Notice of the 18th Ordinary General Shareholders' Meeting

sojitz

New way, New value

To be held at 10:00 a.m. on
Friday, June 18, 2021 at
Rose Banquet Hall (3F) at Tokyo Kaikan

In order to prevent the spread of COVID-19, we strongly request that you refrain from attending the Ordinary General Shareholders' Meeting this year.
This Ordinary General Shareholders' Meeting will be streamed live via the Internet, so we ask that you watch the meeting.

Deadline for Exercising Voting Rights by Postal Mail or the Internet:

No later than 5:30 p.m. on Thursday, June 17, 2021 (JST)

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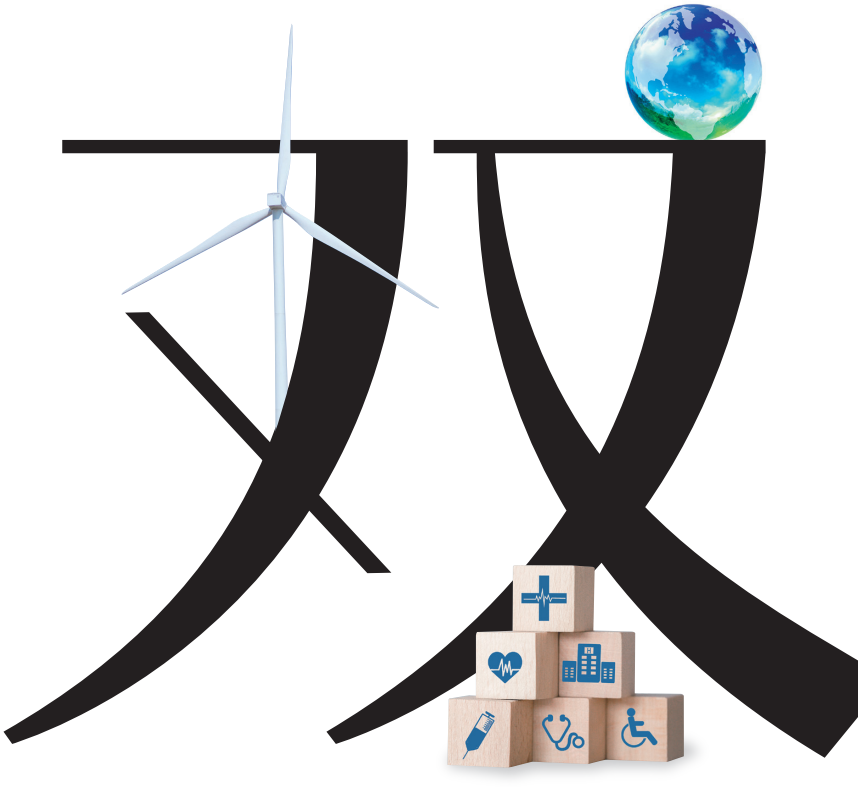


Sojitz Corporation

(Securities code 2768)

The following is an English translation of the Notice of the 18th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz") to be held on June 18, 2021. Sojitz provides this translation for your reference and convenience only. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Sojitz hereby disclaims all representations and warranties with respect to this translation, whether express or implied, including, but not limited to, any representations and warranties with respect to accuracy, reliability or completeness of this translation. Under no circumstances shall Sojitz be liable for any damages of any kind of nature, including, but not limited to, direct, indirect, special, punitive, consequential or incidental damages arising from or in connection with this translation. Also, this document was created for the purpose of providing information to our shareholders that will help them make informed decisions. It was not created to solicit investors to buy or sell Sojitz's shares. The final decision and responsibility for investments rests solely with the reader of this document.

To Our Shareholders,



I would like to express my deep appreciation for your kind support for Sojitz Corporation. I would also like to express my heartfelt sympathy to those who have been affected by and who are in difficult situations as a result of COVID-19.

The worldwide spread of COVID-19 in 2020 has had an impact on economic activities, and has brought about various effects and changes in our corporate activities. This was the final year of our three-year Medium-Term Management Plan 2020, and performance was unfortunate, with profit for the year falling short of the initial plan. The business environment is rapidly changing. Over the past three years, we have actively implemented initiatives that will lead to the creation of new values, such as the healthcare business including hospital management business in Turkey and Australia, a business alliance with Royal Holdings Co., Ltd., and the creation of various business models through digital transformation (DX).

Sojitz launched its new Medium-Term Management Plan 2023 ~Start of the Next Decade~ in April 2021. Sojitz has positioned its vision for 2030 as a "general trading company that constantly fosters new businesses and human resources," Under the Medium-Term Management Plan 2023, which is our first step toward the vision, we will pursue value creation through competitiveness and growth potential, and continuously aim for reform.

I always believe that the mission of a general trading company is to deliver goods and services where necessary. It is important to continue to create values such as businesses and human resources that address social issues through business creation from a market-oriented perspective, not only from Japan but also overseas where there are social issues and growth potential.

External environment is changing significantly around the world, as shown in the acceleration of digitalization, heightened awareness toward ESG, and diversification of people's values and needs. In such environment, rather than providing current functions based on our own perspective, Sojitz will pursue competitive advantage and growth by promoting the following: market-oriented perspective, internal and external co-creation and sharing methodologies inside and outside of Sojitz, and speed. In order to do so, we will implement organizational and personnel reform and achieve sustainable growth in harmony with the society. The Sojitz Group Statement, "The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity," will be materialized through these efforts.

With increasing uncertainties in the global situation, it is not an easy task to achieve growth and make transformation. Even in these hard times, we will make an utmost effort to increase our corporate value by steadily implementing the Medium-Term Management Plan 2023 toward achieving our vision for 2030.

We look forward to your continued understanding and support.

May 2021
Representative Director, President & CEO,
Masayoshi Fujimoto

What we want to tell our shareholders

We Have Formulated the Medium-Term Management Plan 2023

Sojitz recently announced its vision of becoming a general trading company that constantly fosters new businesses and human resources in 2030. The Company will seek to realize this vision by fulfilling the mission of a general trading company: delivering goods and services where necessary. Pursuing higher levels of competitiveness and growth through an intensely market-oriented perspective, internal and external exchanges and co-creation, and swift action while transforming organizations and human resources as necessary, Sojitz will continue to create value.
Please refer to the section from page 66 for details.



We have a highly transparent and effective management structure

Sojitz's governance structure from a perspective of an Outside Director
We increased the number of Outside Directors from two to three last year. This year, we propose to add another Outside Director at this General Shareholders' Meeting. Since last year, I, an Outside Director, have served as Chairman of the Board of Directors. As a result of these measures, appropriate advice and suggestions have been made from an objective and diverse standpoint at meetings of the Board of Directors, and I feel the enhancement in the supervisory function of the Board of Directors.

When we formulated the Medium-Term Management Plan 2023 last fiscal year, we, Outside Directors, actively offered proposals and discussed how to incorporate Sojitz's unique features and the components of ESG into the plan. At the Nomination Committee and Remuneration Committee, we discussed the disclosure of skills matrix and the introduction of shareholder value-linked remuneration system for Directors.

We will continue to make every effort to further improve our management transparency and effectiveness and increase our corporate value.



Norio Otsuka, Chairman of the Board of Directors

Primary areas of expertise, career background, and skills of each officer of Sojitz's Board of Directors and Audit & Supervisory Board

Directors/Audit & Supervisory Board Members after the Ordinary General Shareholders' Meeting to be held on June 18, 2021 (Plan)

						
Name	Masayoshi Fujimoto	Seiichi Tanaka	Ryutaro Hirai	Masao Goto	Kayoko Naito	Norio Otsuka
Position	Representative Director, President & CEO	Representative Director, CFO	Representative Director	Director	Director Outside Director Independent Director	Director, Chairman of the Board of Directors Outside Director Independent Director
Global	●	●	●	●	●	●
Business management	●		●	●		●
Corporate planning	●		●	●		●
Legal					●	
Risk management		●				
Mergers, acquisitions, investments, loans, and financial markets	●				●	
Finances and accounting		●				●
Human resources			●			
Internal control		●				
Environment and social					●	







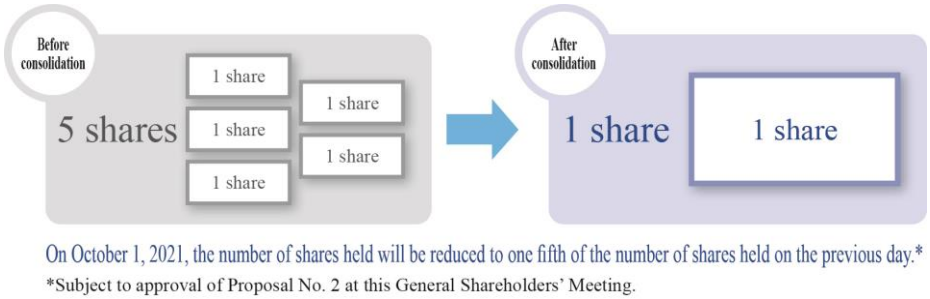


Name	Naoko Saiki	Ungyong Shu	Masaaki Kushibiki	Takehiro Honda	Kazunori Yagi	Michiko Nagasawa	Kazuhiro Yamamoto
Position	Director Outside Director Independent Director	Director Outside Director Independent Director	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Audit & Supervisory Board Member Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Audit & Supervisory Board Member Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member
Global	•	•	•	•	•	•	•
Business management		•		•	•		•
Corporate planning				•	•		•
Legal	•					•	
Risk management		•	•				
Mergers, acquisitions, investments, loans, and financial markets		•					
Finances and accounting			•		•		•
Human resources	•		•	•			
Internal control						•	
Environment and social	•						

Structure after the Ordinary General Shareholders' Meeting on June 18, 2021 (planned)



We plan to implement a 1-for-5 share consolidation



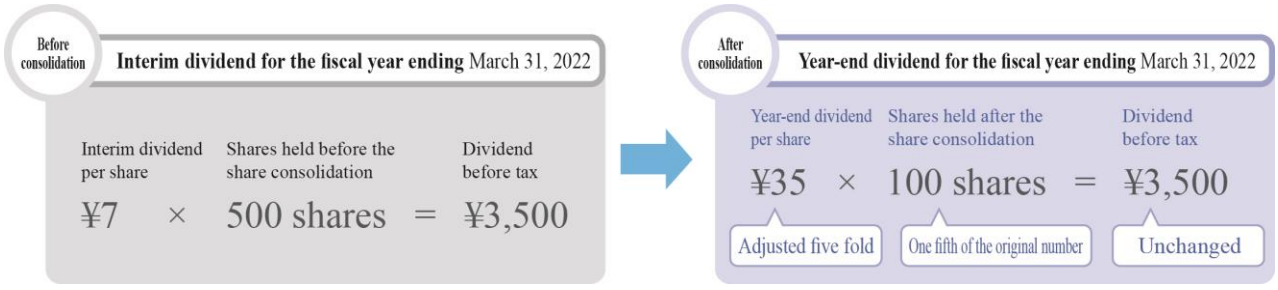
On October 1, 2021, the number of shares held will be reduced to one fifth of the number of shares held on the previous day.*

*Subject to approval of Proposal No. 2 at this General Shareholders' Meeting.

Through the share consolidation:

- Price of one Trading Unit for Sojitz's shares will be in the range between ¥50,000 to ¥500,000 suggested by Tokyo Stock Exchange as desirable range.
- While the number of shares held by each shareholder will be reduced to one fifth of the number of shares, asset value per share will increase five-fold, and therefore the asset value of the shares held by each shareholder will not change. Share price should also increase five-fold theoretically.
- For dividends, to avoid variation of economic value of the shares held by each shareholder, dividend per share will be adjusted after this share consolidation becomes effective. There will be no variation of the total amount of dividend to be paid on the grounds of the share consolidation.

<Example> An example of calculation based on dividend forecast for the fiscal year ending March 31, 2022 announced on April 30, 2021 (Interim dividend of ¥7, year-end dividend of ¥7)



<Please note>

- The share consolidation will make no change to number of shares per unit which will remain at 100. You will have one voting right per 100 shares you hold after the share consolidation.
- If you have less than 500 shares, your holdings will be shares less than one unit (100 shares) after the share consolidation, and you will lose access to trading at exchange market as well as voting rights at shareholders meeting.
- For shares less than one unit (100 shares) after the share consolidation, you can eliminate your shares less than one unit by using the system for additional purchase or buyback of shares less than one unit. In this case, as you will need to follow certain procedures for using this system, please contact your securities broker or shareholder register administrator. By using the system for additional purchase or buyback of shares less than one unit prior to the effective date of the share consolidation, you will be able to avoid the enforced disposal of fractional shares. Sojitz will not charge fee for the use of this system.

- Shareholders with less than five shares at present will lose the status of shareholder after the share consolidation.
- Fractional shares less than one share after the share consolidation will be collectively disposed by Sojitz, and the proceeds of the disposal will be refunded to the concerned shareholders pro rata. (Shareholders will not need to follow any particular procedure.)

Contact information for the shareholder register administrator:
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division
Tel: 0120-232-711 [Business hours: 9:00 a.m. to 5:00 p.m. (JST) (excluding weekends and holidays)]

(Securities code 2768)

May 28, 2021

To Our Shareholders:

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

Notice of the 18th Ordinary General Shareholders' Meeting

The 18th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz") will be held as described below.

In order to prevent the spread of COVID-19, you are requested to exercise your voting rights in writing or via the Internet in advance if at all possible, and we strongly recommend that you refrain from coming to the meeting.

Please read the attached Reference Documents for the General Shareholders' Meeting, and exercise your voting rights in accordance with the instructions on pages 10 and 11 by no later than 5:30 p.m. on Thursday, June 17, 2021 (JST).

Date and Time	**10:00 a.m., Friday, June 18, 2021** (The reception is scheduled to open at 9:00 a.m.)
Place	**Rose Banquet Hall (3F) at Tokyo Kaikan** 2-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo * This Ordinary General Shareholders' Meeting will be streamed live via the Internet, so we ask that you watch the meeting via the Internet and refrain from coming to the meeting in person.

Purpose of the Meeting

Matters to be reported:	(1) The 18th fiscal year (from April 1, 2020 to March 31, 2021) business report, the consolidated financial statements, and the audit reports concerning the consolidated financial statements by the accounting auditor and the Audit & Supervisory Board (2) The 18th fiscal year (from April 1, 2020 to March 31, 2021) non-consolidated financial statements
Matters to be resolved:	**Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 18th fiscal year)** **Proposal No. 2 Consolidation of Shares** **Proposal No. 3 Election of Eight (8) Directors** **Proposal No. 4 Election of Three (3) Audit & Supervisory Board Members** **Proposal No. 5 Renewal and Partial Amendments of a System of Performance-Linked Share Remuneration for Directors, etc.** **Proposal No. 6 Revision of Remuneration for Outside Directors**

- If you exercise your voting rights at the meeting by proxy, you must appoint only one proxy who is a shareholder with voting rights in Sojitz, in accordance with the Articles of Incorporation of Sojitz. In this case, your proxy will be requested to present your letter of proxy, together with your Voting Right Exercise Form at the reception desk upon arrival at the meeting.
- In accordance with the applicable laws and regulations and Article 14 of the Articles of Incorporation of Sojitz, Sojitz publishes the Basic concept and status of implementation and operation of internal control system and Accounting Auditor in the Business Report, Consolidated statement of changes in equity, Notes to the consolidated financial statements, (Reference) Consolidated statement of profit or loss and other comprehensive income and (Reference) Segment information in the consolidated financial statements, and the Non-consolidated statement of changes in net assets and Notes to the non-consolidated financial statements in the non-consolidated financial statements on our website at https://www.sojitz.com/en/ir/stkholder/general/.
- In the event of any revisions to the Reference Documents for the General Shareholders' Meeting, the Business Report, consolidated financial statement or non-consolidated financial statements, Sojitz will publish the amendments on our website at https://www.sojitz.com/en/ir/stkholder/general/.
- In order to maintain distance between seats, the number of seats will be limited. Please be aware that not all wishing to attend the meeting may be able to enter the meeting site.
- The action taken is subject to change depending on factors including the status of COVID-19's spread and announcements made by the government until the day of the General Shareholders' Meeting. Please be sure to check our website above for information as appropriate.
- A video of the business report, etc. for the 18th fiscal year will be posted in advance on the Sojitz website above.

Guidance for Exercising Voting Rights

Please read the attached Reference Documents for the General Shareholders' Meeting, and exercise your voting rights in advance through either of the following methods:

<Recommended methods for the exercise of voting rights for this fiscal year>

Exercising voting rights by postal mail

Deadline for exercising voting rights: To arrive no later than 5:30 p.m. on Thursday, June 17, 2021 (JST)

Please indicate your approval or disapproval on each proposal on the enclosed Voting Right Exercise Form, and return it by postal mail.
*In the event Sojitz receives the form which has no indication of either approval or disapproval on any of the proposals made by Sojitz, Sojitz will regard such proposals as being approved.

Exercising voting rights by electronic method (The Internet)

Deadline for exercising voting rights: No later than 5:30 p.m. on Thursday, June 17, 2021 (JST)

Please access the website designated by Sojitz for exercising voting rights which is at https://evote.tr.mufg.jp/ through your smartphone or computer, etc., by using the login ID and temporary password indicated on the enclosed Voting Right Exercise Form, and enter your vote for each proposal according to the instructions on the screen. Please see page 11 for details.

Exercising voting rights by attending the General Shareholders' Meeting

Date and time of the General Shareholders' Meeting: 10:00 a.m. on Friday, June 18, 2021 (JST)

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

<For institutional investors: Electronic Voting Platform>

Nominal shareholders such as trust banks (including standing proxies) who apply in advance to use the Electronic Voting Platform for foreign and institutional investors operated by ICJ, Inc., a joint venture established by Tokyo Stock Exchange, Inc., etc. may use the platform to exercise their voting rights, in addition to the exercising of voting rights via the Internet as explained above.

Instructions for Exercising Voting Rights by the Internet

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

Precautions to observe

1. Handling of voting rights exercised in duplicate

- If your voting rights are exercised in duplicate, both via postal mail and via the Internet, the vote made via the Internet will be treated as the valid vote.
- If you exercise your voting rights more than once via the Internet or via more than one device (a smartphone, a computer, etc.), only the last vote made will be treated as valid.

2. Costs incurred from accessing the website for exercising voting rights

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

For technical inquiries, please contact:
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk)
Tel: 0120-173-027 (Business hours: 9:00 a.m. to 9:00 p.m. (JST); toll free, within Japan only)

Reference Documents for the General Shareholders' Meeting

Proposals and References

Proposal No. 1: Dividends from Surplus (Year-End Dividends for the 18th fiscal year)

Sojitz recognizes that paying stable, continuous dividends is a management priority, together with enhancing shareholder value and boosting competitiveness through the accumulation and effective use of retained earnings.

Under the Medium-Term Management Plan 2020, the basic dividend policy was set to a consolidated payout ratio of around 30%.

In light of the financial results for the year ended March 31, 2021 and the adequacy of its total equity, Sojitz hereby proposes Year-End Dividends for this fiscal year of ¥5 per share (including an interim dividend of ¥5 per share, resulting in an annual dividend of ¥10 per share), as follows.

(1) Type of Dividend Property

Cash

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

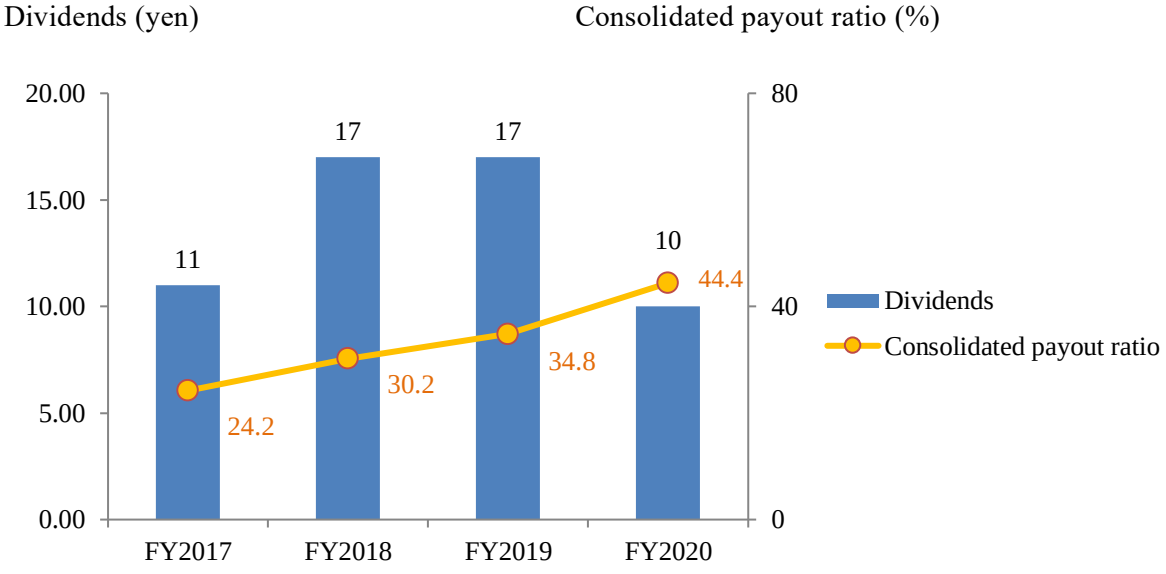
¥5 per share in common stock of Sojitz

¥6,003,215,015 in total

(3) Effective date of Dividends from Surplus

June 21, 2021

(Reference) Trends in dividends per share (annual)/consolidated payout ratio



Proposal No. 2: Consolidation of Shares

1. Reason for the proposal

The shares of common stock will be consolidated on the basis of one post-consolidation share per five pre-consolidation shares (the "Share Consolidation").

