July 30, 2024

Company name Sojitz Corporation
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(TSE Code : 2768; TSE Prime Market)
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Notice Regarding Disposal of Treasury Stock through a Third-party Allotment Upon Renewal and Partial Amendments to the System of Performance-Linked Share Remuneration

On July 30, 2024, the Board of Directors at Sojitz Corporation ("Sojitz") passed a resolution to dispose of treasury shares through a third-party allotment upon the renewal and partial amendments to the system of performance-linked share remuneration (the "Disposal") as outlined below.

1. Outline of the Disposal

(1) Date of disposal	August 21, 2024
(2) Class and number of shares to be disposed	538,300 shares of Sojitz's common stock
(3) Disposal price	3,727 yen per share
(4) Total disposal value	2,006,244,100 yen
(5) Method of disposal	Disposal through a third-party allotment
(6) Allottee	The Master Trust Bank of Japan, Ltd. (Director remuneration BIP Trust account: 76293 units)
(7) Other	The Disposal is conditional on the effectiveness of the registration statement filed in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the Disposal

Sojitz, in accordance with the resolution passed at its 21st Ordinary General Shareholders' Meeting held on June 18, 2024, will continue and partially amend the Board Incentive Plan Trust (the "BIP Trust") for Directors and Executive Officers (excluding Independent Directors, Directors who are Audit and Supervisory Committee Members, and non-residents of Japan; collectively "Directors") with the aim of improving Sojitz's business performance over the medium- to long-term and increasing corporate value.

For an overview of the BIP Trust, please reference Sojitz's news release, "Notice Regarding the Renewal and Partial Amendments to the Remuneration System for Directors and Executive Officers upon the Transition to a Company with an Audit and Supervisory Committee" issued on May 1, 2024.

In addition to its resolution to continue and partially amend the BIP Trust, Sojitz has decided to dispose of its treasury stock through a third-party allotment of shares to The Master Trust Bank of Japan, Ltd. (Director remuneration BIP Trust account: 76293 units), a joint trustee of the BIP Trust agreement concluded between Sojitz and Mitsubishi UFJ Trust and Banking Corporation.
In accordance with the Share Delivery Rules, the number of shares to be disposed of has been determined based on the number of shares expected to be provided to Directors during the trust period, and the scale of dilution will be 0,24% of the total outstanding shares (225,000,000 shares) as of March 31, 2024, which account for 0.25% of all the total voting rights (2,163,298 voting rights) as of March 31, 2024 (Both ratios have been rounded off to the second decimal place).
Sojitz shares to be allotted for the Disposal shall be provided to Directors in accordance with the Share Delivery Rules, and it is not expected that the shares resulting from the Disposal will flow into the stock market all at once. Therefore, Sojitz believes that the impact on the stock market will be insignificant and that the number of shares to be disposed of and the scale of dilution is reasonable.

Outline of the Trust Agreement

Type of trust	Money held in a trust other than an individually operated specific money trust (third party benefit trust)
Purpose of the trust	Provision of incentives to Directors
Trustor	Sojitz
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries	Directors who meet beneficiary requirements
Trust administrator	A third party with no vested interest in Sojitz (certified public accountant)
Date of trust agreement	August 3, 2018 (planned to be extended in August 2024)
Trust period	August 3, 2018 – August 31, 2027 (planned)
Start date for system	August 3, 2018
Voting rights	Voting rights will not be exercised

3. The basis for calculation of disposal price and details

In view of recent stock price performance, the disposal price shall be 3,727 yen, the closing price for Sojitz's shares on the Tokyo Stock Exchange ("TSE") on July 29, 2024, which is the business day immediately prior to the date of resolution by the Board of Directors on the Disposal, in order to eliminate arbitrariness. The disposal price was set at the closing price of Sojitz's shares on the TSE on the business day immediately prior to the date of the Board of Directors meeting resolution, as this was the market price immediately prior to the date of the resolution, and Sojitz considered the price to be a highly objective and reasonable basis for calculation.
With respect to the aforementioned disposal price, the Audit and Supervisory Committee (four members, three of whom are Independent Directors) expressed their opinion that the disposal price is legitimate and reasonable as the basis for calculation and did not offer a particular advantage.

4. Procedures in accordance with the Corporate Code of Conduct

The dilution resulting from the Disposal is below 25%, and this disposal does not involve any changes in controlling shareholders. Consequently, Sojitz is not required to execute procedures to obtain an independent third-party opinion and confirm the intent of shareholders as prescribed in Article 432 of the Securities Listing Regulations of the TSE.