April 30, 2021

Sojitz Corporation
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Announcement Regarding Renewal and Partial Amendments of a System of Performance-Linked Share Remuneration for Directors, etc.

Sojitz Corporation ("Sojitz") hereby announces that, at the meeting of the Board of Directors held today, it has resolved to submit a proposal relating to the renewal and partial amendments of a system of performance-linked share remuneration (the "System"), which was introduced in the fiscal year ended March 31, 2019 (fiscal 2018) for Directors and Executive Officers (excluding Outside Directors and non-residents in Japan; "Directors"), for approval at the 18th Ordinary General Shareholders' Meeting to be held on June 18, 2021 (the "General Shareholders' Meeting").

1. Renewal of the System

(1) Sojitz will renew the System for Directors with partial amendments thereto, as a remuneration system closely linked to the corporate performance and having high transparency and objectivity, with the objective of heightening their awareness toward making contributions to improving Sojitz's performance and to increasing its corporate value over the medium-to-long term.

(2) The System is a share remuneration system that uses a structure called Board Incentive Plan trust (hereinafter referred to as the "BIP Trust"). The BIP Trust is a system similar to the performance-linked share remuneration (Performance Share) and share remuneration with transfer restriction (Restricted Stock) in the U.S. and European markets, delivery and provide ("Delivery" collectively) of Sojitz shares and cash equivalent to the conversion amount of Sojitz shares (the "Sojitz Shares" collectively) as well as dividends on the Sojitz shares are made to Directors, commensurate with factors such as executive rank and achievement level of performance targets.

(3) Sojitz will, upon the renewal of the System, extend the trust period of the trust that it has already created (the "Trust") while making partial amendments to the System, subject to the approval at the General Shareholders' Meeting as provided in 2. below.

(4) For the purpose of ensuring transparency and objectivity in the remuneration-determining process, Sojitz has set up the Remuneration Committee as a voluntary advisory body to the Board of Directors. The Committee is chaired by an Outside Director and the majority of its members are Outside Directors. The renewal and partial amendments of the System was resolved by the Board of Directors after deliberations at the Remuneration Committee.

2. Partial amendments to the System

Sojitz will, upon the renewal of the System, extend the trust period of the Trust while making partial amendments to the System, subject to the approval at the General Shareholders' Meeting. Main amendments are described in the following summary. In all other respects than described hereunder, the System shall remain the same as it was at its introduction in fiscal 2018.

(1) Our view on the amendments to the System

With a view to achieving the targets set under the Medium-Term Management Plan 2023, while further motivating Directors to contribute to improving the Sojitz Group's performance and increasing its corporate value over the medium-to-long term, Sojitz will amend the System by defining remuneration based on the System to be composed of the "performance-linked portion," making reviews to the evaluation criteria and the variable factors of remuneration, and making necessary changes for the renewal of the System.

For the overall policy on the remuneration for Directors of Sojitz, including the performance-linked portion, please refer to the Reference hereunder.

(2) Outline of the System after the amendments

1) Persons eligible for the System	Directors and Executive Officers (excluding Outside Directors and non-residents in Japan)
2) Applicable period	Three fiscal years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024, covered under the Medium-Term Management Plan 2023 (Note 1)
3) Upper limit of trust fund contributed by Sojitz	¥1.8 billion in total for a period of three fiscal years (Note 2)
4) Upper limit of Sojitz Shares subject to Delivery to Directors	Upper limit of the Share Delivery Points (as defined in 5) below) to be granted to Directors for three fiscal years during the trust period shall be six million points (equivalent to six million shares) (Note 3) (Note 4)

<table>
<tr>
<td>5) Method for calculating the number of Sojitz Shares subject to Delivery to Directors</td>
<td>In June each year, Directors shall be granted basic points commensurate with their individual rank. After the expiry of the applicable period, the number of Sojitz Shares subject to Delivery to Directors shall be determined, based on the number of points (the “Share Delivery Points”) that shall be calculated by multiplying the number of basic points accumulated during the applicable period (the “Accumulated Points”) by the performance-linked factor based on the achievement level of the evaluation criteria. For Directors who retired (or died) or became a non-resident of Japan during the applicable period, the Accumulated Points at that point in time shall be deemed as the Share Delivery Points.
The performance-linked factor is designed to vary within a range between 60% and 200%, where 100% is given when performance targets are achieved.