The Share Consolidation intends to address the situation that Sojitz's current share price of ¥331, and its Trading Unit* ¥33,100 (as of May 14, 2021) is significantly below the desirable Trading Unit range of ¥50,000 to ¥500,000 designated by the Tokyo Stock Exchange's Securities Listing Regulations.

*Trading Unit: the number of shares that is used as the acceptable quantity for trading on the Tokyo Stock Exchange.

2. Details of the proposal

(1) Class of shares to be consolidated
Common stock

(2) Consolidation rate
One post-consolidation share per five pre-consolidation shares based on the shares owned by the shareholders recorded in the shareholder register as of September 30, 2021.

(3) Effective date
October 1, 2021

(4) Total number of authorized shares on the effective date
500,000,000 shares
The provisions of the Articles of Incorporation of Sojitz regarding the total number of authorized shares is deemed to have been amended as follows as of the effective date of the Share Consolidation in accordance with Article 182, Paragraph 2 of the Companies Act.

(Underlining indicates amended text.)

Current Articles of Incorporation	After Amendment
Article 6. (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>2,500,000,000</u> shares of common stock.	Article 6. (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>500,000,000</u> shares of common stock.

3. Cases of fractions of less than one share

In the event the Share Consolidation generates fractions of shares less than one share, the fractions shall be collectively disposed in accordance with Japan's Companies Act, and the shareholders who own fractions of less than one share shall be paid for the disposition value in proportion to the amount of the fractions.

Proposal No. 3: Election of Eight (8) Directors

The Board of Directors of Sojitz currently consists of seven (7) Directors including three (3) Outside Directors, all of whose terms terminate as of the conclusion of this General Shareholders' Meeting. Accordingly, Sojitz hereby proposes the election of eight (8) Directors including four (4) Outside Directors, increasing the number of Outside Directors by one (1) to ensure management transparency and further strengthen corporate governance.

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

Each of the four (4) Outside Director candidates meets the requirements for Independent Director set forth in the listing rules of the Tokyo Stock Exchange, on which Sojitz is listed, and they will be registered as Independent Directors if their election is resolved.

No.	Name (age)	Current position at Sojitz	Attendance at the Board of Directors meetings (for the fiscal year ended March 31, 2021)	Term of office as Director
1	*Masayoshi Fujimoto (63), male <Reappointment>	Representative Director, President & CEO	18/18 (100%)	4 years
2	*Seiichi Tanaka (60), male <Reappointment>	Representative Director, Executive Vice President, CFO	18/18 (100%)	4 years
3	*Ryutaro Hirai (62), male <Reappointment>	Representative Director, Executive Vice President	14/14 (100%)	1 year
4	Masao Goto (63), male <Reappointment>	Director, Senior Managing Executive Officer	14/14 (100%)	1 year
5	Kayoko Naito (72), female <Reappointment> <Outside Director> <Independent Director>	Director	18/18 (100%)	3 years
6	Norio Otsuka (70), male <Reappointment> <Outside Director> <Independent Director>	Director, Chairman of the Board of Directors	18/18 (100%)	3 years
7	Naoko Saiki (62), female <Reappointment> <Outside Director> <Independent Director>	Director	14/14 (100%)	1 year
8	Ungyong Shu (58), male <New appointment> <Outside Director> <Independent Director>	—	—	—

(Notes) 1. The age of each candidate is as of the day of the General Shareholders' Meeting.

2. If this proposal is resolved, each person marked with an asterisk (*) will be appointed as a Representative Director at the Board of Directors meeting to be held after the conclusion of the General Shareholders' Meeting.

3. Mr. Ungyong Shu's name in the family register is Ungyong Shu with the first name recorded in katakana instead of kanji in Japanese.

4. There is no special interest between any of these Director candidates and Sojitz.

5. Sojitz has a limited liability agreement with Ms. Kayoko Naito, Mr. Norio Otsuka, and Ms. Naoko Saiki limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan. If this proposal is resolved, Sojitz plans to extend the above limited liability agreement with Ms. Naito, Mr. Otsuka, and Ms. Saiki and newly enter into a similar limited liability agreement

with Mr. Ungyong Shu.

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

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
1	 Masayoshi Fujimoto (January 9, 1958, 63) <Reappointment> Term of office as Director: 4 years (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 18/18 (100%)	April 1981 Joined Nissho Iwai Corporation April 2005 General Manager of Automotive Department 3, Sojitz Corporation December 2008 Director President, MMC Automotriz S.A. August 2012 Sojitz Corporation of America Regional General Manager, Machinery Division, Americas October 2014 Corporate Officer Senior General Manager, Corporate Planning, Sojitz Corporation April 2015 Executive Officer October 2015 Managing Executive Officer April 2016 Senior Managing Executive Officer June 2017 Representative Director, President & CEO (current position) [Reasons for the nomination of the candidate for Director] Since assuming the position of Representative Director, President & CEO of Sojitz in 2017, Masayoshi Fujimoto has contributed to the creation of new business foundations by promoting healthcare, renewable energy, and other businesses of increasing social significance. In addition, he formulated policies for achieving a decarbonized society and creating a system for developing human resources for value creation. Sojitz has chosen Masayoshi Fujimoto as Director candidate predicated on its judgment that he will best demonstrate his management skills with strong leadership in order to maximize corporate value even in the midst of a rapidly changing external environment, and to achieve Sojitz's goal of becoming a general trading company that constantly fosters new businesses and human resources by 2030.	263,031 (Of which, the number of shares to be delivered under the share remuneration system: 89,431)

(Note) The number of Sojitz's shares owned by each candidate includes the number of shares to be delivered after retirement under the share remuneration system (as of March 31, 2021) as an internal number.

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
2	 Seiichi Tanaka (September 14, 1960, 60) <Reappointment> Term of office as Director: 4 years (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 18/18 (100%)	April 1984 Joined Nissho Iwai Corporation April 2011 General Manager, Finance Department, Sojitz Corporation April 2014 Executive Officer April 2016 Managing Executive Officer, CFO June 2017 Representative Director, Senior Managing Executive Officer, CFO April 2019 Representative Director, Executive Vice President, CFO (current position) [Current responsibilities] Executive Management of General Accounting, Business Accounting, Finance, IR, Financial Solutions, Controller Office Oversight [Reasons for the nomination of the candidate for Director] Seiichi Tanaka has been engaged in the finance-related operations of Sojitz for many years, and as CFO since 2016, he has contributed to increasing corporate value through promoting improvement in the quality of assets and enhancement of financial standing. In particular, his management style which emphasizes cash flows has helped Sojitz to build up a solid financial base under difficult circumstances on a global level. Based on his accomplishments through the execution of his duties to date as well as his specialized knowledge and abundant experience, Sojitz has chosen Seiichi Tanaka as Director candidate predicated on its judgment that he remains qualified to perform his duties as Director.	132,967 (Of which, the number of shares to be delivered under the share remuneration system: 63,167)

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
3	 Ryutaro Hirai (July 31, 1958, 62) <Reappointment> Term of office as Director: 1 year (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 14/14 (100%)	April 1982 Joined Nissho Iwai Corporation October 2003 General Manager, Corporate Planning Department, Nissho Iwai American Corporation April 2009 General Manager, Human Resources & General Affairs Department, Sojitz Corporation April 2013 Executive Officer, Human Resources & General Affairs April 2015 Managing Executive Officer, Secretariat, Human Resources & General Affairs April 2017 Managing Executive Officer, President & CEO for Asia & Oceania April 2019 Senior Managing Executive Officer, Executive Management of Business Group (Automotive, Aerospace & Transportation Project, Machinery & Medical Infrastructure, Energy & Social Infrastructure, Metals & Mineral Resources) April 2020 Executive Vice President, Advisor to the President, Executive Management of Business Group (Automotive, Aerospace & Transportation Project, Machinery & Medical Infrastructure, Energy & Social Infrastructure, Metals & Mineral Resources) June 2020 Representative Director, Executive Vice President (current position) [Current responsibilities] Advisor to the President Executive Management of Business Group (Automotive, Aerospace & Transportation Project, Infrastructure & Healthcare, Metals, Mineral Resources & Recycling), and East Asia region [Reasons for the nomination of the candidate for Director] Ryutaro Hirai has held important positions, including in machinery-related business and as Executive Officer assigned to Human Resources & General Affairs and President & CEO for Asia & Oceania. He is currently promoting global business development as the Executive Management of Business Group (Automotive, Aerospace & Transportation Project, Infrastructure & Healthcare, Metals, Mineral Resources & Recycling). Sojitz has chosen Ryutaro Hirai as Director candidate predicated on its judgment that he will be able to continue to play a role in the enhancement of Sojitz's corporate value based on his deep insight, familiarity with internal human resources, and abundant experience developed from having served in these positions.	99,936 (Of which, the number of shares to be delivered under the share remuneration system: 16,036)

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
4	 Masao Goto (December 12, 1957, 63) <Reappointment> Term of office as Director: 1 year (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 14/14 (100%)	April 1980 Joined Nichimen Co., Ltd. March 2002 General Manager, Partex Department, Nichimen Corporation December 2002 General Manager, Integration Promotion Office December 2003 General Manager, Administration Department April 2004 General Manager, Corporate Planning & Investor Relations Department, Nissho Iwai-Nichimen Holdings Corporation April 2005 General Manager, Corporate Planning & Investor Relations Department, Business Administration Department, Sojitz Holdings Corporation October 2005 General Manager, Corporate Planning Department, Sojitz Corporation April 2007 Executive Officer, Senior Vice President, Consumer Lifestyle Business Division, Senior General Manager, Textiles and General Merchandise Unit July 2008 Executive Officer, President, Sojitz (Hong Kong) Ltd., President, Sojitz (Guangzhou) Co., Ltd. April 2014 Executive Officer, President & CEO for China April 2015 Managing Executive Officer, President & CEO for China April 2018 Managing Executive Officer, General Manager, Kansai Office April 2020 Senior Managing Executive Officer, Executive Management of Business Group (Chemicals, Foods & Agriculture Business, Retail & Lifestyle Business, Industrial Infrastructure & Urban Development) June 2020 Director, Senior Managing Executive Officer (current position) [Current responsibilities] Executive Management of Business Group (Chemicals, Consumer Industry & Agriculture Business, Retail & Consumer Service) [Reasons for the nomination of the candidate for Director] Masao Goto, in addition to holding important positions in corporate organizations such as corporate planning and in sales divisions such as the textile business, has gained management experience as the President & CEO for China, and he is currently serving as the Executive Management of Business Group (Chemicals, Consumer Industry & Agriculture Business, Retail & Consumer Service), and working to strengthen Sojitz's revenue base. Sojitz has chosen Masao Goto as Director candidate predicated on its judgment that he will be able to continue to play a role in the enhancement of Sojitz's corporate value based on his deep insight and abundant experience developed from having served in these positions.	93,542 (Of which, the number of shares to be delivered under the share remuneration system: 26,642)

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
5	 Kayoko Naito (May 2, 1949, 72) <Reappointment> <Outside Director> <Independent Director> Term of office as Director: 3 years (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 18/18 (100%)	April 1985 Federation of Bar Associations September 1989 Davis Polk & Wardwell LLP (New York) January 1991 Mitsui, Yasuda, Wani & Maeda September 2004 Partner, Oh-Ebashi LPC & Partners September 2014 Lecturer, Ritsumeikan University School of Law (current position) June 2016 Member of The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry (JCCI) (current position) October 2017 Supervisory Officer, Tokyo Infrastructure Energy Investment Corporation (current position) June 2018 Director, Sojitz Corporation (current position) January 2019 Counsel, Oh-Ebashi LPC & Partners (current position) [Reasons for the nomination of the candidate for Outside Director and expected roles] Kayoko Naito has served as an Outside Director of Sojitz since 2018. As an attorney, she has advanced and specialized knowledge in the fields of international law and corporate law, as well as in soft law, which is a global norm. She provides appropriate and useful advice and suggestions at the Board of Directors meetings, based on a wealth of experience, results, and insights, from an objective perspective independent from senior management engaged in business execution. She also actively engaged, as Chairperson of the Remuneration Committee, in the revision of remuneration system for company officers that contributes to the enhancement of Sojitz's corporate value. Sojitz has chosen Kayoko Naito as Outside Director candidate in the expectation that she will continue to exercise appropriate supervisory functions by leveraging her extensive experience in the legal field. [Significant concurrent occupations or positions at other organizations] Counsel of Oh-Ebashi LPC & Partners Member of The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry (JCCI) Supervisory Officer of Tokyo Infrastructure Energy Investment Corporation [Independence] Kayoko Naito is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Kayoko Naito meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see page 31 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that she has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of her appointment as Independent Director.	0

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
6	 Norio Otsuka (July 5, 1950, 70) <Reappointment> <Outside Director> <Independent Director> Term of office as Director: 3 years (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 18/18 (100%)	April 1973 Joined NSK Ltd. December 1999 Deputy Head of Corporate Strategy Division HQ April 2000 Vice President, Head of Corporate Strategy Division HQ June 2002 Director, Senior Vice President, Head of Corporate Strategy Division HQ June 2004 Director, Executive Vice President, Head of Corporate Strategy Division HQ June 2007 Director, Senior Executive Vice President, Head of Corporate Strategy Division HQ June 2009 Director, President and Chief Executive Officer (retired in June 2015) June 2015 Director, Chairperson of the Board of Directors June 2016 President, The Japan Bearing Industry Association March 2017 Outside Director, Showa Shell Sekiyu K. K. June 2017 Honorary Chairman, NSK Ltd. June 2018 Director, Sojitz Corporation (current position) Advisor, NSK Ltd. (current position) April 2019 Outside Director, Idemitsu Kosan Co., Ltd. (current position) June 2019 External Member of the Board, Taisei Corporation (current position) [Reasons for the nomination of the candidate for Outside Director and expected roles] Norio Otsuka served as Director, President and Chief Executive Officer, and Chairperson of NSK Ltd., and has abundant experience and deep insight regarding management developed through promoting worldwide growth strategies and strengthening corporate governance. Since 2018, Norio Otsuka has played an appropriate role as Outside Director of Sojitz by supervising business execution as well as providing sound advice from a practical perspective, incorporating business management know-how from other industries. He has been exercising his leadership as the Chairman of the Board of Directors since last year, and Sojitz has chosen him as Outside Director candidate in the expectation that he will further strengthen the effectiveness of the supervisory function of the Board of Directors by continuing to serve as the Chairman this year. [Significant concurrent occupations or positions at other organizations] Advisor of NSK Ltd. Outside Director of Idemitsu Kosan Co., Ltd. External Member of the Board of Taisei Corporation [Independence] Norio Otsuka is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Norio Otsuka meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see page 31 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that he has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of his appointment as Independent Director. Supplementary information on independence is as follows: ·Transactions with NSK Ltd., at which he served as an executive until June 2015, were less than 1% of revenue in Sojitz's consolidated financial statements and approximately 2.1% of consolidated net sales of said company. As he is currently not an executive of the said company, Sojitz has determined that this will not affect his independence.	0

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
7	 Naoko Saiki (October 11, 1958, 62) <Reappointment> <Outside Director> <Independent Director> Term of office as Director: 1 year (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 14/14 (100%)	April 1982 Joined the Ministry of Foreign Affairs March 1998 Senior Coordinator for Policy Coordination, Foreign Policy Bureau April 1998 Director, International Peace Cooperation Division, Foreign Policy Bureau April 2000 Director, Second North America Division, North American Affairs Bureau April 2002 Director, Legal Affairs Division, Treaties Bureau August 2004 Professor, Faculty of Policy Management, Keio University April 2006 Director, Policy Evaluation and Administrative Review Division, Minister's Secretariat, Ministry of Foreign Affairs August 2006 Director, Economic Policy Division, Economic Affairs Bureau September 2006 Director, Financial Affairs Division, Minister's Secretariat January 2009 Deputy Director-General / Senior Fellow, The Japan Institute of International Affairs September 2011 Deputy Press Secretary / Deputy Director-General, Public Diplomacy Department, Ministry of Foreign Affairs September 2012 Deputy Press Secretary / Deputy Director-General, Minister's Secretariat Deputy Secretary-General, Integrated Office for Regional Revitalization, Cabinet Secretariat June 2013 Director-General for Cultural Affairs, Ministry of Foreign Affairs July 2014 Director-General, Economic Affairs Bureau Councillor, Japanese Government's TPP Headquarters, Cabinet Secretariat October 2015 Director-General, International Legal Affairs Bureau July 2017 Director-General, Foreign Service Training Institute January 2019 Retired from the Ministry of Foreign Affairs May 2019 Corporate Advisor, Sojitz Corporation (resigned in February 2020) April 2020 Visiting Professor, Graduate School of Public Policy, The University of Tokyo (current position) June 2020 Director, Sojitz Corporation (current position) Outside Audit & Supervisory Board Member of Development Bank of Japan Inc. (current position) [Reasons for the nomination of the candidate for Outside Director and expected roles] Naoko Saiki has had a career at the Ministry of Foreign Affairs in positions such as Director General of the Economic Affairs Bureau and Director General of the International Legal Affairs Bureau. In addition to her skills in economic negotiations, she has a high level of insight into international affairs, international law, economics, and culture. Based on her experience and insight from working at the forefront of diplomatic negotiations, she has actively provided advice to the Board of Directors of Sojitz from a wide range of perspectives, including international affairs, the environment and society, and human resource development. Sojitz has chosen her as Outside Director candidate in the expectation that she will continue to exercise appropriate supervisory function over management from an independent and objective perspective, taking into account the rapidly changing external environment, by leveraging her extensive experience.	0

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
		[Significant concurrent occupations or positions at other organizations] Visiting Professor of Graduate School of Public Policy, The University of Tokyo Outside Audit & Supervisory Board Member of Development Bank of Japan Inc. Outside Director of Komatsu Ltd. (scheduled to be appointed at the Ordinary General Meeting of Shareholders to be held on June 18, 2021) [Independence] Naoko Saiki is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Naoko Saiki meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see page 31 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that she has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of her appointment as Independent Director. Supplementary information on independence is as follows: ·Sojitz had entered into a part-time advisory agreement with her for a period of ten months from May 2019 to February 2020, on the assumption that she would become an Outside Director of Sojitz, in order for her to gain an understanding of Sojitz's management situation and operations in advance and for Sojitz to obtain advice on management in general from an independent standpoint. Compensation as Corporate Advisor was paid as consideration for advice, however, Sojitz has deemed that there are no concerns about her independence because it is within the scope of the Sojitz's independence standards for Outside Directors.	

No.	Name (Date of birth, age)	Career summary, position and responsibilities at Sojitz	Number of shares owned
8	 Ungyong Shu (October 19, 1962, 58) <New appointment> <Outside Director> <Independent Director>	April 1986 Joined Morgan Guaranty Trust Company of New York, Tokyo Office May 2000 Head of Financial Institutions Group, Investment Banking Division, J.P. Morgan Securities, Tokyo Office (currently J.P. Morgan Securities Japan Co., Ltd.) May 2001 Managing Director July 2005 Head of Financial Institutions Division May 2007 Managing Director and Chairman of Financial Institutions Group, Investment Banking Division, Merrill Lynch Japan Securities Limited July 2010 Co-Head of Investment Banking Division July 2011 Vice Chairman (retired in March 2013) November 2013 Founder and President, The Core Value Management, Inc. (current position) June 2015 Outside Director, The Dai-ichi Life Insurance Company, Limited October 2016 Outside Director (Audit and Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (current position) [Reasons for the nomination of the candidate for Outside Director and expected roles] Ungyong Shu has held important positions at J.P.Morgan Securities Japan Co., Ltd., and Merrill Lynch Japan Securities Limited. and has extensive knowledge of M&A strategies and financial and capital policies, as well as extensive experience as a corporate manager at financial institutions and personal connections. Sojitz has chosen him as Outside Director candidate because we expect that he will be able to provide sound advice from a financial perspective by utilizing his experience and expertise, as well as supervise the execution of business operations, and fully contribute to the further development and enhancement of the corporate value of the Group as Sojitz implements strategic business investments for sustainable growth. [Significant concurrent occupations or positions at other organizations] Founder and President of The Core Value Management, Inc. Outside Director (Audit and Supervisory Committee Member) of Dai-ichi Life Holdings, Inc. [Independence] Ungyong Shu is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan. Ungyong Shu meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see page 31 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that he has sufficient independence from Sojitz as Outside Director. For this reason, Sojitz plans to notify Tokyo Stock Exchange, Inc. of his appointment as Independent Director.	0

Proposal No. 4: Election of Three (3) Audit & Supervisory Board Members

Among the five (5) current Audit & Supervisory Board Members, the terms of office of Kazunori Yagi and Hyo Kambayashi will expire at the conclusion of this General Shareholders' Meeting, and Junichi Hamatsuka will resign as Audit & Supervisory Board Member at the conclusion of this General Shareholders' Meeting. Accordingly, Sojitz proposes to elect two (2) new Audit & Supervisory Board Members and to reappoint Kazunori Yagi as Audit & Supervisory Board Member.

Candidates for Audit & Supervisory Board Members are as follows. The submission of the proposal for their election as Audit & Supervisory Board Members to this General Shareholders' Meeting has been approved by the Audit & Supervisory Board.

