value on a recurring basis as of March 31, 2025 and March 31, 2026 were as follows.

2025

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial Assets				
Other investments				
Financial assets measured at FVTPL ...	—	449	11,322	11,772
Financial assets measured at FVTOCI..	65,086	—	56,968	122,054
Derivative financial assets	324	4,054	—	4,379
Total	65,410	4,504	68,290	138,205
Financial Liabilities				
Derivative financial liabilities	(343)	(5,845)	(76)	(6,265)
Total	(343)	(5,845)	(76)	(6,265)

2026

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial Assets				
Other investments				
Financial assets measured at FVTPL ...	—	480	33,133	33,614
Financial assets measured at FVTOCI..	97,221	—	64,932	162,154
Derivative financial assets	336	7,669	3,676	11,683
Total	97,558	8,150	101,742	207,451
Financial Liabilities				
Derivative financial liabilities	(261)	(9,121)	(4,041)	(13,424)
Total	(261)	(9,121)	(4,041)	(13,424)

2026

	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial Assets				
Other investments				
Financial assets measured at FVTPL ...	—	3,000	207,081	210,087
Financial assets measured at FVTOCI..	607,631	—	405,825	1,013,462
Derivative financial assets	2,100	47,931	22,975	73,018
Total	609,737	50,937	635,887	1,296,568
Financial Liabilities				
Derivative financial liabilities	(1,631)	(57,006)	(25,256)	(83,900)
Total	(1,631)	(57,006)	(25,256)	(83,900)

3) Recurring fair value measurements categorized within fair value hierarchy Level 3

The increases/decreases in financial assets and liabilities that are measured at fair value on a recurring basis and are categorized within fair value hierarchy Level 3 were as follows.

	Millions of yen						Thousands of U.S. dollars		
	2025			2026			2026		
	Other investments			Other investments			Other investments		
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Total	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Total	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Total
Balance at beginning of year	9,007	49,014	58,021	11,322	56,968	68,290	70,762	356,050	426,812
Total gains or losses									
Profit or loss	(111)	—	(111)	2,477	—	2,477	15,481	—	15,481
Other comprehensive income	—	999	999	—	(52)	(52)	—	(325)	(325)
Purchases	2,560	8,212	10,773	12,595	4,163	16,759	78,718	26,018	104,743
Disposals and settlements	(21)	(683)	(704)	(4,494)	(1,451)	(5,946)	(28,087)	(9,068)	(37,162)
Others	(113)	(575)	(688)	11,233	5,303	16,537	70,206	33,143	103,356
Balance at end of year ..	11,322	56,968	68,290	33,133	64,932	98,066	207,081	405,825	612,912

Gains or losses recognized as profit or loss are included in "Other financial income" in the Consolidated Statement of Profit or Loss and mainly relate to financial instruments held as of the end of the fiscal year. There were no material amounts recognized in profit or loss related to financial instruments derecognized for the year ended March 31, 2025 and March 31, 2026.

Gains or losses recognized in other comprehensive income are included in "Financial assets measured at FVTOCI" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Of financial instruments measured recurrently with fair value at the end of the fiscal year, in addition to those categorized as Level 3 above, derivative financial assets and derivative financial liabilities are included. Derivative financial assets as of March 31, 2026 were ¥3,676 million (U.S.\$22,975 thousand), and derivative financial liabilities increased from ¥76 million as of March 31, 2025 to ¥4,041 million (U.S.\$25,256 thousand) as of March 31, 2026, mainly due to acquisitions through business combinations.

In addition, changes in other financial assets measured at FVTPL and FVTOCI classified as "Others" for the year ended March 31, 2026 include reclassification resulting from changes in the consolidation classification of entities subject to the equity method.

37 HEDGE ACCOUNTING

(1) Outline of hedge accounting

The Group enters into derivative transactions for the purpose of reducing market risk and manages its risk exposures. Risk management policies for each type of risk exposure are described in Note 35 RISK MANAGEMENT OF FINANCIAL INSTRUMENTS.

1) Hedge designation

The Group primarily uses derivative transactions such as forward exchange contracts, interest rate swaps, commodity futures and forward contracts. In applying hedge accounting, the Group also designates foreign currency-denominated borrowings as hedging instruments.

The application of hedge accounting using these hedging instruments is based on the Group's risk management strategies. At the inception of each hedging relationship, the Group formally designates and documents the risk management objective and the hedging relationship. The Group assesses whether the hedging relationships are effective both at inception and on an ongoing basis throughout the period for which the hedging relationship is designated. This assessment includes qualitative assessments of whether the critical terms of the hedged item and hedging instrument are aligned, and quantitative assessments of whether changes in the value of the hedged item and hedging instrument offset each other.