[Evaluation criteria for the three fiscal years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024 (*1)]
<table>
<tr><th>Evaluation criteria</th><th>Performance targets</th><th>Evaluation weighting factors</th></tr>
<tr><td>Accumulated consolidated net profit (*2) in the period (three fiscal years) covered under the Medium-Term Management Plan</td><td>¥195.0 billion</td><td>60%</td></tr>
<tr><td>Sojitz share growth rate (*3)</td><td>110%</td><td>30%</td></tr>
<tr><td>ESG-related criteria (*4)</td><td>Established for each evaluation item</td><td>10%</td></tr>
</table>
(*1) Evaluation criteria for the fiscal year ending March 31, 2025 and onwards shall be decided separately by the Board of Directors.
(*2) It refers to profit for the year attributable to owners of the Company. Hereinafter the same shall apply.
(*3) Evaluated based on the relative comparison between Total Shareholders Return (TSR) of Sojitz and TOPIX (including dividend).
(*4) Level of achieving the ESG targets (including decarbonization, initiatives for addressing social problems, empowering women in the workplace, encouraging employees to take childcare leave, improvement in the results (main items) of the employee awareness survey, strengthening of governance) upheld in the Medium-Term Management Plan shall be evaluated by the Remuneration Committee.</td>
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<tr>
<td>6) Timing of Delivery of Sojitz Shares to Directors</td>
<td>After retirement</td>
</tr>
<tr>
<td>7) The Trust’s method for acquiring Sojitz shares</td>
<td>Acquisition is planned to be made from Sojitz (through disposal of its own shares) or from the stock market.</td>
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</table>

8) Other	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 a wrongdoing by Directors is confirmed by the Board of Directors, or Directors retired for personal reasons against Sojitz's intention, or changed job to an industry peer without approval of Sojitz, Sojitz may wholly or partially withhold Delivery of the Sojitz Shares, or may request return of all or part of the Sojitz Shares for which Delivery has already been made, or the cash equivalent thereto.

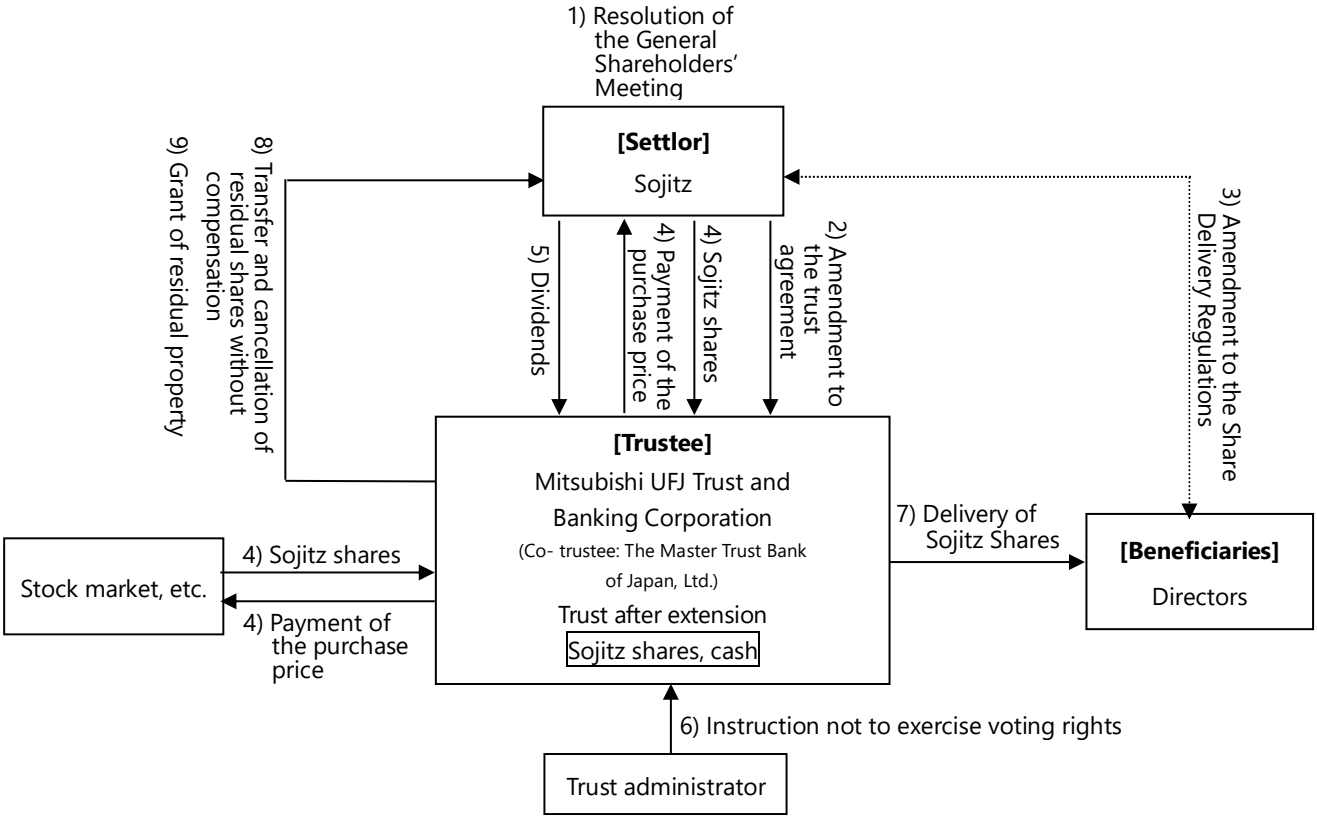
(Note 1) The trust period following the extension shall be three years from September 1, 2021 to August 31, 2024 (scheduled). Sojitz may renew the System repeatedly upon the expiry of the extended trust period of the Trust by amending the trust agreement and making additional funding to the Trust. In such case, the trust period of the Trust shall be extended for another three years, and the three fiscal years after the extension of the trust period shall be the applicable period. Sojitz shall, for each such extended trust period, make additional contributions, not exceeding the upper limit of the trust fund as approved by the General Shareholders' Meeting, thereby continuing to grant Directors points during the extended trust period. Such extension of the trust period shall not be limited to once, and the Trust may be renewed likewise thereafter. In the event that the Trust is terminated, if, upon expiry of the trust period (in the case where the Trust has been continued, upon expiry of the extended trust period), Directors who may meet the beneficiary requirements remain in service, the Trust must not be terminated immediately, and the trust period of the Trust shall be extended for a period not exceeding 10 years, until such time as Directors retire and Delivery of Sojitz Shares is completed. However, in such case, no points shall be newly granted to Directors.