Outside Audit & Supervisory Board Member candidates Kazunori Yagi and Kazuhiro Yamamoto meet the requirements for independent audit & supervisory board member set forth in the listing rules of the Tokyo Stock Exchange on which Sojitz is listed, and they will be registered as Independent Audit & Supervisory Board Members if their election is approved.

The planned structure of the Audit & Supervisory Board will be as follows if this proposal is approved as originally proposed.

No.	Name (age)	Current position at Sojitz	Term of office as Audit & Supervisory Board Member
	Masaaki Kushibiki (61), male < Current position>	Audit & Supervisory Board Member	1 year
1	Takehiro Honda (64), male <New appointment>	—	—
2	Kazunori Yagi (72), male <Reappointment> <Outside Audit & Supervisory Board Member> <Independent Audit & Supervisory Board Member>	Audit & Supervisory Board Member (Part-time)	4 years
	Michiko Nagasawa (69), female <Current position> <Outside Audit & Supervisory Board Member> <Independent Audit & Supervisory Board Member>	Audit & Supervisory Board Member (Part-time)	1 year
3	Kazuhiro Yamamoto (68), male <New appointment> <Outside Audit & Supervisory Board Member> <Independent Audit & Supervisory Board Member>	—	—

(Notes) 1. The age of each candidate is as of the day of the General Shareholders' Meeting.

2. There is no special interest between any of these Audit & Supervisory Board Member candidates and Sojitz.

3. Sojitz has a limited liability agreement with Mr. Masaaki Kushibiki, Mr. Kazunori Yagi and Ms. Michiko Nagasawa, 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, and plans to extend the above limited liability agreement with Mr. Masaaki Kushibiki and Ms. Michiko Nagasawa. If this proposal is resolved, Sojitz plans to extend the above limited

liability agreement with Mr. Kazunori Yagi and enter into a similar limited liability agreement with Mr. Takehiro Honda and Mr. Kazuhiro Yamamoto.

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

No.	Name (Date of birth, age)	Career summary and position	Number of shares owned
1	 Takehiro Honda (January 14, 1957, 64) <New appointment>	April 1980 Joined Nissho Iwai Corporation March 1999 General Manager, Ingersoll Office, Nissho Iwai Canada Corporation President, MONZEN STEEL INC. January 2003 Retired from Nissho Iwai Corporation Joined Metal One Corporation January 2006 General Manager, Human Resources Department June 2008 President & CEO, Sus-Tech Corporation April 2011 Executive Officer, Metal One Corporation President & CEO, Sus-Tech Corporation April 2012 Executive Officer, Chief Regional Officer of ASEAN & Oceania, Metal One Corporation April 2013 Director, Senior Executive Vice President (retired in March 2020) July 2018 Representative Director, President, Metal One Nishinihon Corporation (retired in March 2020) [Reasons for the nomination of the candidate for Audit & Supervisory Board Member] Takehiro Honda was primarily involved in the metals-related business at Nissho Iwai Corporation and was stationed for a time in Canada. Subsequently, at Metal One Corporation, he held a number of key positions in Japan and overseas, and served as Director, Senior Executive Vice President for seven years from 2013. In addition to the expertise he has cultivated through his extensive business experience in the trading company industry, he has insight into global business management, and he has been away from Sojitz for a long time. Accordingly, Sojitz has chosen him as Audit & Supervisory Board Member candidate predicated on its judgment that he will appropriately fulfill his duties as an Audit & Supervisory Board Member, incorporating an external perspective.	0

No.	Name (Date of birth, age)	Career summary and position	Number of shares owned
2	 Kazunori Yagi (April 1, 1949, 72) <Reappointment> <Outside Audit & Supervisory Board Member > <Independent Audit & Supervisory Board Member> Term of office as Audit & Supervisory Board Member: 4 years (as of the conclusion of the Meeting) Attendance at the Board of Directors meetings: 18/18 (100%) Attendance at the Audit & Supervisory Board meetings: 19/19 (100%)	April 1972 Joined Yokogawa Electric Works Ltd. October 1999 Vice President (Officer) and General Manager of Finance & Business Planning, Yokogawa Electric Corporation June 2001 Director, Senior Vice President and General Manager of Finance & Business Planning July 2002 Director, Executive Vice President and General Manager of Finance & Business Planning July 2005 Director, Executive Vice President and General Manager of Administration Headquarters (retired in June 2011) June 2011 Advisor (retired in June 2015) Outside Audit & Supervisory Board Member, Yokogawa Bridge Holdings Corporation (current position) June 2012 Outside Director, JSR Corporation (retired in June 2017) June 2013 Outside Audit & Supervisory Board Member, TDK Corporation (retired in June 2018) March 2014 Outside Director, OYO Corporation (retired in March 2019) June 2017 Audit & Supervisory Board Member (Part-time), Sojitz Corporation (current position) June 2018 Outside Director, TDK Corporation (scheduled to retire in June 2021) [Reasons for the nomination of the candidate for Outside Audit & Supervisory Board Member] Kazunori Yagi has held key positions in accounting, business planning, and other areas at Yokogawa Electric Corporation, where he served as a Director. He also has experience as an outside director/audit & supervisory board member at several other companies and as a member of the Certified Public Accountants and Auditing Oversight Board. Based on his extensive experience in corporate management and professional expertise in auditing, he has monitored Sojitz's management from an independent standpoint and objective perspective as an Outside Audit & Supervisory Board Member of Sojitz, and has provided sound advice both inside and outside the Board of Directors. Accordingly, Sojitz has chosen him as Audit & Supervisory Board Member candidate predicated on its judgment that he will appropriately fulfill his duties as an Audit & Supervisory Board Member. [Significant concurrent occupations or positions at other organizations] Outside Audit & Supervisory Board Member of Yokogawa Bridge Holdings Corporation [Independence] Kazunori Yagi is a candidate for Outside Audit & Supervisory Board Member pursuant to Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act of Japan. Kazunori Yagi meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see page 31 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that he has sufficient independence from Sojitz as Outside Audit & Supervisory Board Member. For this reason, Sojitz has notified Tokyo Stock Exchange, Inc. of his appointment as Independent Audit & Supervisory Board Member.	0

No.	Name (Date of birth, age)	Career summary and position	Number of shares owned
3	 Kazuhiro Yamamoto (September 27, 1952, 68) <New appointment> <Outside Audit & Supervisory Board Member > <Independent Audit & Supervisory Board Member>	April 1975 Joined Teijin Limited July 2001 General Manager, Pharmaceutical and Medical Care Business Management Department June 2008 Director and CFO, in charge of Finance & Accounting Department and Corporate Communications Office, Infocom Corporation June 2010 Senior Managing Director April 2011 President & Representative Director, CEO April 2012 Director (retired in June 2012) April 2012 Corporate Officer, Teijin Limited General Manager, Corporate Strategy Office April 2014 Executive Officer, CFO (Chief Financial Officer), Accounting, Finance & Purchase Division June 2015 Director, Executive Officer April 2016 Director, Senior Executive Officer April 2017 Representative Director, Executive Vice President, CFO and CIIO (Chief Information & Innovation Officer) April 2019 Representative Director, Executive Vice President, responsible for Chief Officer of Teijin Group April 2020 Director (retired in June 2020) June 2020 Advisor (retired in March 2021) [Reasons for the nomination of the candidate for Outside Audit & Supervisory Board Member] After joining Teijin Limited, Kazuhiro Yamamoto held a number of important positions, including General Manager of the Pharmaceutical and Medical Care Business Management Department, as well as President & Representative Director, CEO and CFO of Infocom Corporation, a listed subsidiary of Teijin Limited. Sojitz believes that he can supervise its management from a neutral and objective perspective based on his high level of insight in the fields of management, information and telecommunications, and home healthcare, etc., and his knowledge of finance and accounting, which he has cultivated through his experience. In addition, Sojitz expects him to supervise its business, which is focusing on the healthcare and digital transformation fields, and has chosen him as Outside Audit & Supervisory Board Member candidate. [Independence] Kazuhiro Yamamoto is a candidate for Outside Audit & Supervisory Board Member pursuant to Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act of Japan. Kazuhiro Yamamoto meets Sojitz's "Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members" (please see page 31 of the Reference Documents for the General Shareholders' Meeting), and Sojitz believes that he has sufficient independence from Sojitz as Outside Audit & Supervisory Board Member. For this reason, Sojitz plans to notify Tokyo Stock Exchange, Inc. of his appointment as Independent Audit & Supervisory Board Member. Supplementary information on independence is as follows: ·Transactions with Teijin Limited and Teijin Group, at which he served as Director until June 2020 was less than 1% of revenue in Sojitz's consolidated financial statements and less than 1% of consolidated net sales of said company.	0

(Reference)

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

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

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

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

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

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

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

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

Proposal No. 5: Renewal and Partial Amendments of a System of Performance-Linked Share Remuneration for Directors, etc.

1. Reasons for the proposal and rationale for remuneration, etc.

At the 15th Ordinary General Shareholders' Meeting held on June 19, 2018, Sojitz obtained its shareholders' approval for the introduction of a system of performance-linked share remuneration (the "System") for Sojitz's Directors and Executive Officers (excluding Outside Directors and non-residents in Japan; "Directors"), which has remained in place to date.

Following the latest formulation of the "Medium-Term Management Plan 2023," with a view to achieving the targets set under the Plan, 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.

Under Sojitz's basic view on remuneration for Directors, the remuneration system shall serve 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, and it shall also solidly promote the vision of "a general trading company that constantly fosters new businesses and human resources" to be materialized in 2030. Accordingly, the Executive Remuneration Policy (policy for determining details of remuneration, etc. for individual Directors of Sojitz) was resolved at the Board of Directors meeting held in April 2021. The outline of this policy is provided at the end of this proposal, and no change is scheduled to be made following the approval of this proposal.

This proposal reasonably complies with the aforementioned policy for the payment of remuneration, etc., to individual Directors, and thus is believed to be appropriate.

When this proposal is approved, no change is intended to be made to the amount of remuneration, etc. for Directors (maximum of ¥550 million per year, excluding the salary as for being employees), as resolved at the 4th Ordinary General Shareholders' Meeting held on June 27, 2007.

Four (4) Directors shall be applicable under the System at the conclusion of this General Shareholders' Meeting, if Proposal No. 3 (Election of Eight (8) Directors) is approved as originally proposed. Since the System shall also apply to Executive Officers, at the conclusion of this General Shareholders' Meeting, 19 Executive Officers not concurrently serving as Directors shall be covered under the System. Remuneration based on the System includes

remuneration for Executive Officers, and since the System handles the share remuneration for Directors together with that for Executive Officers, this proposal is made for the total remuneration based on the System setting out its amount and the upper limit of the number of shares, among others.

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. This proposal was resolved by the Board of Directors after deliberations at the Remuneration Committee.

2. Upper limits of the amount of remuneration, etc. and the number of shares under the System

(1) Renewal of the System

The System shall apply to the three fiscal years covered by the Medium-Term Management Plan (the "Applicable Period"). Upon the expiry of the initial three fiscal years applicable under the System (from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2021), the System shall be renewed for a new valuation period of three fiscal years covered by the Medium-Term Management Plan. The Applicable Period immediately following the renewal of the System shall be the three fiscal years covered by the Medium-Term Management Plan 2023 (from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024).

In renewing the System, Sojitz intends to make partial amendments to the current System. The System after such amendments is as follows.

(2) Outline of the System after amendments

The System provides share remuneration to Directors by delivery and grant ("Delivery") of Sojitz shares and cash equivalent to the conversion amount of Sojitz shares (the "Sojitz Shares") as well as dividends on the Sojitz shares, which are determined based on the level of achievement of targets, etc. upheld in the Medium-Term Management Plan, through the trust created by Sojitz (the "Trust"). (For further details, please refer to (3) below as well as subsequent paragraphs.)

1) Persons eligible for Delivery of the Sojitz Shares in this proposal	・Directors and Executive Officers (excluding Outside Directors and non-residents in Japan)
2) Upper limit of trust fund contributed by Sojitz	・¥1.8 billion in total for three fiscal years
3) Upper limit of the number of Sojitz Shares subject to Delivery to Directors, and the acquisition method thereof	・Upper limit of the Share Delivery Points (as defined in (4) below) to be granted to Directors for three fiscal years during the trust period shall be 6 million points (equivalent to 6 million shares). ・Accounts for approximately 0.5% of the total number of Sojitz Shares issued (as of March 31, 2021, after deduction of treasury stock). ・The Sojitz Shares shall be acquired from Sojitz (through disposal of its treasury stock) or from the stock market.
4) Details of the performance conditions to be achieved	・Variable in accordance with the level of achievement of targets upheld in the Medium-Term Management Plan in the Applicable Period. ・In the Applicable Period up to the fiscal year ending March 31, 2024, conditions shall be variable within a range between 60% and 200% in accordance with the level of achievement of targets, comprising accumulated consolidated net profit, Sojitz share growth rate, and ESG-related criteria (including decarbonization, efforts on social problems, empowering women in the workplace, encouraging employees to take childcare leave, improvement in the results (main items) of employee surveys, enhancement of corporate governance). ・As for the Applicable Period beginning after the fiscal year ending March 31, 2025, conditions shall be separately decided at the Board of Directors.
5) Timing of Delivery of the Sojitz Shares to Directors	・After retirement
6) 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.

(3) Upper limit of cash contributed by Sojitz

During the Applicable Period of the System, Sojitz shall contribute a trust fund amount not exceeding ¥1.8 billion for each Applicable Period as remuneration for Directors, thereby creating the Trust with a trust period equivalent to the Applicable Period, for Directors who meet the beneficiary requirements as beneficiaries. The Trust shall acquire Sojitz shares from Sojitz (through disposal of its own shares) or the stock market using the trust fund under direction of the trust administrator.

During the trust period, Sojitz shall grant points (as described in (4) below) to Directors, and after the retirement of Directors, the Trust shall make Delivery of the Sojitz Shares to Directors who meet certain beneficiary requirements (as described in (5) below).

Upon expiry of the trust period of the Trust, the Trust may be continued by amending the trust agreement and making additional contributions to the Trust. In such case, the trust period of the Trust shall be extended for three years, and Sojitz shall, for each such extended trust period, make additional contributions, not exceeding the upper limit of the trust fund as resolved by this General Shareholders' Meeting, thereby continuing to grant Directors points during the extended trust period. 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 (hereinafter referred to as "Residual Shares" collectively) as of the final day of the trust period before extension, the combined amount of Residual Shares and the amount of the trust fund additionally contributed shall not exceed the upper limit of the trust fund as resolved by this General Shareholders' Meeting. This extension of the trust period is not 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 the Directors retire and Delivery of the Sojitz Shares is completed. However, in such case, no points shall be newly granted to Directors.

(4) Upper limit of the number of Sojitz Shares subject to Delivery to Directors

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*1. 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.

The number of Share Delivery Points to be granted to Directors during the trust period of the Trust shall not exceed 6 million points for each series of three fiscal years (equivalent to 6 million shares). Such maximum number of points has been decided, in consideration of the upper limit of the trust fund described in (3) above, along with factors such as the latest share price. Upper limit of the total number of Share Delivery Points accounts for approximately 0.5% of the total number of Sojitz shares issued (as of March 31, 2021, after deduction of treasury stock).

The number of the Sojitz Shares subject to Delivery to Directors shall be determined commensurate with the accumulated number of Share Delivery Points granted during their term of office ("Accumulated Share Delivery Points"), at the rate of 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.*2

*1 In the Applicable Period up to the fiscal year ending March 31, 2024, evaluation criteria shall be comprised of accumulated consolidated net profit, Sojitz share growth rate, and ESG-related criteria (including decarbonization, efforts on social problems, empowering women in the workplace, encouraging employees to take childcare leave, improvement in the results (main items) of employee surveys, enhancement of corporate governance). Evaluation criteria for the fiscal year ending March 31, 2025 and onwards shall be separately decided at the Board of Directors.

*2 If Proposal No. 2 (Consolidation of Shares) is approved, one point will be equivalent to 0.2 Sojitz shares after the share consolidation to become effective on October 1, 2021.

(5) Method and timing of Delivery of the Sojitz Shares to Directors and other share delivery conditions

Directors who meet the beneficiary requirements shall, after their retirement (excluding retirement due to deaths), receive delivery of the number of the Sojitz shares equivalent to 70% of the Accumulated Share Delivery Points as calculated in accordance with (4) above (with any fractional share being rounded down), while receiving the amount of cash equivalent to the conversion amount of the Sojitz shares equivalent to the rest of the converted Accumulated Share Delivery Points.

In the event of death of a Director who meets the beneficiary requirements during the trust period, the number of Sojitz shares equivalent to his/her Accumulated Share Delivery Points at the time of death, shall all be converted into cash within the Trust, and the amount of cash equivalent to the conversion amount shall be granted to the heir of such Director from the Trust.

Even in the case of Directors who meet the beneficiary requirements, 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, 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 been already made, or the cash equivalent thereto.

(Beneficiary requirements)

- Remaining in service as Directors during the Applicable Period (including those becoming Directors after the inception of the System)

- Having retired from the office of Director

- Resident in Japan

- Not having retired voluntarily from the office of Director due to personal reasons against Sojitz's intention (excluding voluntary retirement due to unavoidable circumstances such as injury or sickness), nor having committed certain wrongful conduct while in office

- Other requirements considered necessary for achieving the purposes intended for the System

(6) Exercise of voting rights of Sojitz shares held in the Trust

The voting rights for Sojitz shares held in the Trust (prior to Delivery of Sojitz shares to Directors) shall not be exercised during the trust period, to ensure neutrality of the Trust with no influence on the management of Sojitz.

(7) Treatment of the dividends on Sojitz shares held in the Trust

Dividends paid on Sojitz shares held in the Trust, shall, after being received by the Trust, be used for paying the trust fee and the trust expenses and retained within the Trust at an amount equivalent to the amount of dividend per share for the points held by Directors as of the date of record for dividends, while being granted to Directors along with the Sojitz Shares subject to Delivery, under (5) above.

* If Proposal No. 2 (Consolidation of Shares) is approved, one point will be equivalent to 0.2 Sojitz shares after the share consolidation to become effective on October 1, 2021.

(8) Other details of the System

Other details of the System shall be decided by the Board of Directors at the time of the establishment of the Trust, the amendment to the trust agreement, and the additional contribution to the Trust.

(Reference)

● **Background of the review of the remuneration system for Directors**

In 2018, Sojitz introduced remuneration systems including the performance-linked share remuneration system for the current Directors as an executive remuneration closely linked to Sojitz's business performance and as a system to ensure transparency and objectivity for the purpose of encouraging contributions to the improvement in Sojitz's performance and corporate value over the medium-to-long term.

We recognize that Sojitz must address the following issues surrounding the current remuneration system, which were identified in the course of the discussions regarding the desirable form of executive remuneration system for Sojitz, primarily at the Remuneration Committee, prior to the expiry of the three fiscal years covered by the current share remuneration system, as well as the formulation of the new Medium-Term Management Plan.

1) The proportion of basic remuneration is excessively high, and the linkage between remuneration and performance is inadequate.

2) "Consolidated net profit for a single fiscal year" is the only evaluation criteria, leaving the system unable to adequately reflect the initiative for and the progress in the improvement of corporate value over the medium-to-long term.

Based on the awareness of these issues, we have been engaged in numerous deliberations for over a year primarily at the Remuneration Committee, regarding the review of the executive remuneration system with a view to further improving Sojitz's corporate value over the medium-to-long term, which led to the formulation of the Executive Remuneration Policy on Remuneration Policy, and then subsequently to the amendment to the current remuneration system in general.

● **Details of the remuneration system**

[Directors and Executive Officers (excluding Outside Directors)]

Sojitz remuneration consists primarily of basic remuneration and performance-linked remuneration. Medium-to-long term performance-linked remuneration adopts 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.

With respect to the remuneration mix, 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.

<If each criteria related to performance is achieved 100%>

[Current]

Type of remuneration			
Basic remuneration	Fixed		Cash (69%)
			Shares (8%)
Performance-linked remuneration	Variable	Short-term	Cash (15%)
			Shares (8%)

[After amendment]

Type of remuneration				Outline	Performance-linked criteria (KPI)	Evaluation weighting factors	Variation in remuneration	Timing of payment
Basic remuneration	Fixed		Cash (54-66%)	Determined by the individual's rank, commensurate with job responsibilities	—	—	—	Monthly
Performance-linked remuneration	Variable	Short-term	Cash (21-26%)	Linked to corporate performance in a single year as well as the progress made with the Medium-Term Management Plan	Consolidated net profit (Note 1) (level of achievement of single-year targets)	35%	0-150% (Note 2)	Once a year at a certain time
					Consolidated net profit (Note 1) (progress made with cumulative targets in the Medium-term Management Plan)	35%		
					ROE	20%		
					Core operating cash flow (level of achievement of single-year targets)	5%		
					Core operating cash flow (progress made with cumulative targets in the Medium-term Management Plan)	5%		
		Medium-to-long term	Shares (13-20%)	Linked to the achievement of the Medium-Term Management Plan and the increase in corporate value (in terms of ESG and share price)	Accumulated consolidated net profit (Note 1) in the three fiscal year period	60%	60-200%	Shares allotted after retirement
					Sojitz share growth rate (Note 3)	30%		
					ESG (Environment, Social and Governance)-related criteria (Note 4)	10%		

Note 1) Refers to profit for the year attributable to owners of the Company.
Note 2) If actual results for each criteria fall below 40% of the targets, no remuneration shall be paid for such criteria.
Note 3) Evaluation shall be made based on a relative comparison between Total Shareholders Return (TSR) of Sojitz and TOPIX (including dividends).
Note 4) Level of achievement of 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) in the Medium-Term Management Plan shall be evaluated by the Remuneration Committee.