The Group sets an appropriate hedge ratio at the inception of the hedging relationship and, in principle, designates a one-to-one hedge ratio. If a hedging relationship ceases to be effective but the risk management objective remains unchanged, the Group adjusts the hedge ratio to restore effectiveness.

When designating specific risk components as hedged items in accordance with its risk management strategy, the Group designates components that are separately identifiable and reliably measurable in terms of changes in cash flows or fair value attributable to the designated risk.

2) Hedge ineffectiveness and components of derivatives excluded from hedging instruments

Hedge ineffectiveness may arise in the application of hedge accounting due to partial mismatches in the economic relationship between the hedging instrument and the hedged item, including the impact of credit risk. The time value of options, forward elements of forward contracts, and foreign currency basis spreads included in hedging instruments may be excluded from the designation of hedging instruments. The Group excludes these components in order to improve the economic relationship.

For the years ended March 31, 2025 and March 31, 2026, the impact of such ineffectiveness and the amounts of components of derivatives excluded from hedging instruments were not material.

In addition, for cash flow hedges, amounts reclassified from other components of equity to profit or loss due to the non-occurrence of forecast transactions were not material.

(2) Carrying amount and notional amount of hedging instruments by the type of hedge accounting applied

1) Carrying amount of hedging instruments

The carrying amount of hedging instruments by the type of hedge accounting was as follows.

Hedging instruments	Millions of yen				Thousands of U.S. dollars	
	2025		2026		2026	
	Assets	Liabilities (-)	Assets	Liabilities (-)	Assets	Liabilities (-)
Fair value hedges						
Currency-related derivatives	7	—	—	(7)	—	(43)
Interest rate-related derivatives	0	(1,216)	—	(3,654)	—	(22,837)
Commodity-related derivatives	260	(55)	249	(26)	1,556	(162)
Total fair value hedges	268	(1,271)	249	(3,689)	1,556	(23,056)
Cash flow hedges						
Currency-related derivatives	162	(2,842)	1,482	(393)	9,262	(2,456)
Interest rate-related derivatives	294	(152)	899	(16)	5,618	(100)
Commodity-related derivatives	106	(183)	3,446	(3,850)	21,537	(24,062)
Total cash flow hedges	562	(3,177)	5,827	(4,260)	36,418	(26,625)
Hedges of net investments in foreign operations	—	(17)	—	(28)	—	(175)
Total	830	(4,467)	6,076	(7,978)	37,975	(49,862)

The above derivative contracts were recognized in the Consolidated Statement of Financial Position as "Derivative financial assets" and "Derivative financial liabilities." In addition to the above, foreign currency-denominated borrowings designated as hedging instruments for cash flow hedges and hedges of net investments in foreign operations amounted to ¥40,415 million and ¥31,700 million (U.S.\$198,125 thousand) as of March 31, 2025 and March 31, 2026, respectively, and are recognized in the Consolidated Statement of Financial Position as "Bonds and Borrowings."

2) Notional amount of hedging instruments

Notional amount and average price of material hedging instruments as of March 31, 2025 and March 31, 2026 were as follows.

2025

Hedge type	Hedging instruments	Notional amount and average price		
Cash flow hedges	Selling in U.S. dollars /buying in Japanese yen forward exchange transactions	Notional amount	30	Millions of U.S. dollars
		Average price	149.52	JPY/USD
	Selling in Japanese yen /buying in U.S. dollars forward exchange transactions	Notional amount	97	Millions of U.S. dollars
		Average price	149.53	JPY/USD
	Floating rate received/fixed rate paid for interest rate swaps	Notional amount	119,125	Millions of yen
	Fixed rate received/floating rate paid for interest rate swaps	Notional amount	30,000	Millions of yen

2026

Hedge type	Hedging instruments	Notional amount and average price		
Cash flow hedges	Selling in U.S. dollars /buying in Japanese yen forward exchange transactions	Notional amount	33	Millions of U.S. dollars
		Average price	159.92	JPY/USD
	Selling in Japanese yen /buying in U.S. dollars forward exchange transactions	Notional amount	229	Millions of U.S. dollars
		Average price	159.86	JPY/USD
	Floating rate received/fixed rate paid for interest rate swaps	Notional amount	122,202	Millions of yen
	Fixed rate received/floating rate paid for interest rate swaps	Notional amount	37,000	Millions of yen

Forward exchange contracts denominated in U.S. dollars designated as hedging instruments mainly consist of those with short-term maturities. The impact on future cash flows of net notional amounts of such contracts maturing after one year was not material as of March 31, 2025 and March 31, 2026. The notional amounts by maturity of interest rate swap contracts designated as hedging instruments were as follows.