(Note 2) If the System is, upon the expiry of the extended trust period of the Trust, renewed repeatedly as aforementioned by amending the trust agreement and making additional funding to the Trust, Sojitz may, for each such extended trust period, make additional contributions, not exceeding the upper limit of the trust fund as approved at the General Shareholders' Meeting. In the event of such additional contribution to the Trust, however, if there remain in the trust property Sojitz shares (excluding Sojitz shares corresponding to the number of the Share Delivery Points granted to Directors for which Delivery has not been made), as well as cash ("Residual Shares" collectively) as of the final day of the trust period before extension, the combined amount of the Residual Shares and the amount of the trust fund additionally contributed shall not exceed the upper limit of the trust fund as approved at the General Shareholders' Meeting.

(Note 3) The upper limit has been established based on the upper limit of the trust fund, as well as in consideration of the share price as of the date of this document.

(Note 4) One Sojitz share per one point*. In the event of an increase or decrease in the number of Sojitz shares held in the Trust due to share split, gratis allotment of shares or share consolidation, Sojitz shall adjust the number of the Sojitz Shares subject to Delivery for each point, depending on the rate of such increase or decrease.

* Sojitz plans to submit a proposal regarding a share consolidation at the Sojitz's 18th Ordinary General Shareholders' Meeting to be held on June 18, 2021. If the proposal is approved and passed, one point will be equivalent to 0.2 Sojitz shares as a result of the share consolidation that will be implemented with an effective date of October 1, 2021.



1) Sojitz will obtain approval at the General Shareholders' Meeting for the partial amendments to the System.

2) 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 1) above, thereby extending the trust period of the trust for the benefit of its Directors who meet the beneficiary requirements.

3) Upon renewal of the System, Sojitz will make partial amendments to the Share Delivery Regulations.

4) 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 2). 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 1).

5) Payment of dividends for Sojitz shares held in the Trust shall be treated in the same way as other Sojitz shares.

6) Voting rights for Sojitz shares held in the Trust will not be exercised throughout the trust period.

7) Each year during the trust period, Directors 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 the achievement ratio, etc. of the evaluation criteria. Directors who meet certain beneficiary requirements shall, after their retirement from the office of Directors, receive delivery of Sojitz shares

equivalent to 70% of the Share Delivery Points accumulated ("Accumulated Share Delivery Points"), while receiving, after conversion of the number of Sojitz shares equivalent to the rest of the Accumulated Share Delivery Points pursuant to the provisions of the trust agreement, the cash proceeds from the conversion, as well as the cash dividends paid in 5) on Sojitz shares held in the Trust, commensurate with the number of the Accumulated Share Delivery Points as of the dividend record date.

8) 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, continue to renew and 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.

9) 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.

* If it becomes likely, during the trust period, that the number of Sojitz shares held in the Trust may fall short of the required number of Sojitz shares to cover the Accumulated Share Delivery Points as prescribed for Directors during the trust period, or that the amount of cash as part of the trust property may not be enough to pay the trust fees and expenses, additional cash may be transferred into the Trust, not exceeding the upper limit of the trust fund as set out in (2) 3) above.