[Outside Directors]

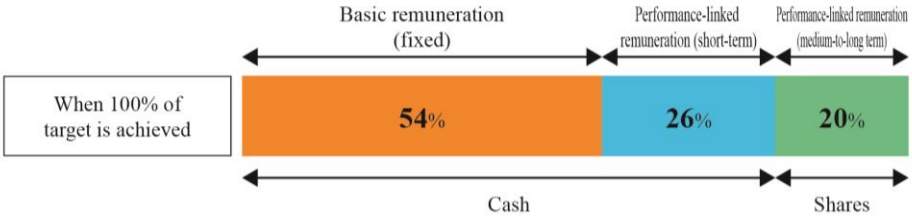
Remuneration consists wholly of basic remuneration, while special allowance shall be paid separately to the Chairman of the Board of Directors, and the chairs of the Nomination Committee and the Remuneration Committee.

● **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 "a general trading company that constantly fosters new businesses and human resources" 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 provide 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 are 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 Chairman 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): Shares will be delivered after the 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>
</table>

[Illustrated description of remuneration for the Representative Director, President and CEO of Sojitz]



- Total amount of remuneration is variable within a range between approximately 65% and 130%, where 100% is given based on the achievement rate of each criteria related to performance.

- Of the performance-linked remuneration, “medium-to-long term” remuneration is the amount equivalent to the granting of Share Delivery Points by the BIP trust.

Proposal No. 6: Revision of Remuneration for Outside Directors

At the 4th Ordinary General Shareholders' Meeting held on June 27, 2007, the maximum aggregate amount of remuneration for Outside Directors of Sojitz was approved to be ¥50 million per year, which has remained as such to date.

With a view to strengthening its corporate governance, Sojitz increased the number of Outside Directors by one in the previous fiscal year, while there will be another increase by one subject to the approval of Proposal No. 3 "Election of Eight (8) Directors" at this Ordinary General Shareholders' Meeting. Therefore, Sojitz hereby proposes to revise the maximum aggregate amount of remuneration for Outside Directors, from ¥50 million per year to ¥100 million per year.

The Board of Directors has resolved to submit a proposal to revise the amount of remuneration for Outside Directors after consulting the Remuneration Committee, which is chaired by an Independent Outside Director. Under Sojitz remuneration policy, remuneration for Outside Directors Remuneration consists of fixed remuneration and special allowance for the Chairman of the Board of Directors and the chairs of the Nomination Committee and the Remuneration Committee according to their job responsibilities, and Sojitz believes that the maximum aggregate amount of remuneration for Outside Directors as proposed above is appropriate in consideration of the purpose of the revision and industry peer levels.

The current number of Outside Directors is three (3), and after the approval of Proposal No. 3 "Election of Eight (8) Directors" as proposed, the number of Outside Directors will be four (4).

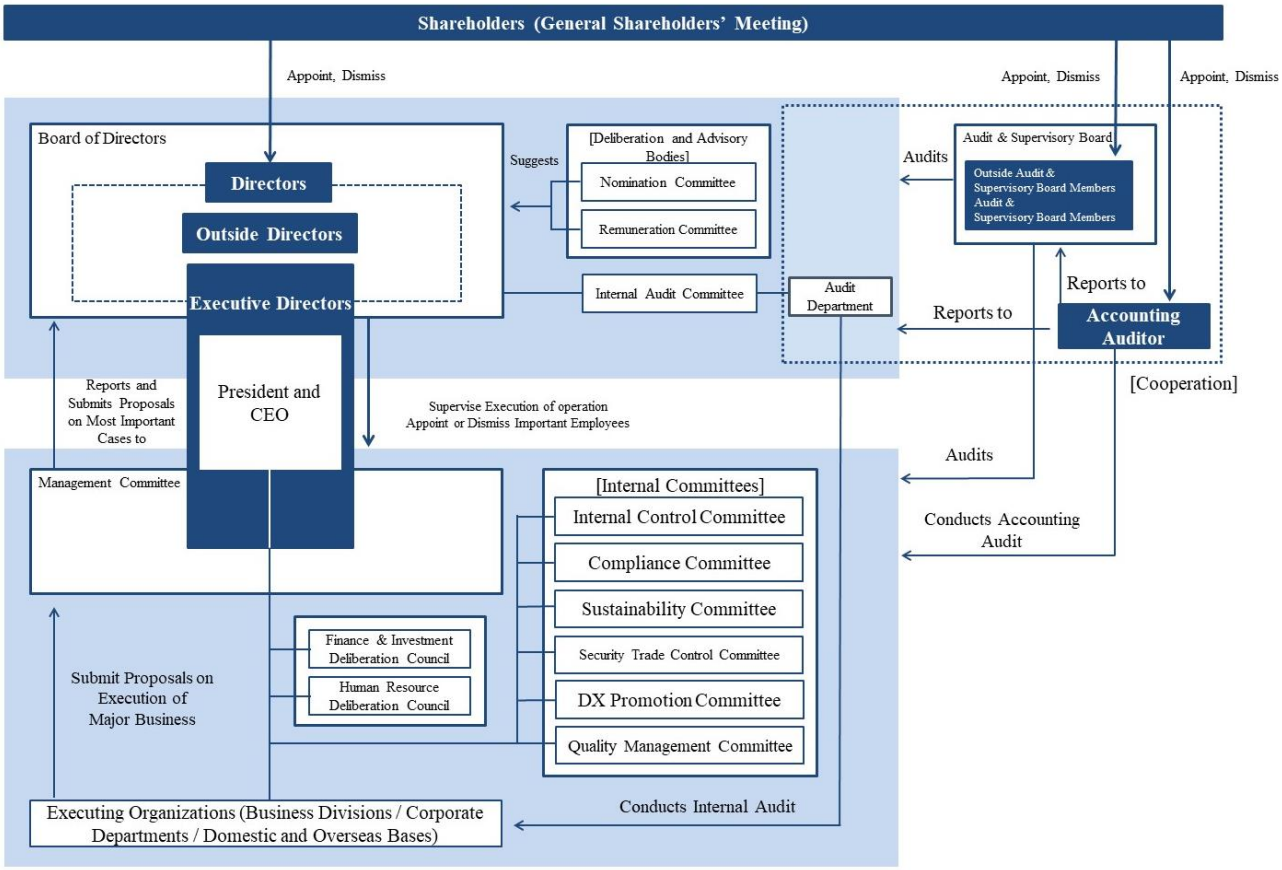
(Reference) **Corporate Governance Initiatives**

1. Basic Concept

We strive to improve our corporate value over the medium-to-long term based on the "Sojitz Group Statement"—The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.

In order to materialize this, based on our belief that the enhancement of our corporate governance is an important issue of management, we have built the following corporate governance structure in our effort 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.

Corporate Governance Framework (April 1, 2021 onward)



1) Management and Business Execution System

We employ an executive officer system for the purpose of, clarifying authority and responsibilities, and ensuring a smooth and swift execution of business through the separation of managerial decision-making from business execution. The Board of Directors is the highest decision-making body reviewing and resolving fundamental policies and most important cases concerning the management of the Group. The Board of Directors also supervises business execution through proposals of important matters and regular reports from the executing body. As the executing body, we have established the Management Committee, chaired by the President, who is also the Chief Executive Officer. The Committee is responsible for the review and approval of the Group's 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 investments and loans, the Human Resource Deliberation Council for the review and approval of major human resource matters, and internal committees to handle issues to be addressed from cross-organizational perspectives, as executing bodies all directly reporting to the President & CEO.
The term of Directors and Executive Officers is set to one year, in order to respond swiftly and appropriately to rapid changes in the business environment and clarify their responsibilities to management.

2) Monitoring and Supervisory Functions for Management
We appoint multiple Outside Directors for the purpose of receiving appropriate advice and proposals on management of the Group from an outside, objective standpoint and to reinforce the supervisory function of the Board of Directors. In addition, we ensure appropriateness and transparency with regard to the appointment of Directors and remuneration by having Outside Directors serve as the chair of the Nomination Committee and the Remuneration Committee, both advisory bodies to the Board of Directors. We are a company with an Audit & Supervisory Board, which independently monitors and supervises the operations of the Group.

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

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

In appointing candidates for Directors, we take into consideration the diversity such as gender, international experience or other characteristics, and appoint multiple candidates who possess abundant experience, specialized knowledge and advanced expertise from both inside and outside Sojitz, to ensure decision-making and management supervision appropriate to a general trading company involved in a wide range of businesses. Sojitz's Articles of Incorporation stipulate that the number of members of the Board of Directors shall be no more than ten. As of March 31, 2021, we have seven Directors (five male and two female), consisting of four In-house Directors who have abundant business experience at Sojitz and three Outside Directors who have objective specialist viewpoints and diverse knowledge.

- Procedure for Nominating Directors

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

- Matters Deliberated by the Board of Directors

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

- Support System for Directors

The Board Meeting Operation Office was established as an organization comprised of three full-time staff (as of March 31, 2021) who support the Directors by reporting to, providing information to, and communicating with Directors in a timely and appropriate manner.

- 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 analysis and assessment method and their results for the FY2020, and the tasks ahead are as follows.

Analysis and Assessment Method	1. The Board of Directors discussed how to proceed with the assessment of the effectiveness of the Board of Directors for the FY2020. 2. A written survey and an individual interview were conducted for all Directors and Audit & Supervisory Board Members. The results of this survey were then assessed by a third party (an outside consultant). 3. The analysis and assessment outcome based on the results of the third-party assessment and individual interviews was reported to the Board of Directors for a discussion on tasks to be addressed.
Survey Items	1. Roles and responsibilities of the Board of Directors 2. Composition of the Board of Directors 3. Management of the Board of Directors 4. Decision-making process of the Board of Directors 5. Supervision by the Board of Directors 6. Support system for the Board of Directors 7. Nomination Committee and Remuneration Committee, which are advisory bodies to the Board of Directors 8. Items concerning Outside Directors 9. Suggestions for improving effectiveness, etc.
Outline of Assessment Results	The aggregated survey results showed that the overall average score exceeded the standard, and the third-party assessment was favorable as detailed below. It is therefore confirmed that the Board of Directors is functioning appropriately and effectively as described below.
Excerpts from Third-Party	- Effectiveness of the Board of Directors has remained at high standards as in the previous fiscal year, due to adequate steering by the Chairman of the Board of Directors assumed by an Outside Director in the fiscal year ended March 31, 2021,

Assessment Observations	substantial opportunities ensured for presenting information to the Board of Directors, enhanced board diversity through the appointment of an additional Outside Director. - As for the reinvigoration of debate on medium- to long-term management plan, certain progress was registered as verified by an opinion that there were effective discussions on management strategies at offsite meetings and that substantial opportunities were ensured for Outside Directors to receive briefings prior to the board meetings. There was another opinion, on the other hand, saying that there was room for improvement in making analysis on the progress in the plans as well as how to achieve them. - The Board of Directors now consists, following the additional appointment of one Outside Director, of four In-house Directors and three Outside Directors amounting to seven members, with greater representation by Outside Directors, thus enhanced diversity. Endorsement was given to a view that diversity should further be enhanced and that the Board of Directors should continuously debate on what sort of skills should be required for the future growth over medium- to long-term. - As the Nomination Committee and the Remuneration Committee are strengthening their activities, it is important to continue to ensure transparency in these committees.

Tasks we performed in FY2020 based on the results of the assessment on the effectiveness of the Board of Directors for FY2019 and our policy on major tasks we will perform in FY2021 based on the results of the assessment of the effectiveness of the Board of Directors for FY2020 are as follows:

Tasks for FY2020	Assessment for FY2020 and New Challenges	Policy on major tasks for FY2021
Discuss the formulation status of the Medium-Term Management Plan 2023 at the Board of Directors, according to its stage of advancement, and confirm the direction and challenges for the Plan.	During the process of formulating the Medium-Term Management Plan 2023, the Board of Directors deliberated on the direction and challenges to be reviewed, according to its stage of advancement, discussed this at multiple meetings, and made decisions based on sufficient understanding.	
Discuss challenges and measures to achieve the Medium-Term Management Plan 2020 based on a review of the Plan.	It was assessed that further enhancement was required in the analysis to check the progress of, and achieve, the Plan.	Strengthen monitoring toward the achievement of the Medium-term Management Plan 2023 by reporting on the status of initiatives to achieve non-financial targets in the Plan, and issues and measures to achieve the quantitative plans, including the progress of major businesses and projects.
Exchange opinions between management and Outside Directors on important management issues, etc. to share understanding	The President & CEO and Outside Directors started holding monthly meetings to share information on important management matters and status of business execution, and this resulted in livelier discussions.	
	The Board of Directors revised the standard for determining agenda in order to secure sufficient time to discuss important matters, but the effect was limited.	Finalize the annual schedule and agenda of the Board of Directors meetings at the beginning of the fiscal year to secure time for discussions on important matters. Improve the quality of deliberations by organizing and clarifying the points of focus in deliberations.
Conduct on-site inspections and visits to bases by Outside Directors in order to deepen their understanding of the wide-ranging business of the Group.	On-site inspections could not be conducted due to the COVID-19 pandemic. However, they deepened their understanding of the Company's business by attending Finance & Investment Deliberation Council meetings as observers.	Further stimulate discussions by continuing to share information between the President & CEO and Outside Directors, and to hold Outside Directors meetings and meetings to exchange opinions between Outside Directors and Audit & Supervisory Committee; resuming visits to business locations by Outside Directors; and holding off-site meetings between In-house Directors and Outside Directors.
	With the advisory committee activities being reinforced, ensuring transparency continues to be important. More vigorous discussions at the Board of Directors are expected regarding the items discussed at the committees.	Deepen understanding within the Board of Directors by further improving reports by advisory committees to the Board of Directors on their status of activities, issues and responses, etc. The Nomination Committee will review the terms of office and systematic rotation of Outside Officers, considering the balance of skills, careers, expertise required on the Board of Directors, to be subsequently discussed by the Board of Directors.

- Updates in Fiscal Year 2021

Upon the resolution of the General Shareholders' Meeting on June 18, 2021, the Board of Directors will be composed of eight Directors (six male and two female), four of whom are In-house Directors with abundant business experience at Sojitz and four who are Outside Directors with objective, specialist perspectives and diverse knowledge.

2) Audit & Supervisory Board

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

operations of business by interviewing Directors, reviewing documents related to important decisions, and other methods.

- Composition of the Audit & Supervisory Board

The Audit & Supervisory Board consists of five members (two full-time), including two In-house Audit & Supervisory Board Members with abundant business experience within Sojitz and three Outside Audit & Supervisory Board Members with objective, specialist perspectives and diverse knowledge. (As of March 31, 2021)

- Support System for Audit & Supervisory Board Members

The Audit & Supervisory Board Members' Office exists as a dedicated body to support the Audit & Supervisory Board Members, comprised of three full-time staff as of March 31, 2021. It provides information to, reports to, and communicates with In-house and Outside Directors in a timely and appropriate manner.

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

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

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

* As of March 31, 2021

4) Policies on appointment and standards for independence of Outside Officers

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

For the Standards Concerning the Appointment and Independence of Candidates for Outside Directors and Outside Audit & Supervisory Board Members, please refer to page 31 of this notice.

5) Training policy for Directors and Audit & Supervisory Board Members

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

- We provide newly appointed Directors and Audit & Supervisory Board Members with opportunities for receiving lectures on the management of the Board of Directors, Sojitz's internal control and risk management structure of Sojitz, lectures by lawyers on legal obligations and responsibilities of

Directors and Audit & Supervisory Board Members, as well as programs targeting company management structures, such as third-party consulting sessions.

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

3. Business Executing Bodies

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

1) Management Committee

The Committee is comprised of Executive Directors and Chief Operation Officers (COOs) of business divisions and the COOs responsible for corporate departments. It reviews and approves management policies, management strategies and management administrative matters among the Group from Group-wide and medium-to-long-term viewpoints.

2) Finance & Investment Deliberation Council

The Council is comprised of Executive Directors and the COOs responsible for corporate departments. It discusses and resolves important investment and loan proposals from Group-wide viewpoints.

3) Human Resource Deliberation Council

The Council is comprised of Executive Directors and the COOs responsible for corporate departments, and discusses and resolves important issues pertaining to human resources from Group-wide viewpoints.

4) Internal Committees

In order to enhance corporate value, we have established the following internal committees (as of March 31, 2021) that act as executing bodies under the direct supervision of the President & CEO to advance management initiatives that need to be handled across the organization. Each internal committee regularly reports on its activities to the Board of Directors and the Management Committee.

	Roles
Internal Control Committee	The Internal Control Committee formulates policies to maintain and improve our internal control system based on the Companies Act and the Financial Instruments and Exchange Act, and monitors this internal control system and its enforcement among the Group.
Compliance Committee	The Compliance Committee examines and formulates fundamental policies and measures to ensure compliance.
Sustainability Committee	The Sustainability Committee examines and formulates fundamental policies and measures related to promotion of Sustainability.
Security Trade Control Committee	The Security Trade Control Committee expedites responses to changing security trade control issues associated with Sojitz Group and establishes appropriate trade control systems.

Business Continuity Management Committee	Business Continuity Management Committee examines and formulates fundamental policies and measures concerning crisis management of the Group, based on the "Sojitz Group Basic Policy on Crisis Management."

In addition, we have established the Disclosure Subcommittee and Information Security Subcommittee as subsidiary bodies of the internal committees.
On April 1, 2021, we established the following committees:

	Roles
DX Promotion Committee	The DX Promotion Committee monitors the overall picture of DX promotion aimed at increasing corporate value, and shares the progress and status of efforts, and verifies their effects.
Quality Management Committee	The Quality Control Committee restructures a company-wide quality control system to develop business (B to C business) from a market-oriented perspective and to engage in the manufacturing business.

Furthermore, to discuss and review the practices and initiatives for specific themes from cross-organizational perspectives, we established new "working groups" for this purpose in addition to the internal committees and their subsidiary subcommittees. In line with this reorganization, the "Business Continuity Management Committee," a former internal committee, and the "Disclosure Subcommittee" were reorganized into working groups. We will continue to make necessary reviews and upgrade our corporate structure to build a system that contributes to increasing our corporate value.

4. Corporate Audits, Accounting Audits and Internal Audits

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

1) Audits by Audit & Supervisory Board Members

Pursuant to the Corporate Audit Standards established by the Audit & Supervisory Board, Audit & Supervisory Board Members attend important meetings such as those of the Board of Directors, Management Committee and Finance & Investment Deliberation Council. In addition, based on audit plans and task assignments, Audit & Supervisory Board Members oversee and audit the operations of Sojitz Group by performing audits using means such as interviewing Directors and other members of senior management regarding business execution, reviewing important documents relevant to major business decisions, and checking business reports from subsidiaries.
Audit & Supervisory Board Members receive explanations about audit plans and regular audit reports from the Accounting Auditor, which they use to conduct effective audits and monitor the independence of the Accounting Auditor. They also receive audit plans and reports on the status of audits from the Internal Audit Department, and submit opinion statements on audit results. Sojitz has thus established a system for ascertaining the status in a timely and appropriate fashion, based on cooperation with the Accounting Auditor and the Internal Audit Department.
In FY2020, we conducted audits while having sufficient communication with domestic and overseas subsidiaries amid the COVID-19 pandemic by establishing a system to conduct remote audits using web conferencing systems.

2) Accounting Audits

Sojitz has appointed the independent auditing firm KPMG AZSA LLC to conduct accounting audits in accordance with the Companies Act, as well as audits of financial statements, quarterly reviews and

internal control audits in accordance with the Financial Instruments and Exchange Act. Their executive officers and assistant staff involved in audits for Sojitz in the fiscal year ended March 31, 2021, are as follows. Details on their years of service are omitted, as all of the certified public accountants (CPAs) who audited Sojitz have served for less than seven years.

(Designated Limited Liability Partners, Engagement Partners)
Ryoji Fujii, Ryohei Tomita, Daisuke Yamada
(Assistant staff working for our accounting audit)
18 CPAs and 23 assistant CPAs

3) Internal Audits

Based on an audit plan adopted by the Board of Directors and under the supervision of the Internal Audit Committee, the Internal Audit Department (comprising 30 people as of March 31, 2021) conducts audits covering the business divisions, corporate departments, and consolidated subsidiaries as follows.