	Millions of yen			
	Within one year to due date	Between one and five years to due date	Over five years to due date	Total
March 31, 2025	6,982	101,144	40,998	149,125
March 31, 2026	108,127	—	51,075	159,202

	Thousands of U.S. dollars			
	Within one year to due date	Between one and five years to due date	Over five years to due date	Total
March 31, 2026	675,793	—	319,218	995,012

(3) Fair value hedges

The carrying amounts of, and cumulative adjustments to, hedged items covered by interest rate-related fair value hedges as of March 31, 2025 and March 31, 2026 were as follows.

The carrying amounts of, and cumulative adjustments to, hedged items covered by currency-related and commodity-related fair value hedges as of March 31, 2025 and March 31, 2026 were not material.

		Millions of yen		Thousands of U.S. dollars
		March 31, 2025	March 31, 2026	March 31, 2026
Carrying amounts	Liabilities (-)	(28,767)	(33,301)	(208,131)
Cumulative adjustment to fair value hedges	Liabilities (-)	1,232	3,698	23,112

Adjustment to these interest rate-related fair value hedges is mainly included in "Bonds and borrowings (non-current)" in the Consolidated Statement of Financial Position.

(4) Cash flow hedges and hedges of net investments in foreign operations

As of March 31, 2025 and March 31, 2026, the movements in other components of equity related to cash flow hedges and hedges of net investments in foreign operations were as follows.

Millions of yen				
	Cash flow hedges			Hedges of net investments in foreign operations
	Currency-related	Interest rate-related	Commodity-related	
Balance as of April 1, 2024	4,170	9,083	(1,284)	(20,312)
Amount occurring this reporting period	(1,166)	(407)	81	617
Reclassification adjustment	(1,354)	486	(42)	35
Tax effect	951	(42)	(40)	(7)
Balance at end of March 31, 2025	2,601	9,119	(1,286)	(19,667)
Amount occurring this reporting period	7,899	44	(2,023)	(3,442)
Reclassification adjustment	(261)	165	2,117	2,754
Tax effect	(1,817)	(124)	285	966
Balance at end of March 31, 2026	8,422	9,204	(907)	(19,389)

Thousands of U.S. dollars				
	Cash flow hedges			Hedges of net investments in foreign operations
	Currency-related	Interest rate-related	Commodity-related	
Balance at end of March 31, 2025	16,256	56,993	(8,037)	(122,918)
Amount occurring this reporting period	49,368	275	(12,643)	(21,512)
Reclassification adjustment	(1,631)	1,031	13,231	17,212
Tax effect	(11,356)	(775)	1,781	6,037
Balance at end of March 31, 2026	52,637	57,525	(5,668)	(121,181)

As of March 31, 2025 and March 31, 2026, the amounts of other components of equity relating to cash flow hedges arising from hedge relationships for which hedge accounting has been discontinued were not material. Regarding reclassification adjustments recognized in the Consolidated Statement of Profit or Loss relating to cash flow hedges, currency-related items are included in "Revenue," "Cost of sales," and "Other income," interest rate-related items are included in "Interest expense," and commodity-related items are included in "Revenue" and "Cost of sales."

As of March 31, 2025 and March 31, 2026, the amounts of other components of equity relating to discontinued hedge accounting for hedges of net investments in foreign operations were ¥(16,029) million and ¥(14,762) million (U.S. \$(92,262) thousand), respectively.

38 PLEDGED ASSETS

The breakdown of assets pledged to secure debts and pledged in lieu of transaction guarantee or the like was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Assets pledged as security			
Inventories	25,618	18,372	114,825
Property, plant and equipment	36,264	45,550	284,687
Investments accounted for using the equity method.....	63,621	56,748	354,675
Others	15,118	11,678	72,987
Total	140,623	132,350	827,187

With respect to assets pledged to secure debts and pledged in lieu of transaction guarantee other than those listed above, there are subsidiaries' stocks, which were eliminated in the Consolidated Financial Statements.

Trust receipts issued under customary import financing arrangements give banks a security interest in the goods imported or sales proceeds resulting from the sales of such goods. Due to the large volume of transactions, it is impracticable to determine the aggregate amounts of assets covered by outstanding trust receipts and those transactions were not included in the above amounts.

The breakdown of liabilities corresponding to assets pledged to secure debts was as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Corresponding liabilities			
Trade and other payables	10,600	15,516	96,975
Bonds and borrowings	28,416	33,229	207,681
Total	39,017	48,746	304,662

39 CONTINGENT LIABILITIES

The Group provides guarantee of borrowings by entities subject to equity method from financial institutions and is obligated to perform the guarantee in the case of default by a guaranteed party.