(Reference) Details of the trust agreement

1)	Type of trust	Cash trust other than individually-operated designated trust of cash (third-party benefit trust)
2)	Purpose of trust	Providing incentives to Directors
3)	Settlor	Sojitz
4)	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
5)	Beneficiaries	Directors who satisfy the beneficiary requirements
6)	Trust administrator	A third party that does not have any interest in Sojitz (certified public accountant)
7)	Trust agreement date	August 3, 2018 (scheduled to be changed to August 2021)
8)	Trust period	From August 3, 2018 to August 31, 2021 (scheduled to be extended to August 31, 2024 in accordance with the above change)
9)	System start date after extension	August 2021 (scheduled)
10)	Exercise of voting rights	No exercise
11)	Type of acquired shares	Common shares of Sojitz
12)	Upper limit of trust fund	¥1.8 billion (scheduled) (including trust fees and expenses)
13)	Method of acquisition of shares	Acquisition from Sojitz (through disposal of its own shares) or from the stock market
14)	Holder of vested right	Sojitz
15)	Residual property	Residual property that Sojitz (holder of vested right) may receive shall be within the amount of trust expense reserve, which is the trust fund less the share acquisition fund.

(3) Other

For the details of the System as at its introduction, please refer to the "Announcement Regarding Introduction of a System of Performance-Linked Share Remuneration, etc. for Directors, etc." announced on May 1, 2018.

https://www.sojitz.com/jp/news/docs/180501e.pdf

(Reference)

Executive Remuneration Policy

Basic view	Sojitz's basic view on remuneration for Directors and Executive Officers (the "Officers") consists of the following two dimensions. ・It shall be a system that serves as an incentive to powerfully drive sustainable growth and increase its corporate value over the medium-to-long term, with a view to creating and providing the two types of value upheld by Sojitz, namely value for Sojitz and value for society. ・It shall be a system that solidly promotes the vision of "Sojitz as a general trading company that continues to create business and develop capable people" to be materialized in 2030.
Basic policy	・A system linked not only to short-term performance, but to performance as well as growth in corporate value over the medium-to-long term. ・A system linked to the new value Sojitz creates and provides in the digital society and in its pursuit of ESG management. ・A system linked to shareholder value of Sojitz. ・A system that provides a sufficient level of remuneration to secure and retain globally competitive personnel. ・A system in which remuneration is determined through a process with high degree of transparency and objectivity.
Breakdown of remuneration	◆ Level of remuneration In line with the basic policy, the level of remuneration shall stay attractive commensurate with job responsibilities of each of the Officers. The level of remuneration shall be determined in consideration of factors such as other general trading companies, surveys on executive remuneration at listed corporations both in Japan and abroad that is conducted by third parties, along with the level of employee salary. The level of Sojitz's executive remuneration shall be subject to review as appropriate depending on the changes in external business environment. ◆ Structure of remuneration Sojitz's remuneration consists primarily of basic remuneration and performance-linked remuneration. Medium-to-long term performance-linked remuneration applies a "pay for mission" approach, which takes into consideration factors such as the fulfillment of corporate philosophy and the creation and provision of the two types of value. - 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)

<table>
<tr><td></td><td>◆ Remuneration mix
[Executive Officers (including those concurrently serving as Directors)
The proportion of basic remuneration shall be lowered from the current level of 77% uniformly applied to all, to the range between 54% and 66% depending on individual job responsibilities, while the proportion of performance-linked remuneration shall be increased.
<table><tr><th>Basic remuneration</th><th>Performance-linked remuneration (short-term)</th><th>Performance-linked remuneration (medium-to-long term)</th></tr><tr><td>54% - 66%</td><td>21% - 26%</td><td>13% - 20%</td></tr></table>[Outside Directors]
Remuneration consists wholly of basic remuneration, while special allowance shall be paid separately to the Chairperson of the Board of Directors, and the chairs of the Nomination Committee and the Remuneration Committee.

◆ 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): Sojitz shares delivered after retirement</td></tr>
<tr><td>Determination method of performance-linked remuneration</td><td>Determined based on factors such as the level of achievement of targets, progress made with the Medium-Term Management Plan and individual contribution to corporate performance.</td></tr>
<tr><td>Forfeiture of remuneration (claw back clause, malus clause)</td><td>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 a Director or an Executive Officer is confirmed by the Board of Directors, Sojitz may restrict the payment of performance-linked remuneration or request the refund of the remuneration they have received.</td></tr>
<tr><td>Governance over remuneration</td><td>Amount of remuneration of each of the Officers shall be determined by the Board of Directors, after deliberations at the Remuneration Committee chaired by an Outside Director, with the majority of committee members being Outside Directors.</td></tr>
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