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

5. Holdings of Listed Shares

1) Policies for reducing shareholdings under Medium-Term Management Plan 2023

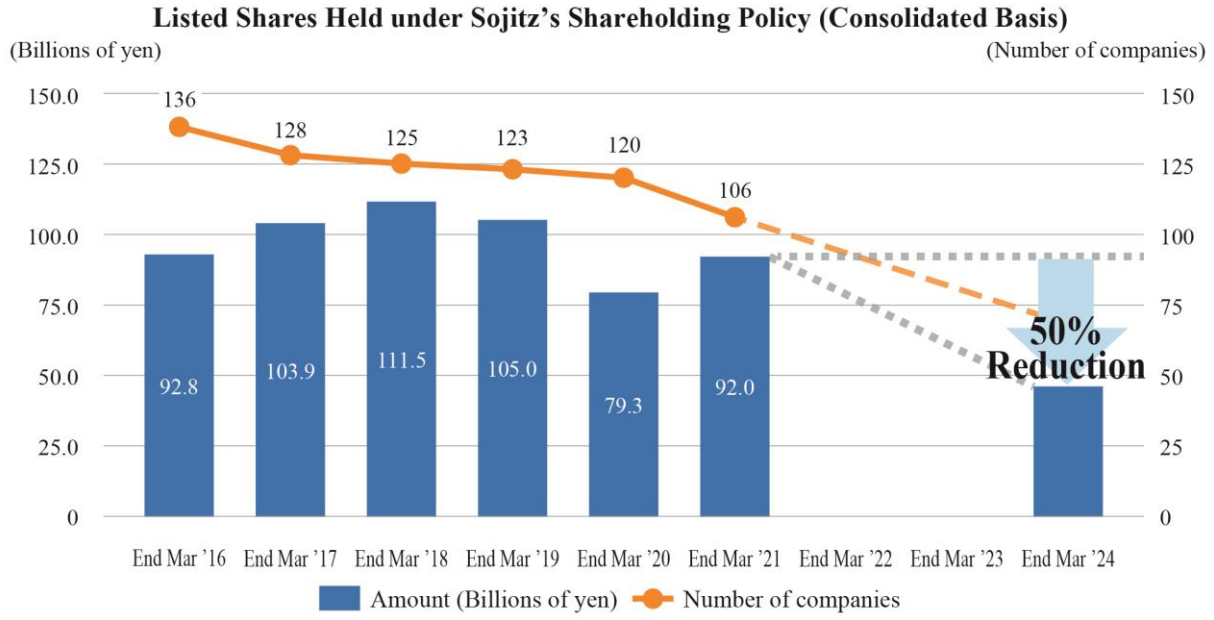
Under the Medium-Term Management Plan 2023, Sojitz will further accelerate the reduction of shares held as part of our shareholding policy to achieve a 50% reduction by the end of March 2024. In the current market situation with more attention than ever on cross-shareholdings, we have decided to proceed further with reducing listed shares held as part of our shareholding policy in an effort to raise capital efficiency.

2) Policies for share holdings

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

3) Exercise of voting rights

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



6. Dialogue with Shareholders

Sojitz maintains a basic policy of engaging in constructive dialogue with shareholders. Sojitz continues to provide shareholders with appropriate and timely information on management policy and initiatives to achieve sustained growth and increase corporate value over the medium-to-long term. Shareholders' opinions are then reported to the upper management and reflected in management decisions.

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

- Providing information to shareholders

Sojitz's basic policy is to communicate information fairly and equally to all shareholders. Information regarding the Medium-Term Management Plan and financial results is publicized via TDnet or the Sojitz website immediately after resolution by the Board of Directors. In addition, to promote the understanding of its management philosophy, vision, business activities and business models, Sojitz has engaged in active disclosure of information amid the continuing impact of COVID-19, such as publishing Integrated Reports, holding online briefings for individual shareholders and business activities briefings, and distributing videos on the Sojitz website featuring the President & CEO's visit to Sojitz's operating companies.

- Initiatives with regard to the Ordinary General Shareholders' Meeting

The Notice of Ordinary General Shareholders' Meeting is posted on our website in Japanese and English around four weeks prior to the Ordinary General Shareholders' Meeting and is sent out by mail around three weeks prior to the meeting. In addition, the Notice of Ordinary General Shareholders' Meeting has become compatible with smartphones and tablets as well. Sojitz is also engaged in promoting dialogue with shareholders, while effectively preventing the spread of COVID-19 at the Ordinary General Shareholders' Meeting, through active measures including holding the Ordinary General Shareholders' Meeting at a different time from most other companies in Japan, using Internet voting system, participating in Electronic Voting Platform, which can be utilized by institutional investors in Japan and overseas, accepting questions in advance, distributing business briefing videos to shareholders in advance, and livestreaming of the Ordinary General Shareholders' Meeting.

- Systems and initiatives for dialogue with shareholders

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

Parties	Initiatives	Specific activities in the fiscal year ended March 31, 2021
Individual shareholders and individual investors	Hold online briefing sessions to explain performance trends, Sojitz's human resource strategies and business. Distribute videos on the Sojitz website featuring the President & CEO's visit to Sojitz's operating companies.	Online briefing for individual shareholders Online briefings for individual investors
Institutional investors (Japan and overseas)	Ensure to provide opportunities for direct dialogue through various briefings and individual meetings, etc.	Online financial results briefings Online business activities briefings Online individual meetings Meeting with Outside Directors Participation in conferences held by securities companies

In addition to the above, securities analysts and credit rating agency specialists attended online financial results briefings.



Meeting between Outside Directors and institutional investors (November 2020)



Online briefing for individual shareholders (December 2020)



Videos of visit to three operating companies in Kyushu, Japan (December 2020)

(Attachment to the Notice of the 18th Ordinary General Shareholders' Meeting)

Business Report

(From April 1, 2020 to March 31, 2021)

1. Current circumstances of Sojitz Group

(1) Business activities

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

(2) Review of progress and performance in operations

In the year ended March 31, 2021, the global economy experienced a substantial slowdown due to the global COVID-19 pandemic and the impacts of measures for fighting the pandemic, such as the lockdowns, travel restrictions, and stay-at-home requests instituted in numerous countries. Governments around the world implemented fiscal and financial measures, resulting in a recovery trend that emerged around the summer. However, the later emergence of variant COVID-19 viruses caused case numbers to resume increasing. Currently, there is a sense of anticipation regarding the vaccination of populations centered on developed countries. Regardless, the COVID-19 pandemic continues to impact economic activities.

COVID-19 case numbers remain high in the United States, but the widespread vaccination of the population along with the benefits of measures such as stimulus payments to individuals and additional economic stimulus packages have spurred recovery in economic activities. Going forward, however, it will be important to monitor the impacts of the United States' efforts to detach its economic growth from China on the supply chains for semiconductors and other electronic components.

The slowdown in the European economy has been substantial as a result of intermittent lockdowns instituted in response to the rapid spread of variant COVID-19 viruses, and it is possible that wages and the job market will be slow to recover following protracted periods of unemployment among younger and other generations. Meanwhile, a trade agreement was reached between the United Kingdom and the European Union, but there is concern for the trade implications of the non-tariff trade barriers that will be put in place going forward.

China has successfully prevented subsequent COVID-19 outbreaks on a nationwide level through localized lockdowns and individual quarantines. In addition, exports from this country have been brisk centered on electronic products and components. Nevertheless, ongoing caution is warranted with regard to the risks present in this market, particularly those related to reduced creditability as cases of debt default increase and to the ever more intense conflicts with the United States.

Conditions pertaining to the COVID-19 pandemic vary by country in Southeast Asia. Accordingly, there is disparity in the speed of economic recovery between, for example, Vietnam, which has experienced positive growth, and Indonesia and the Philippines, where COVID-19 cases continue to increase. Countries across Southeast Asia have begun vaccinating their populations, but progress in these vaccinations also varies by country. Economic recovery could thus be slow in countries where a significant amount of time is required for the population to be vaccinated.

In Japan, there are signs of recovery in corporate activities driven by growth in exports and economic stimulus measures. Meanwhile, the rise in COVID-19 cases seen during the winter has placed additional pressure on the economy. There is thus a need to carefully monitor the contraction of domestic demand, which is seen being centered on face-to-face service industries, as the government institutes state of emergency declarations and other pandemic-fighting measures. Ongoing caution is also required with regard to the impacts of U.S.-China conflicts on the global economy.

Sojitz Group's assets, profits and losses

Sojitz Group's assets, profits and losses in FY2020 and the past three fiscal years are as outlined below.

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

(Millions of yen, unless otherwise specified)

FY / Item	FY2017 15th fiscal year	FY2018 16th fiscal year	FY2019 17th fiscal year	FY2020 18th fiscal year (fiscal year under review)
Revenue	1,816,459	1,856,190	1,754,825	1,602,485
Profit before tax	80,343	94,882	75,528	37,420
Profit for the year (attributable to owners of the Company)	56,842	70,419	60,821	27,001
Total comprehensive income for the year (attributable to owners of the Company)	47,430	50,938	(4,220)	59,111
Basic earnings per share (attributable to owners of the Company) (yen)	45.44	56.34	48.91	22.51
Total assets	2,350,351	2,297,059	2,230,285	2,300,115
Total equity attributable to owners of the Company	586,464	618,295	579,123	619,111
Total equity per share attributable to owners of the Company (yen)	468.81	494.94	474.97	516.32
Return on Assets (ROA) (%)	2.5	3.0	2.7	1.2
Return on Equity (ROE) (Note 2) (%)	10.0	11.7	10.2	4.5
Equity Ratio (Note 3) (%)	25.0	26.9	26.0	26.9
Net DER (times)	1.03	0.95	1.06	0.99
Consolidated payout ratio (%)	24.2	30.2	34.8	44.4

(Note) 1. Figures are rounded down to the nearest million yen.
2. ROE is return on total equity attributable to owners of the Company.
3. Equity ratio is the ratio of total equity attributable to owners of the Company.

Sojitz Group Performance

Sojitz Corporation's consolidated business results for the year ended March 31, 2021 are presented below.

Revenue	Revenue was down 8.7% year on year, to ¥1,602,485 million, due to lower revenue in the Automotive Division, as a result of decreases in sales units in overseas automobile operations; and in the Chemicals Division, a result of declines in the transaction volumes of plastic resins and falling methanol prices; and in the Retail & Lifestyle Business Division, as a result of lower lumber transactions.
Gross profit	Gross profit decreased ¥ 32,374 million year on year to ¥188,120 million, due to decrease in revenue in the Metals & Mineral Resources Division, influenced by a decline in coal prices and the sale of partial coal interests recorded at the end of the previous fiscal year, decreases in sales units in overseas automobile operations in the Automotive Division, and fall of methanol prices in the first quarter in the Chemicals Division.
Profit before tax	Profit before tax decreased ¥38,108 million year on year, to ¥37,420 million, as the declines in gross profit, share of profit of investments accounted for using the equity method and other income and expenses stemming from the sale of thermal coal interests in the previous year outweighed the benefits of the decreases in selling, general and administrative expenses.
Profit for the year	After deducting income tax expenses of ¥8,002 million from profit before tax of ¥37,420 million, profit for the year amounted to ¥29,417 million, down ¥35,156 million year on year. Profit for the year (attributable to owners of the Company) decreased ¥33,820 million year on year, to ¥27,001 million.
Comprehensive income for the year	Comprehensive income for the year of ¥62,967 million was recorded, compared with comprehensive loss for the year of ¥2,361 million in the previous fiscal year, following an increase in financial assets at fair value through other comprehensive income along with more beneficial foreign currency translation differences for foreign operations. Comprehensive income for the year (attributable to owners of the Company) of ¥59,111 million was recorded, compared with comprehensive loss for the year of ¥4,220 million in the previous fiscal year.

Sojitz Group's operating performance and overview of business conditions by business segment are as follows. (Hereinafter, profit for the year refers to profit attributable to owners of the Company.)

Automotive Division

Business description

- Trading of completed automobiles
- Assembly and sales
- Retail
- Parts, simple parts assembly, supply chain management
- Automotive parts quality inspection operations
- Financing
- Sales and service operations incorporating digital technologies

Operating performance

Revenue was down 17.7% year on year, to ¥185,413 million, as a result of decreases in sales units in overseas automobile operations as a result of the global COVID-19 pandemic. Profit for the year decreased ¥1,166 million, to ¥1,214 million, as a result of a decline in gross profit.

Aerospace & Transportation Project Division

Business description

- Commercial aircraft, defense and related equipment agency and sales
- Business jets business
- Used aircraft and part-out business
- Transportation and social infrastructure projects
  (railway, airport, port, and other social infrastructure projects)
- Marine business

Operating performance

Revenue was down 25.4% year on year, to ¥26,565 million, due to decreases in aircraft transactions. Profit for the year increased ¥40 million, to ¥1,834 million. Gross profit decreased, but that was outweighed by the impacts of an increase in other income stemming from impairment losses on Company-owned ships in previous fiscal year.

Machinery & Medical Infrastructure Division

Business description

- Plant projects
  (fertilizer & chemical, energy and environmental projects)
- Industrial machinery
- Forefront industry businesses
- Bearings
- Medical infrastructure
  (hospital PPP, medical-related service, healthcare new technology)

Operating performance

Revenue was down 10.9% year on year, to 110,199 million, due to decreases in industrial machinery transactions. Profit for the year decreased ¥572 million, to 3,995 million as an increase in share of profit of investments accounted for using the equity method counteracted the impacts of a decline in gross profit and loss on reorganization of subsidiaries/associates of industrial machinery related company.

Energy & Social Infrastructure Division

Business description

- Infrastructure & environment
  (renewable energy, IPP projects)
- Power-related projects (IPP and IWP projects, power plant EPC business)
- Energy
  (oil and gas; petroleum products; and LNG-related business)
- Social infrastructure projects
  (telecommunications infrastructure projects)

Operating performance

Revenue was down 30.2% year on year, to ¥57,268 million, as a decrease in income from overseas natural gas-fired power generation businesses and lower trading volume of LNG. Profit for the year decreased ¥6,040 million to ¥3,592 million in reaction to the sale of a power generation business in the previous fiscal year and due to a decline in the share of profit of investments accounted for using the equity method.

Metals & Mineral Resources Division

Business description

- Coal and iron ore business
- Ferroalloys, non-ferrous and precious metals business
- Ceramics, minerals, coke and carbon products business
- Steel-related business

Operating performance

Revenue was up 1.6% year on year, to ¥356,192 million, as a result of a price increase on precious metals and higher trading volume. Profit for the year decreased ¥21,777 million, to loss of ¥1,673 million, due to declines in gross profit associated with the fall in coal prices and other income and expenses due to the sale of thermal coal interests at the end of the previous fiscal year.

Chemicals Division

Business description

- Organic chemicals business (methanol)
- Inorganic chemicals business
  (rare earths, industrial salt)
- Plastic products business
- Liquid crystals and optical components business
- Electronics materials, fiber materials and products for use in industrial supplies business

Operating performance

Revenue was down 8.9% year on year, to ¥406,784 million, as a result of lower transaction volumes of plastic resins and declines in the price of methanol. Profit for the year increased ¥3,515 million, to ¥5,754 million as the decline in gross profit.

Foods & Agriculture Business Division

Business description

- Grains, flour, oils and fats, oil stuff and feed materials business
- Marine products, processed seafood business
- Sweets, raw ingredients for sweets business
- Coffee beans, sugar, other foodstuffs and raw ingredients business
- Compound chemical fertilizers business

Operating performance

Revenue was up 8.6% year on year, to ¥125,173 million, following higher transactions volumes in overseas fertilizer businesses. Profit for the year increased ¥3,697 million, to ¥5,062 million, as a result of an increase in gross profit.

Retail & Lifestyle Business Division

Business description

- Apparel business
- Lumber-related business
- Food-related business
- Imported tobacco business
- General commodities business
- Administration of shopping centers

Operating performance

Revenue was down 9.1% year on year, to ¥282,027million, as the impacts of lower lumber, meat and textile transactions because of COVID-19 pandemic. Profit for the year decreased ¥1,417 million, to ¥4,546 million as a decline in gross profit.

Industrial Infrastructure & Urban Development Division

Business description

- Real estate development, consignment sales, rent, administration and management businesses
  (industrial park, housing, office, etc.)

Operating performance

Revenue was down 7.3% year on year, to ¥31,954 million, because of a decline in real estate transactions. Profit for the year decreased ¥410 million, to ¥1,064 million, as a result of a decline in share of profit of investments accounted for using the equity method.

(3) Financial Position

Consolidated Balance Sheet

Total assets on March 31, 2021, stood at ¥2,300,115 million, up ¥69,830 million from March 31, 2020. This increase was primarily a result of an increase in fixed assets due to the acquisition of an additional stake in a solar power generation business company and an increase in investments accounted for using the equity Method following new acquisitions in solar power generation business.

Total liabilities at March 31, 2021, amounted to ¥1,645,476 million, up ¥37,089 million from March 31, 2020, largely due to an increase in interest-baring debt following new borrowing.

Total equity attributable to owners of the Company was ¥619,111 million on March 31, 2021, up ¥39,988 million from March 31, 2020. This increase was largely due to an increase in profit for the year (attributable to owners of the Company) and other components of equity resulted primarily from foreign exchange rate and stock price fluctuations.

Sojitz consequently, on March 31, 2021, the current ratio was 162.7%, the long-term debt ratio was 82.5%, and the equity ratio was 26.9%. Net interest-bearing debt (total interest-bearing debt less cash and cash equivalents and time deposits) totaled ¥610,677 million on March 31, 2021, ¥2,496 million decline from March 31, 2020. This resulted in the Company's net debt equity ratio equaling 0.99 times at March 31, 2021.

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

(4) Consolidated Cash Flows

In the year ended March 31, 2021, operating activities provided net cash flow of ¥84,972 million, investing activities used net cash of ¥35,676 million, and financing activities used net cash of ¥40,621 million. Sojitz ended the year with cash and cash equivalents of ¥287,597 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥44,462 million, consisted of business earnings and dividends received, etc. It was up ¥84,972 million year on year.

(Cash flows from investing activities)
Net cash used in investing activities totaled ¥35,676 million, up ¥7 million year on year, despite collection in thermal coal interests in Australia and the sale of a shopping mall.

(Cash flows from financing activities)
Net cash used in financing activities amounted to ¥40,621 million, largely as a result of dividends paid and purchase of treasury stock. It was up ¥28,457 million year on year.

(5) Funding, etc.

Under Medium-Term Management Plan 2020, the Sojitz Group continues to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has been endeavored to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and by keeping the long-term debt ratio at its current level.

As one source of long-term funding, Sojitz issued ¥10 billion straight bonds in September 2020. Sojitz will continue to closely monitor interest rates and market conditions and will consider additional issues whenever the timing and associated costs prove advantageous.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz maintains a ¥120 billion long-term yen commitment line (which remains unused) and a long-term commitment line totaling US$1.8 billion (of which US$0.61 billion has been used).

(6) Major creditors and borrowed amounts (As of March 31, 2021)

(Billions of yen)

Creditor	Amount outstanding
MUFG Bank, Ltd.	185.8
Mizuho Bank, Ltd. (Note 3)	63.3
Development Bank of Japan Inc. (Note 3)	59.4
Sumitomo Mitsui Trust Bank, Limited (Note 3)	51.5
The Norinchukin Bank	36.5
Nippon Life Insurance Company	27.6
Sumitomo Mitsui Banking Corporation (Note 3)	25.0
Resona Bank, Ltd. (Note 3)	23.5
Shinkin Central Bank	22.5
THE SHIZUOKA BANK, LTD.	11.0

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

(7) Business outlook and issues to be addressed

Based on the articles of Sojitz Group Statement and the Sojitz Group Slogan, the Sojitz Group is committed to maximizing two types of value: “value for Sojitz,” which contributes to the fortification of our business foundation and to ongoing growth, and “value for society,” which contributes to economic development on regional and national scales and to human rights and environmental awareness.

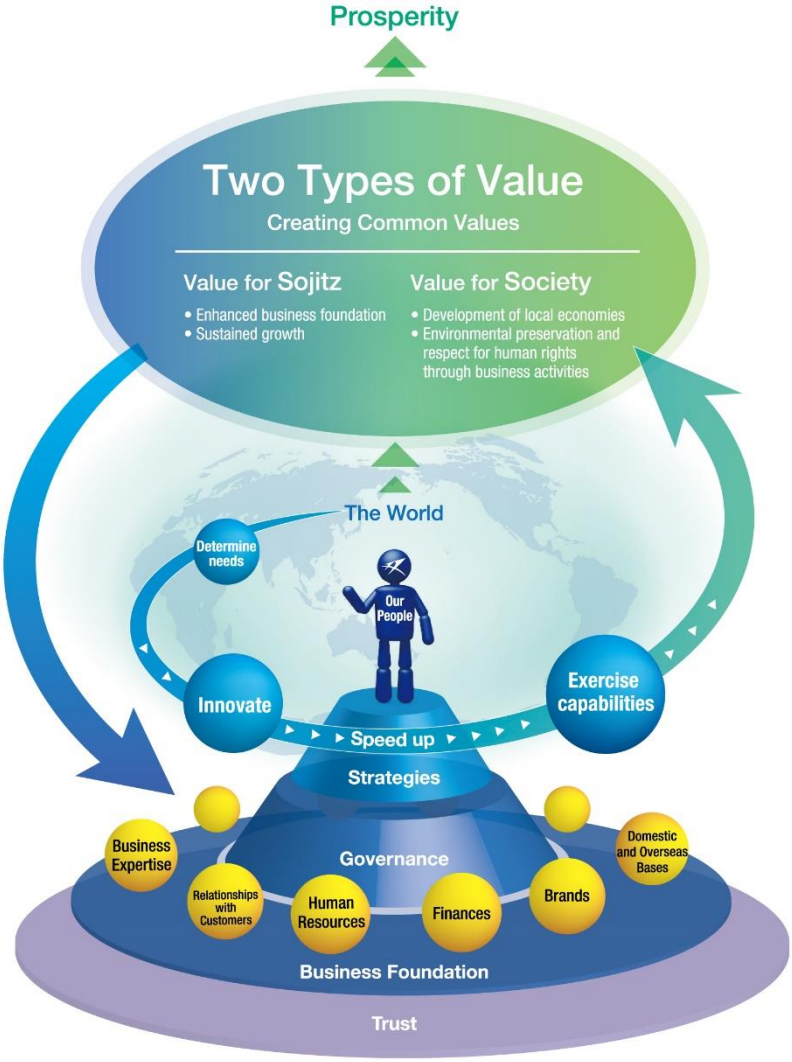
Sojitz Group Statement

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



Review of Medium-Term Management Plan 2020

Under Medium-Term Management Plan 2020 ~ Commitment to Growth ~, Sojitz pursued steady growth by increasing the value of its assets while managing cash flows to continue conducting disciplined investments and loans (a total of ¥300.0 billion over the three-year period of the medium-term management plan). The Company achieved the targets put forth by the plan, namely a net debt equity ratio of 1.5 times or less, a positive three-year core cash flow, and a payout ratio of around 30%, indicating that operations have been advanced in a disciplined manner. Conversely, performance in the year ended March 31, 2021—the final year of the medium-term management plan—was heavily impacted by the global COVID-19 pandemic. As a result, the Company's performance fell below the final-year targets of profit for the year (attributable to owners of the Company) of ¥75.0 billion and over, return on assets (ROA) of 3% or above, and return on equity (ROE) of 10% or above, with profit for the year (attributable to owners of the Company) of ¥27.0 billion, ROA of 1.2%, and ROE of 4.5%. Furthermore, three-year investments and loans only totaled ¥260.0 billion, placing the Company behind schedule in the final year of the plan, an outcome that was a result of delays in contract negotiations that resulted from the COVID-19 pandemic. Regardless, initiatives for building solid earnings foundations continue to move forward.