The balances of liabilities guarantees, etc. as of March 31, 2025 and March 31, 2026 were ¥48,726 million and ¥73,167 million (U.S.\$457,293 thousand), respectively.

40 SIGNIFICANT SUBSIDIARIES

The Company's significant subsidiaries are as set forth under "1. Overview of Sojitz and Its Subsidiaries 4 Affiliated Companies (1) Major Subsidiaries."

41 RELATED PARTIES

(1) Related party transactions

Related party transactions are priced at an arm's length basis and there exists no such transactions of significance.

(2) Remuneration for management executives

The remuneration for the Company's management executives for the years ended March 31, 2025 and March 31, 2026 was ¥676 million and ¥681 million (U.S.\$4,256 thousand), respectively.

The detailed information of the remuneration is as set forth under "4. Corporate Information 4. Corporate Governance (4) Remuneration of Directors and Audit and Supervisory Committee Members (a) Total amount of remuneration by officer classification, total amount of remuneration by type of remuneration and number of company officers subject to payment."

42 MATERIAL SUBSEQUENT EVENTS

There were no material subsequent events.

43 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements were authorized for issue by Kosuke Uemura, President & CEO, and Makoto Shibuya, SMEO, CFO, on June 9th, 2026.



Independent auditor's report

To the Board of Directors of Sojitz Corporation:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sojitz Corporation (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

With respect to “Valuation of property, plant and equipment relating to oil and gas interests in the North Sea within the U.K. territory,” which was identified as one of the key audit matters in our audit of the consolidated financial statements for the previous fiscal year, we determined that the audit risk had been reduced by decreasing uncertainties surrounding the estimate of the fair value less costs of disposal, as a share sale agreement had been executed for the sale of all shares in the consolidated subsidiary that holds the oil and gas interests in the North Sea within the U.K. territory. Therefore, we did not identify the matter as a key audit matter in our audit of the consolidated financial statements for the current fiscal year.

We identified “Valuation of property, plant and equipment relating to the coal business in Australia” as a key audit matter in our audit of the consolidated financial statements for the current fiscal year, due to increased uncertainties in the estimate of the fair value less costs of disposal for property, plant and equipment related to the coal business in Australia.

Valuation of goodwill related to the wholesale and retail used car business in Australia

The key audit matter	How the matter was addressed in our audit
<p>As described in Note 2 BASIS OF PRESENTATION (4) Use of estimates and judgments to the consolidated financial statements, impairment loss of ¥6,190 million related to goodwill associated with the wholesale and retail used car business in Australia, which is included in the Automotive segment, was recognized in the consolidated statements of profit or loss of the Group for the current fiscal year. As a result, goodwill of ¥3,646 million was recognized in the consolidated statements of financial position of the Group for the current fiscal year. The goodwill arose when the Group acquired control of Albert Automotive Holdings Pty Ltd.</p> <p>The recoverable amount is estimated for a group of cash-generating units to which goodwill is allocated at least annually or more frequently whenever there is any indication of impairment. When the recoverable amount of a group of cash-generating units is less than the carrying amount, the carrying amount of the group of cash-generating units is reduced to its recoverable amount and an impairment loss is recognized. The recoverable amount is the higher of the fair value less costs of disposal and the value in use.</p> <p>The Group applied the fair value less costs of disposal for the recoverable amount of the group of cash-generating units to which goodwill related to the wholesale and retail used car business in Australia is allocated. The future cash flows used in measuring the fair value less costs of disposal were estimated based on the business plan prepared by management. Key assumptions underlying the business plan, such as the gross profit margin rates of the retail business and the increase in the number of retail stores, involved high degree of uncertainties. Accordingly, management's judgment thereon had a significant impact on the estimated future cash flows.</p> <p>In addition, selecting methods and input data appropriately for estimating the discount rate used in measuring the fair value less costs of disposal required high degree of expertise in valuation.</p> <p>We, therefore, determined that the estimate of the fair value less costs of disposal used in measuring the impairment loss of the group of cash-generating units to which goodwill related to the wholesale and retail used car business in Australia is allocated was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	<p>In order to assess the reasonableness of the estimate of the fair value less costs of disposal used in measuring the impairment loss of the group of cash-generating units to which goodwill related to the wholesale and retail used car business in Australia is allocated, we involved the component auditor of Albert Automotive Holdings Pty Ltd, a consolidated subsidiary, and primarily performed the audit procedures as follows, including the instruction of the component auditor and the review of its work.</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain internal controls relevant to measuring the fair value less costs of disposal used in the impairment testing on the group of cash-generating units to which goodwill is allocated.</p> <p>(2) Assessment of the reasonableness of the estimate of the fair value less costs of disposal</p> <ul style="list-style-type: none"> • We performed the procedures as follows to assess the appropriateness of key assumptions applied to the business plan: <ul style="list-style-type: none"> • For the gross profit margin rates of the retail business, comparison with the benchmark profit margin rates of used car dealers in Australia independently obtained by the component auditor of Albert Automotive Holdings Pty Ltd, and the historical performance of Albert Automotive Holdings Pty Ltd; and • For the increase in the number of retail stores, assessment of the reasonableness through review of geographic analysis related to the potential store locations and comparison with the historical records of store openings. • We involved a valuation specialist in the network firms of the component auditor of Albert Automotive Holdings Pty Ltd to assess the reasonableness of the discount rate used by management through comparison with the discount rate which was independently prepared by the valuation specialist.