Medium-Term Management Plan 2023

Sojitz recently announced its vision of becoming a general trading company that constantly fosters new businesses and human resources in 2030. The Company will seek to realize this vision by fulfilling the mission of a general trading company: delivering goods and services where necessary. Pursuing higher levels of competitiveness and growth through an intensely market-oriented perspective, internal and external exchanges and co-creation, and swift action while transforming organizations and human resources as necessary, Sojitz will continue to create value.



In April 2021, Sojitz announced Medium-Term Management Plan 2023 ~ Start of the Next Decade ~ a three-year plan designed to further the Company toward its vision for 2030, as shown below.

Performance Indicator (3 years average)	ROE	Net D/E ratio	Dividend payout ratio
Target	10% or above	Approximately 1 time	Approximately 30%*

*Dividend payout ratio of around 30%. Minimum dividends also set.



ROE target of 10% or more has been set for this management indicator based on the Company's shareholders' equity costs of approximately 8%. Cash return on invested capital (CROIC), which represents the core operating cash flow generated from invested capital, has been adopted as an internal management indicator to guide efforts for accomplishing this target, and segment CROIC targets have been set to function as value creation guideline figures.

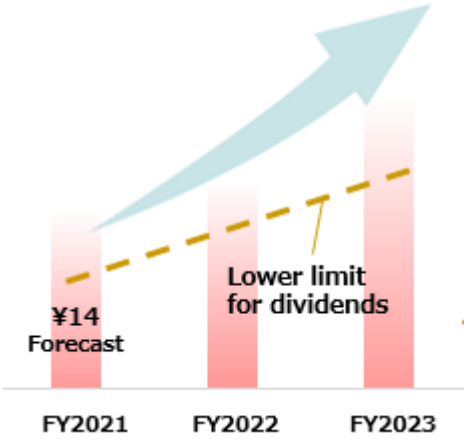
Medium-Term Management Plan 2023 calls for the steady improvement of corporate value through the execution of investments in growth fields and new fields, to be identified based on megatrends, totaling ¥330.0 billion over the three-year period of the plan (¥30.0 billion of which is to be directed toward non-financial investments in human resources and organizational reforms). These investments shall be conducted while practicing continued discipline in cash flow management.

Specifically, in order to meet market needs and address social issues in line with megatrends, we identified "infrastructure & healthcare," "market-oriented initiatives in growth markets such as ASEAN and India," and "materials & circular economy" as the three areas of focus, based on the concept of creating value under the strategy of pursuing "competitiveness" and "growth markets." We will achieve growth by intensively allocating human resources and financial resources to these three areas.



In addition to paying stable dividends to shareholders on an ongoing basis, Sojitz is also committed to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing retained earnings. This endeavor has positioned as a basic policy. In accordance with this basic policy, the Company will target a consolidated payout ratio of around 30% under the Medium-Term Management Plan 2023.

Lower limit for dividends is set as representing market price-based DOE of 4% until PBR reaches 1.0 times and book value-based DOE of 4% after PBR reaches 1.0 times.
In other words, we are committed to paying effective dividend yield of 4% while PBR is below 1.0 times, and will pay dividends equivalent to half of our capital cost of approximately 8 %, which we calculate when PBR reaches 1.0 times.
*DOE: Dividend on Equity



Lower limit for dividends Policy

Dividend payments when year-end PBR is under 1.0x :

- **Market value-based DOE of 4%**
- Calculated based on the annual average of stock closing prices
- The result is a dividend yield of 4%

Dividend payments when year-end PBR is above 1.0x :

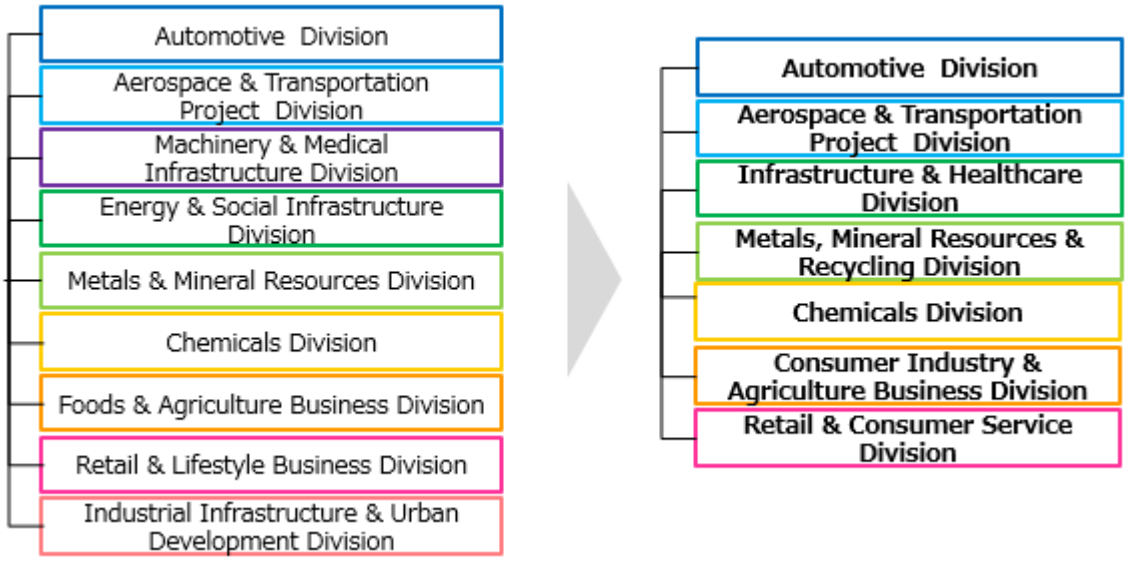
- Book value-based DOE of 4%
- Return 50% of approx. 8% shareholders equity costs

(Note) The dividend forecast for FY2021 does not take into account the effects implementing a share consolidation.

Please visit our website (https://www.sojitz.com/en/corporate/strategy/plan/) for details on Medium-Term Management Plan 2023.

Division Restructuring and Growth Strategy by Division for the Medium-Term Management Plan 2023

In April 2021, Sojitz implemented structural reforms in order to restructure its businesses from its original 9 Divisions into 7 Divisions. We have taken this approach with the aim of expanding and transforming our business scale and promoting new businesses in growth domains, in response to remarkable environmental changes, rapid progress in digitalization, and diversification of values.



Automotive Division

Division strategy

Conducts automotive wholesale and assembly, and retail sales. We have operations in growing markets such as Asia, Russia & NIS, and Latin America as well as in mature markets such as Japan and the U.S. We aim to add even more value to our business and further expand our business domain in promising markets by enhancing our locally-based sales and marketing, as well as our after-sales services, and by strengthening functions through the use of digital technology. We are also working to strengthen our auto-financing business and actively build automobile-related services responsive to the changing times, so that we can contribute to building a prosperious mobility society.

Aerospace & Transportation Project Division

Division strategy

Manages aerospace industry businesses as a sales agent for commercial aircraft and defense-related equipment and services, in addition to handling leasing, part-out and business jets. In the transport infrastructure business, we are engaged in airport management and railroads, and our marine vessels business handles various types of vessels, including both new and secondhand vessels. We are striving to strengthen and expand the scope of our aerospace-related business, such as by realizing a deeper partnership with Boeing in our sales agency business, expanding the functions of our business jet service, and strengthening airport-related businesses such as our in-flight meal business. We are also strengthening our business base by expanding our North American railroad business, and working on our airport and transportation infrastructure business in emerging countries, where there is rising demand.

Infrastructure & Healthcare Division

Division strategy

In business domains such as energy, communications, urban infrastructure, and healthcare, we see opportunities presented by increase in demand mainly in emerging countries for infrastructure and healthcare associated with economic growth, as well as global societal issues including climate change, digitalization, and diversification of values. By combining functions and ideas in these business domains that are unique to Sojitz, we will provide new solutions to create value.

Metals, Mineral Resources & Recycling Division

Division strategy

Engages in trading and upstream investment in mineral resources and ferrous materials. We have also fully entered the circular economy domain including recycling, and are working to create and promote new businesses that meet the needs of society. Based on the accelerating trend toward decarbonization, we are promoting a transformation in our resources-related businesses. Simultaneously, we established our recycling business as our highest priority theme for reducing consumption of resources and realizing a circular society in the near future, and are working to build and strengthen a business structure that is not easily swayed by market conditions.

Chemicals Division

Division strategy

Conducts a wide range of trading and business, involving basic chemicals such as methanol, as well as plastics and other functional materials, and inorganic chemicals such as industrial salts and rare earths. We are also working to develop businesses in fields such as the environmental businesses and life sciences, which contribute to realizing a decarbonized, circular society. While working to transform our businesses and human resources, we will also further enhance our businesses which we have strengths in, and realize sustainable growth by stepping up our initiatives in the environment, life sciences, and materials business, which contribute to realizing a decarbonized, circular society.

Consumer Industry & Agriculture Business Division

Division strategy

Strives to realize high quality life styles by providing safe and reliable food, as well as comfortable living spaces. In order to do so, we aim for sustainable growth by strengthening existing business, as well as expanding and transforming peripheral businesses, including our fertilizer business, foodstuff business, marine products business, feed materials business, and forest products business, especially in regions with outstanding growth, such as Southeast Asia. Furthermore, we have also adopted the theme of creating value by solving societal issues in developed countries, and aim to undertake the challenge of revitalizing the regions of Japan outside Tokyo, in order to further expand our excellent business assets.

Retail & Consumer Service Division

Division strategy

Focuses on a diverse range of business that can respond to consumer needs both in Japan and overseas, including our food distribution business, shopping center management business, consumer goods distribution business, and real estate business. In emerging countries expected to achieve growth, such as Vietnam and India, we aim to undertake business transformation of our existing businesses as well as developing diverse businesses that bring richer lifestyles and greater convenience to people. We are also addressing the theme of strengthening business in the Japanese retail market.

Initiatives for Sustainable Growth

1) Sustainability Initiative

To continue creating two types of value—value for Sojitz and value for society—well into the future, Sojitz Group has defined 6 Key Sustainability Issues (Materiality) to focus on in its business over the medium- to long- term. Based on these issues, we are striving to integrate solutions to global environmental and social issues into our corporate activities and build systems for such integration.



Sojitz has defined the realization of a decarbonized society and the respect for human rights within supply chain as focus areas where the Company can have a substantial influence based on global issues, such as those indicated by the Paris Agreement and the United Nations Sustainable Development Goals.

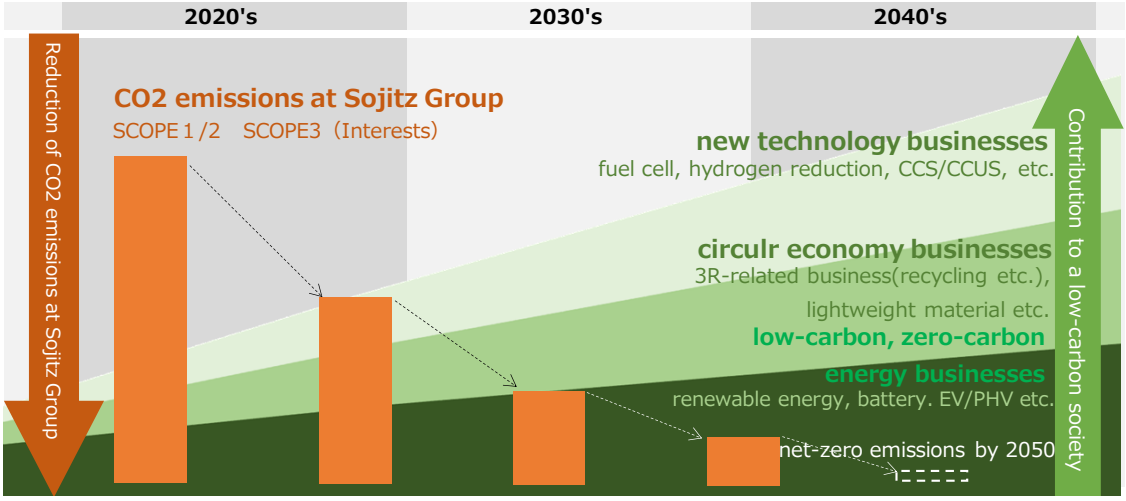
Long-term vision for 2050, the "Sustainability Challenge"

We will strive to create sustainable growth for both Sojitz and society by working to help achieve a decarbonized society through our business activities, and by responding to human rights issues, including those within our supply chains.

Medium-Term Management Plan 2023 also stipulates the broadening of ongoing human rights initiatives along with the reinforcement of businesses aimed at realizing a decarbonized, circular society and the infrastructure-related businesses and services that will be imperative to the transition toward such a society.

● Decarbonization Initiatives

Sojitz will accelerate reduction of CO_2 emissions from existing businesses of the Sojitz Group in order to increase its resilience in the decarbonized society of the future, and will approach this societal transition as a new opportunity in new businesses undertaken in the future, in order to build a broad business in the energy field and other fields. By doing so, Sojitz will increase various profit opportunities as "value for Sojitz", in the process of realizing a decarbonized society as "value for society".



As concrete steps to advance the above aims, in March 2021, we announced the following new policies and targets.

Sojitz Group's Decarbonization Policies and Targets

Existing businesses	Scope 1 + 2	Reduce emissions by 60% by 2030; achieve net zero emissions by 2050*1 For Scope 2: Net-zero emissions by 2030 *2 *Coal-fired power generation : No current projects nor future projects planned
	Scope 3	Thermal coal interests : Reduce interests to half or less by 2025 *3 Zero interests by 2030 *4 Oil interests : Zero interests by 2030 Coking coal interests : Zero interests by 2050
New business		For all new businesses initiated going forward, Sojitz aims to realize net-zero carbon emissions by 2050.
Contributions to carbon-free society		■ Expansion of relevant businesses and initiatives framing situation as opportunity ■ Measurement of contributions to reductions in society's CO2 emissions (Scope 4) and advancement of related business activities

*1, 2 FY2018 serves as the base year, with non-consolidated and consolidated subsidiaries included in the scope. Includes carbon offsets from certificates. Introduction of internal carbon pricing under consideration, which supports the reduction of CO_2.

*3 FY2018 serves as the base year, and targets are based on the book value of assets in coal interests.

*4 Target deadline moved to earlier date from the previously announced goal of reducing thermal coal interests to half or less by 2030 announced in May 2019.

These goals are based on our current outlook for the future. Sojitz will flexibly revise them according to changing conditions of societal trends and technological innovations.

Sojitz announced its support for the final recommendations of TCFD in August 2018, and it will endeavor to disclose its progress toward the above goals in accordance with the final recommendations of TCFD.

● Initiatives made for the respect of human rights within supply chains

The Sojitz Group engages in various businesses globally, and has an extensive supply chain stretching around the world. Sojitz Group aims to ensure respect for human rights in all countries and regions that are involved in its business.

In order to achieve this goal, Sojitz is promoting initiatives in accordance with the UN's "Guiding Principles on Business and Human Rights."

<Human rights support framework as defined by the UN Guiding Principles on Business and Human Rights>



Establish and share policies

The Sojitz Group has defined human rights as one of its Key Sustainability Issues (Materiality). Furthermore, our "Sustainability Challenge" also includes "initiatives respecting human rights, including our supply chains."

Furthermore, the Sojitz Group distributes and shares handbooks explaining these policies to group companies and suppliers, and will continuously strive toward raising full awareness in the future.

Risk assessment

The Business & Human Rights Resource Centre, a British NGO, maintains a database with examples of environmental and human rights risks. Using this, we identify sectors in which general environmental and human rights risks could easily occur and then check any applicable circumstances in our supply chain, as well as the status of initiatives related to risks with regard to these areas. The results of these checks are also supervised by external experts.

Improvements/remedial action

The Sojitz Group has hotlines both inside and outside its companies, and has built a system to directly receive information from victims.

We will also raise adequate awareness of issues within the Sojitz Group, and as necessary, conduct educational activities for suppliers.

Disclose results

We will continue to actively disclose the results of the Group's activities.

2) Fostering Diverse and Autonomous Human Resources

Sojitz has continued to implement human resource initiatives aimed at fostering human resources adept at creating value by transforming changes into opportunities.

In the Medium-Term Management Plan 2023, we will implement various human resources initiatives to turn diversity into a competitive advantage in order to develop an organization consisting of individuals with diversity and autonomy under the theme of "Transformation of Diversity into Competitiveness ."

To begin with, we will accelerate the initiatives for empowering female employees and otherwise promoting diversity implemented thus far. The Company will also continue and build upon efforts for utilizing teleworking, accommodating other flexible workstyles, and developing workplace environments that are conductive to diverse workstyles.

In addition, Companywide frameworks for encouraging ambition will be expanded. One such framework is the Hassojitz Project,* a project launched in 2019 to foster human resources with business operation capabilities, innovative and entrepreneurial ideas, and an ability to involve others and to complete tasks. Furthermore, employees will be provided with an increased range of opportunities to feel their own personal growth, including dispatches of junior employees to overseas assignments and long-term trainee programs. Sojitz will continue to help employees realize their desired career path in an effort to link individual growth to the growth of organizations and subsequently the Company and thereby drive the creation of new businesses.

* Project for considering new businesses and business models based on anticipated future social trends and changes

● Promoting diversity

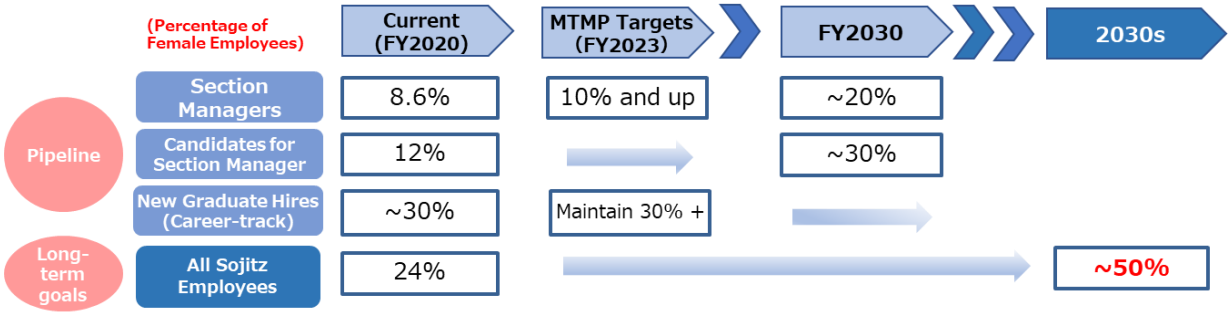
Sojitz seeks to utilize the diversity of its human resources to respond to the rapidly changing market environment, and transform itself into an organization that can always create new businesses with great speed. In order to do so, Sojitz has been actively and continuously hiring and appointing diverse human resources, including women, foreign nationals, and mid-career hires with diverse work experience. We have also been promoting initiatives that include creating a work environment which makes full use of the characteristics and abilities of each employee, as well as educating middle managers.

In the Medium-Term Management Plan 2023, in addition to initiatives undertaken so far, we will encourage diverse career paths and work styles, and implement human resource measures that utilize the diversity of our employees into the creation of new businesses, and in the decision-making of our organizations.

In recent years, Sojitz has actively promoted participation by women in the workplace, and we have been selected as a Nadeshiko Brand company for five years running. In addition to raising the ratio of women in various categories, we have also raised the number of female employees stationed overseas, female general managers and female section managers, thereby expanding the venues for participation by female employees. In April 2021, the company appointed its first female Executive Officer through a process of internal promotion.

In the Medium-Term Management Plan 2023, we aim to raise the ratio of female employees to approximately 50% by the end of the 2030s, and in the medium- to long-term, we will develop an environment in which women can fully participate as a matter of course. While supporting self-directed growth of employees, we will continuously work to build a pipeline, accumulate experience, and raise career awareness in each generation, and increase the number of female employees involved in decision-making for management in the future.

Goals related to participation of women



(Reference)

■ Sojitz Selected as "Nadeshiko Brand" for Fifth Consecutive Year (March 2021)
https://www.sojitz.com/jp/news/docs/210322e.pdf

■ Action Plan for Promoting Women in the Workplace (FY2021–FY2023)
https://www.sojitz.com/en/csr/employee/pdf/kodo2021_en.pdf

● Developing a work environment that realizes flexible and diverse work styles

In March 2018, Sojitz established the Sojitz Group health management charter "Sojitz Healthy Value," and is working to maintain and improve the health of both employees and their families. In March 2021, Sojitz Corporation was certified for the third consecutive year as the "Certified Health & Productivity Management Organization 2021 (White 500)," a commemoration for companies that practice excellent health management, sponsored by the Ministry of Economy, Trade and Industry, as well as Nippon Kenko Kaigi. In FY2020, Sojitz was also certified as a "2021 Health & Productivity Stock," as a company strategically addressing health management from a business management perspective.

Additionally, as part of work style reform, we have introduced a superflex system that does not have core work hours and a telecommuting system, in order to promote flexible work styles. Under the influence of the COVID-19 pandemic, we have given top priority to protecting the health of our employees and their families. By using a balanced mix of telecommuting and commuting to the office, we are building an environment where employees can avoid risk of infection while getting their work done. On October 30, 2020, in recognition of these initiatives, Sojitz was selected as one of the "Top Hundred Telework Pioneers" in FY2020 by the Ministry of Internal Affairs and Communications. We will continue to listen to the opinions of employees as we seek to create new work styles and a highly flexible work environment.

● Initiatives to realize diverse career paths and work styles

Amid significant changes in the environment, such as labor shortages, changes in working values, and the popularization of new work styles including concurrent positions and side jobs, Sojitz is promoting new initiatives to enable employees working at our company to maintain strong motivation and realize diverse career paths and work styles.

- Job-based new company

In March 2021, Sojitz established a new job-based employment company, "Sojitz Professional Share Corporation" as a career platform that supports diverse career and life plans for employees who are age 35 or older. Operations are planned to start in July 2021, and the company will offer support for each employee to continue to be active on new career paths, by enabling them to work up until the age of 70, without restrictions such as working hours or work locations, and to start side jobs or become entrepreneurs.

- Support for entrepreneurship and independent businesses
In order to support employees who aim to achieve independence and become entrepreneurs, we have introduced support system for entrepreneurship and independent businesses that provides Sojitz's resources (funds, information, and networks). We will aim to secure and train human resources who actively undertake new challenges with their entrepreneurial spirit, and to transform our corporate culture by supporting career paths of employees including support for independence and starting a new business.

- Sojitz Alumni
In response to a proposal made by former Sojitz employees to establish "Sojitz Alumni," we officially recognize and support operations of Sojitz Alumni activities. We will utilize Sojitz Alumni as a platform to build and expand a human network consisting of Sojitz officers and employees as well as former employees of Sojitz, and promote further expansion of Sojitz's business domains.
Through the gradual formation of Sojitz Group, we will promote creation of new business opportunities that are not bound by current business domains and open innovation.

● Initiatives to train future leaders
We are working to maximize capabilities of individual human resources through our human resources system and training system. Sojitz has a trainee system including dispatches to overseas assignment for a period of 3 months to over a year for all young employees, who will be responsible for the future of the company. In FY2020, we started a new initiative to assign employees as trainees to operating companies in fields other than that of the division they belong to, increasing their opportunities to experience business operations and decision-making, and broadening their horizons. We are also providing next-generation executive management with opportunities for executive coaching and workshops with other companies, in order to lead transformations in strategic thinking and behavior with an eye towards the future. In this manner, we will systematically train future executive management by providing a wide range of training opportunities, for everyone from our young employees to middle managers.

(Reference)
■ Sojitz's Human Resources
https://www.sojitz.com/en/csr/employee/

(8) Business locations of Sojitz Group and the number of employees (As of March 31, 2021)

(a) Business locations of Sojitz Group

<Domestic>

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

<Overseas>

Branches, etc.	MEA Office (Dubai), Singapore Branch, Yangon Branch, Jeddah Branch, Johannesburg Branch Besides the above, 10 liaison offices and sub-branches of liaison offices and overseas branches
Overseas Subsidiaries	27 Overseas Subsidiaries, including Sojitz Corporation of America, Sojitz Europe plc, Sojitz (China) Co., Ltd. and Sojitz Asia Pte. Ltd. (Singapore) Besides the above, 37 branches and offices, etc., of overseas subsidiaries

(b) Number of Employees

Segment	Number of employees
Automotive	4,376
Aerospace & Transportation Project	939
Machinery & Medical Infrastructure	796
Energy & Social Infrastructure	1,399
Metals & Mineral Resources	845
Chemicals	1,656
Foods & Agriculture Business	2,223
Retail & Lifestyle Business	3,979
Industrial Infrastructure & Urban Development	1,315
Others	1,935
Total	19,463

(c) Employees of Sojitz

Number of employees	Change from the previous year	Average age	Average years of service
2,551	91 (increase)	41.5 years old	15.4 years

(Notes) 1. The above figures do not include 87 locally hired employees in overseas offices.

2. The average years of service is calculated including the length of service at the former Nichimen Corporation and Nissho Iwai Corporation.

(9) Major Subsidiaries (As of March 31, 2021)

(a) Major consolidated subsidiaries and equity method associates

Consolidated Subsidiaries (Millions of yen, unless otherwise specified)

Company	Capital	Controlling share (%)	Major business activities
Sojitz Corporation of America	US$337,937,090	100.00	Trading business
Sojitz Europe plc (UK)	13,240 GBP26,618,500	100.00	Trading business
Sojitz Asia Pte. Ltd.	US$136,507,474	100.00	Trading business
Sojitz Autrans Corporation	301	(Note 1) 100.00	Automobile/two-wheeled parts business and sales of tires
Sojitz Aerospace Corporation	1,410	100.00	Import/export and sales of aerospace- and defense-related equipment
Sojitz Marine & Engineering Corporation	800	(Note 1) 100.00	Sales, purchase, charter, and brokerage of ships; import/export and domestic sales of marine-related equipment and materials, etc.
Sojitz Machinery Corporation	1,500	(Note 1) 100.00	Import/export and sales of general industrial machinery
Nissho Electronics Corporation	14,336	100.00	IT systems and network services
Sojitz Ject Corporation	460	100.00	Trading of coke, coal products and industrial minerals
Sojitz Pla-Net Corporation	3,000	100.00	Trading and sales of plastic raw materials and products
Pla Matels Corporation	793	(Note 2) 100.00	Trading and sales of plastic raw materials and products
Sojitz Building Materials Corporation	1,039	100.00	Sales of construction materials and related products including lumber and construction planning, research, design, supervision and contracting, etc.
Sojitz Foods Corporation	412	100.00	Sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed foodstuffs; and other foodstuff
Sojitz Fashion Co., Ltd.	100	100.00	Planning, production and sales of cotton, synthetic and knit fabrics, etc.
Sojitz New Urban Development Corporation	3,000	100.00	Development and consignment sales of condominiums, real estate brokerage, development and ownership of rental condominiums, sale of residential-related products
Sojitz Kyushu Corporation	500	100.00	Domestic regional company

(Notes) 1. On April 1, 2021, Sojitz Machinery Holdings Corporation, Sojitz Autrans Corporation, e-Energy Corporation, Sojitz Machinery Corporation and Sojitz Marine & Engineering Corporation merged with Sojitz Autrans Corporation as the surviving company, whose name was changed to Sojitz Machinery Corporation.

2. Pla Matels Corporation is a 100.00%-owned subsidiary of Sojitz Pla-Net Corporation.

Equity Method Associates (Millions of yen)

Company	Capital	Controlling share (%)	Main business activities
Metal One Corporation	100,000	40.00	Import/export and domestic and offshore sales of steel-related products
LNG Japan Corporation	8,002	50.00	LNG business and related investments and loans
JALUX Inc.	2,558	22.00	Logistics and services operations related to airlines and airport retail, lifestyle and customer service sectors

(b) Result of Mergers

1. Sojitz Group now has 303 consolidated subsidiaries and 132 equity method associates.
2. For the business performance of Sojitz Group in FY2020, please refer to "(2) Review of progress and performance in operations."

2. Sojitz's Shares (As of March 31, 2021)

(1) Total number of shares authorized to be issued

Common stock 2,500,000,000 (As of March 31, 2020: 2,500,000,000)

(2) Total number of shares issued and outstanding

Common stock 1,251,499,501 (As of March 31, 2020: 1,251,499,501)

(Note) The total number of outstanding shares of common stock includes the number of treasury stock (As of March 31, 2021: 50,856,498 shares). The number of treasury stock does not include the number of Sojitz shares held by the trust account for the Board Incentive Plan (BIP) Trust (As of March 31, 2021: 1,547,972 shares).

(3) Number of Shareholders

Common stock 214,354

(4) Major Shareholders

Common Stock

Shareholder	Investment in Sojitz	
	Shares held (in thousands)	Shares outstanding (%)
Custody Bank of Japan, Ltd. (Note 2)	147,026	12.25
ICHIGO TRUST PTE. LTD.	123,634	10.30
The Master Trust Bank of Japan, Ltd. (Note 3)	94,062	7.83
JAPAN SECURITIES FINANCE CO., LTD.	16,161	1.35
STATE STREET BANK WEST CLIENT – TREATY 505234	14,894	1.24
JP MORGAN CHASE BANK 385781	14,720	1.23
THE BANK OF NEW YORK MELLON 140044	14,080	1.17
GOVERNMENT OF NORWAY	13,496	1.12
NORTHERN TRUST CO. (AVFC) RE UK PENSION FUNDS EXEMPT LENDING ACCOUNT	12,191	1.02
JPMorgan Securities Japan Co., Ltd.	11,969	1.00

(Notes)
1. Numbers of shares less than 1,000 are rounded down and the figures of shares outstanding are rounded to the nearest second decimal place.
2. The number of shares held by Custody Bank of Japan, Ltd. includes 140,578 thousand shares held in trust accounts.
3. The number of shares held by The Master Trust Bank of Japan, Ltd. includes 89,976 thousand shares held in trust accounts.
4 The shares outstanding are calculated excluding the number of shares of treasury stock.

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

	Class of shares and number of shares	Number of recipients
Director (excluding Outside Directors)	Common stock of Sojitz: 69,915 shares	1

(Note) Under the performance-linked share remuneration system that utilizes the trust system adopted by Sojitz, those eligible are shares from the established trust equivalent to 70% of the Sojitz's shares corresponding to the points granted. However, number of shares less than one unit are converted within the trust and the cash equivalent to the conversion price is granted. The

remaining 30% is converted into cash within the trust and the cash equivalent to the conversion price will be granted. The number of shares converted and granted as cash through this procedure is included in the above table.

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

(1) List of Directors and Audit & Supervisory Board Members (As of March 31, 2021)

Name	Position	Responsibilities	Important concurrent position
Masayoshi Fujimoto	Representative Director, President & CEO	CEO	
Seiichi Tanaka	Representative Director, Executive Vice President	CFO Executive Management of General Accounting, Business Accounting, Finance, Structured Finance, IR, M&A Management Office, Controller Office	
Ryutaro Hirai	Representative Director, Executive Vice President	Advisor to the President, Executive Management of Business Group (Automotive, Aerospace & Transportation Project, Machinery & Medical Infrastructure, Energy & Social Infrastructure, Metals & Mineral Resources) and East Asia region	
Masao Goto	Director, Senior Managing Executive Officer	Executive Management of Business Group (Chemicals, Foods & Agriculture Business, Retail & Lifestyle Business, Industrial Infrastructure & Urban Development)	
Kayoko Naito	Director (Part-time)		Counsel, Oh-Ebashi LPC & Partners Member of The Japan-Mekong Business Cooperation Committee, The Japan Chamber of Commerce and Industry Supervisory Officer, Tokyo Infrastructure Energy Investment Corporation
Norio Otsuka	Director (Part-time)		Advisor, NSK Ltd. Outside Director, Idemitsu Kosan Co., Ltd. External Member of the Board, TAISEI CORPORATION
Naoko Saiki	Director (Part-time)		Visiting Professor, Graduate School of Public Policy, The University of Tokyo Outside Audit & Supervisory Board Member, Development Bank of Japan Inc.

Name	Position	Responsibilities	Important concurrent position
Junichi Hamatsuka	Audit & Supervisory Board Member		
Masaaki Kushibiki	Audit & Supervisory Board Member		
Kazunori Yagi	Audit & Supervisory Board Member (Part-time)		Outside Audit & Supervisory Board Member, Yokogawa Bridge Holdings Corporation Outside Director, TDK Corporation
Hyo Kambayashi	Audit & Supervisory Board Member (Part-time)		Chairman & Senior Managing Director, Protiviti LLC Outside Director (Audit and Supervisory Committee Member), Murata Manufacturing Co., Ltd.
Michiko Nagasawa	Audit & Supervisory Board Member (Part-time)		Partner, The Tokyo-Marunouchi Law Offices Outside Audit & Supervisory Board Member, SOHGO SECURITY SERVICES CO., LTD.

(Notes) 1. Kayoko Naito, Norio Otsuka and Naoko Saiki are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.

2. Kazunori Yagi, Hyo Kambayashi and Michiko Nagasawa are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.

3. Junichi Hamatsuka has a substantial knowledge of finance and accounting, having been engaged in operations such as finance, accounting and risk management, etc. at Sojitz and holding important positions including CFO for the Americas.
Masaaki Kushibiki has a substantial knowledge of finance and accounting, having been engaged in operations such as accounting, tax, and risk management, etc. at Sojitz and holding important positions including person in charge of risk management and human resources and general affairs.
Kazunori Yagi has substantial knowledge of finance and accounting, having been responsible for finance, accounting, and business planning at Yokogawa Electric Corporation and holding important positions including the General Manager of Administration Headquarters.
Hyo Kambayashi is a certified public accountant. He has substantial knowledge of finance and accounting developed through his experience in accounting audit operations in an audit firm and his experience as representative director of a consulting company which is involved in operations such as internal audit services.

4. Sojitz has appointed Kayoko Naito, Norio Otsuka, Naoko Saiki, Kazunori Yagi, Hyo Kambayashi and Michiko Nagasawa as independent Outside Officers, and submitted a notification of their appointment to Tokyo Stock Exchange, Inc.

5. There are no special relationships (such as business operators having a specified relationship) between Sojitz and Tokyo Infrastructure Energy Investment Corporation, NSK Ltd., Idemitsu Kosan Co., Ltd., TAISEI CORPORATION, Graduate School of Public Policy of The University of Tokyo, Development Bank of Japan Inc., Yokogawa Bridge Holdings Corporation, TDK Corporation, Protiviti LLC, Murata Manufacturing Co., Ltd. and SOHGO SECURITY SERVICES CO., LTD., where Outside Officers of Sojitz have concurrent positions.

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

(Millions of yen)

	Number of persons to be paid	Basic remuneration		Performance-linked remuneration		Total
		Monetary (*1 and *2)	Share (*3)	Monetary (*1)	Share (*3)	
Directors (Total)	9	328	26	20	10	385
Directors (Internal)	6	290	26	20	10	347
Outside Directors	3	37	—	—	—	37
Audit & Supervisory Board Members (Total)	7	106	—	—	—	106
Audit & Supervisory Board Members (Internal)	2	64	—	—	—	64
Outside Audit & Supervisory Board Members	5	41	—	—	—	41

(Notes) 1. Figures are rounded down to the nearest million yen.

2. Basic remuneration (monetary) for Directors (Internal) includes remunerations from subsidiaries.

*1. Directors' maximum remuneration: Resolved at the Ordinary General Shareholders' Meeting held on June 27, 2007 (Number of Directors at the time of resolution of the General Shareholders' Meeting: Seven Directors (including one Outside Director))

Directors (excluding Outside Directors) ¥550 million per year (excluding the salary as for being employees)

Outside Directors ¥50 million per year

*2. Audit & Supervisory Board Members' maximum remuneration: Resolved at the Ordinary General Shareholders' Meeting held on June 27, 2007 (Number of Audit & Supervisory Board Members at the time of resolution of the General Shareholders' Meeting: Five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members))

¥150 million per year

*3. System of performance-linked share remuneration, etc. for Directors, etc. (hereinafter the "System"): Resolved at the Ordinary General Shareholders' Meeting held on June 19, 2018 (Number of Directors at the time of resolution of the General Shareholders' Meeting: Seven Directors (including two Outside Directors))

Persons eligible for Delivery of the Sojitz Shares	- Directors (excluding Outside Directors and non-residents in Japan) - Executive Officers (excluding non-residents in Japan)
Upper limit of cash contributed by Sojitz	¥700 million in total for three fiscal years
Upper limit of the number of Sojitz shares subject to Delivery to Directors	The upper limit of points to be granted to Directors shall be 3 million points (equivalent to 3 million shares) for three fiscal years.

The total amount of the aforementioned share remuneration represents the amount reported as expenses for fiscal 2020 associated with the share delivery points regarding the System (Board Incentive Plan (BIP) Trust). Basic remuneration (share) refers to the "fixed portion" with no link to business performance within the remuneration to be paid under the System.

● Outline of the remuneration system for company officers (as of March 31, 2021)

Sojitz's basic policy is to establish a remuneration system for company officers that is closely linked to Sojitz's business performance and will ensure transparency and objectivity for the purpose of encouraging Directors to contribute to the improvement in Sojitz's performance and corporate value over the medium-to-long term.

Under the aforementioned basic policy, the policy for determining remuneration, etc. of individual Directors for

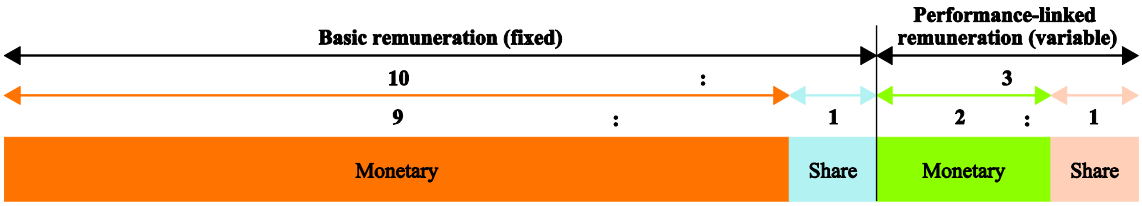
fiscal 2020 has been formulated, as summarized below. This policy has been decided by resolution of the Board of Directors through deliberations at the Remuneration Committee, which is an advisory body of the Board of Directors and is chaired by an Outside Director and whose majority is composed of Outside Directors, with reference to benchmark data such as the remuneration level at other companies in the same industry and the business performance of Sojitz.

・Policy for the remuneration for Directors (excluding Outside Directors; hereinafter, the same shall apply)

The remuneration for Directors consists of "basic remuneration (monetary)" and "basic remuneration (share)," both of which form the fixed portion not linked to business performance, as well as "performance-linked remuneration (monetary)" and "performance-linked remuneration (share)." Basic remuneration shall consist of granting of monetary remuneration and a certain number of share delivery points and be determined by rank based on duties of each Director. Performance-linked remuneration shall consist of granting of monetary remuneration and share delivery points both of which are linked to the amount of profit for the year attributable to owners of Sojitz (hereinafter referred to as "Consolidated Net Profit for the Year"). It has been decided that Consolidated Net Profit for the Year announced as consolidated earnings forecast should be adopted as an indicator for performance-linked remuneration, with a view to establishing a remuneration system for company officers that is closely linked to Sojitz's business performance and will ensure transparency and objectivity.

For the composition ratio, the system is designed to make performance-linked remuneration account for approximately 30% of basic remuneration if the Consolidated Net Profit for the Year for fiscal 2020 reaches the amount of the targeted Consolidated Net Profit for the Year. Meanwhile, as for basic remuneration, the ratio of basic monetary remuneration against basic share remuneration is designed to become approximately 9 to 1, whereas performance-linked monetary remuneration against performance-linked share remuneration is designed to become 2 to 1.

<Breakdown of remuneration for Directors>



<Content of basic remuneration (monetary)>

Fixed amount determined by rank based on job responsibilities of each Director

<Calculation method of basic remuneration (share)>

Fixed share delivery points = (Basic share remuneration by rank) (Note 1) ÷ (Monthly average closing price of Sojitz shares at the Tokyo Stock Exchange in July 2018) (rounded down to the nearest whole number)

<Calculation method of performance-linked remuneration (monetary)>

Total performance-linked monetary remuneration = ((Consolidated Net Profit for the Year in each fiscal year) (Note 2) × β% (Note 3) × (Aggregate sum of rank-based points for all Directors eligible) ÷ 539) (any fraction less than ¥1 shall be rounded down)

Individual performance-linked monetary remuneration = Total performance-linked monetary remuneration × ((Rank-based points for each Director) (Note 4) ÷ (Aggregate sum of rank-based points for all Directors eligible)) (any fraction less than ¥1,000 shall be rounded down)

<Calculation method of performance-linked remuneration (share)>

Total performance-linked share remuneration = ((Consolidated Net Profit for the Year in each fiscal year) (Note 2) × α% (Note 3) × (Aggregate sum of rank-based points for all Directors eligible) ÷ 539) (any fraction less than ¥1 shall be rounded down)

Individual performance-linked share remuneration = (Total amount of share remuneration) × ((Rank-based points for each Director) (Note 4) ÷ (Aggregate sum of rank-based points for all Directors eligible)) (any fraction less than ¥1,000 shall be rounded down)

Performance-linked share delivery points = (Individual performance-linked share remuneration) ÷ (Monthly average closing price of Sojitz shares at the Tokyo Stock Exchange in July 2018) (rounded down to the nearest whole number)

(Note 1) Fixed amount determined based on the rank of each Director

(Note 2) The targeted Consolidated Net Profit for the Year for fiscal 2020 shall be ¥75.0 billion, since profit of ¥75.0 billion or above was targeted in the final fiscal year of Medium-Term Management Plan 2020. However actual results turned out to be ¥27.0 billion.