Valuation of property, plant and equipment and intangible assets relating to the coal business in Australia

The key audit matter	How the matter was addressed in our audit
<p>As described in Note 2 BASIS OF PRESENTATION (4) Use of estimates and judgments to the consolidated financial statements, impairment loss of ¥16,174 million was recognized in the consolidated statements of profit or loss of the Group for the current fiscal year related to property, plant and equipment and intangible assets associated with the Gregory Crinum coking coal mine in Queensland, Australia, operated by Sojitz Development Pty Ltd, a consolidated subsidiary operating the coal business in Australia, which is included in the Metals, Mineral Resources & Recycling segment. As a result, property, plant and equipment of ¥18,365 million and intangible assets of ¥1,226 million were recognized in the consolidated statements of financial position of the Group for the current fiscal year.</p> <p>For property, plant and equipment and intangible assets, the Group determines the recoverable amount of the cash-generating units when there is any indication of impairment. When the recoverable amount of the cash-generating units is less than the carrying amount, the carrying amount of the cash-generating units is reduced to its recoverable amount and an impairment loss is recognized. The recoverable amount is the higher of the fair value less costs of disposal and the value in use.</p> <p>The Group applied the fair value less costs of disposal for the recoverable amount of the group of cash-generating units related to the coal business in Australia. The future cash flows used in measuring the fair value less costs of disposal were estimated based on the business plan prepared by management. Key assumptions underlying the business plan, such as commodity prices and foreign exchange rates, which were used in assumptions for sales prices, and production volume, involved high degree of uncertainties. Accordingly, management's judgment thereon had a significant impact on the estimated future cash flows.</p> <p>In addition, selecting methods and input data appropriately for estimating the discount rate used in measuring the fair value less costs of disposal required high degree of expertise in valuation.</p> <p>We, therefore, determined that the estimate of the fair value less costs of disposal used in measuring the impairment losses related to property, plant and equipment and intangible assets associated with the coal business in Australia was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	<p>In order to assess the reasonableness of the estimate of the fair value less costs of disposal used in measuring the impairment loss relating to the coal business in Australia, we involved the component auditor of Sojitz Development Pty Ltd, a consolidated subsidiary, and primarily performed the audit procedures as follows, including the instruction of the component auditor and the review of its work.</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain internal controls relevant to measuring the fair value less costs of disposal used for the impairment testing of property, plant and equipment and intangible assets.</p> <p>(2) Assessment of the reasonableness of the estimate of the fair value less costs of disposal</p> <ul style="list-style-type: none"> We performed the procedures as follows to assess the appropriateness of key assumptions applied to the business plan: <ul style="list-style-type: none"> For the commodity prices and the foreign exchange rates, which were used in assumptions for sales prices, comparison with externally published forecasts and those independently prepared by the valuation specialists in the network firms of the component auditor of Sojitz Development Pty Ltd; and For the production volumes, comparison with the valuation reports prepared by management taking into account externally verification results, and inquiries to management. We involved a valuation specialist in the network firms of the component auditor of Sojitz Development Pty Ltd to assess the reasonableness of the discount rate used by management through comparison with the discount rate which was independently prepared by the valuation specialist.

Other Information

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with IFRS Accounting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in (3)Corporate Audits, Accounting Audits and Internal Audits in 4.Corporate Governance included in 4.Corporate Information of the Annual Securities Report.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2026 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2(3) to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Atsushi Fukui

Designated Engagement Partner

Certified Public Accountant

Ryohei Tomita

Designated Engagement Partner

Certified Public Accountant

Tsugunobu Hikishikibayashi

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

June 9, 2026

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.