(Note 3) The value of coefficients α and β shall be adjusted according to the targeted Consolidated Net Profit for the Year in each fiscal year, and shall be disclosed along with such targeted Consolidated Net Profit for the Year after being resolved by the Board of Directors. Note that for fiscal 2020, the value of α and β shall be set to 0.065 and 0.130, respectively.

(Note 4) Rank-based points for each Director

	Executive rank	Rank-based points
Directors	Director and Chairman	86
	Director and Vice Chairman	73
	Director and President	100
	Director and Executive Vice President	73
	Director and Senior Managing Executive Officer	67

The upper limit of the individual monetary remuneration for, and the performance-linked share delivery points that are granted to, the respective Directors shall be as follows:

Executive rank	Individual monetary remuneration (millions of yen)	Performance-linked share delivery points (points)
Director and Chairman	37	54,000
Director and Vice Chairman	31	46,000
Director and President	43	63,000
Director and Executive Vice President	31	46,000
Director and Senior Managing Executive Officer	28	42,000

<Timing and conditions of payment of remuneration>

Basic remuneration (monetary) shall be paid on a monthly basis, while performance-linked remuneration (monetary) shall be paid once a year at a certain time of the year.

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.

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.

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.

・Policy for the remuneration for Outside Directors

In light of the job responsibilities they are expected to perform, performance-linked remuneration is not introduced for Outside Directors from the viewpoint of ensuring independence. Outside Directors are, therefore, subject only to basic remuneration (monetary), and the remuneration therefor is decided by resolution of the Board of Directors through deliberations at the Remuneration Committee.

・Method for determining individual remuneration, etc. for Directors

Under Sojitz's policy, individual remuneration, etc. for Directors shall be decided by the Board of Directors through deliberations and reports at the Remuneration Committee. This procedure was duly followed in fiscal 2020 to determine the amounts of remuneration for individual Directors in accordance with the regulations established by resolution of the Board of Directors based on the aforementioned policy, and details of such remuneration were found to be in line with the policy.

・Policy for the remuneration for Audit & Supervisory Board Members

Performance-linked remuneration is not introduced for Audit & Supervisory Board Members in view of their role in auditing Directors' execution of their duties. Audit & Supervisory Board Members are, therefore, subject only to basic remuneration (monetary), and individual remuneration therefor is determined through consultations by the Audit & Supervisory Board Members.

(3) Main activities of Outside Officers

Name	Position	Number of attendance to the Board of Directors meetings	Number of attendance to the Audit & Supervisory Board meetings	Main activities
Kayoko Naito	Outside Director	100% (18/18)	—	Kayoko Naito, as an attorney, is expected to fulfill an appropriate supervisory role by leveraging her advanced and professional knowledge and experience in international and corporate legal affairs, as well as in soft law, which is a global norm. In response to such expectation, she has played an appropriate role of providing supervision and advice on business execution, by providing appropriate and useful advice from an independent and objective perspective, based on her aforementioned knowledge and experience, at the Board of Directors meetings. In addition to the above, as a member of the Nomination Committee and the Remuneration Committee, she attended all 22 meetings of these two committees held during the fiscal year ended March 31, 2021. As the chair of the Remuneration Committee, she has also led the deliberation for reviewing the system of remuneration for company officers, as well as for establishing performance targets used for calculating performance-linked remuneration, thereby endeavoring to improve the corporate value of Sojitz.
Norio Otsuka	Outside Director	100% (18/18)	—	As Norio Otsuka served as Director, President and Chief Executive Officer, and Chairperson of NSK Ltd., and has abundant experience and deep insight regarding management acquired through promoting worldwide growth strategies and strengthening corporate governance, he is expected to fulfill an appropriate supervisory role. In response to such expectation, he has played an appropriate role of providing supervision and advice on business execution, by providing practical advice from an independent and objective perspective based on his aforementioned experience and insight. As the Chairman of the Board of Directors of Sojitz since June 2020, he has made efforts to improve the effectiveness of the Board of Directors by actively participating in its operation, including examining what the Board should discuss and how it should operate. In addition to the above, as a member of the Nomination Committee and the Remuneration Committee, he attended all 22 meetings of these two committees held during the fiscal year ended March 31, 2021. As the chair of the Nomination Committee, he has also led the deliberation for the selection of candidates for Outside Directors and Outside Audit & Supervisory Board Members as well as the appointment of company officers, and the promotion of reinforcement and enhancement of the operation of succession plans, thereby endeavoring to improve the corporate value of Sojitz.

Naoko Saiki	Outside Director	100% (14/14)	—	As Naoko Saiki has had a career at the Ministry of Foreign Affairs in positions such as Director General of the Economic Affairs Bureau and Director General of the International Legal Affairs Bureau, and has been at the forefront of diplomatic negotiations, she has acquired a high level of insight into international affairs, international laws, economics, and culture. Therefore she is expected to fulfill an appropriate supervisory role. In response to such expectation, she has played an appropriate role of providing supervision and advice on business execution, by actively providing valuable advice on a wide range of fields such as world affairs, environment and society, and personnel development, from an independent and objective perspective based on her aforementioned insight and experience. In addition to the above, as a member of the Nomination Committee and the Remuneration Committee, she attended all 20 meetings of these two committees held during the fiscal year ended March 31, 2021 after her appointment. As a member of the Nomination Committee, for the deliberation for the selection of candidates for Outside Directors and Outside Audit & Supervisory Board Members as well as the appointment of company officers, and the promotion of reinforcement and enhancement of the operation of succession plans, and as a member of the Remuneration Committee, for the review into the system of remuneration for company officers, she has provided sound advice based on her expertise and knowledge, thereby endeavoring to improve the corporate value of Sojitz.
Kazunori Yagi	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Kazunori Yagi provides valuable advice from an independent and objective perspective based on his abundant experience in finance, accounting and management administration etc., and in serving as an Outside Director and Audit & Supervisory Board Member at various companies.
Hyo Kambayashi	Outside Audit & Supervisory Board Member	100% (18/18)	100% (19/19)	Hyo Kambayashi provides valuable advice from an independent and objective perspective based on his wide range of knowledge and abundant experience, which have been accumulated through his experience in key positions in auditing firms and consulting companies.
Michiko Nagasawa	Outside Audit & Supervisory Board Member	100% (14/14)	100% (14/14)	Michiko Nagasawa provides valuable advice from an independent and objective perspective based on her abundant experience in corporate law as an attorney, track record in holding important positions in the field of justice and experience as an Outside Director at other companies.

(Note) The number of attendance to the Board of Directors meetings and the Audit & Supervisory Board meetings for Naoko Saiki and Michiko Nagasawa is based on their attendance record after they assumed the office of Director or Audit & Supervisory Board Member on June 18, 2020.

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

Sojitz has concluded limited liability agreements with Outside Directors (Kayoko Naito, Norio Otsuka and Naoko Saiki) and Audit & Supervisory Board Members (Junichi Hamatsuka, Masaaki Kushibiki, Kazunori Yagi, Hyo Kambayashi and Michiko Nagasawa) limiting their liabilities to the higher of ¥10 million or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.

(5) Details of Directors and Officers Liability Insurance Contract

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

Financial Statements

Consolidated Financial Statements

Consolidated Statement of Financial Position

(Millions of yen)

Items	As of March 31, 2021	(Reference) As of March 31, 2020	Items	As of March 31, 2021	(Reference) As of March 31, 2020
Assets			Liabilities and equity		
Current assets			Liabilities		
Cash and cash equivalent	287,597	272,651	Current liabilities		
Time deposits	10,059	7,433	Trade and other payables	475,978	481,768
Trade and other receivables	636,186	638,207	Lease liabilities	16,778	15,317
Derivatives	4,734	5,055	Bonds and borrowings	158,595	186,767
Inventories	187,891	213,385	Derivatives	6,193	5,257
Income tax receivables	3,116	3,956	Income tax payables	5,851	6,572
Other current assets	64,924	64,455	Provisions	3,226	1,956
Subtotal	1,194,511	1,205,145	Other current liabilities	68,130	56,716
Assets as held for sale	892	12,318	Subtotal	734,754	754,354
Total current assets	1,195,403	1,217,464	Liabilities directly related to assets held for sale	—	1
			Total current liabilities	734,754	754,356
			Non-current liabilities		
Non-current assets			Lease liabilities	60,460	63,666
Property, plant and equipment	191,292	157,995	Bonds and borrowings	749,739	706,491
Usage rights assets	72,821	74,136	Trade and other payables	6,136	9,738
Goodwill	67,201	66,496	Derivatives	656	763
Intangible assets	61,498	43,366	Retirement benefits liabilities	21,896	22,077
Investment property	11,603	18,602	Provisions	41,725	31,102
Investments accounted for using the equity method	433,029	413,740	Other non-current liabilities	9,636	8,943
Trade and other receivables	89,747	78,352	Deferred tax liabilities	20,470	11,247
Other investments	157,817	140,975	Total non-current liabilities	910,722	854,030
Derivatives	3	173	Total liabilities	1,645,476	1,608,387
Other non-current assets	11,804	11,680	Equity		
Deferred tax assets	7,890	7,300	Share capital	160,339	160,339
Total non-current assets	1,104,711	1,012,821	Capital surplus	146,814	146,756
			Treasury stock	(15,854)	(10,901)
			Other components of equity	77,772	49,777
			Retained earnings	250,039	233,151
			Total equity attributable to owners of the Company	619,111	579,123
			Non-controlling interests	35,527	42,774
			Total equity	654,639	621,898
Total assets	2,300,115	2,230,285	Total liabilities and equity	2,300,115	2,230,285

Consolidated Statement of Profit or Loss

(Millions of yen)

Items	FY2020 (From April 1, 2020 to March 31, 2021)	(Reference) FY2019 (From April 1, 2019 to March 31, 2020)
Revenue		
Sale of goods	1,512,727	1,651,592
Sales of service and others	89,758	103,233
Total revenue	1,602,485	1,754,825
Cost of sales	(1,414,365)	(1,534,330)
Gross profit	188,120	220,494
Selling, general and administrative expenses	(161,080)	(173,243)
Other income (expenses)		
Gain (loss) on sale and disposal of fixed assets, net	2,860	10,274
Impairment loss on fixed assets	(5,470)	(2,833)
Gain on reorganization of subsidiaries/associates	3,923	3,415
Loss on reorganization of subsidiaries/associates	(2,128)	(545)
Other operating income	8,005	5,800
Other operating expenses	(8,327)	(8,580)
Total other income/expenses	(1,137)	7,530
Financial income		
Interests earned	5,418	6,565
Dividends received	3,034	4,228
Other financial income	53	—
Total financial income	8,506	10,794
Financial costs		
Interest expenses	(11,774)	(14,908)
Other financial costs	—	(47)
Total financial cost	(11,774)	(14,956)
Share of profit (loss) of investments accounted for using the equity method	14,786	24,908
Profit before tax	37,420	75,528
Income tax expenses	(8,002)	(10,954)
Profit for the year	29,417	64,573
Profit attributable to:		
Owners of the Company	27,001	60,821
Non-controlling interests	2,416	3,752
Total	29,417	64,573

(Reference) Consolidated Statement of Cash Flows

(Millions of yen)

Items	FY2020 (From April 1, 2020 to March 31, 2021)	FY2019 (From April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit for the year	29,417	64,573
Depreciation and amortization	31,850	33,106
Impairment loss on fixed assets	5,470	2,833
Finance (income) costs	3,268	4,162
Share of (profit) loss of investments accounted for using the equity method	(14,786)	(24,908)
(Gain) loss on sale of fixed assets, net	(2,860)	(10,274)
Income tax expenses	8,002	10,954
(Increase) decrease in trade and other receivables	1,162	66,718
(Increase) decrease in inventories	29,878	901
Increase (decrease) in trade and other payables	(14,948)	(94,951)
Changes in other assets and liabilities	8,696	(12,389)
Increase (decrease) in retirement benefits liabilities	(17)	(628)
Others	(122)	(2,241)
Subtotal	85,013	37,857
Interests earned	3,365	4,362
Dividends received	18,198	26,194
Interests paid	(12,199)	(14,370)
Income taxes paid	(9,405)	(13,533)
Net cash provided (used) by/in operating activities	84,972	40,510
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,889)	(24,665)
Proceeds from sale of property, plant and equipment	12,084	9,009
Purchase of intangible assets	(6,774)	(6,903)
(Increase) decrease in short-term loans receivable	278	(391)
Payment for long-term loans receivable	(4)	(251)
Collection of long-term loans receivable	1,162	1,943
Proceeds from (payments for) acquisition of subsidiaries	(4,349)	(4,809)
Proceeds from (payments for) sale of subsidiaries	5,990	3,251
Purchase of investments	(31,364)	(20,998)
Proceeds from sale of investments	9,484	9,794
Others	1,704	(1,646)
Net cash provided (used) by/in investing activities	(35,676)	(35,669)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(22,969)	32,786
Proceeds from long-term borrowings	172,645	384,500
Repayment of long-term borrowings	(149,769)	(383,777)
Proceeds from issuance of bonds	9,940	9,940
Redemption of bonds	(10,011)	(10,019)
Repayment of lease liabilities	(14,235)	(12,747)
Payment for acquisition of subsidiary's interests from non-controlling interests	(3,172)	(115)
Proceeds from non-controlling interest holders	1,186	3,408
Sales of treasury stock	8	6
Purchase of treasury stock	(5,000)	(10,059)
Dividends paid	(16,381)	(22,517)
Dividends paid to non-controlling interest holders	(2,878)	(3,662)
Others	15	91
Net cash provided (used) by/in financing activities	(40,621)	(12,164)
Net increase (decrease) in cash and cash equivalents	8,674	(7,324)
Cash and cash equivalents at the beginning of the year	272,651	285,687
Effect of exchange rate changes on cash and cash equivalents	6,271	(5,711)
Cash and cash equivalents at the end of the year	287,597	272,651

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(Millions of yen)

Items	As of March 31, 2021	(Reference) As of March 31, 2020
Assets		
Current assets	612,402	615,317
Cash and deposits	154,409	157,147
Notes receivable-trade	6,351	9,350
Accounts receivable-trade	174,699	167,854
Merchandise	160,026	178,840
Advance payments-trade	10,383	14,674
Short-term loans receivable	59,817	45,697
Other	46,799	41,977
Allowance for doubtful accounts	(83)	(224)
Noncurrent assets	887,616	876,874
Property, plant and equipment	15,758	8,392
Buildings	4,497	3,379
Land	9,567	3,085
Other	1,692	1,928
Intangible assets	9,568	6,912
Software	2,590	2,691
Goodwill	1,203	2,096
Other	5,775	2,123
Investments and other assets	862,289	861,569
Investment securities	111,659	96,409
Stocks of subsidiaries and associates	631,482	642,095
Investments in capital of subsidiaries and associates, etc.	41,601	47,088
Long-term loans receivable	42,061	40,831
Bad debts	72,066	70,582
Deferred tax assets	13,476	14,436
Other	15,563	14,533
Allowance for doubtful accounts	(62,508)	(61,921)
Allowance for investment loss	(3,113)	(2,487)
Deferred assets	240	247
Bond issuance cost	240	247
Total assets	1,500,259	1,492,438

Items	As of March 31, 2021	(Reference) As of March 31, 2020
Liabilities		
Current liabilities	482,416	464,334
Notes payable-trade	6,968	7,833
Accounts payable-trade	206,100	199,915
Short-term loans payable	154,811	138,449
Current portion of bonds	20,000	10,000
Income taxes payable	1,030	1,674
Advances received	10,037	9,369
Deposits received	62,859	78,304
Provision for bonuses	2,540	3,727
Other	18,067	15,058
Noncurrent liabilities	597,437	636,470
Bonds payable	70,000	80,000
Long-term loans payable	509,183	536,855
Provisions for retirement benefits	9,860	9,622
Provision for delivery of shares	310	249
Other	8,082	9,743
Total liabilities	1,079,853	1,100,804
Net assets		
Shareholders' equity	397,434	379,306
Capital stock	160,339	160,339
Capital surplus	155,271	155,271
Legal capital surplus	152,160	152,160
Other capital surplus	3,110	3,110
Retained earnings	97,677	74,596
Other retained earnings		
Retained earnings brought forward	97,677	74,596
Treasury stock	(15,854)	(10,901)
Valuation and translation Adjustments	22,971	12,328
Valuation difference on available-for-sale securities	30,660	18,981
Deferred gains or losses on hedges	(7,689)	(6,653)
Total net assets	420,405	391,634
Total liabilities and net assets	1,500,259	1,492,438

Non-consolidated Statement of Income

(Millions of yen)

Items	FY2020 (From April 1, 2020 to March 31, 2021)	(Reference) FY2019 (From April 1, 2019 to March 31, 2020)
Net sales	2,334,428	2,411,526
Cost of sales	2,291,674	2,361,949
Gross profit	42,754	49,576
Selling, general and administrative expenses	55,990	59,257
Operating income (loss)	(13,236)	(9,680)
Non-operating income		
Interest income	2,448	3,862
Dividends income	52,951	45,927
Foreign exchange profits	1,144	—
Gain on valuation of derivatives	—	1,008
Other	5,132	11,665
Total non-operating income	61,677	62,464
Non-operating expenses		
Interest expenses	7,605	9,539
Loss on valuation of derivatives	2,627	—
Foreign exchange losses	—	829
Other	2,862	4,940
Total non-operating expenses	13,095	15,309
Ordinary income	35,345	37,474
Extraordinary income		
Gain on sales of noncurrent assets	2	2
Gain on sales of subsidiaries and associates' stocks, etc.	178	2,770
Gain on sales of investment securities, etc.	3,279	953
Total extraordinary income	3,461	3,726
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	120	24
Impairment loss	82	4
Loss, and provision for loss, on dissolution of subsidiaries and associates	4,931	6,192
Loss on sales of investment securities, etc.	3	5
Loss on valuation of investment securities, etc.	90	6,032
Total extraordinary losses	5,229	12,259
Income before income taxes	33,577	28,941
Income taxes-current	(2,090)	(2,354)
Income taxes-deferred	(3,795)	(820)
Total income taxes	(5,885)	(3,175)
Net income	39,462	32,116

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

Independent Auditor's Audit Report

May 13, 2021

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC
Tokyo Office

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Ryoji Fujii
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Ryohei Tomita
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Daisuke Yamada

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Sojitz Corporation (the "Company") for the fiscal year from April 1, 2020 through March 31, 2021.

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

Basis for the Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

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

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

Interest

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

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

Independent Auditor's Audit Report

May 13, 2021

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC
Tokyo Office

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Ryoji Fujii
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Ryohei Tomita
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Daisuke Yamada

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Sojitz Corporation (the "Company") for the 18th fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

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

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

Interest

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

Audit & Supervisory Board's audit report: Full copy

Audit Report

With respect to the Directors' performance of their duties during the 18th fiscal year (from April 1, 2020 to March 31, 2021), the Audit & Supervisory Board has prepared this audit report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby report as follows:

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

(1) The Audit & Supervisory Board has established the audit policies, assignment of duties, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the accounting auditor regarding the status of performance of their duties, and requested explanations as necessary.

(2) In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies, audit plans, and assignment of duties, etc., each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, the internal audit division and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and performed audits using the following methods.

(i) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective businesses as necessary.

(ii) Each Audit & Supervisory Board Member regularly received reports on the status of the system and performance from the Directors and other employees and, as necessary, requested explanations for and expressed opinions on the status of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the business report complied with all laws, regulations and the Articles of Incorporation of Sojitz and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of the corporate group consisting of a joint stock company (kabushiki kaisha) and its subsidiaries, and the systems (internal control systems) based on such resolutions.

(iii) Each Audit & Supervisory Board Member monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Rules of Corporate Accounting) in accordance with, among other things, the "Quality Control Standards for audit" (Business Accounting Council, October 28, 2005), and requested explanations as necessary. For major audit considerations, we discussed these matters with the accounting auditor, received reports on the status of audit implementation, and requested explanations as necessary.

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

2. Results of Audit

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

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

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

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

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

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

(3) Results of audit of the consolidated financial statements

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

May 13, 2021

Sojitz Corporation Audit & Supervisory Board

Audit & Supervisory Board Member (Full-time)	Junichi Hamatsuka
Audit & Supervisory Board Member (Full-time)	Masaaki Kushibiki
Outside Audit & Supervisory Board Member	Kazunori Yagi
Outside Audit & Supervisory Board Member	Hyo Kambayashi
Outside Audit & Supervisory Board Member	Michiko Nagasawa

Request and Notice to Shareholders

To prevent the spread of COVID-19, we ask for your understanding and cooperation regarding the following measures.

- Please refrain from attending the Ordinary General Shareholders' Meeting and exercise your voting rights in advance either in writing or on the Internet.
- To maintain distance between seats, the number of seats will be limited. Please be aware that not all wishing to attend the meeting may be able to enter the meeting site.
- We will livestream the Ordinary General Shareholders' Meeting so that shareholders may view the proceedings in real time via the Internet.
- No souvenirs or drinks will be provided to shareholders attending the meeting.

Access to the Venue

Date and Time: **10:00 a.m., Friday, June 18, 2021**
(The reception is scheduled to open at 9:00 a.m.)

Place: **Rose Banquet Hall (3F) at Tokyo Kaikan**
2-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
Tel: 03-3215-2111

